

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

**Committee:**

Director Thomas, Chairman  
Director J. Finnegan  
Director Osborne

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

Ex Officio Member: L. Dick

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

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

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

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

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

**PROPOSED BOARD CONSENT CALENDAR ITEMS**

1. TREASURER'S REPORT
  - a. Revenue/Cash Receipt Report – March 2015
  - b. Disbursement Approval Report for the month of April 2015
  - c. Disbursement Ratification Report for the month of March 2015
  - d. GM Approved Disbursement Report for the month of March 2015
  - e. Water Use Efficiency Projects Cash Flow – March 31, 2015
  - f. Consolidated Summary of Cash and Investment – February 2015
  - g. OPEB Trust Fund monthly statement (to be emailed separately)
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the period ending February 28, 2015

3. DISTRICT CONFERENCES - California Drought Conference, April 20-22, 2015, Irvine, CA

### **ACTION ITEMS**

4. ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE

### **DISCUSSION ITEM**

5. REVIEW DRAFT OF THE FY 2015-16 BUDGET

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

6. APPLICATION FOR CSDA'S "DISTRICT OF DISTINCTION"
7. INTERNAL REVENUE SERVICE PAYROLL AUDIT (oral report)
8. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFO
9. DEPARTMENT ACTIVITIES REPORTS
  - a. Administration
  - b. Finance and Information Technology

### **OTHER ITEMS**

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

### **ADJOURNMENT**

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

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

accommodation.

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

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
03/02/15	City of Buena Park	January 2015 Water deliveries	312,518.67
03/02/15	City of La Palma	January 2015 Water deliveries	6,303.93
03/02/15	City of Garden Grove	January 2015 Water deliveries	413,431.54
03/06/15	City of La Habra	January 2015 Water deliveries	14,486.84
03/06/15	Santa Margarita Water District	January 2015 Water deliveries	1,566,686.91
03/06/15	City of Fountain Valley	January 2015 Water deliveries	23,511.14
03/06/15	City of Huntington Beach	January 2015 Water deliveries	798,183.73
03/06/15	City of San Clemente	January 2015 Water deliveries	518,309.85
03/09/15	City of Seal Beach	January 2015 Water deliveries	11,218.90
03/09/15	South Coast Water District	January 2015 Water deliveries	388,438.49
03/10/15	City of Newport Beach	January 2015 Water deliveries	353,991.98
03/11/15	El Toro Water District	January 2015 Water deliveries	542,615.45
03/11/15	City of Westminster	January 2015 Water deliveries	297,745.01
03/12/15	Laguna Beach County Water District	January 2015 Water deliveries	259,387.11
03/12/15	Serrano Water District	January 2015 Water deliveries	530,490.80
03/12/15	City of Orange	January 2015 Water deliveries	542,822.08
03/12/15	Santiago Aqueduct Commission	January 2015 Water deliveries	98,966.75
03/13/15	Orange County Water District	January 2015 Water deliveries	88,295.57
03/13/15	East Orange County Water District	January 2015 Water deliveries	157,092.61
03/13/15	Irvine Ranch Water District	January 2015 Water deliveries	461,003.61
03/13/15	Moulton Niguel Water District	January 2015 Water deliveries	1,714,911.50
03/13/15	Yorba Linda Water District	January 2015 Water deliveries	359,681.33
03/13/15	Golden State Water Company	January 2015 Water deliveries	331,349.28
03/27/15	City of Brea	February 2015 Water deliveries	176,497.50
03/27/15	City of San Clemente	February 2015 Water deliveries	582,708.26
03/30/15	City of Buena Park	February 2015 Water deliveries	253,447.37
03/30/15	Trabuco Canyon Water District	February 2015 Water deliveries	17,409.55

TOTAL REVENUES \$ 10,821,505.76



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

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
03/02/15	Paypal	2/5/15 Water policy dinner	2,993.49
03/06/15	Laguna Beach County Water District	2/5/15 Water policy dinner	640.00
03/02/15	Paypal	7/26/15 Water policy dinner	155.06
03/11/15	Susan Hunt	April 2015 COBRA medical premium	689.89
03/26/15	Stan Sprague	April 2015 Retiree medical premium	212.59
03/26/15	Phil Letrong	Apr-Jun 2015 Retiree medical premium	48.33
03/12/15	Maribeth Goldsby	Movie tickets	16.00
03/16/15	Laura Loewen	Movie tickets	40.00
03/26/15	2 Checks	Movie tickets	256.00
03/09/15	US Bank	CAL Card rebate	543.59
03/13/15	Brett Barbre	Computer buyout	60.62
03/06/15	City of Tustin	Additional Deposit for OC-58 Modifications	4,000.00
03/30/15	City of Buena Park	Overpayment from February 2015 Water deliveries	30.00
03/06/15	City of Tustin	December 2014 Smart Timer rebate program	75.00
03/06/15	City of Fullerton	January 2015 Smart Timer rebate program	75.00
03/12/15	Mesa Water	January 2015 Smart Timer rebate program	55.08
03/16/15	City of Buena Park	December 2014 Turf Removal rebate program	630.00
03/09/15	City of Orange	January 2015 Turf Removal rebate program	2,720.40
03/13/15	City of Garden Grove	January 2015 Turf Removal rebate program	1,338.46
03/16/15	Laguna Beach County Water District	January 2015 Turf Removal rebate program	3,097.98
03/16/15	Trabuco Canyon Water District	January 2015 Turf Removal rebate program	100.00
03/02/15	Moulton Niguel Water District	December 2014 Smart Timer & Turf Removal rebate program	23,710.79
03/13/15	City of Brea	January 2015 Smart Timer & Turf Removal rebate program	8,892.00
03/16/15	Golden State Water Company	January 2015 Smart Timer & Turf Removal rebate program	3,015.00
03/20/15	City of San Clemente	January 2015 Smart Timer & Turf Removal rebate program	2,385.00
03/30/15	City of Buena Park	January 2015 Smart Timer & Turf Removal rebate program	558.52
03/16/15	Golden State Water Company	January 2015 So Cal Watersmart Residential rebate program	1,215.00
03/16/15	Trabuco Canyon Water District	January 2015 So Cal Watersmart Residential rebate program	200.00
03/26/15	Irvine Ranch Water District	January 2015 So Cal Watersmart Residential rebate program	21,578.95
03/26/15	Santa Margarita Water District	January 2015 So Cal Watersmart Residential rebate program	4,753.00
03/26/15	Irvine Ranch Water District	January 2015 Landscape Performance Certification program	750.00
03/02/15	City of Seal Beach	FY 14-15 Choice Program - Value of Water	6,000.00
03/06/15	City of Fullerton	July-December 2014 School billing	5,977.60
03/12/15	Serrano Water District	Addition to the Choice School Program FY 14-15	243.20
03/30/15	Department of Water Resources	Oct 13 - Oct 14 Budget Based Rates	7,659.90

TOTAL MISCELLANEOUS REVENUES \$ **104,716.45**

TOTAL REVENUES \$ **10,926,222.21**



Robert J. Hunter, General Manager



Hilary Chumprazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
	<b>ACWA Joint Powers</b>	
FA-0230320-15	4/1/15-4/1/16 Annual fidelity insurance premium	1,936.00
M005-2015PROP	4/1/15-4/1/16 Annual property insurance premium	1,187.00
	*** Total ***	3,123.00
	<b>Adapt Consulting, Inc.</b>	
21815B	Promotional items for community events	2,049.26
	*** Total ***	2,049.26
	<b>Aleshire &amp; Wynder LLP</b>	
32136	February 2015 Legal services	880.10
	*** Total ***	880.10
	<b>ALTA FoodCraft</b>	
515031306	3/13/15 Coffee & tea supplies	215.74
	*** Total ***	215.74
	<b>Association of Metropolitan Water Agencies</b>	
2015	April-December 2015 Membership	12,003.30
	*** Total ***	12,003.30
	<b>Awards &amp; Trophies Co., Inc.</b>	
12359	Name plate for B. Stock	15.88
	*** Total ***	15.88
	<b>Best Best and Krieger LLP</b>	
55401-FEB15	February 2015 Legal services	14,450.77
	*** Total ***	14,450.77
	<b>City of Buena Park</b>	
CK371458	Refund for overpayment of February 2015 water deliveries	30.00
	*** Total ***	30.00
	<b>California T's</b>	
E17599	14 Embroidered staff t-shirts for outreach events	249.48
	*** Total ***	249.48
	<b>CDM Smith</b>	
80516812/2	January 2015 Engineering services for Water Reliability Investigation	15,289.45
80517718/3	February 2015 Engineering services for Water Reliability Investigation	11,577.50
	*** Total ***	26,866.95

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Finley &amp; Cook</i></b>	
SI0008072	5/22/15 - 5/21/16 Annual maintenance for Serenic financial system	15,609.30
	*** Total ***	15,609.30
	<b><i>Fry's Electronics</i></b>	
20731913	3/13/15 Computer supplies	170.59
	*** Total ***	170.59
	<b><i>GovConnection, Inc.</i></b>	
52299840	2 Toner cartridges & 1 fuser unit for Ricoh color printer	458.27
	*** Total ***	458.27
	<b><i>iWink Studios</i></b>	
2932	Photography services for 13 photos of Directors & GM	1,245.00
	*** Total ***	1,245.00
	<b><i>James C. Barker, P.C.</i></b>	
105-0315	March 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b><i>Lewis Consulting Group, LLC</i></b>	
1398	February 2015 Consulting services	3,250.00
	*** Total ***	3,250.00
	<b><i>Norco Delivery Services</i></b>	
680998	3/7/15 Delivery charges for Board & Committee packets	251.92
	*** Total ***	251.92
	<b><i>Office Solutions</i></b>	
I-00746117	3/10/15 Office supplies	232.19
I-00746372	3/11/15 Office supplies	274.86
I-00748705	3/16/15 Office supplies	235.40
I-00748953	3/17/15 Office supplies	2.74
I-00751276	3/20/15 Office supplies	243.19
I-00753416	3/26/15 Office supplies	12.96
	*** Total ***	1,001.34
	<b><i>County of Orange</i></b>	
PW150243	FY14/15 Cost share for cooperative for the South OC Watershed Management Area	4,248.17
	*** Total ***	4,248.17
	<b><i>Orange County Fast Print</i></b>	
50907	Business cards for B. Stock	59.00
	*** Total ***	59.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Orange County Water District</i></b>	
14872	February 2015 50% of WACO expenses	218.75
14906	February 2015 Postage, shared office & maintenance expense	8,659.86
	*** Total ***	8,878.61
	<b><i>Patricia Kennedy Inc.</i></b>	
20256	April 2015 Plant maintenance	214.00
	*** Total ***	214.00
	<b><i>Staples Advantage</i></b>	
8033469884	2/28/15 Office supplies	65.14
	*** Total ***	65.14
	<b><i>Top Hat Productions</i></b>	
90157	3/19/15 Lunch for Managers' meeting	370.98
	*** Total ***	370.98
	<b><i>Townsend Public Affairs, Inc.</i></b>	
10691	March 2015 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	<b><i>Union Bank, N.A.</i></b>	
910890	December 2014-February 2015 Custodial bank fees	625.00
	*** Total ***	625.00
	<b><i>USA Fact</i></b>	
5022724	2/21/15 New hire background check	23.22
	*** Total ***	23.22
	<b><i>Pauline D. Wennerstrom</i></b>	
032315	April-June 2015 Retiree medical premium	846.45
	*** Total ***	846.45
	<b><i>Total Core Expenditures</i></b>	<hr/> 112,701.47

***Choice Expenditures:***

	<b><i>Chambers Group, Inc.</i></b>	
29568	February 2015 Services for baseline environmental monitoring for Doheny Ocean Desal project	1,610.00
	*** Total ***	1,610.00
	<b><i>Discovery Science Center</i></b>	
022815MWDOC	February 2015 School program	27,210.13
	*** Total ***	27,210.13

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Fraser Communications</i></b>	
15633	February 2015 Services for implementation of Value of Water plan	5,816.25
	*** Total ***	5,816.25
	<b><i>Maureen Erbeznik &amp; Associates</i></b>	
MWDOC-1	Services for evaluating the internal process of the Turf Removal program	5,000.00
	*** Total ***	5,000.00
	<b><i>Top Hat Productions</i></b>	
90181	3/26/15 Lunch for Department of Water Resources' meeting	395.28
	*** Total ***	395.28
	<b><i>Total Choice Expenditures</i></b>	<hr/> 40,031.66
<b><i>Other Funds Expenditures:</i></b>		
	<b><i>AquaFicient Consulting</i></b>	
02-070	February 2015 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	1,500.00
	<b><i>Autumn Print Group</i></b>	
1680	6 Signs printed for the Public Spaces program	207.36
	*** Total ***	207.36
	<b><i>ConserVision Consulting, LLC</i></b>	
LPCP-228	February 2015 Consulting services for Landscape Performance Certification program	7,760.25
	*** Total ***	7,760.25
	<b><i>El Toro Water District</i></b>	
ETWD 001	5/6/14-1/31/15 United Mutual-Laguna Woods Village Toilet Replacement program for 146 HETs installed	11,493.00
	*** Total ***	11,493.00
	<b><i>Hotel Program</i></b>	
Y618413	Newport Channel Inn Hotel program rebate for 31 HETs installed	1,550.00
	*** Total ***	1,550.00
	<b><i>Laguna Beach County Water District</i></b>	
RB001	9/22/14-1/27/15 Rain Barrel Distribution program for 162 barrels distributed	12,150.00
	*** Total ***	12,150.00
	<b><i>Mission RCD</i></b>	
1745	February 2015 Field verifications for Water Use Efficiency rebate programs	21,674.09
	*** Total ***	21,674.09

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Public Spaces Program</b>		
MV02-10-14	City of Mission Viejo Public Spaces program rebate for turf removal project	80,680.00
	*** Total ***	80,680.00
<b>South Coast Water District</b>		
SCWD-14/15-R3	December 2014 Residential Targeted Water Conservation program	8,904.83
SCWD-14/15-R4	January 2015 Residential Targeted Water Conservation program	18,153.00
SCWD-14/15-C1	January 2015 Commercial Targeted Water Conservation program	5,800.00
	*** Total ***	32,857.83
<b>Spray to Drip Program</b>		
S2D-NBCH-1024	Westcliff Capri Condo Association (Newport Beach)	472.80
S2DC-IRWD-1011	Harvard Square Maintenance Association (Irvine)	6,121.80
S2D-GGRV-1013	M. Baca	462.42
S2D-SMWD-1014	R. Adams	175.00
	*** Total ***	7,232.02
<b>Turf Removal Program</b>		
TR5W-BP-1094D	T. Peters	936.76
TR5W-BP-2932531	Y. Kim	1,496.00
TR5-BREA-034	J. Corbett	1,800.00
TR5W-BREA-1023D	G. Chen	1,869.55
TR5W-BREA-2513	E. Kiefer	4,959.00
TR5W-BREA-3017	M. Tasselli	1,320.00
TR5W-BREA-3092	K. Smith	846.00
TR5W-BREA-3200	H. Valenzuela	2,826.00
TR5W-EOCWD-1247	D. Shermer	10,108.00
TR5W-ETWD-1819	F. Brotemarkle	4,540.00
TR5W-ETWD-1839	K. Kremp	3,104.00
TR5W-ETWD-2073	E. Garcia	546.00
TR5-FV-014	C. Townsend	2,392.00
TR5-FV-015	R. McIntyre	2,560.00
TR5W-FV-1013D	B. Grunklee	1,314.00
TR5W-FV-1057D	M. Godfrey	3,084.00
TR5W-FV-1261	P. Rice	2,810.00
TR5W-FV-1457	A. Takakjian	1,140.00
TR5W-FV-1755	S. Evans	1,892.00
TR5W-FV-1895	M. Rekers	2,526.00
TR5W-FV-2346	Cornerstone Christian Fellowship (Fountain Valley)	10,558.00
TR5W-FV-2566	A. Kols	1,270.00
TR5-GG-031	B. Burnam	1,040.00
TR5-GG-036	S. Ballard	2,846.00
TR5W-GG-1001	D. Baca	5,280.00
TR5W-GG-1163	J. Lindholm	998.00
TR5W-GG-1249	J. Powell	3,388.00
TR5W-GG-1857	S. Fischer	1,854.00
TR5-GSWC-068	C. Cole	3,118.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-GSWC-078	C. Featherston	3,278.00
TR5-GSWC-085	A. Simpson	2,274.00
TR5-GSWC-099	F. Lunenfeld	1,734.00
TR5-GSWC-100	G. Dunville	1,704.00
TR5W-GSWC-1167	C. Kim	1,140.00
TR5W-GSWC-1168	P. Morris	4,001.64
TR5W-GSWC-1293	H. McNichols	2,585.77
TR5W-GSWC-1565	R. Lee	890.00
TR5W-GSWC-1742	R. Dorn	1,328.00
TR5W-GSWC-2156	J. Guo	1,730.00
TR5W-GSWC-2578	D. Davisson	930.00
TR5W-GSWC-2649	J. Fenwick	2,204.00
TR5W-GSWC-2902503	J. Marquez	1,840.00
TR5W-GSWC-2912512	T. Chang	720.00
TR5W-GSWC-3022096	A. Zantos	4,598.00
TR5W-GSWC-3188	M. Kay	1,844.00
TR5W-GSWC-3482515	L. Caducoy	2,730.00
TR5-HB-093	B. Gregory	1,082.00
TR5-HB-110	J. Keating	1,310.00
TR5-HB-111	W. Coyle	860.00
TR5-HB-115	M. Shanor	1,222.00
TR5W-HB-1152	D. Owen	3,148.00
TR5W-HB-1219	W. Lewis	906.00
TR5W-HB-1240	C. Levin	1,510.00
TR5W-HB-1920D	D. Hausen	2,623.68
TR5W-HB-2084	Seagate Community Assoc. (Huntington Beach)	3,590.00
TR5W-HB-2331	S. Harford	788.00
TR5W-HB-2368	K. Taylor	2,754.00
TR5W-HB-2574	T. Casanova	3,720.00
TR5W-HB-2651	Beach Villas HOA (Huntington Beach)	3,336.00
TR5W-HB-2661	D. Smith	1,144.00
TR5W-HB-2686	Moonshadow House (Huntington Beach)	1,816.00
TR5W-HB-2962023	J. Unger	768.00
TR5W-HB-3113	M. Wiedrick	1,814.00
TR5W-HB-3165	L. Palmer	784.00
TR5W-HB-3286	J. MacArthur	614.00
TR5-IRWD-185	H. Tran	648.00
TR5-IRWD-264	M. Charles	173.82
TR5-IRWD-318	Imperio Nissan (Irvine)	23,614.00
TR5-IRWD-319	J. Walas	2,234.00
TR5-IRWD-322	G. Wambold	752.00
TR5-IRWD-323	J. Pool	1,518.00
TR5W-IRWD-1072D	S. Nguyen	442.00
TR5W-IRWD-1230	H. Campanozzi	1,540.00
TR5W-IRWD-1673	A. Hami	1,636.00
TR5W-IRWD-1734	P. Haidinyak	632.00
TR5W-IRWD-1861	S. Douglas	852.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-IRWD-2281	T. Han	2,234.00
TR5W-IRWD-2423	R. Netta	834.00
TR5W-IRWD-2426	J. Barazsu	1,036.00
TR5W-IRWD-2432	S. Tase	1,156.00
TR5W-IRWD-2465	P. Kerper	1,408.00
TR5W-IRWD-2519	A. Ellini	500.00
TR5W-IRWD-2549	Sentinel Development (Irvine)	6,370.00
TR5W-IRWD-2582	Alchemy Communications Inc. (Irvine)	2,860.00
TR5W-IRWD-2630	Columbus Grove Community Association (Tustin)	8,428.00
TR5W-IRWD-2632	Columbus Grove Community Association (Tustin)	9,600.00
TR5W-IRWD-2633	Columbus Grove Community Association (Tustin)	16,618.00
TR5W-IRWD-2641	M. Neil	1,784.00
TR5W-IRWD-2663	R. Mulnard	1,634.00
TR5W-IRWD-2720	D. Guzman	536.00
TR5W-IRWD-2747	K. Collins	1,034.00
TR5W-IRWD-2932535	D. Kalili	3,306.00
TR5W-IRWD-3097	P. Jenkins	666.00
TR5W-IRWD-3123	R. Eisen	1,834.00
TR5-LB-022	P. Cherry	994.00
TR5W-LB-2159	C. Gilles	1,704.00
TR5W-LB-2627	L. Morrice	2,025.00
TR5W-LH-2215	R. Scott	1,022.00
TR5-MESA-067	J. Gaffney	2,216.00
TR5-MESA-068	J. Holt	1,122.00
TR5-MESA-071	C. Furuta	1,258.00
TR5W-MESA-1223	D. Cunko	1,974.00
TR5W-MESA-1449DIFF	K. Tacony	687.97
TR5W-MESA-2104	W. Ellis	2,956.47
TR4-MN-014	D. Hadfield	400.00
TR5-MNT-138	A. Cantarini	4,932.00
TR5-MNT-184	R. Alvey	1,920.00
TR5-MNT-198	D. Fields	1,890.00
TR5-MNT-204	J. Greenwood	1,500.00
TR5W-MNT-1277D	D. Linn	3,775.00
TR5W-MNT-1434	City of Mission Viejo	17,165.00
TR5W-MNT-1700	D. Keenawinna	9,490.00
TR5W-MNT-1897	Village Niguel Gardens HOA (Laguna Niguel)	16,870.00
TR5W-MNT-2186	B. Herrera	1,035.16
TR5W-MNT-2247	B. Sutton	4,044.00
TR5W-MNT-2275	E. Devaney	2,880.00
TR5W-MNT-2319	A. Ahdab	2,271.50
TR5W-MNT-2328	T. Brannon	3,532.00
TR5W-MNT-2395	T. Ball	10,935.00
TR5W-MNT-2414	L. Jackson	6,865.00
TR5W-MNT-2495	M. Bardwell	2,688.00
TR5W-MNT-2509	C. Bull	6,577.50
TR5W-MNT-2527	G. Irmen	1,305.00



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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-MNT-2529	M. Sillo	2,788.00
TR5W-MNT-2560	B. Camarata	6,480.00
TR5W-MNT-2570	N. Gibbs	3,500.00
TR5W-MNT-2583	P. Roche	4,405.00
TR5W-MNT-2591	K. Cyrot	1,840.00
TR5W-MNT-2672	J. Belles	3,475.50
TR5W-MNT-2688	T. Oblak	2,182.22
TR5W-MNT-2704	P. Wood	3,030.00
TR5W-MNT-2705	D. Mai	2,405.00
TR5W-MNT-2743	C. McClung	2,064.50
TR5W-MNT-2751	J. Mah	2,079.00
TR5W-MNT-2972034	A. Aykanian	3,825.00
TR5W-MNT-2972039	Baja Finistera Condo Assn. (Mission Viejo)	59,062.50
TR5W-MNT-2992052	R. Thornton	1,386.00
TR5W-MNT-3004	C. Iseley	1,885.00
TR5W-MNT-3014	R. Murray	2,180.00
TR5W-MNT-3018	F. Columbus	5,134.00
TR5W-MNT-3038	D. Spangler	4,695.00
TR5W-MNT-3129	L. Michael	1,710.00
TR5W-MNT-3140	D. Nguyen	1,014.98
TR5W-MNT-3159	D. Childers	2,540.00
TR5W-MNT-3193	S. Borland	3,145.00
TR5W-MNT-3279	W. Siener	3,095.00
TR5-NWPT-006	R. Wilson	1,324.00
TR5-NWPT-014	M. Lyle	2,788.00
TR5W-NWPT-1497	E. Marking	1,270.00
TR5W-NWPT-2709	C. Coleman	506.00
TR5W-NWPT-3127	V. Chen	456.00
TR5W-NWPT-3201	Westcliff Capri Condo Association (Newport Beach)	4,728.00
TR5-O-035	J. Rhoads	3,089.23
TR5W-O-066	R. Veyna	1,656.00
TR5W-O-1002D	J. Hatchell	2,542.00
TR5W-O-2314	K. Shader	860.00
TR5W-O-2359	E. Colshan	2,592.00
TR5W-O-2581	K. Dunagan	1,224.00
TR5W-O-2696	T. Greenwald	1,078.00
TR5W-O-2912513	M. Phillips	1,764.00
TR5W-O-2962015	M. Daze	2,376.00
TR5W-SB-2614	R. Alexander	7,486.00
TR5-SC-066	S. Anderson	6,078.00
TR5-SC-078	C. Smith	2,252.00
TR5-SC-079	H. Heersema	1,160.00
TR5-SC-090	R. Standridge	644.00
TR5-SC-101	L. Jenkins	564.00
TR5W-SC-2242	S. Cameron	1,088.00
TR5W-SC-2365	L. Yang	4,802.71
TR5W-SC-2421	D. Stiff	2,290.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-SC-2564	J. Thurman	826.00
TR5W-SC-2565	D. Crown	152.00
TR5W-SC-3042	M. Blake	3,042.00
TR5-SJC-025	M. Roberts	7,736.00
TR5-SJC-040	Golf Villas of Marbella Association (San Juan Capistrano)	659.82
TR5-SJC-043	A. Meinke	1,056.00
TR5-SJC-049	Golf Villas of Marbella Association (San Juan Capistrano)	957.28
TR5-SJC-051	R. Rosen	870.00
TR5-SJC-060	T. Wyckoff	7,880.00
TR5W-SJC-1076D	J. Peshkin	910.00
TR5W-SJC-1110	Trabuco Hills 05, LLC (San Juan Capistrano)	3,206.00
TR5W-SJC-1157	R. Clyde	232.00
TR5W-SJC-1295	L. Hempen	13,470.00
TR5W-SJC-1757	B. Smith	856.00
TR5W-SJC-2226	J. Tellam	1,236.00
TR5W-SJC-2288	T. Connor	744.00
TR5W-SJC-2444	L. Yuh	2,192.00
TR5W-SJC-2493	R. Young	2,196.00
TR5W-SJC-2555	J. McMackin	2,016.00
TR5W-SJC-3150	R. Brenneman	806.00
TR5-SM-163	L. Smith	712.00
TR5-SM-175	S. Apat	272.00
TR5-SM-177	P. Nassar	1,244.00
TR5-SM-182	D. Archambault	1,006.00
TR5W-SM-1108D	B. Gossage	938.00
TR5W-SM-1440	R. Rutowski	1,572.00
TR5W-SM-1554	J. Beadles	3,974.00
TR5W-SM-1712	J. Jacobs	1,082.00
TR5W-SM-2187	D. David	3,008.00
TR5W-SM-2375	Terra Linda Homeowners Association (Rancho Santa Margarita)	2,530.00
TR5W-SM-2499	Canyon Estates Community Association (Mission Viejo)	6,890.00
TR5W-SM-2500	Canyon Estates Community Association (Mission Viejo)	13,160.00
TR5W-SM-2521	P. Karl	800.00
TR5W-SM-2561	N. Ambrose	650.00
TR5W-SM-2673	M. O'Neill	1,108.00
TR5W-SM-2718	A. Petering	1,712.00
TR5W-SM-2723	B. Remington	2,478.00
TR5W-SM-3020	D. Pearson	2,002.00
TR5W-SM-3045	B. Li	606.00
TR5W-SM-3142	R. Davis	1,162.00
TR5W-SM-3207	S. Short	1,252.00
TR5W-SM-3213	M. Earnest	642.00
TR5W-SM-3232514	O. Rodriguez	594.00
TR5W-SM-3272	B. Lee	1,010.00
TR5W-SM-3287	M. Normandin	562.00
TR5-SOCO-069	D. McCormick	544.00
TR5W-SOCO-1914D	D. Menge	1,064.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-SOCO-2554	Crystal Cove at Dana Point HOA (Dana Point)	2,852.00
TR5W-SOCO-2590	T. Tedder	670.00
TR5W-SOCO-2643	E. Barnes	1,212.00
TR5W-SOCO-2658	R. Gehling	550.00
TR5W-SOCO-2716	E. Davis	976.00
TR5W-SOCO-2735	L. Bassett	2,464.00
TR5W-SUB-2404	A. Beck	1,280.00
TR5W-SWD-3157	R. Johnston	2,992.00
TR5-TUST-007	J. Hopkins	908.00
TR5-TUST-016	D. Pooler	737.33
TR5W-TUST-1377	G. Pinson	3,372.00
TR5W-TUST-1408	D. Andre	2,500.00
TR5W-TUST-2479	P. DePerez	1,348.00
TR5W-TUST-2717	S. Ork	3,486.00
TR5-WEST-010	J. Westrup	1,002.00
TR5W-WEST-2303	V. Ngo	2,038.00
TR5W-WEST-3023	A. White	4,800.00
TR5W-YLWD-1346	R. Ballesteros	3,012.00
TR5W-YLWD-2192	A. Yalda	1,362.00
TR5W-YLWD-2285	A. Cannon	2,162.00
TR5W-YLWD-2600	D. Bowley	1,452.00
TR5W-YLWD-2689	P. Han	2,134.00
TR5W-YLWD-3049	S. Shantar	2,470.00
TR5W-YLWD-3086	A. Viserto	1,562.00
	*** Total ***	693,154.89
	<b>URS</b>	
6208052	December 2014 Professional services for Industrial Process Water Use Reduction program	2,325.00
	*** Total ***	2,325.00
	<b>Total Other Funds Expenditures</b>	<hr/> 872,584.44
	<b>Total Expenditures</b>	<hr/> <hr/> 1,025,317.57

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
127682	3/4/15	TIMEWA 5210-MAR15	<b>Time Warner Cable</b> March 2015 Telephone and internet expense	944.88
			***Total ***	944.88
ACH001344	3/13/15	BARBCO FEB2015	<b>Brett Barbre</b> February 2015 MET Director's compensation	2,565.50
			***Total ***	2,565.50
ACH001345	3/13/15	BAUMHA 022815	<b>Melissa Baum-Haley</b> February 2015 Business expense	365.07
			***Total ***	365.07
ACH001346	3/13/15	BERGJO 022715	<b>Joseph Berg</b> February 2015 Business expense	332.98
			***Total ***	332.98
	3/13/15	DELATO	<b>Harvey De La Torre</b>	
ACH001349		022215	February 2015 Business expense	190.80
ACH001350		022815	February 2015 Business expense	68.23
			***Total ***	259.03
	3/13/15	DICKCO/DICKEY	<b>Larry Dick</b>	
ACH001351		FEB2015	February 2015 MET Director's compensation	1,795.85
ACH001352		022815	February 2015 Business expense	120.20
			***Total ***	1,916.05
	3/13/15	BAEZHE	<b>Heather Baez</b>	
ACH001357		022615	February 2015 Business expense	718.76
ACH001358		022715	February 2015 Business expense	130.72
			***Total ***	849.48
ACH001359	3/13/15	HINMAN 022815	<b>Susan Hinman</b> February 2015 Business expense	299.69
			***Total ***	299.69
ACH001362	3/13/15	MCKECO FEB2015	<b>Larry B. McKenney</b> February 2015 MET Director's compensation	2,565.50
			***Total ***	2,565.50

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

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
	<b>3/13/15</b>	<b>OUWERK</b>	<b>Jessica H. Ouwerkerk</b>	
ACH001368		013115	January 2015 Business expense	146.75
ACH001369		022815	February 2015 Business expense	188.87
			***Total ***	335.62
	<b>3/13/15</b>	<b>HUNTER</b>	<b>Robert J. Hunter</b>	
ACH001371		022615	February 2015 Business expense	61.47
			***Total ***	61.47
	<b>3/13/15</b>	<b>THOMAS</b>	<b>Jeffery Thomas</b>	
ACH001373		022815	February 2015 Business expense	109.25
			***Total ***	109.25
	<b>3/13/15</b>	<b>VERIZO</b>	<b>Verizon Wireless</b>	
ACH001376		9741132441	February 2015 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
	<b>3/16/15</b>	<b>ACKEEX/ACKECO</b>	<b>Linda Ackerman</b>	
127722		022015	February 2015 Business expense	64.40
127723		FEB2015	February 2015 MET Director's compensation	2,565.50
			***Total ***	2,629.90
	<b>3/16/15</b>	<b>DINHPA</b>	<b>Patrick Dinh</b>	
127729		032315	February-March 2015 Business expense	51.75
			***Total ***	51.75
	<b>3/16/15</b>	<b>C3OFFI</b>	<b>C3 Office Solutions LLC</b>	
127726		INV35834	March 2015 Canon copier maintenance	238.39
			***Total ***	238.39
	<b>3/16/15</b>	<b>IRONMO</b>	<b>Iron Mountain</b>	
127736		LFL3200	March 2015 Storage/retrieval of archived documents	446.18
			***Total ***	446.18
	<b>3/16/15</b>	<b>HOSTER</b>	<b>Kevin Hostert</b>	
127738		022815	February 2015 Business expense	81.65
			***Total ***	81.65
	<b>3/16/15</b>	<b>TIMEWA</b>	<b>Time Warner Cable</b>	
127754		3564-MAR15	March 2015 Telephone expense for 4 analog fax lines	140.06
			***Total ***	140.06

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>127757</b>	<b>3/19/15</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783/6533-FEB15	12/22/14-1/22/15 Cal Card charges	9,315.62
			***Total ***	9,315.62
			(See attached sheet for details)	
<b>128258</b>	<b>3/31/15</b>	<b>DINHPA</b>	<b>Patrick Dinh</b>	
		032415	March 2015 Business expense	20.13
			***Total ***	20.13
<b>128259</b>	<b>3/31/15</b>	<b>RAMIRE</b>	<b>Sergio Ramirez</b>	
		031615	March 2015 Business expense	31.63
			***Total ***	31.63
<b>ACH001378</b>	<b>3/31/15</b>	<b>BACATI</b>	<b>Tiffany Baca</b>	
		022515	February 2015 Business expense	63.22
			***Total ***	63.22
	<b>3/31/15</b>	<b>BURKED</b>	<b>Darcy M. Burke</b>	
<b>ACH001379</b>		022015	February 2015 Business expense	191.51
<b>ACH001380</b>		032015	March 2015 Business expense	179.90
			***Total ***	371.41
<b>ACH001383</b>	<b>3/31/15</b>	<b>FAHLBE</b>	<b>Beth Fahl</b>	
		033115	March 2015 Business expense	31.98
			***Total ***	31.98
<b>ACH001384</b>	<b>3/31/15</b>	<b>CHUMPI</b>	<b>Hilary Chumpitazi</b>	
		022815	February 2015 Business expense	112.98
			***Total ***	112.98
<b>Total Core Disbursements</b>				<b>24,177.43</b>

**Choice Disbursements:**

<b>ACH001355</b>	<b>3/13/15</b>	<b>FAHLBE</b>	<b>Beth Fahl</b>	
		022715	February 2015 Business expense	36.16
			***Total ***	36.16
<b>127757</b>	<b>3/19/15</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783-FEB15B	1/22/15-2/23/15 Cal Card charges	153.31
			***Total ***	153.31
			(See attached sheet for details)	

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>128261</b>	<b>3/31/15</b>	<b>SDGE</b>	<b>San Diego Gas and Electric</b>	
		7768-MAR15	2/19/15-3/22/15 Electrical service for Doheny Ocean Desal project	229.35
			***Total ***	229.35
			<b>Total Choice Disbursements</b>	<b>418.82</b>
<b>Other Funds Disbursements:</b>				
<b>127681</b>	<b>3/4/15</b>	<b>ATTEOC</b>	<b>AT&amp;T</b>	
		4492-FEB15	February 2015 S. EOC telephone expense	273.79
		8200-FEB15	February 2015 N. EOC telephone expense	214.88
		0532-FEB15	February 2015 N. EOC Dedicated phone line	56.58
			***Total ***	545.25
<b>127725</b>	<b>3/16/15</b>	<b>ATTUVEOC</b>	<b>AT&amp;T</b>	
		8599-MAR15	March 2015 U-verse internet service for N. EOC	45.00
			***Total ***	45.00
<b>127734</b>	<b>3/16/15</b>	<b>HUBBAR</b>	<b>Kelly Hubbard</b>	
		013115	January 2015 Business expense	55.11
		022815	February 2015 Business expense	165.08
			***Total ***	220.19
<b>WIRE-150330</b>	<b>3/30/15</b>	<b>METWAT</b>	<b>Metropolitan Water District</b>	
		8260	January 2015 Water deliveries	9,016,774.60
			***Total ***	9,016,774.60
<b>128256</b>	<b>3/31/15</b>	<b>ATTEOC</b>	<b>AT&amp;T</b>	
		4492-MAR15	March 2015 S. EOC telephone expense	226.86
		8200-MAR15	March 2015 N. EOC telephone expense	166.05
		0532-MAR15	March 2015 N. EOC Dedicated phone line	56.59
			***Total ***	449.50
<b>128257</b>	<b>3/31/15</b>	<b>CATALI</b>	<b>Catalina Island Conservancy</b>	
		11207	March 2015 WEROC radio repeater site lease	1,558.54
			***Total ***	1,558.54
<b>ACH001392</b>	<b>3/31/15</b>	<b>SANTAM</b>	<b>Santa Margarita Water District</b>	
		JAN2015	January 2015 SCP Operation surcharge	17,786.70
			***Total ***	17,786.70

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001394	3/31/15	SPRINT 320982721-127	Sprint March 2015 WEROC cell phone expense	42.20
			***Total ***	42.20
			<b>Total Other Funds Disbursements</b>	<u>9,037,421.98</u>
			<b>Total Disbursements</b>	<u><u>9,062,018.23</u></u>

  
Robert J. Hunter, General Manager

  
Hilary Chummitazi, Treasurer



**Cal Card Statement Detail**  
**Statement Date: February 23, 2015**  
**Payment Date: March 19, 2015**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
01/20/15	1 Toner cartridge - Refunded	\$ (40.72)
01/22/15	OneStop! employment advertising for WUE Student Intern position	220.00
01/22/15	UC Irvine Extension class for K. Davanaugh	590.00
01/23/15	Computer supplies	120.54
01/23/15	California Urban Water Conservation Council meeting in Sacramento, CA on Feb. 11, 2015 - Airfare for J. Berg	193.70
01/26/15	Orange County Business Council Advocacy trip in Sacramento, CA from Feb. 23-24, 2015 - Registration for H. Baez	950.00
01/27/15	Get well flowers	77.74
01/27/15	International Personnel Management Association annual membership for C. Harris	107.00
01/27/15	Orange County Water Association annual membership for R. Bell	50.00
01/27/15	UPS delivery charges for Board & Committee packets on Jan. 15, 2015	58.12
01/27/15	California Society of Municipal Finance Officers meeting in Irvine, CA on Feb. 26, 2015 - Registration for H. Chumpitazi	30.00
01/28/15	1 Recording microphone	49.04
01/29/15	Orange County Water Association meeting in Irvine, CA on Feb. 18, 2015 - Registration for Director McKenney	30.00 <span style="border: 1px solid black; padding: 0 2px;">1</span>
02/02/15	Orange County Water Association annual membership for Director McKenney	50.00 <span style="border: 1px solid black; padding: 0 2px;">1</span>
02/02/15	Brown and Caldwell employment advertising for Public Affairs Manager position	200.00
02/03/15	UPS delivery charges for Board & Committee packets on Jan. 28, 2015	57.00
02/03/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Airfare for K. Seckel	140.20
02/03/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Airfare for Director Tamaribuchi	595.03
02/04/15	3/1/15-2/28/16 Annual maintenance for binding machine	645.00
02/05/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Refund for canceled accommodations for Director Tamaribuchi, R. Hunter & H. Baez	(2,487.93)
02/06/15	Capitol Weekly Water 2015 conference in Sacramento, CA on Feb. 19, 2015 - Registration for H. Baez	199.00
02/09/15	Monthly license fee for Adobe Creative Cloud software	119.97
02/10/15	UPS delivery charges for Board & Committee packets on Jan. 16 & 30, 2015	64.76
02/10/15	Capitol Weekly Water 2015 conference in Sacramento, CA on Feb. 19, 2015 - Airfare for H. Baez	398.20
02/11/15	FedEx delivery charges to Eastern Research Group on Feb. 9, 2015	153.31
02/11/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Registration for K. Seckel	695.00

**Cal Card Statement Detail**  
**Statement Date: February 23, 2015**  
**Payment Date: March 19, 2015**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
02/11/15	Lunch for Local Resources Program meeting	160.66
02/12/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Registration for Director Hinman	695.00
02/12/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Registration for R. Hunter	695.00
02/12/15	Brown and Caldwell employment advertising for Public Affairs Value of Water Assistant position	200.00
02/13/15	Jobtarget employment advertising for Public Affairs Manager position	350.00
02/13/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Airfare ticket exchange for R. Hunter	34.80
02/13/15	Legislative activities in Washington, DC from Feb. 11-13, 2015 - Accommodations for Director Barbre	760.58 <span style="border: 1px solid black; padding: 0 2px;">2</span>
02/13/15	California Association of Public Information Officials ad for Public Affairs Manager position	225.00 <span style="border: 1px solid black; padding: 0 2px;">3</span>
02/14/15	FedEx delivery charges to Director Barbre in Washington, DC on Feb. 11, 2015	64.20
02/17/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Registration for H. Baez	225.00
02/17/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Registration for Director Tamaribuchi	225.00
02/17/15	UPS delivery charges for Board & Committee packets on Feb. 5 & 6, 2015	70.65
02/17/15	1 High security paper shredder	93.25
02/17/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Airfare for Director Tamaribuchi	261.20
02/18/15	UC Irvine Extension class for K. Davanaugh - Refund for cancellation	(565.00)
02/18/15	American Water Works Association Sustainable Water Management conference in Portland, OR from Mar. 16-18, 2015 - Registration for M. Baum-Haley	355.00
02/18/15	American Water Works Association Sustainable Water Management conference in Portland, OR from Mar. 16-18, 2015 - Airfare for M. Baum-Haley	382.70
02/18/15	Capitol Weekly Water 2015 conference in Sacramento, CA on Feb. 19, 2015 - Airfare ticket exchange for H. Baez	56.00
02/19/15	FedEx delivery charges for DC briefing information and displays on Feb. 19, 2015	413.05
02/19/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Registration for Director Tamaribuchi	695.00
02/19/15	South Orange County Regional Chamber of Commerce Economic Report meeting in Mission Viejo, CA on Feb. 27, 2015 - Registration for Director Dick	40.00

**Cal Card Statement Detail**  
**Statement Date: February 23, 2015**  
**Payment Date: March 19, 2015**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
02/21/15	Packaging supplies	22.67
	<b>Total</b>	<b><u>\$ 8,724.72</u></b>

- ☐ 1 MET Director expenses to be reimbursed by MET
- ☐ 2 Director Barbre reimbursed MWDOC \$253.92
- ☐ 3 Overcharged for employment ad, \$200.00 refund received 3/5/15

**R. Hunter Card**

1/21/15-02/23/15	Meals for R. Hunter's meetings on various dates	\$ 524.56
02/01/15	15 Management books	219.65
	<b>Total</b>	<b><u>\$ 744.21</u></b>

**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of March 2015**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Expenditures:</b>				
127745	3/16/15	AYALAS 030615	Sam Ayala March 2015 Atrium landscape maintenance	95.00
			***Total ***	95.00
ACH001393	3/31/15	SPECIAL 50318	Special Dist. Risk Mgmt. Auth. April-June 2015 Workers' compensation insurance premium	3,816.00
			***Total ***	3,816.00
			<b>Total Core Disbursements</b>	<u>3,911.00</u>
<b>Choice Expenditures:</b>				
127731	3/16/15	FRASER 15636	Fraser Communications 50% Deposit for production services to implement Value of Water Plan	12,500.00
			***Total ***	12,500.00
			<b>Total Choice Disbursements</b>	<u>12,500.00</u>
<b>Other Funds Expenditures:</b>				
ACH001393	3/31/15	SPECIAL 50318	Special Dist. Risk Mgmt. Auth. April-June 2015 Workers' compensation insurance premium	172.00
			***Total ***	172.00
			<b>Total Other Funds Disbursements</b>	<u>172.00</u>
			<b>Total Disbursements</b>	<u><u>16,583.00</u></u>



Robert J. Hunter, General Manager



Hilary Chumbitazi, Treasurer

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

**Municipal Water District of Orange County**  
**WATER USE EFFICIENCY PROJECTS**  
**Cash Flow as of 3/31/15**

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
<b>Cash - Beginning Balance</b>	\$ 219,916.10	\$ 150,103.91	\$ 117,766.90	\$ (72,152.50)	\$ (515,391.87)	\$ (1,608,304.88)	\$ (1,748,879.69)	\$ (2,229,156.18)	\$ (4,265,160.42)	\$ (5,374,569.39)	\$ (5,374,569.39)	\$ (5,374,569.39)	
<b>REVENUES:</b>													
BUREC					160,398.14								\$ 160,398.14
City of Brea	3,448.00	328.00	69.00	2,812.00	1,164.00	663.00		10,742.69	8,892.00				\$ 28,118.69
City of Buena Park						810.00		105.00	1,188.52				\$ 2,103.52
City of Fountain Valley				75.00			399.00						\$ 474.00
City of Fullerton	75.00	75.00	346.30	955.93	468.30	150.00		303.10	75.00				\$ 2,448.63
City of Garden Grove		255.00	810.00	292.68	1,755.00	2,715.26	630.00	2,205.00	1,338.46				\$ 10,001.40
City of Huntington Beach				433.85	75.00	279.09		144.00					\$ 931.94
City of La Habra		105.00		105.00		840.00	744.00	528.18					\$ 2,322.18
City of San Clemente	600.00	1,965.00	2,145.00	1,449.98	3,575.29	4,695.00	1,845.00	3,150.00	2,385.00				\$ 21,810.27
City of San Juan Capistrano	105.00	735.00		1,470.00		4,140.00	1,785.00	2,636.35					\$ 10,871.35
City of Santa Ana		157.68			369.00								\$ 526.68
City of Tustin				225.00			300.00		75.00				\$ 600.00
City of Newport Beach					300.00	189.00		144.00					\$ 633.00
City of Orange	630.00	1,050.00	1,020.00	1,655.49	3,228.00	2,615.48	2,254.34	2,843.66	2,720.40				\$ 18,017.37
City of Westminster		19.97		34.44									\$ 54.41
Department of Water Resources									7,659.90				\$ 7,659.90
El Toro Water District	2,703.99	2,717.00	1,576.00	6,802.99	2,996.79	3,048.00	2,646.52	1,354.55					\$ 23,845.84
East Orange County Water District						91.61							\$ 91.61
Golden State Water Company	2,671.00	3,493.93	3,350.00	2,589.58	6,447.10	4,170.10		14,477.39	4,230.00				\$ 41,429.10
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19	47,252.20	47,503.28	87,209.17	6,462.00	1,500.00	22,328.95				\$ 347,883.31
Laguna Beach County Water District	328.00	1,130.00		885.00		3,237.00	210.00	642.00	3,097.98				\$ 9,529.98
Mesa Water District		225.00	75.00	225.00	225.00	84.98	75.00	75.00	55.08				\$ 1,040.06
Metropolitan Water District		142,191.56	1,183.00	11,158.91		241,505.68		54,391.59	1,177,019.97				\$1,627,450.71
Moulton Niguel Water District			789.98	144.00		19,737.78	88,537.25	49,215.05	23,710.79				\$ 182,134.85
Santa Margarita Water District	1,092.20	4,782.20			5,299.96	37,784.70		4,481.78	4,753.00				\$ 58,193.84
South Coast Water District	75.00	225.00		150.00	75.00	75.00	75.00	150.00					\$ 825.00
Trabuco Canyon Water District					100.00	525.00	1,242.50	400.00	300.00				\$ 2,567.50
Yorba Linda Water District			213.00	351.00	645.00		516.10	894.00					\$ 2,619.10
<b>Miscellaneous Revenues</b>													
Miscellaneous	5,950.50			1,861.01									7,811.51
Interest Revenue	171.77			81.72									253.49
<b>Total Revenues</b>	<b>83,233.51</b>	<b>188,359.81</b>	<b>52,917.47</b>	<b>81,010.78</b>	<b>234,624.86</b>	<b>414,565.85</b>	<b>107,721.71</b>	<b>150,383.34</b>	<b>1,259,830.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,572,647.38</b>
<b>EXPENDITURES:</b>													
Aquaficient	1,500.00	1,500.00		3,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00				13,500.00
Autumn Print Group									104.38				104.38
Conservation Consulting, LLC	7,544.25	7,411.50		13,663.25	7,089.75		12,756.25	7,058.25	7,571.25				63,094.50
City of Newport Beach	2,968.00												2,968.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92	27,674.40			12,050.00	27,870.00					72,746.32
Immersive Media					839.99								839.99
Industrial Program						94,197.34							94,197.34
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20				56,442.29		61,593.48						126,023.97
MESA	2,119.50												2,119.50
Mission RCD	6,485.80	12,988.02	14,006.16	30,794.12	37,228.41	30,993.55	19,203.82	26,098.08	22,540.27				200,338.23
Quick Signs				1,973.27	1,517.65	63.50							3,554.42
South Coast Water District									3,600.00				3,600.00
Spray to Drip program		975.00	10,100.26	2,852.56	3,471.96	8,243.91	3,153.68	55,257.47	4,075.99				88,130.83
Survey Gizmo				675.00									675.00
Turf Removal	108,189.95	183,408.30	197,345.22	442,202.55	1,218,032.82	416,787.48	477,044.53	2,066,891.06	2,325,922.13				7,435,824.04
URS		12,580.00		1,415.00	1,415.00	2,765.00			1,415.00				19,590.00
Waterwise Consulting		1,250.00	1,250.00						2,510.00				5,010.00
<b>Miscellaneous Expenses</b>													
Interest Expense							696.44						696.44
Salary & Benefit			14,983.31			589.88		1,712.72					17,285.91
<b>Total Expenditures</b>	<b>153,045.70</b>	<b>220,696.82</b>	<b>242,836.87</b>	<b>524,250.15</b>	<b>1,327,537.87</b>	<b>555,140.66</b>	<b>587,998.20</b>	<b>2,186,387.58</b>	<b>2,369,239.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$8,167,132.87</b>
<b>Cash - Ending Balance</b>	<b>\$ 150,103.91</b>	<b>\$ 117,766.90</b>	<b>\$ (72,152.50)</b>	<b>\$ (515,391.87)</b>	<b>\$ (1,608,304.88)</b>	<b>\$ (1,748,879.69)</b>	<b>\$ (2,229,156.18)</b>	<b>\$ (4,265,160.42)</b>	<b>\$ (5,374,569.39)</b>	<b>\$ (5,374,569.39)</b>	<b>\$ (5,374,569.39)</b>	<b>\$ (5,374,569.39)</b>	





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

February 28, 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)

Larry D. Dick  
*President*

Wayne S. Osborne  
*Vice President*

Brett R. Barbre  
*Director*

Sat Tamaribuchi  
*Director*

Joan C. Finnegan  
*Director*

Susan Hinman  
*Director*

Jeffery M. Thomas  
*Director*

Robert J. Hunter  
*General Manager*

### MEMBER AGENCIES

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,243,422	27.95%
Grant & Project Cash Flow	1,000,000	12.46%
Building Repair	239,491	2.98%
Total Designated Reserves	3,482,913	43.39%
General Fund	4,809,886	59.91%
Water Fund	3,641,129	45.35%
Conservation Fund	(4,263,448)	-53.11%
Desalination Feasibility Study Fund	222,385	2.77%
WEROC Fund	134,557	1.68%
Trustee Activities	562	0.01%
<b>Total</b>	<b>\$8,027,984</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	2.78%	\$223,215	\$223,215
Short-term investment			
• LAIF	0.37%	\$29,714	\$29,714
• OCIP	58.22%	4,673,428	4,673,428
Long-term investment			
• Misc. Securities	18.70%	1,501,627	1,525,927
• Certificates of Deposit	13.70%	1,100,000	1,097,023
• Federal Agency Issues	6.23%	500,000	499,775
<b>Total</b>	<b>100.00%</b>	<b>\$8,027,984</b>	<b>\$8,049,082</b>

The average number of days to maturity/call as of February 28, 2015 equaled 207 and the average yield to maturity is 1.161%. During the month, the District's average daily balance was \$18,413,075.78. 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 February 2015.

The \$21,098 difference between the book value and the market value on February 28, 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



WATER: DO MORE WITH LESS

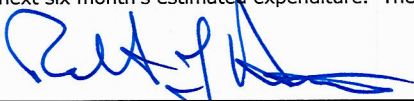
## Portfolio Management - Portfolio Summary

February 28, 2015

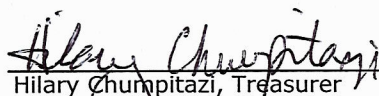
2/28/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,097,023.00	1,100,000.00	14.10	1111	1.459
Federal Agency Issues - Step Up	500,000.00	499,775.00	500,000.00	6.41	61	1.737
Local Agency Investment Funds	29,713.72	29,713.72	29,713.72	0.38	1	0.266
Miscellaneous Securities - Coupon	1,500,000.00	1,525,927.50	1,501,627.27	19.22	238	3.122
Orange County Investment Pool	4,673,427.40	4,673,427.40	4,673,427.40	59.89	1	0.405
<b>Total Investments</b>	<b>7,803,141.12</b>	<b>7,825,866.62</b>	<b>7,804,768.39</b>	<b>100.00%</b>	<b>207</b>	<b>1.161</b>
<b>Cash</b>						
Passbook Checking	223,215.20	223,215.20	223,215.20		1	0.00
<b>Total Cash and Investments</b>	<b>8,026,356.32</b>	<b>8,049,081.82</b>	<b>8,027,983.59</b>		<b>207</b>	<b>1.161</b>

Total Earnings	Month Ending February	Fiscal Year to Date
Current Year	8,249.92	84,093.33
Average Daily Balance	18,413,075.78	
Effective Rate of Return	1.161%	

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

  
Robert J. Hunter, General Manager

3-31-15  
Date

  
Hilary Chummitazi, Treasurer

3/30/15  
Date

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**February 28, 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	249,110.00	250,000.00	1.150	1.150	877	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	248,770.00	250,000.00	1.600	1.600	1241	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	249,105.00	250,000.00	1.200	1.200	878	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,053.00	100,000.00	1.050	1.050	695	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,985.00	250,000.00	2.050	2.050	1613	7/30/2019
<b>Sub Total</b>			<b>1,100,000.00</b>	<b>1,097,023.00</b>	<b>1,100,000.00</b>	<b>1.459</b>	<b>1.459</b>	<b>1111</b>	
<b>Miscellaneous Securities - Coupon</b>									
Bank of America	06051GED7	10/14/2010	250,000.00	253,562.50	250,817.61	3.700	3.000	185	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	252,200.00	250,519.71	3.400	2.700	116	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	511,380.00	500,471.67	3.125	3.007	317	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	508,785.00	499,818.28	3.450	3.508	247	11/2/2015
<b>Sub Total</b>			<b>1,500,000.00</b>	<b>1,525,927.50</b>	<b>1,501,627.27</b>	<b>3.375</b>	<b>3.122</b>	<b>238</b>	
<b>Federal Agency Issues - Step Up</b>									
Federal Home Ln Mtg Corp	3134G5XZ3	1/30/2015	500,000.00	499,775.00	500,000.00	0.500	1.737	61	1/30/2018
<b>Sub Total</b>			<b>500,000.00</b>	<b>499,775.00</b>	<b>500,000.00</b>	<b>0.50</b>	<b>1.737</b>	<b>61</b>	
<b>Total Investments</b>			<b>3,100,000.00</b>	<b>3,122,725.50</b>	<b>3,101,627.27</b>	<b>2.231</b>	<b>2.308</b>	<b>519</b>	
<b>Total Earnings</b>									
			<b>Month Ending February</b>		<b>Fiscal Year To Date</b>				
Current Year			4,952.27		51,867.07				

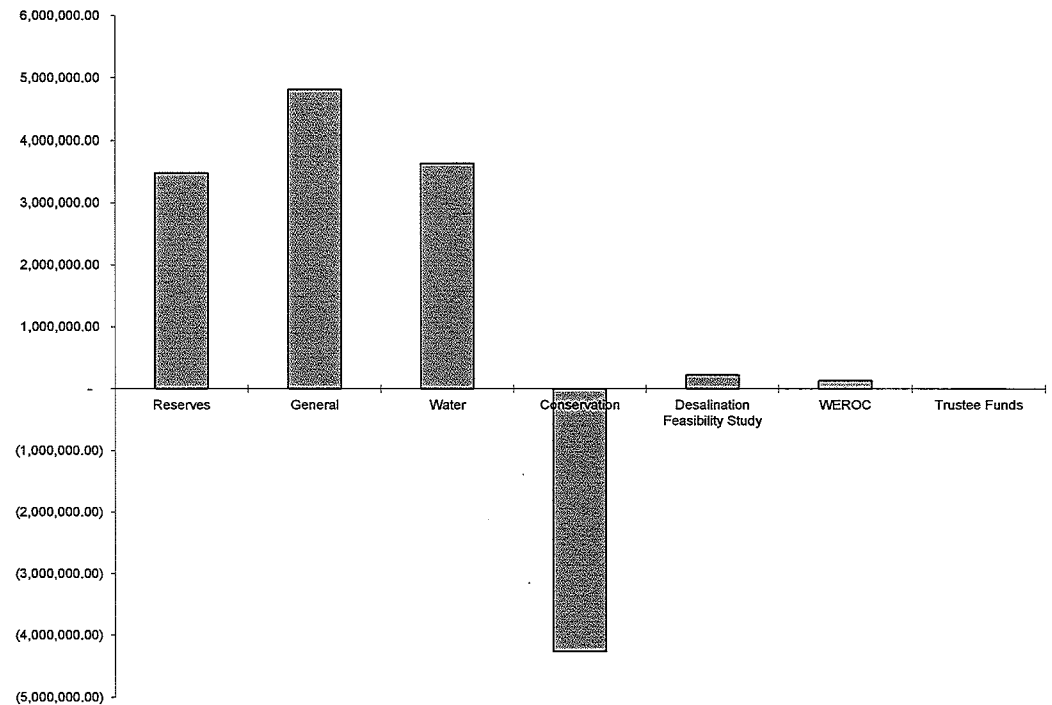


**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**February 28, 2015**

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	29,713.72	29,713.72	29,713.72	0.266	0.266	1	N/A
<b>Sub Total</b>			<b>29,713.72</b>	<b>29,713.72</b>	<b>29,713.72</b>	<b>0.266</b>	<b>0.266</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	4,673,427.40	4,673,427.40	4,673,427.40	0.405	0.405	1	N/A
<b>Sub Total</b>			<b>4,673,427.40</b>	<b>4,673,427.40</b>	<b>4,673,427.40</b>	<b>0.405</b>	<b>0.405</b>	<b>1</b>	
<b>Total Investments</b>			<b>4,703,141.12</b>	<b>4,703,141.12</b>	<b>4,703,141.12</b>	<b>0.404</b>	<b>0.404</b>		
<b>Passbook Checking</b>									
Bank of America Cash	CASH0547	7/1/2011	222,715.20	222,715.20	222,715.20	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>223,215.20</b>	<b>223,215.20</b>	<b>223,215.20</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>4,926,356.32</b>	<b>4,926,356.32</b>	<b>4,926,356.32</b>	<b>0.404</b>	<b>0.404</b>	<b>1</b>	
<b>Total Earnings</b>									
			<b>Month Ending February</b>		<b>Fiscal Year To Date</b>				
Current Year			3,297.65		32,226.26				

**Municipal Water District of Orange County  
Cash and Investments at February 28, 2015**

ALLOCATION	AMOUNT	%
<b>MWDOC</b>		
Designated Reserves		
General	\$ 2,243,422	27.95%
Grant & Project Cash Flow	1,000,000	12.46%
Building Repair	239,491	2.98%
Total Designated Reserves	3,482,913	43.39%
General	4,809,886	59.91%
Water	3,641,129	45.35%
Conservation	(4,263,448)	-53.11%
Desalination Feasibility Study	222,385	2.77%
WEROC	134,557	1.68%
<b>TOTAL MWDOC</b>	<b>\$ 8,027,422</b>	<b>99.99%</b>
<b>TRUSTEE ACTIVITIES</b>		
AMP Sales Admin	\$ 562	0.01%
<b>TOTAL TRUSTEE ACTIVITIES</b>	<b>\$ 562</b>	<b>0.01%</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 8,027,984</b>	<b>100.00%</b>



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**COMBINED FINANCIAL STATEMENTS**  
**AND**  
**BUDGET COMPARATIVE**  
**JULY 1, 2014 THRU FEBRUARY 28, 2015**

**Municipal Water District of Orange County  
Combined Balance Sheet  
As of February 28, 2015**

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	223,215.20
Investments	7,804,768.39
Accounts Receivable	22,862,506.76
Accounts Receivable - Other	2,300,346.92
Accrued Interest Receivable	21,563.06
Prepays/Deposits	570,964.41
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,505,204.32)
Net OPEB Asset	<u>37,041.00</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$34,865,711.32</u></u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	20,100,835.19
Accounts Payable - Other	(72,011.07)
Accrued Salaries and Benefits Payable	318,161.16
Other Liabilities	2,927,583.57
Unearned Revenue	<u>1,095,020.32</u>
Total Liabilities	<u><u>24,369,589.17</u></u>
<b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	<u>955,933.09</u>
Total Restricted Fund Balances	<u>955,933.09</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,280,462.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	<u>239,491.00</u>
Total Designated Reserves	<u>3,519,953.66</u>
GENERAL FUND	1,441,435.43
WEROC	<u>55,774.88</u>
Total Unrestricted Fund Balances	<u>5,017,163.97</u>
Excess Revenue over Expenditures	
Operating Fund	3,755,926.72
Other Funds	<u>767,098.37</u>
Total Fund Balance	<u><u>10,496,122.15</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u><u>\$34,865,711.32</u></u></b>

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2014 thru February 2015**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>REVENUES</u></b>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	<u>5,242.45</u>	<u>80,848.93</u>	<u>103,564.00</u>	<u>78.07%</u>	<u>0.00</u>	<u>22,715.07</u>
Water rate revenues	5,242.45	6,521,380.93	6,544,096.00	99.65%	0.00	22,715.07
Interest Revenue	<u>8,721.64</u>	<u>84,027.16</u>	<u>138,000.00</u>	<u>60.89%</u>	<u>0.00</u>	<u>53,972.84</u>
Subtotal	<u>13,964.09</u>	<u>6,605,408.09</u>	<u>6,682,096.00</u>	<u>98.85%</u>	<u>0.00</u>	<u>76,687.91</u>
Choice Programs	462.36	1,291,042.34	1,261,086.00	102.38%	0.00	(29,956.34)
Choice Prior Year Carry Over	0.00	94,000.00	94,000.00	100.00%	0.00	0.00
Miscellaneous Income	505.13	18,767.54	3,000.00	625.58%	0.00	(15,767.54)
School Contracts	9,685.97	58,412.84	70,000.00	83.45%	0.00	11,587.16
Delinquent Payment Penalty	0.00	166.61	0.00	0.00%	0.00	(166.61)
Transfer-Out To Reserve	<u>0.00</u>	<u>0.00</u>	<u>(84,374.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(84,374.00)</u>
Subtotal	<u>10,653.46</u>	<u>1,462,389.33</u>	<u>1,343,712.00</u>	<u>108.83%</u>	<u>0.00</u>	<u>(118,677.33)</u>
<b>TOTAL REVENUES</b>	<u>24,617.55</u>	<u>8,067,797.42</u>	<u>8,025,808.00</u>	<u>100.52%</u>	<u>0.00</u>	<u>(41,989.42)</u>

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2014 thru February 2015**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	215,543.70	1,929,404.34	2,995,855.00	64.40%	0.00	1,066,450.66
Salaries & Wages - Grant Recovery	(1,333.33)	(13,067.22)	(16,437.00)	79.50%	0.00	(3,369.78)
Directors' Compensation	14,623.35	113,845.98	210,342.00	54.12%	0.00	96,496.02
MWD Representation	9,492.35	66,421.38	120,197.00	55.26%	0.00	53,775.62
Employee Benefits	69,290.74	571,665.95	961,916.00	59.43%	0.00	390,250.05
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	(379.19)	(3,389.05)	0.00	0.00%	0.00	3,389.05
Director's Benefits	5,198.44	50,610.84	119,356.00	42.40%	0.00	68,745.16
Health Ins \$'s for Retirees	2,671.88	26,989.61	50,244.00	53.72%	0.00	23,254.39
Training Expense	25.00	2,724.52	18,000.00	15.14%	0.00	15,275.48
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	315,132.94	2,745,206.35	4,598,804.00	59.69%	0.00	1,843,578.45
Engineering Expense	27,866.95	62,056.40	355,000.00	17.48%	226,836.37	66,107.23
Legal Expense	15,330.87	153,151.20	329,000.00	46.55%	195,848.80	(20,000.00)
Audit Expense	0.00	21,125.00	23,000.00	91.85%	0.00	1,875.00
Professional Services	73,492.63	473,777.46	1,133,200.00	41.81%	363,238.84	296,183.70
Professional Fees	116,690.45	710,110.06	1,840,200.00	38.59%	785,924.01	344,165.93
Conference-Staff	3,219.00	11,067.00	13,925.00	79.48%	0.00	2,858.00
Conference-Directors	1,715.00	7,732.00	8,650.00	89.39%	0.00	918.00
Travel & Accom.-Staff	2,564.69	21,532.92	38,300.00	56.22%	0.00	16,767.08
Travel & Accom.-Directors	1,486.07	13,341.43	29,600.00	45.07%	0.00	16,258.57
Travel & Conference	8,984.76	53,673.35	90,475.00	59.32%	0.00	36,801.65
Membership/Sponsorship	707.00	70,590.26	90,437.00	78.05%	0.00	19,846.74
CDR Support	9,990.25	29,970.75	39,961.00	75.00%	9,990.25	0.00
Dues & Memberships	10,697.25	100,561.01	130,398.00	77.12%	9,990.25	19,846.74
Business Expense	702.17	4,052.00	7,000.00	57.89%	0.00	2,948.00
Maintenance Office	8,411.03	66,354.92	120,768.00	54.94%	48,740.79	5,672.29
Building Repair & Maintenance	960.89	7,240.54	10,800.00	67.04%	3,559.46	0.00
Storage Rental & Equipment Lease	24,955.18	33,020.60	40,708.00	81.12%	7,687.40	0.00
Office Supplies	2,196.58	18,852.65	24,288.00	77.62%	1,640.91	3,794.44
Postage/Mail Delivery	858.15	7,181.16	11,100.00	64.70%	1,483.57	2,435.27
Subscriptions & Books	219.65	539.59	1,600.00	33.72%	0.00	1,060.41
Reproduction Expense	5,613.75	10,093.20	90,625.00	11.14%	3,492.80	77,039.00
Maintenance-Computers	2,981.87	5,397.77	6,000.00	89.96%	647.83	(45.60)
Software Purchase	119.97	14,927.79	25,515.00	58.51%	480.15	10,107.06
Software Support	991.07	17,434.40	28,869.00	60.39%	0.00	11,434.60
Computers and Equipment	120.54	8,303.68	9,300.00	89.29%	0.00	996.32
Automotive Expense	1,256.54	8,654.50	13,300.00	65.07%	0.00	4,645.50
Toll Road Charges	100.90	642.55	1,250.00	51.40%	0.00	607.45
Insurance Expense	6,721.16	67,219.52	97,000.00	69.30%	3,823.07	25,957.41
Utilities - Telephone	1,191.73	9,793.23	16,900.00	57.95%	0.00	7,106.77
Bank Fees	831.02	7,066.36	10,700.00	66.04%	0.00	3,633.64
Miscellaneous Expense	6,272.87	34,762.03	109,700.00	31.69%	23.22	74,914.75
MWDOC's Contrb. To WEROC	10,709.00	85,672.00	128,508.00	66.67%	0.00	42,836.00
Depreciation Expense	1,167.05	17,818.92	0.00	0.00%	0.00	(17,818.92)
Other Expenses	76,381.12	425,027.41	753,931.00	56.37%	71,579.20	257,324.39
Election Expense	0.00	272,536.97	444,000.00	61.38%	0.00	171,463.03
MWDOC's Building Expense	0.00	4,755.55	168,000.00	2.83%	0.00	163,244.45
<b>TOTAL EXPENSES</b>	<b>527,886.52</b>	<b>4,311,870.70</b>	<b>8,025,808.00</b>	<b>53.73%</b>	<b>867,493.46</b>	<b>2,846,443.84</b>
<b>NET INCOME (LOSS)</b>	<b>(503,268.97)</b>	<b>3,755,926.72</b>	<b>0.00</b>			

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**Water Fund**  
**From July 2014 thru February 2015**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<b><u>WATER REVENUES</u></b>					
Water Sales	9,647,212.40	120,779,661.60	163,874,103.00	73.70%	43,094,441.40
Readiness to Serve Charge	1,100,100.87	9,169,324.74	13,946,682.00	65.75%	4,777,357.26
Capacity Charge CCF	368,705.00	2,567,060.02	3,659,300.00	70.15%	1,092,239.98
SCP Surcharge	18,199.41	209,430.77	361,200.00	57.98%	151,769.23
Interest	200.04	1,822.38	4,275.00	42.63%	2,452.62
<b>TOTAL WATER REVENUES</b>	<b>11,134,417.72</b>	<b>132,727,299.51</b>	<b>181,845,560.00</b>	<b>72.99%</b>	<b>49,118,260.49</b>
<b><u>WATER PURCHASES</u></b>					
Water Sales	9,647,212.40	120,779,661.60	163,874,103.00	73.70%	43,094,441.40
Readiness to Serve Charge	1,100,100.87	9,169,324.74	13,946,682.00	65.75%	4,777,357.26
Capacity Charge CCF	368,705.00	2,567,060.02	3,659,300.00	70.15%	1,092,239.98
SCP Surcharge	18,199.41	209,430.77	361,200.00	57.98%	151,769.23
<b>TOTAL WATER PURCHASES</b>	<b>11,134,217.68</b>	<b>132,725,477.13</b>	<b>181,841,285.00</b>	<b>72.99%</b>	<b>49,115,807.87</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>200.04</b>	<b>1,822.38</b>	<b>4,275.00</b>		

**Municipal Water District of Orange County**  
**WUE Revenues and Expenditures (Actuals vs Budget)**  
**From July 2014 thru February 2015**

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	38,178.10	116,000.00	32.91%
Expenses	<u>64,165.25</u>	<u>116,000.00</u>	55.31%
Excess of Revenues over Expenditures	(25,987.15)	0.00	
<b>SmarTimer Program</b>			
Revenues	92,946.20	50,467.00	184.17%
Expenses	<u>69,962.20</u>	<u>50,467.00</u>	138.63%
Excess of Revenues over Expenditures	22,984.00	0.00	
<b>Industrial Water Use Reduction</b>			
Revenues	95,612.34	113,980.00	83.89%
Expenses	<u>101,223.24</u>	<u>113,980.00</u>	88.81%
Excess of Revenues over Expenditures	(5,610.90)	0.00	
<b>Spray To Drip Conversion</b>			
Revenues	79,616.08	65,342.47	121.84%
Expenses	<u>86,142.79</u>	<u>65,342.47</u>	131.83%
Excess of Revenues over Expenditures	(6,526.71)	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	3,756.29	1,248,000.00	0.30%
Expenses	<u>6,118.43</u>	<u>1,248,000.00</u>	0.49%
Excess of Revenues over Expenditures	(2,362.14)	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	60,708.83	27,143.00	223.66%
Expenses	<u>0.00</u>	<u>27,143.00</u>	0.00%
Excess of Revenues over Expenditures	60,708.83	0.00	
<b>ULFT Rebate Program</b>			
Revenues	153,791.14	132,250.00	116.29%
Expenses	<u>192,244.44</u>	<u>132,250.00</u>	145.36%
Excess of Revenues over Expenditures	(38,453.30)	0.00	
<b>HECW Rebate Program</b>			
Revenues	278,666.81	403,000.00	69.15%
Expenses	<u>300,990.40</u>	<u>403,000.00</u>	74.69%
Excess of Revenues over Expenditures	(22,323.59)	0.00	
<b>CII Rebate Program</b>			
Revenues	11,778.00	159,250.00	7.40%
Expenses	<u>10,878.00</u>	<u>159,250.00</u>	6.83%
Excess of Revenues over Expenditures	900.00	0.00	
<b>Large Landscape Survey</b>			
Revenues	51,743.66	32,000.00	161.70%
Expenses	<u>44,645.62</u>	<u>32,000.00</u>	139.52%
Excess of Revenues over Expenditures	7,098.04	0.00	
<b>Indoor-Outdoor Survey</b>			
Revenues	3,522.28	5,200.00	67.74%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	3,522.28	0.00	
<b>Turf Removal Program</b>			
Revenues	4,815,078.99	725,000.00	664.15%
Expenses	<u>5,208,433.77</u>	<u>725,000.00</u>	718.40%
Excess of Revenues over Expenditures	(393,354.78)	0.00	



**Municipal Water District of Orange County**  
**WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)**  
**From July 2014 thru February 2015**

	Year to Date Actual	Annual Budget	% Used
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	683,919.15	258,690.00	264.38%
Expenses	<u>50,089.14</u>	<u>258,690.00</u>	19.36%
Excess of Revenues over Expenditures	633,830.01	0.00	
<b>Home Certification and Rebate</b>			
Revenues	8,820.58	248,050.00	3.56%
Expenses	<u>37,723.65</u>	<u>248,050.00</u>	15.21%
Excess of Revenues over Expenditures	(28,903.07)	0.00	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	488,787.21	145,960.00	334.88%
Expenses	<u>12,200.82</u>	<u>145,960.00</u>	8.36%
Excess of Revenues over Expenditures	476,586.39	0.00	
<b>WEROC</b>			
Revenues	217,578.38	248,622.00	87.51%
Expenses	<u>144,483.03</u>	<u>248,622.00</u>	58.11%
Excess of Revenues over Expenditures	73,095.35	0.00	
<b>WUE Projects</b>			
Revenues	6,866,925.66	3,730,332.47	184.08%
Expenses	<u>6,184,817.75</u>	<u>3,730,332.47</u>	165.80%
Excess of Revenues over Expenditures	682,107.91	0.00	
<b>RPOI Distributions</b>			
Revenues	0.00	4,921.00	0.00%
Expenses	<u>0.00</u>	<u>4,921.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
<b>Ocean Desalination</b>			
Revenues	0.00	0.00	0.00%
Expenses	<u>(2,045.46)</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	2,045.46	0.00	



**CONSENT ACTION ITEM**

April 15, 2015

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Patricia Meszaros

**SUBJECT: CALIFORNIA DROUGHT: CAUSES, IMPACTS AND POLICY**  
**AGU CHAPMAN CONFERENCE**  
**UCI, IRVINE, CA – APRIL 20-22, 2015**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors approve attendance by board or staff, as appropriate.

**COMMITTEE RECOMMENDATION**

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Committee recommends (to be determined at Committee Meeting)

**DETAILED REPORT**

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The American Geophysical Union's (AGU) primary objective in presenting the Chapman Conference will be to explore the progress, challenges, and opportunities to improve drought monitoring and prediction as well as policy and management solutions to enhance California's resilience to droughts. The Chapman Conference will span 3 days and will be held at the Beckman Center on the campus of UCI.

The conference will have 6 main thematic sessions and a large discussion session. Each thematic session is related to a leading scientific question. These questions are:

1. What are the factors responsible for California drought?
2. How are California drought conditions monitored and assessed?
3. What is the capability to predict California drought?
4. How does drought impact California water supply and ecosystems?
5. What are operational decision-making processes regarding California drought?
6. What are management practices and policies regarding California drought?

The cost of the conference is \$525.

Budgeted: No	Budgeted amount: NA	Core <u>  x  </u>	Choice <u>    </u>
Action item amount: \$525.00		Line item:	
Fiscal Impact (explain if unbudgeted): Conference cost is \$525 per attendee.			



## California Drought Conference

Monday, April 20, 2015

[Monday](#) | [Tuesday](#) | [Wednesday](#) | [top](#)

8:30 AM-9:00 AM

**Welcome and Conference Scope and Goals****Conveners:**

**Martin P Hoerling**, NOAA Boulder, ESRL, Boulder, CO, United States and **Amir AghaKouchak**, University of California Irvine, Civil and Environmental Engineering, Irvine, CA, United States

9:00 AM-10:00 AM

**Drought Causes/Monitoring Plenary****Keynote Speaker:**

**Daniel R Cayan**, University of California San Diego, La Jolla, CA, United States

10:00 AM-10:30 AM

**Morning Break**

10:30 AM-11:15 AM

**Panel: Drought Causes****Rapporteurs:**

**Martin P Hoerling**, NOAA Boulder, ESRL, Boulder, CO, United States

**Panelists:**

**Daniel Griffin**, University of Minnesota Twin Cities, Minneapolis, MN, United States, **Siegfried D Schubert**, Global Modeling and Assimilation Office, Greenbelt, MD, United States, **Chris C Funk**, University of California Santa Barbara, Geography, Santa Barbara, CA, United States, **Gudrun Magnusdottir**, University of California Irvine, Earth System Science, Irvine, CA, United States, **Daniel L Swain**, Stanford University, Stanford, CA, United States and **Henry F Diaz**, University of Arizona, Tucson, AZ, United States

11:15 AM-12:30 PM

**Panel: Drought Monitoring****Rapporteurs:**

**Siegfried D Schubert**, Global Modeling and Assimilation Office, Greenbelt, MD, United States

**Panelists:**

**Dennis P Lettenmaier**, University of California Los Angeles, Department of Geography, Los Angeles, CA, United States, **Eric E Small**, Univ of Colorado Boulder, Boulder, CO, United States, **Amir AghaKouchak**, University of California Irvine, Civil and Environmental Engineering, Irvine, CA, United States and **Shraddhanand Shukla**, University of California Santa Barbara, Santa Barbara, CA, United States

12:30 PM-1:45 PM

**Lunch (On site: Group)**

1:45 PM-2:45 PM

### [Drought Impact/Water Supply Plenary](#)

#### **Keynote Speaker:**

**Soroosh Sorooshian**, University of California Irvine, Irvine, CA, United States

2:45 PM-3:30 PM

### [Panel: Drought Impacts on Agriculture, Energy and Economy](#)

#### **Rapporteurs:**

**Jay R Lund**, University of California Davis, Davis, CA, United States

#### **Panelists:**

**Forrest S Melton**, California State University Monterey Bay, Seaside, CA, United States, **Kurt Schwabe**, University of California, Riverside, Riverside, CA, United States, **Sonya Ziaja**, California Energy Commission, Sacramento, CA, United States and **Jeff Dozier**, University of California, Mammoth Lakes, CA, United States

3:30 PM-3:50 PM

### [Afternoon Break](#)

3:50 PM-5:00 PM

### [Panel: Drought Impacts Water Supply](#)

#### **Rapporteurs:**

**Amir AghaKouchak**, University of California Irvine, Civil and Environmental Engineering, Irvine, CA, United States

#### **Panelists:**

**James S Famiglietti**, University of California Irvine, Irvine, CA, United States, **Jay Jasperse**, Sonoma County Water, Santa Rosa, CA, United States, **Josue Medellin-Azuara**, University of California Davis, Davis, CA, United States and **Claudia Faunt**, U.S. Geological Survey, CA WSC, San Diego, CA, San Diego, CA, United States

5:00 PM-5:45 PM

### [Day One Redux: Challenges/Needs/Gaps](#)

#### **Panelists:**

**Martin P Hoerling**, NOAA Boulder, ESRL, Boulder, CO, United States, **Siegfried D Schubert**, Global Modeling and Assimilation Office, Greenbelt, MD, United States, **Jay R Lund**, University of California Davis, Davis, CA, United States and **Amir AghaKouchak**, University of California Irvine, Civil and Environmental Engineering, Irvine, CA, United States

6:00 PM-8:00 PM

### [Reception/Ice Breaker](#)

Tuesday, April 21, 2015

[Monday](#) | [Tuesday](#) | [Wednesday](#) | [top](#)

8:30 AM-9:45 AM

### [Drought Impact/Ecosystems Plenary I](#)

#### **Keynote Speaker:**

**Todd E Dawson**, University of California Berkeley, Center for Stable Isotope Biogeochemistry, Berkeley, CA, United States

9:45 AM-11:00 AM

### [Poster Session I](#)

10:00 AM-10:20 AM

### [Morning Break](#)

11:00 AM-12:15 PM

### [Panel: Drought Impacts Ecosystems](#)

#### **Rapporteurs:**

**Ashmita Sengupta**, SCCWRP, Costa Mesa, CA, United States

#### **Panelists:**

**Travis E Huxman**, University of California, Irvine, Irvine, CA, United States,  
**Nathan J Mantua**, NOAA La Jolla, La Jolla, CA, United States, **Christopher A Williams**, Clark University, Worcester, MA, United States and **Martha H Conklin**, University of California Merced, Merced, CA, United States

12:15 PM-2:00 PM

### [Lunch \(On site: Group\)](#)

2:00 PM-3:00 PM

### [Operational Decision Making Plenary](#)

#### **Keynote Speaker:**

**Jeanine Jones**, California Department of Water Resources, Sacramento, CA, United States

3:00 PM-3:20 PM

### [Afternoon Break](#)

3:20 PM-4:20 PM

### [Panel: Operational Decision Making](#)

#### **Rapporteurs:**

**David Feldman**, University of California Irvine, Irvine, CA, United States

#### **Panelists:**

**Andrew W Wood**<sup>1</sup>, **Michael Anderson**<sup>2</sup>, **Bill Hasencamp**<sup>3</sup> and **John Leahigh**<sup>2</sup>,  
 (1)National Center for Atmospheric Research, Boulder, CO, United States(2)  
 California Department of Water Resources, Sacramento, CA, United States(3)  
 Metropolitan Water District of Southern California, Irvine, CA, United States

4:20 PM-5:20 PM

### [Day Two Redux: Challenges/Needs/Gaps](#)

#### **Panelists:**

**David Feldman**, University of California Irvine, Irvine, CA, United States and  
**Ashmita Sengupta**, SCCWRP, Costa Mesa, CA, United States

Wednesday, April 22, 2015

[Monday](#) | [Tuesday](#) | [Wednesday](#) | [top](#)

8:30 AM-9:45 AM

### [Drought Management/Policy Plenary](#)

#### **Keynote Speaker:**

**AG Kawamura**, Solutions from the Land, Irvine, CA, United States

9:45 AM-11:00 AM

### [Poster Session II](#)

10:00 AM-10:20 AM

### [Morning Break](#)

11:00 AM-12:30 PM

### [Panel: Drought Management/Policy](#)

#### **Rapporteurs:**

**Roger S Pulwarty**, NOAA, Boulder, CO, United States

#### **Panelists:**

**Jay R Lund**, University of California Davis, Davis, CA, United States, **David Feldman**, University of California Irvine, Irvine, CA, United States, **Heather Cooley**, Pacific Institute, Oakland, CA, United States and **Michael Kiparsky**, University of California, Berkeley, Berkeley, CA, United States

12:30 PM-1:45 PM

**Lunch (On site: Group)**

1:45 PM-3:00 PM

**Opportunities: Drought Early Warning**

**Panelists:**

**Roger S Pulwarty**, NOAA, Boulder, CO, United States, **Roger C Bales**, University of California Merced, Merced, CA, United States and **Kingtse C Mo**, NOAA Science Center, College Park, MD, United States

3:00 PM-3:20 PM

**Afternoon Break**

3:20 PM-4:35 PM

**Opportunities: Drought Resilience**

**Panelist:**

**Jeanine Jones**, California Department of Water Resources, Sacramento, CA, United States

4:35 PM-5:00 PM

**Closing Remarks - Conference Product**

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**BROWSE PROGRAM**

**BROWSE BY PERSON**



**ACTION ITEM**

April 15, 2015

**TO:** Board of Directors

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

Robert J. Hunter  
General Manager

Staff Contact: Maribeth Goldsby

**SUBJECT: ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors: Adopt the Amended and Restated Administrative Code as recommended by the Ad Hoc Committee after discussion and amendments are approved.

**COMMITTEE RECOMMENDATION**

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The A&F Committee reviewed this item in February and again in March. The Committee recommended a couple of changes, but deferred the item to allow both the Board and Member Agencies time to comment on the Code.

**DETAILED REPORT**

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Attached is the latest draft Code reflecting recommended changes, for Committee's review.

Minimal changes from last month's redlined version are included. They are:

1. Section 1403 – removed language: “\*see meal restrictions below” because the meal restriction language was removed by the Ad Hoc Committee
2. Section 1506 (MWDOC MET Director Protocol). Changed the word “empowered” to “designated” in the first sentence. Also removed the language: “shall chair the MWDOC MET Director Workshop Board meeting.”

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

3. Section 2200 (Business Expense & Credit Card Policy). Changed the number \$200 to \$500 (for registration costs) to conform with a change the Ad Hoc Committee made to Section 1403 regarding registration costs.
4. Section 7107 (Political Activities). Changed the paragraph to read as follows:

*“During the course and scope of their employment employees are prohibited from engaging in campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, or from attempting to influence changes to MWDOC Division boundaries, except where such activities are expressly required in the course of official duties. Employees are otherwise free to personally, endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities or during the course and scope of their duties for MWDOC. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. These provisions are intended to protect employees against political assessments, coerced political activities, and to prevent political activities on the part of employees from interfering with MWDOC operations. Nothing in this section shall be interpreted or applied in a manner to unlawfully curtail the constitutional right to political activity of MWDOC employees.”*

5. Section 8000 (Contracts). The following language was added: *“It is MWDOC’s policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at lease every five (5) years, except in situations with documented significant benefits to MWDOC.”*
6. Section 8002 (Standard Agreement for Consultant Services). The following language was removed: *“In the event the same consultant is hired five years in a row, the appropriate Standing Committee shall review the contract and determine whether it would be prudent to issue a Request for Proposal (RFP) for future services.”*



***MUNICIPAL WATER DISTRICT  
OF  
ORANGE COUNTY***

***AMENDED AND RESTATED  
ADMINISTRATIVE CODE***

*Adopted*  
March 18, 2015~~4~~

*Updated:*

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE  
GENERAL PROVISIONS**

**PURPOSE** - The purpose of this Administrative Code is to provide the members of the Board and the District staff with policy statements which define the duties and functions of the Board and District staff, and the procedures by which the work of the District is carried out.

**ADOPTION** - This Code was originally developed and adopted on April 21, 1993 and placed on file in the District office of the Secretary of the District ~~and, a restated version was approved on May 18, 2005.~~ Existing Board and/or administrative policies or procedures in conflict with the provisions of this Code were rescinded concurrently with its adoption (February 18 May 18, 20195).

**AMENDMENTS** - From time to time changes or additions will be required to this Code to cover changes in procedure or new activities of the District. Such changes or additions shall be approved only by the Board of Directors, at a duly constituted meeting. Revised or new sections will be inserted in this Code and the superseded sections will be deleted.

**DEFINITIONS** - Whenever used in the Administrative Code, the following defined terms shall have the meaning indicated herein:

Code	- means the Municipal Water District of Orange County Administrative Code, unless otherwise specifically defined.
MWDOC	- means the Municipal Water District of Orange County.
Board	- means the Board of Directors of MWDOC.
President	- means the President of the Board.
Vice President	- means the Vice President of the Board.
Secretary	- means the Secretary of MWDOC.
General Manager	- means the General Manager of MWDOC.
Treasurer	- means the Treasurer of MWDOC.
State	- means the State of California.
MET	- means Metropolitan Water District of Southern California.
Member Agencies	- means any city, county, water district, county water board, and other entity which receives water from MWDOC, directly or indirectly, the corporate areas of which, in whole or in part, is included in MWDOC.
<u>Parliamentarian</u>	- means MWDOC's Legal Counsel

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**ARTICLE 1  
DISTRICT PLACE OF BUSINESS, SEAL AND LOGO**

**Principal Place of Business** - The principal place of business and office of MWDOC shall be located at 18700 Ward Street, Fountain Valley, California, 92708.

**Seal** - MWDOC shall have and maintain a Seal, which shall be circular in form and have engraved on the outer edge of the face the words "Municipal Water District of Orange County" and within the circle the words "Incorporated January 11, 1951." (R6, 5/25/51)

**Logo** - MWDOC shall have an official Logo which shall appear as below: (Minute action, 11/24/71)



## **ARTICLE 2 ORGANIZATION AND BOUNDARIES**

**Formation of the District** - The Municipal Water District of Orange County was formed under the Municipal Water District Act of 1911 on January 11, 1951, by public election and was annexed to the Metropolitan Water District of Southern California (MET) on November 23, 1951. The District was then called the Orange County Municipal Water District. The Orange County Municipal Water District was changed to Municipal Water District of Orange County (**MWDOC**) on September 7, 1969. MWDOC consolidated with Coastal Municipal Water District, effective January 17, 2001, expanding its service area to include the Coastal Municipal Water District agencies. The expanded District remained Municipal Water District of Orange County.

---

R8, 9, 11, 22, 24, 27, 18; Ord. 1, 2; Minute action 11/13/51; METRes. 4022; LAFCO Action; R1-6, 5/25/51

The District was formed for the purpose of securing annexation to MET to obtain deliveries of imported water for portions of Orange County outside of the then-existing cities of Anaheim, Fullerton, Santa Ana and the area served by Coastal Municipal Water District which were at that time part of MET.

The organization of the Board as required by the Municipal Water District Act of 1911, establishing the offices of the Board, the time and place of meeting, procedures for notification of meetings and the rules for conduct, Roberts Rules of Order, were adopted at the first meeting of the Board on May 25, 1951.

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CA Water Code 71598; R506, 8/17/69, CA Water Code 71610, 71610.5, 71691, CA Water Code 71611, 71612, 71613, 71616

**Functions and Powers** – MWDOC is a Municipal Water District, subject to the provisions of the Municipal Water District Law of 1911. Under the Law, MWDOC has the power to:

1. Acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture and salvage any water, including sewage and storm water, and undertake water conservation programs, for the beneficial use(s) of MWDOC, its inhabitants, or the owners of rights to water in MWDOC.
2. Sell potable and nonpotable water under its control, to cities, other public corporations and agencies, and persons within the District for use within or **outside** MWDOC, and fix rates therefore.

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### **Functions and Powers** (Cont'd)

3. Acquire, construct, maintain and operate conduits, pipelines, reservoirs, water works, and other property useful or necessary to store, convey, supply or otherwise make use of water for a water works plant or system for the benefit of MWDOC.
4. Acquire real and personal property of every kind by grant, purchase, gift, devise or lease; exercise the right of eminent domain; and, hold, use, enjoy, lease or dispose of real and personal property.
5. Contract with other public agencies, private corporations or other persons for the purpose of carrying out any of the powers of MWDOC or to finance acquisitions, construction and operations.
6. Restrict the use of water during any emergency caused by drought, or threatened or existing water shortage, and prohibit the wastage of MWDOC water.
7. Disseminate information concerning the rights, properties and activities of the District.
8. Exercise all powers which are expressly granted to municipal water districts, or which are necessarily implied.

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CA Water Code 71691, 71690, 71693, 71720-71725, 71640-71644, 71610.5, 71596, 71590

**Mission** - Taking into consideration the reasons the District was formed, its legal powers and its current and projected operations, as well the District's role in county-wide leadership and resource management, the Board of Directors has established that the overall mission of the District is to provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County.

M-10/20/10

**Service Area** - The original boundaries of the MWDOC were structured in 1951 when MWDOC was formed and have been changed numerous times by annexation and by reorganization. The annexations took place between 1957 and 1983. All annexations to the District have been accomplished by resolutions of the Board of Directors, in accordance with provisions of the California Government Code. The boundaries were expanded in January 2001 (upon the consolidation with Coastal Municipal Water District) to include that portion of the County previously served by Coastal Municipal Water District.

**District Annexation to MET** - The District was annexed to MET on November 23, 1951, and the Certificate of Proceedings was filed with the Secretary of State on November 26, 1951.

**Division Boundaries** - The District consists of seven political divisions, each represented by a Director elected by the voters of the division, generally comprised as follows:

**Division 1:** Cities of Brea, Buena Park and La Habra, and the City of La Palma Water Division, a portion of the Golden State Water Company service area, and Yorba Linda Water District.

**Division 2:** A portion of the City of Garden Grove, Serrano Water District, City of Orange Water Services. East Orange County Water District, a portion of Irvine Ranch Water District, and a portion of City of Tustin Water Services

**Division 3:** Cities of Fountain Valley, Westminster, a portion of the City of Garden Grove, and a portion of the Golden State Water Company service area.

**Division 4:** Cities of Huntington Beach and Seal Beach, and Mesa Water District.

**Division 5:** City of Newport Beach Water Services, El Toro Water District, and a portion of Irvine Ranch Water District.

**Division 6:** Santa Margarita Water District, Trabuco Canyon Water District, a portion of Irvine Ranch Water District, and a portion of City of Tustin Water Services.

**Division 7:** Emerald Bay Service District, Laguna Beach County Water District, Moulton Niguel Water District, City of San Clemente, City of San Juan Capistrano Water Utility, and South Coast Water District.

It is the general policy of the Board to evaluate the division boundaries in coordination with the census data (every ten years) and to best maintain the District's "Community of Interest" as the member agency service areas (water providers as the primary guideline and keeping cities intact as to the greatest extent practicable)..

The official map of the division District Boundaries is filed with the Orange County Registrar of Voters every election year.

CA Gov. Code, 56000 et seq., R22; METRes. 4022, CA Water Code 71170, 71250, 71540-71542; Minute action 5/25/51; R1111, 10/28/81; R1308, 6/4/86; R1466, 6/17/92; R1510, 5/18/94; LAFCO Action: 1/17/01; Motion – 2/15/06 (effective 11/7/06); R1926, 3/7/12

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**ARTICLE 3  
GOVERNING BODY  
BOARD OF DIRECTORS**

**Elections** - The District is governed by a seven member Board of Directors who are elected for four-year terms. Elections for Directors are held in November of even-numbered years, with the Directors for Division 1, 2, and 5 elected at one election and the Directors for Divisions 3, 4, 6 and 7 elected at the next election. A candidate for the Board must be a registered voter and a resident of the District and of the Division the candidate wishes to represent.

If, on the 83rd day prior to the day fixed for the general District election, only one person has declared his or her candidacy for each office of Director to be filled at that election, or if no person has filed a declaration of candidacy for any one or more of such offices, and the officer conducting the election has not received a petition signed by ten percent of the voters requesting that the election be held, then the officer conducting the election shall immediately request the Board of Supervisors of the County to make an appointment.

Each candidate for Director who, at the general District election, receives the highest number of votes cast for the candidate for that office is elected as a Director of the District.

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CA Water Code 71250-71256, 71500, 71505, 71270; AB 2182; R5, 5/25/51; Motion - 9/21/94; CA Elections Code 23520; CA Water Code 71503

**Term of Office** - Each Director shall hold office for a term of four years from and after the date of taking office. For Directors elected at the November general election, the term shall commence at noon on the first Friday in December following the election. Directors-elect must take and subscribe their oath of office before assuming office.

---

CA Water Code 71252 and 71253

**Term of Office: Relocation of Division** - Whenever a change is made in the division boundaries, each Director then in office shall, until that office becomes vacant by expiration of that Director's term or otherwise, continue to be Director for the respective division even though not a resident of the relocated division. The successor shall be a registered voter and a resident of the relocated division.

**Vacancy in Office of Director** - If a vacancy occurs in the office of Director, the remaining Directors shall, within 60 days, appoint a qualified person residing in the division in which the vacancy occurs to hold the office until the next District general election which is 130 days or more after the occurrence of the vacancy or call a special election to be held in the division affected as provided for by law.

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If the Board of Directors fails to fill a vacancy or call an election within 60 days, the Board of Supervisors may fill the vacancy or call an election to fill the vacancy. If the Board of Supervisors fails to fill the vacancy or call an election within 90 days of the office becoming vacant, the District shall call an election on the next available election date that is 130 or more days after the vacancy occurs.

Persons appointed to fill a vacancy shall hold office until the next District general election and thereafter until the person elected at such election to fill the vacancy has been qualified. Persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

---

CA Water Code 71254; Gov. Code 1780

**Oath of Office** - Newly elected or re-elected members of the Board shall take the Oath of Office ~~prior to noon on the first Friday in December following the election~~~~prior to 12 o'clock noon on the first Monday after January 1.~~ The oath may be administered by the County Elections Official, the District Secretary, their respective designees, or other persons authorized by law to administer oaths such as judges, members of the state legislature, and notaries. Directors appointed to fill an unexpired term shall take the Oath of Office prior to ~~taking a seat on~~~~assuming office as a member of~~ the Board. The second paragraph of the oath was invalidated by the California Supreme Court in 1967.

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CA Constitution Section 3, Article XX; *Vogel v. County of Los Angeles (1967) 68 Cal.2d 18*;  
CA Water Code 71253; Gov. Code 24200; CA Elec. Code 10512



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## **CHAPTER 1**



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>BOARD OBJECTIVES</b>	<b>§1000-1002</b>
-------------------------	-------------------

**1000 PURPOSE/MISSION**

The primary mission of MWDOC is to provide reliable, high-quality water supplies from MET and other sources, to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County. The Board and staff will be guided by a Strategic Plan, Business Plan, Personnel Manual, and Investment Policy, all of which shall be adopted and reviewed by the Board on a periodic basis.

M-10/19/10

**1001. THE ROLE OF THE BOARD OF DIRECTORS**

As MWDOC's legislative body, the Board of Directors is responsible for providing policy-based leadership and strategic governance for the management of MWDOC's organization and operations. Though day-to-day operations are the responsibility of the General Manager, the appropriate level of involvement by Board members pursuant to this Code is critical to MWDOC's leadership. Board Member responsibilities include:

- i. Providing guidance to the General Manager in the management of the District.
- ii. Reviewing outcomes and metrics of MWDOC operations, programs, policies, and initiatives.
- iii. Reviewing agenda and supporting materials prior to board and committee meetings.
- iv. Approving MWDOC's annual budget, audit reports, and material business decisions.
- v. Staying informed of, and meeting all, legal and fiduciary responsibilities.
- vi. Contributing to an annual performance evaluation of the General Manager and Legal Counsel.
- vii. Partnering with the General Manager and other board members to ensure that board ordinances, resolutions, and directives are carried out.
- viii. Serving on committees and taking on special assignments.
- ix. Serving as a representative of MWDOC to stakeholders and external organizations.

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## **1002 FIDUCIARY DUTIES OF INDIVIDUAL BOARD MEMBERS**

As public officials, MWDOC Board members have fiduciary duties to both MWDOC as an organization and the public at large. The Board recognizes its duty to comply with the law and to model ethical and civil behavior for MWDOC's customers, staff, vendors, and the public, as provided in Chapter 7 of this Code and other applicable laws.

### **A. Duties to MWDOC**

As members of MWDOC's governing board, Board members must always act for the good of the MWDOC as an institution, rather than for the benefit of themselves or other special interests. Board members must exercise reasonable care in all decision making, without placing the organization under unnecessary risk. Pursuant to these duties, Board members shall be obligated to conduct themselves as follows:

- (a) Limit official actions to the scope of MWDOC's purpose and authority.
- (b) Stay informed about MWDOC's purpose, finances, services, policies, and programs.
- (c) Render decisions in good faith, without allowing personal or special interests to prevail over the institutional interests of MWDOC.
- (d) Prepare for meetings by reviewing agenda items, contacting appropriate staff through the General Manager, and providing adequate notice of issues that staff should be prepared to address.
- (e) Preserve the financial solvency of MWDOC and its ability to serve member agencies, customers, and the general public for the long term.
- (f) Ensure that use of MWDOC equipment, supplies, staff time, telephones, computers, and fax machines is limited to official purposes, consistent with District policies, the Fair Political Practices Commission Regulations, and State law.

### **B. Duties to the Public**

As stewards of the public trust, Board members must also place the interests of the public above their own personal interests. A public official must exercise the powers conferred on him or her with disinterested skill, zeal, and diligence, and primarily for the benefit of the public. The minimum standards of conduct are set forth in the conflict of interest provisions of California Law, including Government Code section 1090, the Political Reform Act, and common law, which are discussed further in Chapter 7 of this Code. Pursuant to these duties, Board members shall be obligated to conduct themselves as follows:

- (a) Protect confidential information received during any Closed Session of the District Board held pursuant to State law.
- (b) Refrain from discussions that are not properly noticed pursuant to State law.

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(c) Provide impartial and fair treatment of all persons and matters coming before the Board.

(d) Safeguard ability to make independent, objective, fair and impartial judgments by scrupulously avoiding financial and social relationships and transactions that may compromise, or give the appearance of compromising, objectivity, independence, and honesty.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>BOARD MEETINGS/COMMITTEE MEETINGS/ PROCEDURES</b>	<b>§1100-§1117</b>
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**§1100 BOARD AND COMMITTEE REGULAR MEETINGS**

The Board of Directors of MWDOC shall meet twice monthly. The first meeting shall be a workshop held jointly with the MWDOC MET Directors (Workshop/MET Directors) on the first Wednesday of each month at 8:30 a.m. The second meeting of the Board (or Regular Meeting) shall be held on the third Wednesday of each month at 8:30 a.m. The Workshop/MET Directors meetings are held for the purpose of reviewing and discussing issues pertaining to MET and to develop consensus on positions that impact Orange County. If such meeting dates fall on a MWDOC holiday, the meeting shall be rescheduled for another time determined by the Board.

The Board shall appoint and eliminate Standing Committees (see Sections 1200—1201) as necessary. Standing Committee meetings shall be held on a monthly basis. The dates and times of Standing Committee meetings shall be determined by the Board by the end of February of each year and shall remain fixed for the remainder of the year.

Meetings of the MWDOC Board's Standing Committees MWDOC Committee meetings are noticed and held as a committee of the whole, where all members of the Board joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion.

The Board of Directors shall conduct MWDOC business at regular, adjourned, special, and emergency meetings in compliance with Government Code Section 54950-54962.

R6 - 5/25/51; amended by R31 - 2/11/52; amended by R153 - 3/26/57; amended by R209 - 2/6/61; amended by R338 - 1/22/64; amended by R511 - 11/26/69; amended by R1290 - 3/26/86; R1473 - 12/9/92; R1484 - 3/17/93; Motion - 4/21/93; Motion - 4/20/94; R1540 - 4/19/95; R1612 - 10/21/98; R-1640-3/15/00; R-1651 2/15/01; R-1679 8/15/01; R-1689 3/20/02; R-1699 9/21/02; R-1712 2/19/03; 5/18/05; M-02/15/06; R-1835 6/18/08; R-1859 9/16/09; R-1867 1/20/10

**§1101 SPECIAL MEETINGS**

In accordance with Government Code Section 54956, special meetings of the Board may be called by the President, or by a majority of the directors, by delivering personally or by U.S. mail, electronic email, or facsimile, written notice to each member and to all others who requested written notice of meetings. The notice shall be delivered personally or by U.S. mail, electronic email, or facsimile, and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the date, time and place of the special meeting and the agenda items to be transacted. No other business shall be considered at these meetings. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the MWDOC District Secretary a written waiver of notice. The waiver may be given by U.S. mail,

facsimile and/or electronic email. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

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R6 - 5/25/51; amended by minute action 6/12/53; Motion - 4/21/93; Motion 4/20/94;

#### **§1102 WORKSHOP MEETINGS**

Should there be less than a quorum of MWDOC directors present at regularly scheduled workshop meetings, then the Board Meetings shall be adjourned for lack of a quorum and such member or members as are present shall constitute an ad hoc committee of the Board, and the meeting may proceed as a committee meeting solely for the purpose of receiving information. Nothing in this section shall be construed as contrary to Water Code Section 71274 which provides that a majority of Board shall constitute a quorum for transaction of business, and no ordinance, motion or resolution shall be passed to become effective without affirmative vote of a majority of the members of the Board. Should action need to be taken, compliance with Section 71274 is required.

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R1118 - 1/27/82; Motion - 4/21/93

#### **§1103 EMERGENCY MEETINGS**

Pursuant to Government Code Section 54956.5, in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice or posting requirement. Emergency situation means a) work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the Board; or b) crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the Board.

All ~~newspapers and radio or television stations~~~~persons and entities~~ that have requested notice of special meetings pursuant to Government Code Section 54956 shall be notified by the President or his/her designee one hour prior to the emergency meeting, or, in the event of a dire emergency, at or near the time the members of the Board are notified. Notice shall be by telephone, and all telephone numbers provided in the most recent request for notification shall be exhausted. In the event that telephone services are not functioning at the time notice would otherwise be given, the notice requirements of this section are waived. In this event, those ~~who have requested~~~~requesting~~ notice of special meetings pursuant to Government Code Section 54956 shall be notified of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible. Except for the 24-hour notice ~~and posting requirements requirement~~, the requirements for Special Meetings set forth above in Section 1101 shall apply. The minutes of an emergency meeting called pursuant to this section, a list of persons notified or attempted to be notified, a copy of the roll call vote, and any actions taken shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

During a meeting held pursuant to this section, the Board may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the Board

present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present. (Government Code Section 54956.5(c)). With the exception of the 24-hour notice requirement, all requirements applicable to a special meeting under Section 1101 shall apply to meetings under this section.

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4/21/93; Motion 4/20/94; [Gov. Code 54956.5](#)

#### **§1104 NOTICES OF MEETINGS**

Pursuant to Government Code Section 54954.1, notice of the regular meetings of the Board and any special meeting of the Board which is called at least one week prior to the date set for the meeting shall be mailed to any person who has filed a written request for the notice with the District Secretary. Such notice shall be mailed not later than the time the agenda is posted pursuant to the provisions of this Administrative Code or upon distribution of the agenda to a majority of the Board, whichever occurs first.

Any request for notice filed pursuant to this section shall be valid for one year from the date on which it is filed unless a renewal request is filed. The failure of any person to receive the notice given pursuant to this section shall not constitute grounds for any court to invalidate the actions of the Board for which the notice was given.

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Motion – 4/21/93

#### **§1105 MEETINGS OPEN TO PUBLIC**

Pursuant to Government Code Section 54953, all meetings of the Board and standing Committees shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions held in accordance with law.

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Motion – 4/21/93; Motion – 7/16/97;

#### **§1106 PLACE OF MEETINGS**

Meetings of the Board, unless otherwise specified in the notice, shall be held at the Offices of Municipal Water District of Orange County, ~~18700 Ward Street, Fountain Valley, California 92708.~~

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R6 - 5/25/51; amended by R21 - 8/27/51; amended by R53 - 9/14/53; amended by R206 - 1/18/61; amended by R511 - 11/26/69; amended by R551 - 1/27/71; amended by R800 - 5/25/77; R1290 - 3/26/86; Motion - 4/21/93;

#### **§1107 CLOSED MEETINGS**

Prior to holding any closed session, MWDOC's Legal Counsel shall disclose the item(s) to be discussed in the closed session and provide such other information required by law. The disclosure may take the form of a reference to item(s) as they are listed by number or letter on the agenda. In the closed session, the Board may consider only those matters covered in its statement. After any closed session, the Board shall reconvene into open session and report any action(s) taken and the vote or abstentions of the Board as required by Government Code Section 54957.1.

Matters discussed or documents presented in closed sessions shall be kept confidential to the extent permitted under Government Code Section 54950 et seq and the Public Records Act. Any Director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any Director who attended the closed session. The Director contacted may advise the inquiring Director of the content of the session. The advised Director shall not disclose any matters discussed in closed session without the prior authorization of the Board of Directors.

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Motion - 4/21/93; Motion - 4/20/94;

#### **§1108 ADJOURNED MEETINGS**

Pursuant to Government Code Section 54955, the Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. If a majority of the Board are not present for any regular or adjourned regular meeting, the District Secretary may declare the meeting adjourned and shall cause a written notice of the adjournment to be given in the same manner as provided in Government Code Section 54956 which shall be posted in a location that is freely accessible to members of the public within 24 hours after the time of the adjournment.

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Motion - 4/21/93;

#### **§1109 MINUTES OF MEETINGS**

Minutes of regular and workshop Board meetings, consisting of topics discussed and actions taken, shall be prepared and mailed to each Director prior to the next regular or workshop Board meeting. Such minutes shall not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the District Secretary. Minutes approved by the Board shall be kept at MWDOC's offices. Minutes of Board meetings shall be posted on MWDOC's website and sent to those who request hard copies.

~~Pursuant to Government Code Section 54953.5, Audio and video recordings of Board and Committee meetings shall, if created by the District, may be erased or destroyed after approval of minutes of said meetings and not less than 30 days after taping. Video tape recordings may be erased or destroyed 30 days after said the meeting at the discretion of the General Manager.~~

Minute action - 6/11/51; Minute action - 7/3/51; Minute action - 8/17/51; Minute action - 11/9/53; Minute action - 1/8/64; Minute action - 4/15/64; Minute action - 8/16/67; Minute action 5/27/79; Minute action - 11/25/81; Motion - 4/21/93; Motion - 4/20/94; Gov. Code 54953(b)

#### **§1110 AGENDA OF BOARD AND STANDING COMMITTEE MEETINGS**

At least 72 hours before a regular meeting, the District Secretary or designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session.

The agenda(s) shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to the public, ~~as well as to and to MWDOC's website~~. No action shall be taken on any item not appearing on the posted agenda, unless the Board or Committee determines any of the following exist:

1. Upon a determination by a majority vote of the Board or Committee that an emergency situation exists, as defined in Government Code Section 54956.5; or
2. Upon a determination by a two-thirds vote of the Board or Committee, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Board or Committee subsequent to the agenda being posted; or
3. The item was posted for a prior meeting of the Board or Committee occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

The Board or Committee agenda shall provide an opportunity for members of the public to address the Board or Committee on matters on the agenda or that are within the subject jurisdiction of the Board or Committee.

Motion - 4/21/93; Motion - 4/20/94; Motion – 7/16/97;

#### **§1111 MEETING CONSENT CALENDAR**

The agenda for the regular meetings of the Board shall contain a Consent Calendar to expedite Board consideration of routine matters so as to enable the Board to devote added time to other matters. The Consent Calendar will not be discussed, but will be approved by a single motion unless individual consideration is requested by members of the Board, staff or public. Matters which may be included on the Consent Calendar are as follows:

1. Minutes of Board Meetings
2. Financial Reports



- a. disbursement schedule
  - b. financial disbursement resolutions
  - c. monthly financial statements
3. Committee Meeting Reports
4. Memberships (new and renewal)
5. Associations (new and renewal)
6. Conference Attendance Requests
7. Routine Administrative Matters
8. Any other matters recommended by a Committee to be included on the Consent Calendar.
9. Any items that are unanimously approved by a Committee, unless otherwise required by law.

Matters for the Consent Calendar shall be submitted to the District Secretary prior to the meeting of the Board and pertinent materials sufficient to enable a member to formulate an opinion on each Consent Calendar item shall be included with the agenda mailed to Directors. Matters requiring a roll call vote or a vote other than a simple majority will not be placed on the Consent Calendar.

Motion - 4/21/93;

#### **§1112 AVAILABILITY OF AGENDA AND OTHER WRITINGS DISTRIBUTED AT PUBLIC MEETINGS**

The District Secretary upon request shall make available to the public, without delay, copies of public meeting agendas and other writings when distributed to all or a majority of the members of the Board in connection with any matter subject to discussion or consideration at a public meeting. This does not include any writings that are exempt from public disclosure under Sections 6253.5, 6254 or 6254.7 of the California Public Records Act (Government Code Section 6250 et seq). Written material which is public record and which is distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the MWDOC staff or a Board member or after the meeting if prepared by some other person or as soon thereafter as practicable.

Motion - 4/21/93; Motion - 4/20/94;

#### **§1113 LEGAL REPRESENTATION AT MEETINGS**

MWDOC's Legal Counsel shall be present at any regular meetings of the Board of Directors upon request of the Board President or the General Manager.

Motion - 4/21/93

#### **§1114 QUORUM OF BOARD**

A majority of the Board shall consist of four members of the Board and shall constitute a quorum for the transaction of business at a Board meeting. Any ordinance, motion or resolution shall become effective with the affirmative vote of a majority of the members of the full Board only at a regular, special, adjourned, or emergency Board meeting.

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Motion - 4/21/93; Motion – 7/16/97; Motion – 5/2005

#### **§1115 ACTIONS OF BOARD**

The Board shall act only by ordinance, resolution or motion. No action shall be taken by secret ballot. On all ordinances and resolutions and actions taken in closed session, the roll shall be called and the ayes, noes, abstentions and absences recorded in the journal of the proceedings of the Board. Motions may be adopted by voice vote, along with each Board member raising a hand in support, opposition, or abstention, but on demand of any member of the Board, the roll shall be called. Votes of the members of the Board shall not be cast or exercised by proxy. Every member of the Board shall have one vote. The President of the Board or the President Pro Tempore shall have the right to participate in and vote upon any question before the Board, provided that he or she is not barred by a conflict of interest or other legally imposed disability.

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R6 - 5/25/51; Motion - 4/21/93; Motion - 4/20/94;

#### **§1116 PUBLICATION/POSTING OF ORDINANCES**

At least ten days prior to the Board meeting at which a proposed ordinance or amendment to an existing ordinance is to be adopted, a copy of the full text thereof shall be posted in the MWDOC office and mailed or electronically emailed to each of MWDOC's Member Agencies. Within ten days after adoption of the ordinance or amendment, MWDOC shall publish for one day, in a newspaper of general circulation, either the full ordinance or a summary thereof with the names of Board members voting for and against the ordinance or amendment. At the same time, a certified copy of the full text along with the names of Board members voting for and against the ordinance or amendment shall be posted in MWDOC'S offices for not less than ten (10) days. Water service ordinances considered and adopted pursuant to Section 1117 below are excepted from the procedures set forth in this Section.

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Motion - 6/16/93; Motion 4/17/02

**§ 1117 POSTING/MAILING OF WATER SERVICE ORDINANCE AND WATER RATES  
RESOLUTION**

MWDOC must establish its water rates on an annual basis and these rates shall take effect July 1<sup>st</sup> of each year. The classes and conditions of water service shall be established by Board Ordinance and water rates for the various classes of water service and other fees and charges shall be established by Resolution. At least ten days before the adoption of an Ordinance establishing classes and conditions of water service or a Resolution setting rates and other fees and charges, the General Manager shall provide written notice (U.S. mail or electronic email) that the Board will consider adoption of the Ordinance and/or Resolution at a Board meeting to be held on a specified date, along with a copy of the proposed Ordinance and/or Resolution, to each of the MWDOC's Member Agencies. Within ten days after the adoption of the Ordinance and/or Resolution, MWDOC shall provide written notice (U.S. mail or electronic email) of the adoption of the Ordinance and/or Resolution to its Member Agencies, along with a copy of the adopted Ordinance and/or Resolution. At the same time, a certified copy of the full text of the Ordinance and/or Resolution, along with the names of the Board members voting for and against the Ordinance or Resolution shall be posted ~~at~~<sup>in</sup> MWDOC's offices for not less than ten (10) days. This section shall apply to amendments to any ordinance establishing classes and conditions of water service or resolution setting water rates then in effect.

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M – 4/17/02

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>COMMITTEES</b>	<b>§1200-§1211</b>
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**§1200 ESTABLISHMENT OF COMMITTEES**

The Board, at its discretion, may create Standing and Special (Ad hoc) Committees for the purpose of studying, reviewing and making recommendations concerning certain operations or subjects of interest to the Board and meeting with other persons or entities on the Board's behalf. Except for ad hoc advisory committees composed solely of less than a quorum of the Board, and which do not have continuing subject matter jurisdiction or meetings scheduled by the Board, the meetings of all committees created by formal action of the Board shall be open and public and shall comply with the requirements of the Brown Act. The general function and areas of concern for each Committee shall be defined. Committees will meet on a monthly basis or as needed basis.

Standing and Special Committees are responsible for reporting their findings and making recommendations to the Board of Directors. Committees are not empowered to act for the Board, ~~however meetings of MWDOC's Standing Committees meetings are noticed and held as committees of the whole, joint meetings of the Committee and the entire Board of Directors, and where all members of the Board of Directors may attend and participate in the discussion. On certain occasions, a Committee meeting may be adjourned and held as a full Board meeting to take action, with the appropriate noticing requirements met.~~

**§1201 STANDING COMMITTEES**

Standing Committees shall be formed for the purpose of considering, studying, reviewing and making recommendations to the Board on matters and subjects within the Committee's area of concern and shall be composed of any three members of the Board, with the exception of the Executive Committee which shall be composed of the President, Vice President, and the immediate past President. The President of the Board shall act as non-voting ex officio member ~~(non-voting member)~~ of each Standing Committee. If the Committee Chair requests that the President serve as an alternate Committee member for a member of the Standing Committee who is absent (pursuant to Section 1204), the President may vote in the capacity of the alternate Committee member. The President of the Board may also participate as a voting member of a Standing Committee to give the casting vote in the case of a tie.

The Standing Committee of the Board of Directors are:

- Executive Committee
- Administration & Finance Committee
- Planning & Operations Committee
- Public Affairs & Legislation Committee
- ~~Desalination Committee~~
- MWDOC/OCWD Joint Planning Committee

Rev. by Resolution No. 1707 - 1/15/03; Motion – 1/21/04; Motion – 02/15/06; M-04/19/06; M-02/15/12

## **§1202 APPOINTMENTS**

The Board President, by the end of February of each year, shall recommend to the Board, consider the appointment of members of its Standing Committees (Executive, Administration & Finance, and Planning Operations; Public Affairs & Legislation, ~~Desalination~~, and MWDOC/OCWD Joint Planning Committee) as well as establish the dates and times of the Committee meetings. ~~The Board~~ shall also review and establish Special Committees as appropriate and consider the appointment of members thereto. Members, including the Committee Chairs, shall be appointed to the Standing and Special Committees by the President and ratified by Board action. The President of the Board shall act as a non-voting ex-officio member ~~(non-voting member)~~ of each Standing Committee.

Upon approval of these appointments, the District Secretary shall prepare and post on the District's website, Fair Political Practices Commission (FPPC) Form 806 outlining all Director appointments. This form is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. This form is required pursuant to FPPC Regulation 18705.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

Motion - 5/15/85; Rev. 2/4/87; Motion - 4/20/94; Motion 2/19/97; RES. No. 1707 1/15/03; Motion – 02/15/06; M-04/19/06

## **§1203 COMMITTEE MINUTES**

The minutes of Standing Committee meetings shall be in writing and presented to the Board at its regular monthly meeting.

Motion - 4/21/93; Motion - 4/20/94;

## **§1204 ALTERNATE COMMITTEE MEMBERS**

Whenever any member of a Committee is absent from a Committee assignment, any member of the Board ~~may~~ shall be requested to serve as alternate Committee members and shall be entitled to vote as a regular Committee member. The Committee Chair shall determine who the alternate Committee members shall be.

Motion - 4/21/93; Motion – 1/21/04

#### **§1205 SPECIAL MEETINGS**

Special meetings of any Committee shall be called upon order of its Chairman and duly noticed as required by Government Code section 54950 et seq.

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Motion - 4/21/93; Motion - 4/20/94;

#### **§1206 EXECUTIVE COMMITTEE**

**PURPOSE:** The Executive Committee shall study, advise, and make recommendations with regard to policies and procedures to be considered by the Board; questions raised by members of the Board and staff between meetings of the Board and in unexpected situations and emergencies and other matters as may be required.

The Executive Committee shall review the draft Standing Committee agendas. Any substantive changes to the agendas subsequent to the review by the Executive Committee shall be approved by the Committee Chair.

The Executive Committee shall consist of the President, Vice President, and the immediate past President.

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Motion - 8/6/86; Motion - 2/4/87; Motion - 4/21/93; Motion - 4/19/95; Resolution No. 1707 1/15/03; Motion – 1/21/04

#### **§1207 ADMINISTRATION & FINANCE COMMITTEE**

**PURPOSE:** The Administration & Finance Committee shall study, advise and make recommendations with regard to the form of MWDOC's organization and the flow of authority and responsibility; the classification of positions, job duties, salaries, and salary ranges; matters affecting wages, hours, pension plans and other employee benefits, policies and rules regarding employment, discipline and discharge; selection of management, personnel, auditors, financial and insurance consultants and the determination of the scope of their assignments; the terms and conditions of employment of all consultants, advisors, and special counsel; individuals to serve in positions requiring Board approval; and proposed amendments to the MWDOC Act affecting the organization and personnel policies as well as the finance and insurance functions of MWDOC. The Committee shall also study, advise and make recommendations with regard to the preparation of budgets; sale of bonds and borrowing and repayment of money; disposition and investment of funds; authorization of appropriations; revenues to be obtained through sale of water; financial impact and requirements of policies concerning annexation; financial aspects of MWDOC's risk management program; questions pertaining to insurance coverage; reports of auditors and financial statements; form and contents of accounts; financial reports and financial statements. The Administration & Finance Committee shall provide oversight for any legal matters affecting MWDOC within the Committee's scope of interest and responsibility.

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Motion - 4/21/93; Motion 2/19/97

#### **§1208 PLANNING & OPERATIONS COMMITTEE**

**PURPOSE:** The Planning & Operations Committee shall study, advise and make recommendations with regard to plans, specifications and bids; the initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replaced, disposed of, or salvaged; operation, protection, and maintenance of the facilities required for the delivery of water; the providing of storage and distribution facilities and connections for the delivery of water; construction claims; the selection of engineering and geologic consultants and the determination of the scope of their assignments; functions relating to the Water Emergency Response Organization of Orange County (WEROC); and proposed amendments to the MWDOC Act affecting the engineering and operations functions of MWDOC.

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Motion - 4/21/93; Motion - 4/20/94; Motion - 4/19/95; Motion - 2/19/97

#### **§1209 PUBLIC AFFAIRS & LEGISLATION COMMITTEE**

The Committee shall study, advise and make recommendations with regard to policies and practices and means of disseminating MWDOC information; copy or content of MWDOC public information projects; selection and compensation of public information consultants; budget allocations for public information; review or develop legislation and MWDOC position regarding support of or opposition to legislation; develop legislative policy principles and priorities, including key proposals to be presented to legislator(s) and/or legislative staff; MWDOC relationships with other governmental agencies or bodies; other matters related to or involving other governmental and/or regulatory agencies; any legal matters affecting the MWDOC within the Committee's areas of interest.

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Motion – 02/15/06; M-04/19/06

#### **§1210 MWDOC/OCWD JOINT PLANNING COMMITTEE**

The Committee shall study, advise, and make recommendations with regard to policies and practices of joint interest to OCWD and MWDOC; discuss MET policies and programs as they relate to OCWD; and discuss other items as necessary for efficient coordination between imported and local OCWD supplies.

#### **§1211 ~~DESALINATION COMMITTEE~~**

~~**PURPOSE:** The Desalination Committee shall study, advise, and make recommendations with regard to policies and procedures to be considered by the Board with respect to ocean and brackish desalination. This shall include a broad range of oversight with respect to MWDOC's participation and planning on desalination activities, including coordination with MET, as well as legislative and regulatory activities relative to desalination (grant funding opportunities, etc.), and local and regional desalination activities~~

#### **§121~~1~~2 SPECIAL COMMITTEES**

Special (Ad Hoc) Committees may be established by an action of the Board for the purpose of considering, studying, reviewing and making recommendations to the Board on specific matters and shall be terminated when its task is completed. A Special Committee may, at the direction of the Board, meet with certain individuals or entities and report its findings to the Board for its consideration. Special Committees shall be composed of no more than three members of the Board. Members shall be appointed to Special Committees by the President and ratified by Board action.

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Motion - 5/15/85; Rev. 2/4/87; M-02/15/12



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>BOARD OFFICERS AND EMPLOYEES</b>	<b>§1300-§1309</b>
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**§1300 ESTABLISHMENT OF BOARD OFFICES**

There shall be one office of President, and one office of Vice President. Directors may serve concurrently as either President or Vice President of MWDOC and as an appointee from MWDOC to the Board of Directors of MET.

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R2 - 5/25/51; R6 - 5/25/51; R-1729 – 1/21/04

**§1301 TERMS OF OFFICE; ELECTION OF BOARD OFFICERS; APPOINTMENT OF MWDOC OFFICERS**

The President and Vice President of the Board shall serve one-year terms and shall be elected to such term by the members of the Board at its first Regular Board meeting in January of each year. Nominations will be taken from the floor and a roll call vote of the Directors shall be the method for electing President and Vice President. If the President is absent or unable to act, the Vice President shall perform the duties of the President.

The Board shall appoint, by majority vote, at its pleasure, a Secretary, Treasurer, Legal Counsel, General Manager and Auditor and shall define their duties and fix their compensation. At its first regular meeting in January of each year, the Board shall appoint the Secretary, Treasurer, and Legal Counsel. The Board may also appoint a Deputy Secretary and Deputy Treasurer. Each of these officers shall serve at the pleasure of the Board. The Auditor shall serve a term no longer than five (5) years.

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R1 - 5/25/51; Minute action - 8/13/51; Motion - 8/17/51; R33 - 5/12/52; Motion - 1/12/53; R66 - 5/10/54; Motion - 1/10/55; R 119 - 4/9/56; R160 - 5/7/58; R26 - 9/11/59; R188 - 4/6/60; R324 - 11/6/63; Motion 5/18/66; R452 - 1/18/67; Motion - 1/15/69; R631 - 1/24/73; R751 - 1/28/76; R746 - 11/26/76; R851 - 4/4/78; Minute action - 9/23/81; Minute action & R1156, R1157 - 1/26/83; R1192 - 8/83; R1231 - 5/23/84; R-1729 – 1/21/04

**§1302 VACANCY IN OFFICE**

Whenever a vacancy occurs in the offices of President or Vice President during a term of office, the Board shall elect one of its members to serve the unexpired term.

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R324 - 1/6/63; R-1729 – 1/21/04

### **§1303 DUTIES AND POWERS OF PRESIDENT**

The President of the Board of Directors shall be the presiding officer and shall preserve order and decorum at all MWDOC meetings. The President shall appoint (with ratification by the Board) all standing, special, and ad hoc committees (including the Committee Chair persons). In the absence of the President, Vice President shall act as President. In the absence of the President and Vice President, the immediate past President(s) shall act as President, and in the absence of any immediate Past President(s), the Secretary acts as President until the Board selects one of its members President Pro Tempore, who shall have all of the Board powers of the President during the continuance of the meeting as well as during the absence of the President.

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R6 - 5/25/51; R-1729 – 1/21/04;

### **§1304 DUTIES AND POWERS OF VICE PRESIDENT**

In the absence or disability of the President, the Vice President shall perform all of the duties of the President.

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R452 - 1/18/67; R631 - 1/24/73; R-1729 – 1/21/04

### **§1305 DUTIES OF SECRETARY**

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

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Motion - 4/20/94;

### **§1306 DUTIES OF TREASURER**

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

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R1166 - 3/23/83; R1277 - 12/18/85; R1429 - 1/16/91; R1434 - 4/3/91; Motion 4/21/93;

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## **§1307 GENERAL MANAGER**

### **a. Powers and Duties of the General Manager**

The Board employs a General Manager to carry out its policies, manage MWDOC operations and provide day-to-day supervision of MWDOC employees and control of MWDOC expenditures, and the Board has determined that clear delineation of the General Manager's authority is essential to effective MWDOC management. The General Manager may appoint a designee to act on his behalf in cases of his temporary absence.

Specifically, the Board delegates to the General Manager or his designee the authority to:

- 1) make and carry out management decisions in conformity with Board-established MWDOC policies;
- 2) employ, terminate, assign duties to, and direct the day-to-day activities of all MWDOC employees consistent with California law and the policies and procedures set forth in the MWDOC Personnel Manual. The Board retains authority to employ, terminate, and assign duties to the General Manager, Secretary, Treasurer, and Legal Counsel. The Board retains authority to establish salary ranges for all employees, and to authorize employee travel on MWDOC business outside the State of California;
- 3) establish MWDOC employee job classifications and descriptions, subject to periodic review of overall personnel utilization by Board. The Board retains authority to control overall staffing levels by setting number of authorized positions;
- 4) direct activities of contractors performing services for MWDOC including the authority to retain, define the scope of efforts of, and dismiss consultants;
- 5) manage MWDOC financial operations, oversee the investment of MWDOC funds and assure MWDOC funds are expended in conformity with Board-approved budgets and applicable laws. Annual budget shall be proposed in form and at level of detail as determined by Board. Upon Board approval of budget, General Manager shall have authority to commit budgeted funds for purposes and up to limits authorized for each budget category. When not authorized by the budget, the General Manager, but shall seek specific authorization from the Board to expend budgeted sums in excess of \$25,000 for any contract or purchases except as otherwise authorized in Exhibit A (Section 8000); General Manager shall review budget status quarterly with Board, and shall propose corrective action if revenues or expenditures vary materially from budget. The General Manager shall have the authority to move budgeted funds between cost centers, however the General Manager must notify the Board when moving between cost centers. Board approval is required to move funds between core and choice budget items, and to re-allocate grant funding. Funds that may not be moved between cost centers are (1) movement between core and choice budget items, and (2) grant funding.
- 6) expend non-budgeted funds to meet an emergency which adversely affects,

directly or potentially, ability of MWDOC to perform its services; which puts MWDOC property or personnel in jeopardy; or which may jeopardize health or property of the community or its residents. General Manager shall determine that an emergency exists and shall inform Board of the emergency, at the earliest opportunity, the steps taken and expenditures incurred to meet it;

7) propose and carry out, upon Board approval, MWDOC management objectives and plans;

~~7)8)~~ remove or prohibit an item that has passed through a Committee from being presented to the full Board (only with the concurrence of the Committee Chair);

~~8)9)~~ Board retains to itself, sole authority to accept and convey, on behalf of MWDOC, real property or real property rights, and water and capacity rights.

b. Rights and Benefits of General Manager

Unless otherwise set forth in this Administrative Code, the employment rights and benefits for the General Manager are limited to those enumerated in the General Manager's written employment contract with MWDOC. No employment rights or benefits for the General Manager are contained in the MWDOC Personnel Manual.

c. Compensation of General Manager

The salary of the General Manager shall be fixed at a flat rate set by the Board of Directors upon recommendation by the Executive Committee. Merit increases will be instituted in accordance with the approved Pay Increase Guidelines included in the Board Performance Evaluation Policy.

d. General Manager's Evaluation Process

The General Manager's evaluation process shall be in accordance with the Board Performance Evaluation Policy, as follows:

- On a quarterly basis the General Manager is expected to report on progress in attaining goals
- The performance appraisal will cover the prior fiscal year period of July 1 to June 30
- The performance appraisal is completed in October
- A mid-year update may be conducted in March of each year
- The Board shall conduct the appraisal interview with the General Manager in closed session

Specific details on the evaluation process is included in the Board Performance Evaluation Policy regarding Evaluation of the General Manager and can be obtained from the District Secretary and Human Resources.

R1201- 8/24/83; Motion - 4/21/93; Motion – 11/25/96; Motion 5/18/05; Motion 4/18/12

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#### **§1308 DUTIES OF LEGAL COUNSEL**

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

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Motion - 4/21/93;

#### **§1309 DUTIES OF AUDITOR**

The Board shall appoint by majority vote, an Auditor, and shall determine the duties and compensation. The auditor shall serve a term ~~not~~ longer than five (5) years.

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**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>MWDOC DIRECTORS</b>	<b>§1400-§1405</b>
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**§1400 DIRECTORS' COMPENSATION**

The amount of compensation to be received by Directors shall be pursuant to Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the Board may increase its compensation only to the maximum allowed for one year with no catch-up provision. Members of the Board shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206 of this Code.

The Compensation Vouchers shall be approved by the Board President. In the absence of the Board President, any member of the Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers.

So that they may devote as much time as is necessary or beneficial to the full performance of their roles, such compensation shall be paid for each day's attendance at meetings of the Board, its Committees, and other functions deemed necessary and approved or ratified by the Board. Attendance at all meetings/conferences require Board approval or ratification except those meetings outlined in Section 1403 (meetings that do not require prior Board approval or ratification). The maximum number of days for which a Director may receive compensation shall not exceed ten in any calendar month.

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R724 - 7/23/75; R1242 - 10/24/84; Ord. 33 - 1/22/86; Ord. 38 - 3/7/90; Ord. 40 - 12/9/92; R1472 - 12/9/92; R1504 - 2/16/94; R1524 - 12/21/94; 11/15/95; R1552 - 1/17/96; R1572 - 12/18/96; Motion - 9/16/98; Motion - 6/16/99; Ord. 47- 4/18/01; Motion - 8/15/01; Motion - 9/19/01; Motion - 4/16/03

**§1401 DIRECTORS BENEFITS**

Board members are eligible to participate in any health and welfare benefit provided by MWDOC pursuant to Government Code Sections 53200(d) and 53201 and 53208 and in the Directors' pension plan. Directors are not eligible to participate in the CalPERS retirement benefit.

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Motion - 2/6/91; Motion - 3/16/94; Motion - 7/16/97; Motion - 4/16/03; Motion 4/21/10

#### **§1402 DIRECTORS LEAVING STATE**

Pursuant to Government Code Section 1062, Board members shall seek consent of the Board for absences from the State of more than 60 days and shall notify the Secretary of the Board of such request at least 7 days prior to the meeting of the Board, when possible.

The Secretary shall place the request on the Consent Calendar of the agenda of the Board for its consideration. In the event there is insufficient time for the Director to provide said request or there is insufficient time to agendaize said request prior to the departure of the Director, the Secretary shall notify the President and Vice President and agendaize the matter for consideration by the Board as soon as possible. Directors are requested to notify the Secretary of expected absences from the State of less than 60 days at least 3 days prior to departure when possible. Board members traveling outside the United States and to locations within the United States that do not have facsimile access, shall execute a Waiver of Notice of Special Board Meetings effective for the duration of the Directors absence.

The Secretary shall notify the Board, to the extent possible, when a majority of the Board will not be available for the transaction of MWDOC business due to absence from the State.

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R1252 - 1/23/85; Rev. 6/16/99; Motion – 4/16/03

#### **§1403 DIRECTORS ATTENDANCE AT OTHER MEETINGS**

It is recognized that each member of the Board expends a considerable amount of time and effort serving on committees and attending meetings. While the MWDOC and its Directors derive great benefit through participation in various meetings, Directors' attendance at conferences, conventions, workshops, seminars, etc. outside the MET service area requires prior authorization of the Board. Additionally, any registration exceeding \$5200 also must have prior authorization of the Board. Expenses incurred that do not meet the above criteria require Board ratification before expenses can be approved. Without approval or ratification of the Board, such expenses will not be reimbursable.

Attendance is authorized without prior authorization of the Board, at the following meetings, but shall be monitored by periodic Board review. Directors may attend, without prior Board approval, association board, council and committee meetings as necessary, if the Director has been appointed to a specific board, council or committee or association.

Additional meetings that do not require prior approval or ratification of the Board (to be eligible for per diem compensation and expense reimbursement) include attendance at:

- MET Board and Committee meetings
- Water-related Inspection Trips
- Member Agency Board and Committee meetings
- Meetings with members of the boards, city councils, or management staff of MET and agencies within Orange County regarding water-related issues ~~(see meal restrictions below)~~
- Meetings with legislators and/or legislative staff
- Independent Special Districts of Orange County (ISDOC) meetings
- Meeting with elected officials and/or the elected official's staff

- Meetings with representatives of bureaucracies at the local, state, and regional levels
- Water Advisory Committee of Orange County (WACO) meetings
- Orange County Water Association Meetings
- Educational and compliance training
- Other MWDOC or water-related meetings

In accordance with AB 1234, eEach Director shall provide a brief report (oral or written) on meetings attended at the expense of the District, at the next monthly Board meeting, to the Board regarding these meetings.

~~\*Only breakfast and luncheon meetings shall be eligible for per diem compensation and expense reimbursement and do not require prior Board approval/ratification. Dinner meetings shall not be eligible for compensation or expense reimbursement, unless the event includes official business of MWDOC.~~

~~Breakfast and luncheon meetings held in the normal course of business (e.g. following regularly held Board and Committee meetings) between two or more Directors shall not be eligible for purposes of expense reimbursement.~~

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Motion - 4/21/93; Motion – 6/16/99; Motion – 4/16/03

#### **§1404 DIRECTOR PARTICIPATION IN MEETINGS VIA TELECONFERENCE**

Directors may attend MWDOC Board and Committee meetings via teleconference provided the meeting has been duly noticed as a teleconference meeting and complies with the Ralph M. Brown Act ~~requirements~~. For the purposes of establishing a quorum of the Board, the Director participating in the meeting by teleconference must be participating from a location within the jurisdictional boundaries of MWDOC. A Director is entitled to vote from a teleconference location, which shall constitute attendance for which and shall be eligible for compensation.- All voting shall be done by roll call when a Director is teleconferencing.

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Gov. Code 71255 and 53232.1

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#### **§1405 DIRECTOR AUTHORIZATION TO TRAVEL**

Travel outside of California on MWDOC-related business by MWDOC Directors shall be undertaken upon the approval of the Board. Exceptions to this rule are MET or MWDOC sponsored inspection trips.

When it is necessary for the General Manager and/or Directors to travel outside California but not possible to receive Board approval prior to travel dates, the General Manager may approve travel outside California for himself and/or members of the Board. Please see §2300-2303 for Travel guidelines.

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Rev. 6/16/99; Motion – 4/16/03



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>MWDOC MET DIRECTORS</b>	<b>§1500-§1505</b>
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MWDOC appoints Directors to the Board of Directors of Metropolitan Water District of Southern California (MET). These Directors are appointed to serve at the pleasure of the Board. MWDOC/MET Directors' workshop meetings are held monthly to encourage exchange of ideas and information between the MWDOC Board and the MET Directors. Generally, the MWDOC Board avoids giving explicit direction on voting to the MET Directors, but may do so at any time.

**§1500 APPOINTMENT OF MET DIRECTORS**

**A. APPOINTMENT PROCESS**

The President of the MWDOC Board, with the consent and approval of the Board, shall appoint MET Directors to serve at the pleasure of the Board.

**1. REVIEW OF CANDIDATES**

The President of the Board will receive names and qualifications of proposed candidates submitted by MWDOC Directors.

**2. SELECTION**

To assist in the selection of a candidate, the President of the Board may appoint a Special Committee of the Board to interview and/or discuss the list of potential candidates. The Committee shall submit its recommendation to the President and the Board. The MWDOC Board shall retain a minimum of two (2) of the four (4) available MWDOC seats on the MET Board.

**3. TERM OF OFFICE**

The MWDOC Board shall appoint its MET Directors to serve at the pleasure of the Board.

**B. QUALIFICATION OF CANDIDATES**

The following guidelines shall be used to evaluate the qualifications of MET Director candidates:

**1. AREA OF REPRESENTATION**

MET emphasizes that MET Directors are required to consider problems and issues from the standpoint of their Metropolitan responsibility (i.e., a Southern California regional perspective). In addition, MWDOC requires that the candidate(s) shall represent the interests of the entire MWDOC service area in

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carrying out the responsibilities of a MET Director. While the candidate(s) will be nominated from a specific geographical area of Orange County, the Director must represent the interest of the entire MWDOC and MET service areas. The candidate shall represent the interests of the MWDOC service area in carrying out the functions and responsibilities of a Director on the MET Board. A balanced geographical representation and dependence on imported water supplies shall be considered.

## 2. MEETING ATTENDANCE

The candidate shall be able to regularly attend the meetings related to the duties of being a MET Director and is expected to allot adequate time to prepare for and participate in the activities associated with the position. If a candidate is employed, the candidate must submit evidence of approval from his employer that the time commitments are allowed.

## 3. LEADERSHIP AND ACTIVITIES

The candidate should plan to participate actively in the affairs of MET, representing the interest of MWDOC. The candidate shall have a broad base of acquaintanceship and support within Orange County, as the candidate needs to be able to call upon supporting groups who have knowledge of subject matter on a broader regional and/or national basis. The candidate's field of expertise should be an avenue for seeking support of experts in those special areas when the endeavor is within the MWDOC and MET framework. The candidate is expected to be an active, credible representative of MWDOC.

## 4. RESIDENCE

The candidate shall be a resident of Orange County and must reside within the MWDOC service area.

## 5. INCOMPATIBILITY OF OFFICE

It is the position of the MWDOC Board of Directors that the candidate they approve and appoint as a MET Director must correct potential incompatible office conditions prior to assuming the MET Director role. Such conditions would include the public offices of Director, City Council Member, or Mayor of one of the MWDOC Member Agencies. Incompatibility also would apply to City Managers and General Managers as principal executive officers of member agencies. Candidates would not need to resign the incompatible office to be nominated or tentatively selected as a MET Director. However, the candidate would need to resign the incompatible office, as defined by the MWDOC Board, with an effective date prior to being sworn in as a MET Director.

### **§1501 REQUEST BY MWDOC MET DIRECTORS TO SEEK ELECTED OFFICE AT MET**

A MWDOC/MET Director desiring to seek any elected office of the MET board shall first obtain concurrence of the MWDOC Board.

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Motion – 4/21/93; Motion – 5/27/98; Motion – 1/20/99; Ord. No. 46-12/6/00

#### **§1502 MET DIRECTORS' COMPENSATION**

The amount of compensation to be received by MET Directors shall be pursuant to Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the MWDOC Board may increase the compensation only to the maximum allowed for one year with no catch-up provision. MET Directors shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206. The Compensation Vouchers shall be approved by the MWDOC Board President. In the absence of the MWDOC Board President, any member of the MWDOC Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers. The maximum number of days for which a MET Director may receive compensation shall not exceed 10 in any calendar month in addition to any days for which the MET Director may be compensated as a MWDOC Director.

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Ord. 38 - 3/7/90; Ord 40 - 12/9/92; R1472 - 12/9/92; 11/15/95; R1552 – 1/17/96; R1572 – 12/18/96; R1596 – 12/17/97; Ord. 47- 4/18/01

#### **§1503 MET DIRECTOR LEAVING STATE**

MET Directors shall notify the Secretary of the Board of their request to be absent from the State for 60 days or more, at least 7 days prior to the meeting of the Board, when possible. The Secretary shall place the request on the Consent Calendar of the agenda of the Board for its consideration. In the event there is insufficient time for the MET Director to provide said request or there is insufficient time to agendaize said request prior to the departure of the MET Director, the Secretary shall notify the President and Vice President and agendaize the matter for consideration by the Board as soon as possible.

MET Directors should notify the Secretary of expected absences from the State of less than 60 days at least 3 days prior to departure when possible.

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R1253 - 1/23/85;

#### **§1504 CHANGE IN RESIDENCE OF MET DIRECTORS OUTSIDE BOUNDARIES OF MWDOC SERVICE AREA**

If a MWDOC MET Director moves his or her residence, as defined in Section 244 of the Government Code, outside the boundaries of the MWDOC service area, and if within 180 days of the move or the effective date of this section, the MET Director fails to reestablish a place of residence within MWDOC's service area, the MWDOC Board shall presume that a permanent change of residence has occurred and the MET Director at issue is no longer eligible for appointment to that position.

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M-9/21/09

#### **§1505 LEAVE OF ABSENCE FOR MET DIRECTORS**

For good cause, the MWDOC Board may authorize a leave of absence for a MWDOC MET Director of up to 90 days. Such an approval must be obtained prior to requesting a leave of absence from the MET Board. ~~At the Board's discretion, an interim MET Director may be appointed to serve during an authorized leave of absence.~~

M-9/21/09

#### **§ 1506 MWDOC MET DIRECTOR DELEGATION PROTOCOL**

~~The Leader of the MWDOC MET delegation, who is designated~~empowered to speak on behalf of the MWDOC MET delegation and coordinate votes at MET, will be the elected MWDOC Director on the MET Board with the most seniority at MET. Should another member of the MWDOC MET delegation be elected as Chairman of the MET Board, they shall assume the position as Leader of the MWDOC MET delegation.

~~The Leader of the MWDOC MET delegation will be~~is responsible for preserving the decorum of the delegation at MET, and they shall also chair the MWDOC MET Director Workshop Board meeting, the MWDOC MET delegation Caucus meetings, and all other meetings prior to MET's monthly board and committee meetings. In consultation with other members of the MWDOC MET delegation, the Leader will have the ability to select the time and location of all Caucus meetings of the MWDOC MET delegation.

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**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>APPOINTMENT TO ASSOCIATIONS/BOARDS</b>	<b>§1600-§1603</b>
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The Board, by the end of February of each year, shall consider the appointment of members of various associations/boards. Members shall be appointed to those associations/boards by the President and ratified by adoption of a Board resolution unless otherwise directed.

**§1600 APPOINTMENT TO SANTIAGO AQUEDUCT COMMISSION**

The Santiago Aqueduct Commission (SAC) consists of seven members, one member and up to two alternates selected by each of the following agencies: El Toro Water District, Irvine Ranch Water District, Santa Margarita Water District, Trabuco Canyon Water District, Moulton Niguel Water District, and MWDOC, to manage and operate the aqueduct system.

The member and alternate(s) appointed to SAC are chosen from the governing body and staff of the Districts. The member and alternates serve at the pleasure of the governing body of the appointing agency. MWDOC's member to SAC represents MWDOC, East Orange County Water District, ~~Santiago County Water District~~, the County of Orange, and The Irvine Company.

SAC is composed of agencies which are contained within the boundaries of MWDOC's Divisions 5 and 6; MWDOC's representatives to SAC shall be the Director from Division 5 or 6. Nomination of the member and alternate(s) (to serve in the absence of the regular member) shall be made in February of each year by the President of the MWDOC Board and ratified by adoption of a resolution. The alternate may be selected from among the members of the MWDOC Board-at-large and/or the staff.

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Minute action 5/13/81; R1256 - 2/27/85; R1309, 7/2/86; Minute action 8/6/86; R1317, 2/4/87

**§1601 APPOINTMENT TO MWDOC WATER FACILITIES CORPORATION**

In April 1978, MWDOC formed the MWDOC Water Facilities Corporation (WFC), a nonprofit corporation to assist in financing the construction of the Allen-McColloch Pipeline. The Corporation consisted of five members who were appointed by the MWDOC Board to act as its directors.

Effective December 31, 2000, the MWDOC WFC Board is governed by the MWDOC Board of Directors sitting as the ex-officio Board of Directors to the Water Facilities Corporation.

The MWDOC Board of Directors perform the duties and obligations of the Water Facilities Corporation by virtue of and for the same term as they hold office as a Director of the Municipal Water District of Orange County.

The MWDOC Board of Directors shall receive no additional compensation for serving as Directors of the Water Facilities Corporation over and above the compensation which they receive as Directors of MWDOC.

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Minute Action - 4/20/78; Motion - 6/17/96; Res. No. 1646 –11/15/00

**§1602 APPOINTMENT TO WATER ADVISORY COMMITTEE OF ORANGE COUNTY (WACO)**

In 1983, a joint committee of representatives of Coastal Municipal Water District, Municipal Water District of Orange County, and Orange County Water District was created to encourage discussion and agreement between Orange County water agencies on water-related issues, coordinate the development of Orange County water policies, and provide a forum for communication between County government and the Orange County water community. The member representatives were subsequently increased to include the cities of Anaheim, Fullerton and Santa Ana, plus all retail water agencies, including cities with water departments, and Public Utilities Commission regulated water utilities.

WACO also formed a Planning Committee which meets monthly to arrange a WACO program of activities and educational forums for the regular monthly WACO meetings. Representatives from MWDOC, Orange County Water District, the cities of Anaheim, Fullerton, and Santa Ana, as well as other interested agencies, comprise the WACO Planning Committee.

MWDOC shall designate two Directors to serve as WACO Representatives. In the event such Directors are unable or unwilling to serve, then the agency shall designate alternate members. MWDOC's representatives shall be members of the Board. The nomination of two representatives shall be made in February of each year by the President of MWDOC's Board and ratified by the MWDOC Board.

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R1207 - 9/28/83; R1346 - 5/4/88; Motion - 4/21/93;

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>DISTRICT AND INDIVIDUAL MEMBERSHIPS</b>	<b>§1700</b>
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**§1700 GENERAL POLICY**

The MWDOC ~~has~~Strategic Plan identified the need for directors and staff to be involved with other associations to disseminate and acquire information, participate in forums which could lead to consensus building, and gain the support for and understanding of existing and future water supply needs as well as to represent MWDOC's financial interests.

~~A MWDOC Membership Action Plan was developed to document MWDOC's participation in various associations. It identifies the purpose of each association, identifies the staff and/or Directors who will be involved, their capacities, the frequency of meetings, the dues of the association, a narrative explaining the purpose of MWDOC's participation, and a recommendation for continued participation.~~

During the annual Budget process, the Board reviews and approves all District memberships and sponsorships.

Individual memberships in the Colorado River Water Users Association (CRWUA) are authorized for members of the MWDOC Board who will be attending conferences and staff as authorized by the General Manager. Individual memberships in the Orange County Water Association (OCWA) are authorized for members of the MWDOC Board and staff as authorized by the General Manager. At such time that an individual membership exceeds \$500, the matter of renewal would be submitted to the Administration & Finance Committee for consideration.

Due to the varying degrees of commitment, in terms of time and related costs, necessary for active participation in these associations, it is recommended a formal process for appointments to association boards and committees be implemented. In February of each year, the Board President (with ratification by the Board) shall make appointments for participation in the various associations that the District belongs. Upon approval of these appointments, the District Secretary shall prepare and post on the District's website, Fair Political Practices Commission (FPPC) Form 806 outlining all Director appointments. This form is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. This form is required pursuant to FPPC Regulation 18705.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

In those instances where a Director or staff would like to participate in an entity that was not previously approved/ratified (as stated above), the~~The~~ proposed appointment of

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Directors and staff will be presented to the Executive Committee by the Board President and subsequently to the Board for approval prior to submission of interest or nomination to the individual associations. On occasions when prior approval is not feasible, either due to timing or information limitations, the matter will be presented to the Board for concurrence and ratification.

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Motion - 2/24/82; Motion 5/26/82; Motion - 10/4/89; Motion - 3/6/91;



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>DIRECTORS VEHICLE AND MILEAGE REIMBURSEMENT POLICY</b>	<b>§1800 - §1804</b>
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The following provisions outline the guidelines for Directors' mileage reimbursement, and insurance requirements. Please consult MWDOC's Personnel Manual for staff vehicle policy provisions (including provisions on Automobile Allowances).

**§1800 GENERAL**

When necessary during the course of a Director's official duties, transportation or reimbursement shall be provided by the District. The transportation method authorized will be determined in terms of the best interest of the District and in accordance with the provisions of this policy. Directors are not eligible to receive an Automobile Allowance (staff provisions are included in the Personnel Manual).

**§1801 PURPOSE**

It is the purpose of this policy to establish and provide for the implementation of procedures relative to the reimbursement procedures and insurance requirements for privately-owned vehicles used for MWDOC business and for which MWDOC pays mileage.

**§1802 DRIVER RESPONSIBILITY**

1. Only those Directors who possess a valid California driver's license may drive on behalf of the District. .
2. It is the responsibility of all Directors who drive vehicles on District business to practice safe and defensive driving.

~~3. As required by the District's insurance carrier, all Directors who receive mileage reimbursement, are to attend, at District cost, a defensive driver training course every four years or more often if driving record so dictates.~~

~~It is mandatory that lap belts and shoulder harnesses be used by the driver and all passengers.~~

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>DIRECTORS VEHICLE AND MILEAGE REIMBURSEMENT POLICY</b>	<b>§1800 - §1804</b>
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**§1803 MILEAGE REIMBURSEMENT**

Directors are to use their own vehicles and be reimbursed for mileage driven when on official District business at the rate then permitted by the IRS. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage reimbursement rate.

**§1804 INSURANCE REQUIREMENTS**

Directors driving personal vehicles on MWDOC business, shall maintain insurance to cover their normal private use of the vehicle. Directors of the District who are paid mileage reimbursement as set forth in Section 1803 for use of privately-owned automobile for District business, shall possess and maintain insurance on such automobile as mandated by law with liability coverage acceptable to the District. ~~Each Director shall provide private automobile insurance information which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of Director, insurance company, policy number, and expiration date.~~

## CHAPTER 2

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>FINANCIAL MATTERS</b>	<b>§2000-§2008</b>
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**§2000 GENERAL POLICY**

MWDOC activities are financed, to the extent possible, from water revenues, taxes, assessments, interest on investments, and any other revenue sources authorized by law. The Board establishes MWDOC fiscal policies and carefully reviews fiscal performance. The Board delegates to the General Manager the authority to manage MWDOC's day-to-day financial operations, including the investment of MWDOC funds and expending MWDOC funds in conformity with Board-approved policies, budgets and applicable laws. The General Manager also has the authority to expend non-budgeted funds to meet an emergency, as defined elsewhere in this Code, and inform the Board of the emergency, the steps taken and the expenditures incurred to meet such emergency.

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R1201 - 8/24/83; Motion - 11/25/96;

**§2001 BUDGET PREPARATION AND REVIEW**

The MWDOC's fiscal year runs from July 1 to June 30. There shall be prepared, under the direction of the General Manager, a proposed annual consolidated budget which shall be submitted to all the members of the Board no later than the date of the regular Board meeting in May, immediately preceding the fiscal year to which the budget applies. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. Copies of the proposed budget shall be reviewed with the Administration & Finance Committee and the Member Agencies in advance of adoption of the Budget. After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall adopt the budget before the beginning of the fiscal year to which the budget applies.

All amendments to the budget or transfers of operating budget appropriations ~~to or from~~ reserve accounts require ~~the approval notification to~~ the Board. The General Manager is authorized ~~to transfer budgeted amounts within and between Cost Centers Programs to move budgeted funds between cost centers, with notification to the Board. Board approval is required to move funds between core and choice budget items, and to re-allocate grant funding.~~ The General Manager shall review with the Administration & Finance Committee, at least quarterly, the status of the budget and any transfer of budgeted amounts, and propose appropriate corrective actions if revenues or expenditures vary materially from the budget.

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Motion - 4/21/93;

## **§2002 ESTABLISHING FUNDS**

To provide for accountability of public monies in accordance with applicable federal and state law and regulations, bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and Board policies, all funds of MWDOC shall be maintained in accordance with standards for accounting and reporting established by the Government Accounting Standards Board (GASB).

## **§2003 BANKING SERVICES**

Any state or national bank designated by the Board as an official depository for funds of MWDOC may be requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in MWDOC's name on its accounts when bearing the electronicfaesimile signature of the members of the Board, Treasurer, Deputy Treasurer, Accounting Manager, Director of Finance, Assistant General Manager, and/or General Manager. Said banks shall be entitled to honor and to charge MWDOC for all such instruments, regardless of by whom or by what means the actual electronicfaesimile signature thereon may have been affixed thereto, if such electronicfaesimile signature is identical to one of the specimen electronicfaesimile signatures filed with the said banks. Authorized signatures for MWDOC's accounts are established by resolution of the Board, members of the Board, Treasurer, Deputy Treasurer, Accounting Manager, Director of Finance, Assistant General Manager and/or General Manager.

R17 - 7/19/51; R278 - 9/15/62; R476 - 5/15/68; R485 - 8/21/68; R532 - 10/28/70; Minute action - 3/4/87; R1326 - 4/1/87; R1375 - 4/5/89; R1446 - 11/6/91; R1480 - 1/20/93; Motion - 4/21/93; R1561 - 7/17/96; R1565 - 10/16/96; R1641 - 3/15/00; R1654 - 1/17/01

## **§2004 CHECK SIGNER DISBURSEMENT CONTROL MEASURES**

~~All MWDOC disbursement checks must be processed through the check signer. General disbursement checks require two authorized signatures; one of which shall be an authorized signature processed through the check signer, and one of which shall be a handwritten original signature of another authorized signatory. Payroll disbursement checks require one authorized signature, which will be processed through the check signer. Check signer keys will be assigned so that no one individual will possess both keys needed for operation of the check signer. During emergency periods when the check signer is not operable, manual signatures are allowed.~~

All disbursements are processed via a check or electronically through ACH.

### **Check Procedures**

Accounts Payable disbursement checks require two authorized signatures; the current President of the Board of Directors, which is electronically printed on the check and an original signature from the Director of Finance, General Manager or Assistant General Manager. Payroll disbursement checks require one authorized signature, which is the current President of the Board of Directors' electronically printed signature. The

electronic signature is imported from a folder under the Finance drive.

The blank checks are kept shall be secured in a locked computer room with access given accessible to Tthe Director of Finance, Accounting Manager, Financial Analyst, and Network Administrator. of which, tThe Accounting Manager and, the Financial Analyst, and the Accountants are authorized -have access to print checks along with the Accountants. All checks require an online Positive Pay filing through Bank of America online. if none exists, Tthe Accounting Manager or Financial Analyst shall have the authority to make appropriate filings with MWDOC's bank to authenticate the transactions release positive pay upon receiving and reviewing the Positive Pay notice from Bank of America will send an email notifying the Finance department when the check is trying to clear. The Accounting Manager and Financial Analyst have access to file and release a Positive Pay.

### **ACH Procedures**

All ACH disbursements are reviewed by the Accounting Manager and approved by the Director of Finance, General Manager or Assistant General Manager. The initial ACH report is shall be reviewed and approved by the Accounting Manager; and the final ACH report is shall be reviewed and approved by the Director of Finance, General Manager or Assistant General Manager. These final report is shall be filed with the uploaded to bBank of America online for disbursement. No changes can shall be made to the final report unless an item is voided, in which case and then the approval process starts over shall restart with the review of the initial ACH report.

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Minutes action - 10/2/91

### **§2005 APPROVAL OF VOUCHERS**

Except for payment of the principal or interest on MWDOC bonds and for making investments, each disbursement must be supported by a voucher, certified by the Finance Manager. To each voucher must be attached, or incorporated by reference, such contract documents, invoices, receiving memoranda signed by an officer or employee qualified to attest to the receipt of the materials or services and as to their conformance with the terms of the contract, and other papers as are necessary for the complete documentation of the propriety of the disbursement.

Except for payment of the principal or interest on MWDOC bonds and for making investments, each disbursement must be supported by appropriate documentation, i.e. such as an invoice, or voucher, etc., and approved electronically or manually and in writing by the Director of Finance or the Accounting Manager. Each document must have attached, or incorporated by reference, such contract documents, invoices, receiving memoranda signed by a manager or employee qualified to attest to the receipt of the materials or services and as to their conformance with the terms of the contract, and other papers as are necessary for the complete documentation of the propriety of the disbursement.

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Motion - 4/21/93; Motion - 11/25/96;

## **§2006 YEARLY AUDIT REPORT**

At the end of the fiscal year, or at the Board's pleasure, an outside accounting firm audits MWDOC. The audit summarizes MWDOC's financial activities for the year, and also contains historical information on MWDOC's financial enterprises. The Board has given the General Manager the authority to retain an audit firm to perform MWDOC's auditing services for a period not to exceed five consecutive years.

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Motion - 2/9/53; Minute action - 5/11/53; Minute action - 7/13/53; Motion - 9/14/53; Motion - 9/12/55; Motion - 11/14/55; Minute action 11/7/56; Motion - 9/4/57; Minute action - 7/2/58; Motion 6/6/62; Minute action - 4/4/78; Motion 11/22/78; Motion - 5/17/95;

## **§2007 REPORT TO STATE CONTROLLER**

State law requires all special districts to file ~~an~~ (1) an Annual Report of Financial Transactions of Special Districts, and (2) an annual Local Government Compensation Report with the State Controller. The completed reports must be filed within 90 days after the close of each fiscal year. ~~-(CA Government Code §53891).~~

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Motion - 4/21/93; Gov. Code 53891

## **§2008 TIER TWO CONTINGENCY FUND**

- ~~1. **Creation of Tier Two Contingency Fund:** From the revenues derived by MWDOC on the sale of all water subject to MWDOC's water rate, an amount equal to the difference between MWDOC's molded water supply rate and Metropolitan's Tier One rate, shall be deposited into a restricted fund designated the "Tier Two Contingency Fund", which fund shall be restricted to the uses and purposes specified herein.~~
- ~~2. **Uses of Tier Two Contingency Fund:** Money deposited into the Tier Two Contingency Fund shall not be expended or transferred except for the following purposes:~~
  - ~~(a) **Payment of Tier Two Costs:** Funds from the Tier Two Contingency Fund may be expended to pay the difference between Metropolitan's Tier One and Tier Two water rates, in the event MWDOC's water purchases from Metropolitan exceed the Tier One block.~~
  - ~~(b) **Cash Flow Management:** Funds from the Tier Two Contingency Fund may be advanced to the General Fund to pay those charges which are imposed on MWDOC by Metropolitan, the revenues designated to pay for such charges are collected by MWDOC over a different period. Advances made for such purposes shall be repaid into the Tier Two Contingency Fund, as the revenues designated to pay such charges are collected by MWDOC.~~

~~(c) Rate Stabilization: To the extent funds from the Tier Two Contingency Fund are not immediately needed for the purposes set forth in subsections (a) and (b) hereof, the Board may utilize such funds to offset any increase in water rates or charges imposed by Metropolitan which would otherwise necessitate an increase in MWDOC's water rate.~~

~~3. **Maximum and Minimum Fund Targets:** The Fund balance will be managed to achieve a calendar year end balance between a minimum and maximum target. The target amount will be determined as:~~

~~(a) Minimum Fund Target: The Minimum Fund Target shall be determined as sufficient funds to purchase 25,000 acre feet of Tier 2 supply multiplied by the differential in the Tier 2 and Tier 1 Metropolitan Supply Rate.~~

~~(b) Maximum Fund Target: The Maximum Fund Target shall be determined as sufficient funds to purchase 50,000 acre feet of Tier 2 supply multiplied by the differential in the Tier 2 and Tier 2 Metropolitan Supply Rate.~~

~~4. **Disposition of Excess Funds:** After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. If the Fund Balance exceeds the Maximum Fund Target, a credit shall be issued to the member agencies. The General Manager shall present an analysis to the Board to determine the appropriate credit amount taking into account projected water sales, variations in weather, the Molded Supply Rate, rate stability objectives, and the Tier 2 Contingency Fund targets. The Board shall review the General Manager's recommendation and determine the appropriate credit amount. The credit amount will be distributed to the member agencies in proportion to the amount of "molded rate" water each agency purchased in the calendar years since the last credit was issued (or from the fund inception date if no prior credit has been issued). The credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).~~

MET has a tiered rate structure, wherein Tier 1 rates apply to a specified annual volume. The higher Tier 2 rates apply to purchases above that specified volume.

1. **Creation of Tier Two Contingency Fund:** MWDOC has established the Tier Two Contingency fund for the uses and purposes specified herein, as well as other uses as approved by the MWDOC Board. From time to time it may be necessary to increase the level of funds, utilize the funds for the purposes specified herein, or to reduce the level of funds being held by MWDOC. Historically, MWDOC has funded the Tier Two Contingency Fund by assessing a "molded water supply rate" on all firm water sales by increasing the supply rate from that charged by MET by an amount equal to the molded water rate increment.

2. **Uses of Tier Two Contingency Fund:** Funds deposited into the Tier Two Contingency Fund shall not be expended or transferred except for the following purposes:

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(a) Payment of Tier Two Costs: Funds from the Tier Two Contingency Fund may be expended to pay the difference between MET's's Tier One and Tier Two water rates, in the event MWDOC's water purchases from MET exceed the Tier One block of allowable purchases.

(b) Cash Flow Management: Funds from the Tier Two Contingency Fund may be advanced to the General Fund to pay those charges which are imposed on MWDOC by MET, when the revenues designated to pay for such charges are collected by MWDOC over a different period. Advances made for such purposes shall be repaid into the Tier Two Contingency Fund, as the revenues designated to pay such charges are collected by MWDOC.

(c) Rate Stabilization: To the extent funds from the Tier Two Contingency Fund are not immediately needed for the purposes set forth in subsections (a) and (b) hereof, the Board may utilize such funds to purchase water or offset any increase in water rates or charges imposed by MET which would otherwise necessitate an increase in MWDOC's water rate.

**3. Maximum and Minimum Fund Targets:** The Fund balance will be reviewed from time to time and managed by MWDOC to achieve a calendar year end above the minimum target based on a risk analysis performed by MWDOC staff regarding the likelihood of having to purchase Tier 2 water under various hydrologies and demand situations.

(a) As of January 2015, the MWDOC Board established both the Minimum and Maximum Fund Target at approximately \$1,000,000, due to the diminished likelihood of purchasing MET water above the Tier 1 limit. At the current differential between Tier 1 and Tier 2, the minimum level of funding provides the ability to purchase about 7,500 AFaf of water.

(b) The Board may consider changes in the Policy of utilizing these funds to pay for the Tier 2 purchases differential based on the circumstances that are involved at such time as MWDOC purchases exceed the Tier 1 limit. The Tier 2 Contingency Fund was established within MWDOC to provide a regional mechanism to fund purchases above the Tier 1 limit such that any single MWDOC Member Agency would avoid direct exposure. Also, it avoided the need for MWDOC to allocate a Tier 1 limit to its Member Agencies. Tier 2 purchases can be triggered by a number of events in the County such as large purchases of water into Irvine Lake, large purchases of water for groundwater replenishment and large purchases of imported water due to a decrease in the OCWD Basin Production Percentage (BPP). Based upon how such circumstances arise, the Board may consider changes to this policy if they determine there is a more appropriate manner of dealing with Tier 2 costs. MWDOC's A&F Committee and Board reviewed the issues of Tiered or Melded Water Rates for Tier-1 and Tier-2 purchases from MET in November 2004, and retained the Melded Rate, with a provision for further review should OCWD's BPP fall below 60% in the future. Based upon such circumstances, the Board may consider one of the following actions:

4. **Disposition of Excess Funds:** After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. The Board may consider issuing a credit to the member agencies or consider other uses of funds which would result in long-term savings to the District. The General Manager shall present an analysis to the Board to determine the appropriate credit amount taking into account projected water sales, variations in weather, the Molded Supply Rate, rate stability objectives, and the Tier 2 Contingency Fund targets. The Board shall review the General Manager's recommendation and determine the appropriate credit amount. The credit amount, if issued, will be distributed to the member agencies in proportion to the amount of "molded rate" water each agency purchased in the calendar years since the last credit was issued (or from the fund inception date if no prior credit has been issued). In the event credits are to be provided, the credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).

#### **§2009 RESERVE POLICY --BOARD WANTS SIMPLIFIED**

The MWDOC Reserve Policy became effective June 1, 2011 and will last five years. This policy agreement categorizes the reserves as follows into the following categories:

- General District
- Cash Flow
- Election Expense
- Building Expense
- OPEB Reserves

#### **General District Reserves:**

The agreement states that the General District Reserve should be set at \$1.85 million as of July 1, 2010 and should increase by the inflation rate each year. The following table shows a brief history of the General District reserves:

<b><u>MWDOC General Reserves</u></b>					
<b><u>Fiscal Year</u></b>	<b><u>Inflation Rate</u></b>	<b><u>Increase</u></b>	<b><u>Reserve Ending Balance Should Be per Agreement</u></b>	<b><u>Actual Reserve Ending Balance</u></b>	<b><u>Difference</u></b>
FY2010-11	2.25%	41,625	1,891,625	1,760,000	(131,625)
FY2011-12	2.35%	44,453	1,936,078	1,213,000	(723,078)
FY2012-13	1.60%	30,977	1,967,055	1,672,000	(295,055)
FY2013-14	1.50%	29,506	1,996,561	1,986,000	(10,561)
FY2014-15 <sup>(+)</sup>	1.50%	29,948	2,026,510	2,028,000	1,490

— Projected

**Cash Flow:**

Cash flow reserves should be set at \$1.00 million and said amount shall be reviewed from time to time for appropriateness based on the District's current operational needs. These have remained at \$1.00 million for cash flow purposes since June 1, 2011 and the recommendation is to leave it at that level.

**Election expense:**

MWDOC's we should have enough money in the election reserve shall be managed to fund to cover up to seven elections every four years. Based on previous election costs we have determined that \$1.04 million (or \$148,000 per division) shall would be is sufficient to cover seven elections. This requires that \$260,000 be contributed to the election reserve annually. These estimates will be updated annually as part of the budget process. with a reserve cap of \$600,000 (since a maximum of four elections occur every other year and not all the districts are contested). The following table shows a brief history of the Election Expense Reserves. In the event the election funds are not fully utilized, the Board may consider other uses that would lower the long-term costs of the District.

<b>MWDOC Election Reserves</b>			
<b>Fiscal Year</b>	<b>Beginning Reserve Balance</b>	<b>Contribution</b>	<b>Election Expenses</b>
FY2010-11	500,000	128,000	128,000
FY2011-12	500,000	0	0
FY2012-13	500,000	225,000	497,000
FY2013-14	228,000	0	0
FY2014-15 <sup>(+)</sup>	228,000	260,000	444,000

—Projected

**Building Expense:**

MWDOC Building Reserves should be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility. The plan for rebuilding the building reserves is to contribute after the election reserves until 350k is reached. The following table shows brief history of the Building Expense Reserves.

A major renovation of MWDOC's HVAC Air Handler was completed this year. Additional work is required to be completed with OCWD on the boiler unit and the chiller unit that provide hot water and cold water to both buildings and to the Energy Management System that controls both buildings. MWDOC's estimated cost for the coming year has been estimated at \$168,000. Additional future work on the roof will be required in the next several years; a cost estimate for the roofing work has not be completed at this time.

<b>MWDOC Building Reserves</b>			
<b>Fiscal Year</b>	<b>Beginning Reserve Balance</b>	<b>Contribution</b>	<b>Building Expense</b>
FY2010-11	350,000	0	0
FY2011-12	350,000	0	0

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FY2012-13	350,000	37,125	37,125
FY2013-14	350,000	0	239,000
FY2014-15 <sup>(4)</sup> Projected	111,000	407,000	168,000

#### **OPEB Reserve:**

To the greatest extent practicable, any excess from higher reserve targets shall be deposited into MWDOC's OPEB trust.

The agreement states that initially there should be a contribution of \$500,000 in FY11-12 with \$120,000 annual contributions to fully fund the liability in 20 years. The \$120,000 was decided before the 2011 actuarial report was prepared. The 2011 report recommended an annual 20-year level pay amount of \$155,000.

In managing MWDOC's OPEB liability, the Board has taken the following actions:

- Beginning in January 2013, MWDOC no longer provides medical benefits to retirees after they become Medicare eligible, except for a supplemental Medicare policy in the amount of \$1800 annually. This will substantially reduce future OPEB costs after dealing with the existing employees who qualified for the prior benefits.
- The Board requested that staff examine options for accelerating the payoff of the OPEB liability by increasing the annual payments.
- The Board also took action on February 19, 2014 to utilize funds remaining from the Capacity Charge Close-out in the amount of \$90,000 to accelerate the OPEB payoff.

More recently, sStaff Staff examinedhas taken a look at the demographics of MWDOC's OPEB liabilities and has estimated that the bulk of the liabilities will occur by 2023 take place over the next 10 years as long term MWDOC employees who had access to lifetime medical coverage retire. The Board requested staff to take actions to increase the annual contributions toward fulfilling the OPEB liability by 2023 or sooner. At the end of each fiscal year, the Board may determine additional contributions to the OPEB reserves from any of the reserve accounts over the next 10 years. Taking into account the additional \$90,000 towards the OPEB liability plus an additional \$28,000 this year, staff has estimated that an increased annual contribution of \$52,000 per year starting next year and each year thereafter will move MWDOC toward fulfilling the OPEB liability over the next 10 years.

#### **Summary of Reserves:**

Table 1 provides a summary of MWDOC's target for existing reserves, actual reserve levels at the end of 2013-14 and a projected balance at the end of fiscal year 2014-15.

<b><u>Table 1</u></b> <b><u>MWDOC Reserves</u></b>				
<b><u>Reserve Fund Description</u></b>	<b><u>2014 Target</u></b>	<b><u>Increases With</u></b>	<b><u>June 30, 2014 Projected</u></b>	<b><u>June 30, 2015 Projected</u></b>
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<u>General Fund (Designated)</u> <u>Used for variations in income; operations, expense,</u> <u>litigation, other</u>	<u>\$1.997M</u>	<u>Inflation</u>	<u>\$1.933M</u>	<u>1.973M</u>
<u>Cash Flow Reserves (Designated)</u> <u>Used for Grant and proposed project &amp; program cash</u> <u>flow</u>	<u>\$1.0 M</u>	<u>Cost</u> <u>Experience</u>	<u>\$1.00 M</u>	<u>\$1.00 M</u>
<u>3. Election expense costs (Designated)</u>	<u>\$0.6M</u> <u>(Maximum)</u>	<u>Cost</u> <u>Experience</u>	<u>\$0.228M</u>	<u>\$0.044M</u>
<u>Building Repair (Designated)</u> <u>Used for office building repair, replace, refurbish</u>	<u>\$0.35 M</u>	<u>With Needs</u> <u>Assessment</u>	<u>\$0.111M</u>	<u>\$0.35 M</u>
<b><u>Total Designated Reserves</u></b>	<b><u>\$3.947M</u></b>		<b><u>\$3.325M</u></b> <b><u>Short by \$0.63 M</u></b>	<b><u>\$3.409M</u></b> <b><u>Short by \$0.43M</u></b>
<u>5. OPEB Reserves (Restricted in Irrevocable Trust)</u>	<u>\$2.3M Liability</u> <u>per 2011</u> <u>Calculations</u>	<u>With annual</u> <u>Payments,</u> <u>Interest</u> <u>earnings</u>	<u>0.90M± Estimated</u>	<u>\$1.4M</u> <u>Remaining</u> <u>Liability</u>

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The District will have two types of operational reserves unrestricted, designated funds and restricted funds. The general district reserves, cash flow reserves, election expense and building reserves are all proposed to be unrestricted but designated funds. These funds will be identified individually, but the funds may be comingled as needed for District purposes. The following analysis presents the recommended size, method of replenishment and proposed management approach for each unrestricted and restricted fund.

General District Reserve—staff proposes that the General District Reserve be set in July 2010 at \$1.85 million with a minimum of \$1.6 million and a maximum of \$2.1 million depending upon end of year cash flow, grant payments and other factors influencing the District's cash balance. The projected balance of \$1.85 million should increase annually with inflation, since the reasons for this reserve are all impacted by inflation. The reserve should be replenished from the MWDOC rates.

Cash Flow Reserves—the cash flow reserves needs are estimated to be approximately \$1.0 million dollars, based upon actual expense in the last 5 years and projected needs. In the past, trailing payments for District funds advanced for water use efficiency payments from MET and Federal and State grants payments have reached this amount. Given the payment schedule of the Federal grants, the State's financial situation and MET's payment process, we expect the need to remain constant for the next 5 years. The District should review its expenses and upcoming needs for grant cash flow every 5 years, and adjust the needed amount based upon expenses. The reserve should be replenished from trailing grant payments as they occur, and from rates if needed.

Election Expense—Normally, the District will have four directors up for election in one year, and 3 others up 2 years later. Because of the resignation of a director and the appointment of a replacement, MWDOC will have 4 directors up for election in 2010 and 4 up for election again in 2012. Each director's seat, if contested, cost \$175,000 in the last election. Based upon this, the reserve needed could be \$700,000. However, historically, not all seats are contested. Consequently, staff recommends an initial election reserve of \$500,000. The reserve should be replenished from the District's rate structure over the subsequent 2 years after each election to a level equal to the cost of 3 contested seats. In the event 4 seats are contested, the General Reserve can be used. Note that the swing in costs due to contested seat will result in a significant impact in the District's budget and rates post election.

Building Repair/Refurbishment—MWDOC purchased its current office in 1991 for \$2.1 million (exclusive of the land). The potential repair/refurbishment reserve incurred was estimated at \$350,000 several years ago. Staff recommends a designated reserves be established in this amount, and updated every 5 years based upon expense incurred and an estimate of actual needs.

Other Post Employment Benefit Reserve—MWDOC's Board is currently considering augmenting the initial \$500,000 OPEB restricted reserve funding with annual funding over the next 20 years so that at the end of 20 years, the current liability is fully funded at \$2.4 million. This would require annual contributions of approximately \$120,000 over the next 20 years to pay both current costs and reserve funding. Sources of funds should be the District's rates and charges.

## Summary

Table A below summarizes the proposed MWDOC reserve policy and dollar amounts as of June 2010. Total reserves, exclusive of Tier 2 restricted reserves, are \$4.2 million, with \$3.7 million for 4 designated reserves and \$0.5 million in 1 restricted reserve. Note: the various reserve levels will be reviewed and revised, as needed, on a periodic basis.

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M-4/19/06; M-6/16/10; 6/1/11

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**MWDOC Draft Reserve Summary**

Name	Use	Type	Amount	Range	Increase	Source of Funds
General	Variations in income; oper. expense, litigation, other	Designated (unrestricted)	\$1.85 M	\$1.6—2.1	With inflation	District rates
Cash Flow Reserves	Grant and proposed project /program cash flow	Designated	\$1.0 M	--	5-yr. experience	Trailing revenue; district rates
Election Expense	Election costs	Designated	\$0.5 M	\$0.5-0.7	With cost experience	District rates
Building Repair	Repair, replace, refurbish	Designated	\$0.35 M	--	With need assessment	District rates
	<b>Total Designated Reserves</b>		<b>\$3.70 M</b>			
OPEB Liability	Pay OPEB liability	Restricted	\$0.5 M	\$0.5-2.1	With annual payment	District rates
	<b>Total Restricted Reserves</b>		<b>\$0.5 M</b>			



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>INVESTMENT POLICY AND GUIDELINES</b>	<b>§2100-§2109</b>
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**§2100 PURPOSE**

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

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

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

**§2101 STATUTORY AND DELEGATED AUTHORITY TO INVEST FUNDS**

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

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

No person may engage in an investment transaction on behalf of MWDOC unless he or she has been duly appointed by the Board of Directors to the office of Treasurer, Deputy Treasurer, or Alternate Deputy Treasurer, and subject to the limitations and conditions set forth in the Resolutions establishing those offices and the terms of this

policy. Notwithstanding the foregoing, upon the occurrence of a vacancy in the office of Treasurer, the Board of Directors may appoint an Acting Treasurer, who shall have and exercise the authority delegated to the Treasurer until appointment of a successor Treasurer by the Board of Directors.

The delegations in Resolution Nos. 1277 and 1434 are renewed on the adoption of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials.

#### **§2102 ORGANIZATION**

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

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

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

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

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

#### **§2103 INVESTMENT PHILOSOPHY**

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this

Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

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

#### **§2104 SCOPE**

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

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

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

#### **§2105 INVESTMENT OBJECTIVES**

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

investments meet the criteria established by this investment policy for safety and liquidity and conform to all laws governing the investment of MWDOC's funds.

#### **Safety of Principal.**

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of a security's issuer or backer. Interest rate risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

1) Credit risk will be mitigated by:

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

2) Interest rate risk will be mitigated by:

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

#### **Liquidity**

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

## **Rates of Return**

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

## **§2106 INVESTMENT POLICY GUIDELINES**

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

- Collective Investment (Pools) - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk.
- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools described in Section 2105. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years experience managing market mutual funds with investment portfolios of greater than \$500 million ~~or greater~~.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
  - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized. Negotiated certificates of deposit shall not exceed 20% of portfolio in effect immediately after such investment.
  - U.S. Treasury obligations.
  - U.S. Government Agency obligations and, U.S. Government Instrumentality

obligations.

- Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment ).
  - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment).
  - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services (shall not exceed 30% of portfolio in effect immediately after such investment).
  - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 10 percent of the market value of the portfolio. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
- All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.
  - Corporate Securities with a rating of "A" or better by at least two nationally recognized rating service (shall not exceed 20% of portfolio in effect immediately after such investment).
- Prohibited Investments and Investment Practices - The following are prohibited:
- Purchases on margin or short sales.
  - "Derivative" securities of any type.
  - Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).
  - Futures, Options and Margin Trading
  - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a Total Return basis.
  - Investments are limited to maturities of five years or less without express authorization of the Board prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
- Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or

liquidation, such monies shall be reinvested only as provided by the current policy.

#### **§2107 EXECUTION**

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

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

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

#### **§2108 PERSONAL CONDUCT**

The Board of Directors of Municipal Water District of Orange County is acutely aware of the responsibilities the staff has in administering the investment assets of MWDOC. Therefore, the integrity of the staff and all others involved in making investment decisions must be unquestioned.

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

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

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that could conflict with the proper execution and management of the MWDOC investment

program, or that could impair their ability to make impartial investment decisions.

#### **§2109 REPORTING**

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

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

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

#### **§2110 GLOSSARY**

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

**ASKED:** The price at which securities are offered.

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

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

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

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

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

**CASH EQUIVALENTS (CE):** Highly liquid and safe instruments or investments that can be



converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PORTFOLIO:** Collection of securities held by an investor.

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

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

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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R1166 - 3/23/83; R1277 - 12/18/85; R1345 - 3/2/88; R1398 - 11/1/89; R1429 - 1/16/91; R1434 - 4/3/91; R1460 - 4/1/92; R1483 - 3/17/93; R1503 - 2/16/94; R1508 - 3/16/94; R1538 - 4/19/95; R1541 - 5/17/95; R1560 - 5/15/96; R1566; - 10/16/96; Motion - 11/25/96; R1584 - 5/21/97; R1694 - 4/17/02; R1718 - 6/18/03; R1736 - 5/19/04; R1880 - 5/19/10; R1907 - 5/18/11; R1942 - 10/17/12

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>BUSINESS EXPENSE &amp; CREDIT CARD POLICY</b>	<b>§2200-§2208</b>
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**§2200 POLICY**

Payment for MWDOC-related expenses incurred by MWDOC staff, MWDOC Directors, and MWDOC MET Directors, shall be allowed only for the purpose of furthering the interests of MWDOC. Directors attending events outside the MET service area and events requiring a registration fee in excess of \$~~52~~00 require prior approval of the Board or ratification as per Section 1403. The purpose of this policy is to establish rules and procedures for reimbursement of expenses, use of MWDOC-issued credit cards and cash advances. Any expenses incurred by MET Directors, except mileage to MWDOC Board meetings, are to be submitted to MET for payment with accompanying receipts.

**§2201 LEVEL OF EXPENSES AND EXPENSE REIMBURSEMENT RATES**

Expenditures for lodging, meals, and transportation should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are being spent and that only a reasonable level of expense is warranted. MWDOC shall not incur any costs for a spouse, or other accompanying person. The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for travel expenses are subject to the following limits:

(a) Lodging shall be obtained at government group rates, when available. For conferences and organized educational activities, lodging costs shall not exceed the maximum group rate published by the sponsor of the conference or activity. If there is no government or group rate available, then lodging expenditures will be subject to the limitations of Section 2201 (c).

(b) Transportation costs and costs associated with transportation ~~will~~ shall be reimbursed according to the requirements of Section 2203.

(c) Reimbursement to directors for meals, ~~lodging~~, and other ~~actual~~ reasonable and necessary incidental expenses (excluding costs described in Section 2201 (a) or 2201 (b) above, shall not exceed \$~~500-700~~ per day.

(d) ~~The maximum Reimbursement amounts in Section 2201(c) shall will be increased by a~~ increase by 5% COLA each year on January 1, commencing January 1, ~~2016~~ 2017.

Motion 12/21/05

## **§2202 SUPERVISION**

Since circumstances vary considerably in those instances where MWDOC Directors and employees must incur expenses, care by those incurring expenses and supervision by those approving expense accounts is the most effective method of control over expenditures. When expenses that will exceed the cap are foreseen, the Director shall seek Board approval before expenditure. When expenses which might be regarded as out of the ordinary are foreseen, Directors and the General Manager shall seek the approval of the Board President prior to incurring the expense. Staff members shall seek approval from the General Manager before incurring the expense. Requests for reimbursement of authorized business expenses will be submitted on a MWDOC Business Expense Report form and will include only one month's business expenses per report form.

The General Manager will approve all expenditures for business expenses of staff over \$300. The appropriate Program Manager shall approve all staff expenditures less than \$300. The Board President or Vice President shall approve all expenditures for business expenses incurred by the General Manager. The Board President or Vice President shall approve all Compensation Vouchers and expenditures for business expenses incurred by the MWDOC Directors, and MWDOC MET Directors, following the procedures outlined in Section 2206. In the absence of both Board President and Vice President, any member of the Executive Committee or Administration & Finance Committee shall have approval authority.

The General Manager shall reject or reduce claims for reimbursement resulting from any unauthorized expenses.

## **§2203 AUTHORIZED EXPENSES**

For purposes of this Section, the term "employees" shall include Directors.

(a) Transportation Costs and Cost Associated with Transportation - expenses may include, common carrier fares, rental of automobiles, parking fees, toll charges, and mileage reimbursement for the use of personal automobiles (both Directors and employees) at the currently authorized mileage reimbursement rate.

(b) Overnight Travel – (See Section 2208 DEFINITIONS) expenses may include telephone calls, including one telephone call per day to the employee's family, common carrier fares, rental of automobiles, use of personal vehicles, meals and lodging, baggage handling, tips, etc., and other expenses essential to the business of MWDOC. Any additional expenses incurred by any family members accompanying the employee are not reimbursable.

(c) Meals & Lodging - Subject to the requirements of Section 2201(c) meals and lodging will be reimbursed for the day before a conference, only if it is necessary to be present early the next morning or if early travel is necessary due to limited travel alternatives. Meals and lodging on the day after a conference will only be reimbursed if attendance

beyond noon of the last day of the conference is required or if travel the next day is necessary due to limited travel alternatives.

(d) Rental Vehicles – rental cars should be used only when less expensive transportation is not available; i.e., shuttle vans, taxis, etc. The rental of a vehicle while traveling on MWDOC business is allowable under this policy and can be arranged by MWDOC staff in conjunction with an employee's travel plans. **Travelers are not to obtain additional insurance when renting cars as they are covered for car rentals by existing MWDOC insurance policies as long as the rental is being used for business purposes.** The use of rental vehicles should be coordinated among employees traveling on MWDOC business to the same location. The use of hotel/airport shuttle buses or taxis, depending on the amount of expected business use, is encouraged.

(e) Business Meal - business meal expenses may include the reasonable cost of meals and beverages, except alcoholic beverages, ordinarily associated with normal eating customs.

~~——(i) Business meals for others: When two or more employees or Directors have a meal with non-employees for a business purpose (such as travel status or discussion with a non-employee) the cost of the meal will be reimbursed as follows: (a) A meal furnished to a fellow employee will only be reimbursed if 1) both/all would be entitled to reimbursement; 2) if the meal is in connection with a business discussion with a non-employee; or 3) while both employees are in overnight travel status. An employee who provides a business meal to an employee or non-employee must provide on their expense report the guests name(s) and the business reason for the expense. Expenses for business meals between two Directors that are not otherwise authorized in connection with an outside meeting or conference are not subject to reimbursement unless incurred in the performance of duties required or authorized by the Board.~~

~~Directors shall not be eligible for compensation or expense reimbursement for dinner meetings, unless the event includes official business of MWDOC. Breakfast and luncheon meetings held in the normal course of business (e.g. following regularly held Board and Committee meetings) between two or more Directors shall not be eligible for purposes of expense reimbursement.~~

~~Notwithstanding, the cost of a meal for another employee, Director, or guest shall not exceed the maximums set out above unless otherwise approved in advance by the Board of Directors.~~

(f) Transportation - the type of transportation employed shall be selected on the basis of the lowest cost to MWDOC after all costs are considered, including the travel time and compensation; however, travel by common carrier bus or train shall not be required. For any one trip in excess of 200 miles one way, the preferred mode of travel shall be by airline coach or economy class. Except in emergency situations, all air travel arrangements shall be made by MWDOC. It should be considered that there are occasions when an employee/Director is able to secure a lower rate than normal by



making his/her own reservations. In these instances, and to allow for appropriate tracking and accounting documentation, said Director shall notify staff immediately and payment for said reservations shall be made by MWDOC in accordance with this policy.

In the event a Director or employee chooses a higher fare (for personal reasons), said Director or employee shall be responsible for reimbursing MWDOC for the price difference in fare.

Should an employee elect a form of travel other than air for any one trip in excess of 200 miles one way, reimbursement for such travel shall not exceed the cost that would have been incurred and reimbursable if airline transportation had been used; i.e., Director compensation, travel to and from the airport (mileage, shuttle, taxi), round trip coach airfare to the ultimate destination in effect at the time, and airport parking. Expenses for extra lodging and meals, mileage, and Director compensation, as a result of such alternative travel will only be reimbursed if the total reimbursable cost does not exceed the costs that would have been incurred and reimbursable if airline transportation had been used. Under no circumstances shall reimbursement exceed the actual cost of the method of transportation used.

Any alternative travel for MWDOC business must be by the most direct route, considering the mode of transportation used. Additional expense resulting from travel by an indirect route for the personal interest of the employee is not reimbursable.

An employee who obtains airline tickets from MWDOC for the purpose of combining personal travel with MWDOC travel, or for travel with a family member, shall, prior to receipt of such ticket, make payment for the portion of cost attributed to personal travel or to the family member's travel.

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Motion - 7/21/93; 11/15/95; Motion - 9/16/98; Motion - 6/16/99; Motion – 4/16/03;  
Motion – 10/15/03; 12/21/05

#### **§2204 EMPLOYEE/DIRECTOR CASH ADVANCES**

Employees and Directors on travel status are expected to provide themselves with sufficient funds to cover all out-of-pocket expenses, which will be reimbursed by MWDOC, if appropriate.

If necessary, funds up to \$200 per day for business-related expenses will be advanced to employees and Directors to be on travel status on a temporary basis. Employees are required to complete a Seminar/Conference Attendance and Cash Advance Request form to be approved by the Program Manager or General Manager and must be submitted in advance to allow adequate time for processing. Directors shall obtain approval from the Board President or Vice President and shall notify staff at least two weeks in advance of traveling to allow adequate time for processing. Only one employee/Director advance shall be outstanding at any time and must be cleared through submission of a MWDOC Business Expense Report within 30 days from last day of travel. Any Business Expense

report outlining the cash advance expenditures submitted after 30 days will be submitted to the Executive Committee for approval. The Director must repay any amount of the advance not covered by receipts or mileage claims.

#### **§2205 MWDOC CREDIT CARD ADVANCE OF FUNDS**

These guidelines and regulations provide the rules, procedures and restrictions for use of MWDOC-issued credit cards. Adherence to these procedures and restrictions in conjunction with the above authorized expenses is mandatory. Use of a MWDOC credit card in any manner determined by the Board as inappropriate or outside of the established regulations could result in the loss of credit card privileges. Credit cards are issued to only the General Manager, Finance/Information Systems Manager, and Assistant General Manager. Cards are issued in the name of MWDOC and the General Manager, Finance/Information Systems Manager and Assistant General Manager.

Credit card limits are set at ~~\$5,000 for the Finance/Information Systems Manager,~~ \$240,000 for the General Manager and \$240,000 for the Assistant General Manager. Increased limits require action by the Board. Use of the General Manager's credit card by staff is only with the expressed authority of the General Manager. Use of the MWDOC issued credit card for any personal expenses is prohibited.

If, inadvertently in the course of use of the MWDOC-issued credit cards, expenses that are unsubstantiated by receipts or not allowed under this policy are charged to the credit card, the amount will be identified on the MWDOC Business Expense/Credit Card Report form and subtracted from the allowable total.

Because the use of the MWDOC issued credit card is considered the same as a cash advance, all credit card expenses are to include the date, purpose and amount, with the total allowable charges reflected as a cash advance at the bottom of the Business Expense/Credit Card Report form, reducing the total amount due for reimbursement. All receipts for expenses over \$25 must be attached to the MWDOC Business Expense Report. If an employees' or Directors' Business Expense/Credit Card Report form results in a negative balance, a personal check for that amount is to be attached at the time of submittal. Any MWDOC Business Expense Report submitted incomplete and without proper attachments will be returned to the employee or Director. Expenses over \$25 without a receipt will require written explanation of the charge and shall be signed by the employee or Director.

If a Director's Business Expense Report is not submitted by the time MWDOC must make payment on the credit card, all charges reflected on the billing will be charged against and used as a reduction of the next per diem compensation voucher. If the MWDOC Business Expense Report is submitted subsequent to the reduction of the compensation voucher, reimbursement will be made at the issuance of the next per diem compensation check.

Any disputed or unsubstantiated charges for Directors will be submitted to the Executive Committee for review. Until a determination has been made and resolution has been

arrived at, the amount in question will be charged against and used as a reduction of the next per diem compensation voucher.

Any disputed or unsubstantiated charges for employees will be submitted to the General Manager for review and appropriate action.

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Motion – 7/21/93; 11/15/95; 7/16/97; 4/16/03; 10/20/04; M 12/21/05

#### **§2206 APPROVAL FOR REIMBURSEMENT OF FUNDS**

MWDOC Business Expense Reports and Compensation Vouchers should be submitted within 60 days and should be separated by the month with which the activity/expense occurred. Credit card charges and cash advance details, however, shall be submitted for approval within 30 days of incurring the credit card or cash advance expense. More frequent submission may be required in the case of an Employee Advance. Payment for Compensation Vouchers for the MWDOC Directors is coordinated with MWDOC's bi-weekly payroll period.

Detailed expenses shall be reported on the MWDOC Business Expense/Credit Card Report, substantiated by the appropriate back up material as outlined in Section 2205 and submitted to the Program Manager for review and approval. The approved claim is submitted to the Accounting Department and scheduled for payment at month-end unless an early disbursement is requested. Expenses over \$25 without a receipt will require written explanation of the charge and shall be signed by the employee or Director.

Any Compensation Voucher or MWDOC Business Expense/Credit Card Report submitted more than 60 days after the close of any given month will be submitted to the Executive Committee for approval and may be disallowed for reimbursement. As stated above, credit card charges and cash advance explanations must be submitted to MWDOC within 30 days of incurring the expense. When Compensation Vouchers or expense reports are not submitted within 60 days after the expense is incurred, the expense may not be reimbursed unless a written explanation of the exceptional circumstances which caused the delay is submitted to and approved by the Executive Committee.

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Motion: 11/15/95; 4/16/03; 12/21/05

#### **§2207 PETTY CASH REIMBURSEMENT/ADVANCES**

The Board has established a petty cash fund for the purpose of reimbursing MWDOC employees for minor expenses necessarily incurred in carrying out their duties. Requests for reimbursement must be accompanied by a receipt and must be approved by the Program Manager. Requests for reimbursement from petty cash are not to exceed \$100.00. The fund is available for purchases of miscellaneous items authorized by the Program Manager totaling less than \$100.00. An itemized receipt is to be submitted to Accounting within one working day of purchase.

Claims for minor local mileage, parking, tolls, or postage expenses aggregating not more than \$50.00 may be reimbursed from petty cash. The claim shall include all information and approvals required to substantiate the claim. No business expenses other than those expenses identified may be reimbursed through the petty cash fund.

Employee advances from petty cash must not exceed \$50.00 per employee and must be cleared within one week of issuance. Exception to this amount would be any advances required by the employee for the approved purchase of MWDOC supplies.

R526 - 8/26/70; R539 - 11/25/70; Motion - 7/1/87; Motion - 2/6/91; Motion - 3/3/91; Motion - 1/15/92; Motion - 4/21/93; Motion 7/16/97; Motion 4/16/03; Motion 12/21/05

**NOTE:** The policies relating to authorization to travel, and route and mode of travel are located in the Conferences and Travel Section of the Code.

#### **§2208 DEFINITIONS**

"Employee" shall mean MWDOC Directors, and MWDOC employees unless specifically stated otherwise. MWDOC MET Directors shall also be considered employees under this definition for the purpose of mileage reimbursement to attend MWDOC Board meetings. MET Directors are to submit all other expenses incurred in the performance of their duties as MET Directors to Metropolitan Water District of Southern California.

"Travel" shall mean attendance at meetings, conferences, or other functions on MWDOC business at other than the employee's headquarters or temporary headquarters or, in the case of Directors, their residences or places of business, whichever is applicable.

"Overnight travel" shall mean travel which prevents employees from spending their usual sleeping hours at their residences. Unless a meeting or conference is outside of the local area (Orange or Los Angeles County), lodging for such travel will not be considered an eligible expense unless the function spans more than one day AND requires travel time of one hour or more each way.

"Business meal" shall be one in which employees provide ~~non-employees and themselves~~ meals and beverages, except alcoholic beverages, ordinarily associated with normal eating customs under circumstances which are generally considered to be conducive to furthering the business of MWDOC. A "business meal" shall also include employees' meals at business meetings with non-employees who pay for their own meals, or at a business program sponsored by a business or professional association where the subject matter of the discussion is of importance to MWDOC.

Employees (not including Directors) ordinarily may not themselves partake in, or provide for others, business meals without authorization by the Program Manager or General Manager.

Whenever an employee who customarily performs MWDOC job assignments outside

Orange County and is required to be outside of Orange County on MWDOC business during a period when a meal is usually partaken, the employee shall be reimbursed by MWDOC for the expense of meals partaken.

"Mileage reimbursement" shall mean the product of "business miles driven" times "the currently approved mileage rate" to reflect reimbursement for the use of a personal vehicle. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage rate. Direct reimbursement for any expense incurred for a personal vehicle is discouraged and will at no time exceed the total amount derived from the "mileage" times "business miles driven" formula.

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Motion - 7/21/93; Motion 8/17/94; Motion 6/16/99; 4/16/03; Motion12/21/05

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>CONFERENCES AND TRAVEL</b>	<b>§2300-§2303</b>
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**§ 2300 GENERAL POLICY**

a. Employees

Attendance at most conferences is approved in the annual budget. Attendance at conferences by employees for those conferences not pre-approved in the annual budget requires Board approval. An employee wishing to attend a seminar, workshop, or convention must complete a Seminar/Conference Attendance and Cash Advance Request form and obtain approval by the Program Manager and General Manager prior to arrangements being made.

b. Directors

Attendance at conferences and seminars by Directors requires Board approval. (Please see Section 1403 for meetings that do not require Board approval).

Following Board approval for Director attendance at conferences, meetings, and seminars, the following shall apply:

1. For conferences, meetings and seminars within Southern California, all Directors are eligible to attend;
2. For the Association of California Water Agencies (ACWA) Spring and Fall conferences, all Directors are eligible to attend;
3. For conferences, meetings, and seminars involving travel outside of Southern California, without special Board approval, attendance at any one event shall be limited to participation by no more than three Directors (for expense reimbursement by MWDOC). It shall be the duty of the Executive Committee, or the Board President, at the time of approval, to determine which Directors may attend if more than three are interested.
4. A Director attending a conference, meeting or seminar for which he/she receives reimbursement shall make a brief report on that conference, meeting or seminar at the next open session after his/her return.

Travel expenses are subject to the terms of Section 2201(c).

**§2301 AUTHORIZATION TO TRAVEL**

Inside California –For staff travel within California, but outside of MET service area, on MWDOC-related business shall be undertaken only with prior approval of the Program

Manager and the General Manager. The Board shall approve all travel by members of the Board.

Outside California - Travel outside California on MWDOC-related business shall be undertaken only upon approval of the Board.

Emergency Travel Situations - In those instances when there is no Board meeting scheduled and Board approval cannot be obtained, the General Manager shall seek the approval of the Board President, or a member of the Executive Committee prior to such travel. The General Manager shall then immediately notify the Board of the approval and the nature of the travel. The General Manager shall then seek ratification by the Board.

#### **§2302 TRAVEL EXPENSES**

Payment of travel expenses while on MWDOC-related business shall be as allowed under the provisions outlined in Section 2200-2208 of this Code.

#### **§2303 TRAVEL ARRANGEMENTS**

All travel arrangements for attendance at meetings on MWDOC-related business (by both Board and staff) shall be made by staff pursuant to the provisions provided under Section 2300.

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Motion - 4/21/93 (previously part of Credit Card & Business Expense Policy, Code Section 7200); Motion - 7/21/93; Motion – 4/16/03; Motion 1/21/04

## CHAPTER 3



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>ANNEXATIONS</b>	<b>§3000-§3005</b>
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**§3000 POLICY CONSIDERATIONS**

The main policy considerations by MWDOC ~~for-in-considering~~ a prospective annexation of territory ~~includes~~ are the ~~annexation fees for both MWDOC and MET, costs involved, the calculation of MWDOC's annexation fees, a determination of who will be providing the~~ retail water service to annexing lands, the level of , future water demands that will develop as a result of the annexation, compliance with the terms and conditions of the MET Annexation Policy, ~~proposed conservation measures~~, and the exclusion of public lands.

**§3001 REQUEST FOR ANNEXATION**

Prior to providing water service to an area not currently within MWDOC or MET's service area, the area will require concurrent annexation to both Districts. ~~Annexation to one of MWDOC's member agencies is not requisite.~~ A request for annexation of areas to MWDOC shall be made in writing executed on behalf of the local agency or property owner. The request shall include:

1. A general description of the area proposed to be annexed and a map of the area indicating the boundaries of the area and existing streets and highways;
2. A certificate from the county assessor setting forth the assessed valuation of each parcel included within the proposed area to be annexed;
3. Identification of the ownership of each parcel included within the area proposed to be annexed;
4. A description of the present use of each of the parcels included within the area proposed to be annexed;
5. A description of the existing or proposed development plans for such parcels;
6. The estimated total annual and peak demands for water service to the area proposed to be annexed; and
7. A description of the water conservation measures used or planned for the area, including use of local groundwater, surface water, and ~~recycled~~ reclaimed wastewater.

In addition, the local agency or property owner shall furnish such other information as may be requested by MWDOC ~~or MET~~. The agency or property owner seeking the annexation

to MWDOC shall bear all associated costs.

### **§3002 CONSIDERATION OF REQUEST**

MWDOC staff will review the legal description and boundary map for accuracy and completeness and will submit proposed annexation to MWDOC Board at their next regular meeting taking place no earlier than 30 days after receipt by MWDOC of the request or after receipt of all supplemental information required.

### **§3003 ANNEXATION PROCEDURES**

1. If MWDOC Board approves, a resolution requesting preliminary terms and conditions will be requested from MET. Evidence of compliance with MET's Administrative Code Section 3107 Water Use Efficiency Guidelines must also be provided.
2. MET's ~~Water Problems Committee~~ Finance and Insurance Committee receives report and recommends preliminary terms and conditions to their Board; legal description and sketch must be prepared.
3. MWDOC's Board adopts resolution applying to LAFCO for hearing, terms, conditions, and environmental assessment.
4. LAFCO approves annexation following hearing and provides MWDOC with certified copy of resolution.
5. MWDOC's Board requests formal terms and conditions from MET's Board, providing certified MWDOC and LAFCO resolutions approving annexation and documents complying with California Environmental Quality Act.
6. MET's ~~Water Problems Committee~~ Finance and Insurance Committee and Board approves formal terms and conditions.
7. LAFCO holds hearing and, if successful, orders annexation.
8. As a term of any annexation, the deposit requests for processing of the applications must be paid up-front and the MWDOC will make a part of its resolution of application a requested term that annexation fees to both MWDOC and MET must be paid in full, prior to completion of the annexation cash to MWDOC and MET. MET's annexation fees are estimated based on the greater of the amounts of (1) the Back Tax Computation and (2) the Per-Acre charge adopted by their Board. MET's Per-Acre charge in 2014 was \$4,498. MWDOC's annexation fees are based on the Back Tax Computation.
9. LAFCO prepares a certificate of completion and makes the filings required by

Government Code Sections 57203 and 57204.

The entire process typically takes between six and twelve months.

#### **§3004 MWDOC ANNEXATION CHARGES**

Besides MET and MWDOC annexation fees, other costs involved in the processing of an annexation include legal, environmental, engineering and administrative costs. As a prerequisite to MWDOC submitting a resolution of application to LAFCO for an annexation, MWDOC will require that the agency or property owner requesting annexation agree to be fully responsible for all of the costs, including any legal costs incurred as a result of an action against the MWDOC.

MWDOC's annexation fees are estimated based on prior tax rates (Back Tax Computation). MWDOC's engineering, legal and administrative costs are estimated up front and a deposit is requested from the applicant.

#### **§3005 EXCLUSION OF PUBLIC LANDS**

Public lands, not subject to annexation fees, include public roads, streets, highways, freeways, and other such public lands that may be determined by MET.

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Minute action - 9/8/52; R39 - 10/14/59; Motion - 6/11/56; R150 - 5/13/57; R151 - 7/8/57;  
Ord. 3 - 8/26/57; R152 - 8/26/57; R155 - 10/7/57; Minute action 12/4/57; Motion - 4/21/93;

## CHAPTER 4

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>WATER SERVICE, CLASSIFICATION AND RATES POLICIES</b>	<b>§4000 – 4001</b>
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**§4000 GENERAL WATER SERVICE POLICY**

Municipal Water District of Orange County is authorized and directed by Section 71616 of the California Water Code to establish water rates and charges for the sale of water which will result in revenues sufficient to meet the operating expenses of MWDOC, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt.

~~A copy of the current Ordinance on file with MWDOC establishing classifications and the water service policy may be obtained from the District Secretary.~~

**§4001 CLASSIFICATION AND WATER RATES**

~~A copy of the current Ordinance on file with MWDOC establishing classifications and the current Water Rate Resolution may be obtained from the District Secretary. The water rate shall be established by the MWDOC Board of Directors in an amount which, in combination with revenues from other charges collected by MWDOC, will result in revenues sufficient for the purposes set forth in Section 71616 of the California Water Code.~~

~~A copy of the current Resolution on file with MWDOC establishing the classifications and water rates may be obtained from the District Secretary.~~ The procedures for establishing water rates resolutions and ordinances are outlined under Section 1117.

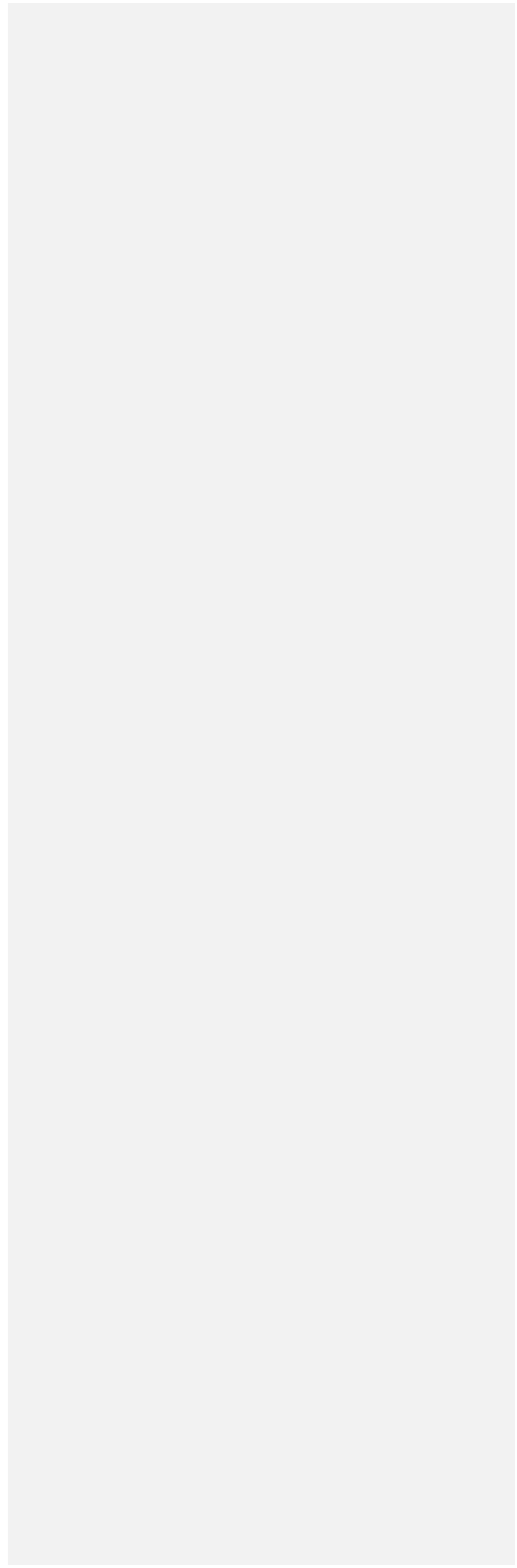
**§4002 DISCOVERY OF MISTAKES OR ERRORS**

~~In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.~~

~~If an incorrect invoice has been issued to a member agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.~~

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## CHAPTER 5

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>SERVICE CONNECTIONS</b>	<b>§5000-§5013</b>
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**§5000 GENERAL**

Upon formal request by a Member Agency for a service connection, the ~~Board may authorize the General Manager~~ is authorized to prepare for the Board's consideration, to execute on behalf of MWDOC a formal agreement for the sale and delivery of water with the Member Agency being required to accept and comply with the terms and conditions of the Administrative Codes, rate resolutions, and rate ordinances put forth by MWDOC's and MET's which may be amended from time to time ~~resolutions relating to such service agreement~~. MWDOC will furnish the Member Agency with the appropriate provisions and conditions with respect to completion of any service connection agreement.

The Member Agency shall make arrangements for the completion of service connections ~~through or~~ with MWDOC. The Member Agency shall make all deposits required and execute and furnish all necessary documents within sixty (60) days of notification by MWDOC. If necessary deposits and documents are not submitted within the required time, MWDOC will consider application for service connection canceled, no longer pending and of no force and effect.

The service connection agreements shall have provisions covering the topics in Sections 5001-5013.

**§5001 DELIVERY OF WATER**

Upon completion of said connection, MWDOC will deliver from said connection ~~to Member Agency, as it receives said water from MET,~~ such quantities of water as requested and at such times as Member Agency may request, subject to the capacity of the connection, the availability of the water and the terms and conditions ~~and subject to the an agreements between MWDOC and MET. Delivery of water by MWDOC is~~ Water through said connection is available to MWDOC only from MET, and MWDOC's obligations thereunder are subject to its ability to purchase said water from MET.

**§5002 TITLE**

Delivery of water to ~~M~~member ~~A~~agency shall occur as the water is discharged from MET to MWDOC to the Member Agency ~~said connection~~, and thereafter such water shall be the property of the member agency, which shall be solely responsible for it.

**§5003 PAYMENT FOR WATER**

The Member Agency shall pay MWDOC for all quantities of water delivered subject to the



price, rates, classification and conditions established by MWDOC from time to time according to the use to be made of such water. All deliveries shall be metered by MET and monthly statements will be presented by MWDOC to the Member Agency. Statements are due and payable within the time and according to the conditions established by MWDOC from time to time.

#### **§5004 EQUIPMENT AND RIGHT OF WAY**

The Member Agency must furnish without cost to MWDOC and MET all facilities, including any rights of way, meter or meters or other measuring devices, vaults, facilities and equipment for the securing of water from the lines of MET and will pay all costs, charges and expenses incurred in connecting its lines to, maintaining said connection and disconnecting said lines from the lines of MET. The Member Agency must agree to install and maintain such flow control device or devices in connection with the service connection as required by MWDOC and MET.

The Member Agency must furnish, operate and maintain its own lines for the distribution of any water received by it from MET and MWDOC who shall not be under any duty relative thereto or obligated therefor in any way.

#### **§5005 AMOUNT OF WATER DELIVERED**

If any question arises as to the amount of water delivered to the Member Agency and/or others, the decision of MWDOC's General ManagerEngineer shall be final as to determining the amount and the apportionment thereof. The method of measure of water used by the member agency shall also be as determined by MWDOC's General ManagerEngineer, who is also authorized and empowered to fix and apportion to the Member Agency the loss, if any, incurred in the transportation of water at and below the place of measuring of said water.

#### **§5006 RESPONSIBILITY FOR FACILITIES AND ACCESS**

MWDOC is not the owner of any meter, vaults, facilities and equipment, nor ~~it-is-it~~ responsible in any way for any vaults, meter, facilities and equipment used in serving its Member Agencies. However MWDOC's General ManagerEngineer shall have access at all times to any such facilities and equipment furnishing water to the Member Agencies and used in measuring water purchased by member agencies from MWDOC, whether connected to the source of supply of MET, or otherwise, and if such devices are under lock or located in any structure, MWDOC's General ManagerEngineer shall have ~~the-keys thereto and shall have~~ free and unobstructed access to any and all facilities in which such devices are kept. Said MWDOC General ManagerEngineer has the right, power and authority to test any such device, used by the member agency or on its behalf, if it is believed to be inaccurate or faulty in any way, and any devices found defective shall be promptly repaired or replaced without cost to MWDOC.

#### **§5007 MET's CONDITIONS**

Member Agencies shall accept and agree to comply with all the terms and conditions of MWDOC's and MET's resolutions relating to service connections and agree to grant or cause to be granted to MWDOC and MET such permanent easement as may be necessary for the construction, reconstruction, operation, maintenance, repair and removal of said connection in, over, through and under a parcel of land, the location and dimensions of which parcel shall be adequate for said purposes as determined by the Chief Executive Officer of MET, and which easement shall be in form satisfactory to MET's General Counsel.

#### **§5008 WATER RATES**

MWDOC charges a water rate in addition to the price charged for water by MET. If, in the opinion of MWDOC, it should become necessary for MWDOC to charge additional rates in connection with the furnishing of any water to a Member Agency under the agreement, the Member Agency shall promptly pay MWDOC its proportion of any such charges, based on the amount of water received which may be deemed necessary by MWDOC to be charged Member Agency in MWDOC, provided, however, that no such charge shall be levied or made by MWDOC to or against the member agency until MWDOC first gives written notice by registered mail to the member agency of its intention to make such a charge at least 10 days prior to making such charge or levy.

Notwithstanding any agreement to the contrary, in the event MWDOC incurs expenses relative to the operation and maintenance pertaining to said service connection, the Member Agency shall reimburse MWDOC for such expenses on presentation of bills for such expense.

See Sections 4001 and 1117 for additional Water Rates procedures and information.

#### **§5009 REPAIRS**

Pursuant to the terms of any agreements and/or MET resolutions or Administrative Code provisions, MET shall be responsible for any subsequent maintenance, alteration, reconstruction or relocation of said service connection, except changes which are requested by the member agency or MWDOC which changes shall be handled as a new service connection.

#### **§5010 INDEMNITY**

The Member Agency must agree that it will at all times indemnify and save harmless MWDOC from and against all loss, cost, damage and expense, including, but not limited to, reasonable engineers' and attorneys' fees, and from and against any and all claims or demands on account of injury to persons or property which may be made against MWDOC in any way related to the Member Agency's operations or the attachment, maintenance and operations of its facilities to or the removal of its facilities from the facilities of MET.

#### **§5011 MWDOC/MET AGREEMENT**

The Member Agency must accept and agree to comply with, and be subordinate to, the agreement between MWDOC and MET, which agreement shall be attached to and made a part of Member Agency's agreement with MWDOC.

#### **§5012 ENVIRONMENTAL PROCEDURES**

In connection with the water service of such service connection agreement and agreement with MET, the Member Agency shall be responsible for compliance with all governmental environmental impact procedures and shall be responsible for all governmental permits, if any, prerequisite to the performance of any service agreement with MWDOC and comply with laws applicable thereto.

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Original policy adopted 9/8/52 - R36; rescinded by R43 - 5/11/53; R74 - 10/11/54; Motion - 4/21/93;

#### **§5013 ABILITY TO DEAL WITH A SUSPENSION OF IMPORTED WATER DELIVERIES**

The goal of MWDOC ~~is for its's~~ Member Agencies is to ~~have available~~ provide sufficient water supplies to their customers during both planned and unplanned outages of the import water system ~~to. It is the goal of the MWDOC Board of Directors that each of MWDOC's Member Agencies~~ be able to continue providing service to their consumers, from storage, local resources or interconnections with other agencies, without benefit of imported water through MET's system, for 7 average days of demand. MWDOC staff will be available to work with the Member Agencies toward meeting this goal. ~~The MWDOC staff shall submit periodic progress reports to the Planning & Operations Committee.~~

In the event one or more of MWDOC's Member Agencies are unable to sustain a planned shutdown, MWDOC may pass on any costs imposed by MET. MWDOC may also pass on any non-staff costs directly incurred by MWDOC for helping agencies to plan for or to sustain a planned or unplanned outage of the import water system. Costs imposed by MET and non-staff costs incurred by MWDOC, if passed on to MWDOC's Member Agencies, may be passed through to certain Member Agencies by way of a special invoice. MWDOC will determine the "need for import" supplies, based on demands and available local supplies including storage. Supplies that would have been available from MET will be allocated proportionally among all agencies by their "need for import supplies". The special invoice will be allocated proportionally among all agencies calculated to have a "remaining unmet demand" after the MET supplies that would have been available have been fully allocated. In the event MWDOC cannot reasonably determine to which agency or agencies to pass the costs, the Board shall have the option to (1) pass the costs on to all of MWDOC's Member Agencies, or (2) fund the costs from MWDOC's reserves.

~~To provide for a transition period for implementation of this policy, during calendar years 2006 through 2010, the Board shall consider the specific circumstances, projects and costs for upcoming planned shutdowns and may use a portion of MWDOC's reserves, as approved by the Board, toward measures to improve the ability of the Member Agencies to sustain shutdowns.~~

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Motion 10/19/05

## CHAPTER 6

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>PERSONNEL MATTERS</b>	<b>§6000</b>
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MWDOC's personnel policies are detailed in its Personnel Manual and revised as necessary.

Personnel policies apply to all employees of MWDOC. Every employee is provided with a copy of the Personnel Manual upon hire. The Manual covers salary policies and regulations governing hours, benefits and working conditions with periodic revisions submitted to the Board for approval.

Pursuant to Section ~~132~~07 of this Code, the Board has delegated to the General Manager the authority to employ, terminate, assign duties to, and direct the day-to-day activities of all MWDOC employees, except that the Board retains the authority to employ, terminate, and assign duties to the General Manager, Secretary and Treasurer of the Board, and Legal Counsel.

The General Manager has the authority to establish MWDOC employee job classifications and descriptions, subject to periodic review of overall personnel utilization by the Board. The Board retains the authority to control the overall staffing levels by setting the number of authorized positions.

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Motion - 7/21/93; Motion – 7/21/04

## CHAPTER 7

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>CONFLICT OF INTEREST AND DISCLOSURE OF PERSONAL FINANCES</b>	<b>§7000-§7006</b>
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**§7000 GENERAL REQUIREMENTS**

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference.

**§7001 MWDOC CONFLICT OF INTEREST CODE**

MWDOC has adopted the Fair Political Practices Commission Model Code (2 Cal. Code of Regs., Section 18730) as its Conflict of Interest Code (Code) and has promulgated a list of Designated Positions and Disclosure Categories as required therein (see Appendix A to Section 7005). This Code incorporates, by reference, the definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission and any amendments to the Act or regulations. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Municipal Water District of Orange County and the Municipal Water District of Orange County Water Facilities Corporation.

In accordance with Government Code 82011(b), the Board of Supervisors for the County of Orange (Board of Supervisors) has been designated as the Code Reviewing Body for MWDOC. Amendments to the MWDOC or MWDOC Water Facilities Corporation Conflict of Interest Code, including Appendix "A", will be submitted to the Board of Supervisors for approval within 90 days after the circumstances necessitating the amendments have become apparent. (Government Code Section 87306(a).)

Res. No. 1874 – 2/17/10

**§7002 FILING OFFICER/OFFICIAL**

The District Secretary is designated as the filing official responsible for receiving and forwarding original statements of economic interest (statements) for MWDOC and MWDOC Water Facilities Directors to the Clerk of the Board of Supervisors. The District Secretary shall retain one copy of each such statement for MWDOC records. The District Secretary is designated as filing officer for all other designated filers of MWDOC and MWDOC Water Facilities Corporation and as such shall be responsible for receiving and retaining the original statements of such filers in the official records of MWDOC. The District Secretary shall follow the duties of filing officer denoted in Title 2, Section 18115(a)



and of filing official denoted in Title 2, Section 18115(b).

Motion - 4/20/94; Motion - 9/21/94; M – 9/20/06

### **§7003 FILING OF STATEMENTS OF ECONOMIC INTERESTS**

Persons in designated positions are required to file statements with the District Secretary as follows:

1) Initial Statements - Within 30 days after adoption of the Code or amendments to the Code. Includes all reportable interests during 12 months prior to the effective date of the Code or amendments thereto.

2) Assuming Office Statements - Within 30 days after assuming the designated position. Includes all reportable interests during the 12 months prior to the date of assuming office or date of appointment or nomination

3) Annual Statements - No later than April 1 each year. Includes all reportable interests during the previous calendar year.

4) Leaving Office Statements - Within 30 days after leaving office. Includes all reportable interests during period between the closing of the last statement filed and the date of leaving office.

Motion - 4/20/94;

### **§7004 OPINIONS OF LEGAL COUNSEL**

A. Opinion Requests - Any designated employee who is unsure of any right or obligation arising under this Code may request an opinion from MWDOC's Legal Counsel or the Fair Political Practices Commission.

B. Evidence of Good Faith - If an opinion is rendered by the Fair Political Practices Commission, stating in full the facts and the law upon which the opinion is based, compliance by a designated employee with such opinion may be evidence of good faith in any civil or criminal proceeding brought pursuant to the Political Reform Act of 1974 or this Code. The designated employee's good faith compliance with the opinion of the Fair Political Practices Commission shall also act as a complete defense to any disciplinary action that MWDOC may bring under Section 91003.5 of said Act or this Code (Government Code Section 83114).

Motion 4/20/94

### **§7005 DESIGNATED POSITIONS AND CATEGORIES**

Designated employees shall file statements of economic interests with the Municipal Water District of Orange County's Political Reform Act Filing Officer, District Secretary, who will make the statements available for public inspection and reproduction (Government Code Section 82008).

Upon receipt of the statements of the Members of the Board of Directors, General Manager, Treasurer, Deputy Treasurer, Director of Finance ~~Manager~~, and Legal Counsel the Filing Officer shall make and retain a copy and forward the original of these

statements to the Clerk of the Orange County Board of Supervisors, who is the Filing Officer for these positions

Statements for all other designated employees will be retained by the Filing Officer.

Motion – 9/20/06; Res. No. 1861 – 11/18/09; Res. No. 1874 – 2/17/10; M-11/17/10; M-11/19/14

**APPENDIX A**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY WATER FACILITIES CORPORATION**  
**CONFLICT OF INTEREST CODE**

Designated Positions	Disclosure Categories
Board Member	OC-01
General Manager	OC-01
Treasurer	OC-01
Deputy Treasurer	OC-01
Director of Finance <del>AS</del>	OC-01
Legal Counsel	OC-01
Administrative Services Manager	OC-02
Associate General Manager	OC-01
Assistant General Manager	OC-01
Consultant	OC-30
Governmental Affairs Manager	OC-01
District Secretary	OC-02
Director of Public Affairs	OC-01
Principal Water Resources Planner	OC-02
Principal Engineer	OC-02
Principal Water Resources Analyst	OC-02
Water Use Efficiency Program Manager	OC-02
<u>WEROC Programs Manager</u>	<u>OC-02?</u>

**DISCLOSURE CATEGORIES**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County or the District, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-02	All investments, business positions and sources of income (including gifts, loans and travel payments).
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.

## EXHIBIT B: CATEGORIES

Category I: Designated Employees in Must Disclose for the Following Types of Business Entity, Investment, Source of Income or Real Property:

1. Real Property
2. Pipes, valves, fittings, pumps, tanks, meters, etc.
3. Construction and building materials
4. Soil tests, compaction and other soil-related services
5. Engineering and architectural services
6. Agriculture
7. Construction firms
8. Well drilling service and equipment
9. Cathodic protection equipment services and supplies
10. Real estate leasing, sales and investments
11. Real estate appraisal firms
12. Environmental services
13. Petroleum products
14. Safety equipment and facilities
15. Water quality testing services and supplies
16. Chemicals
17. Electrical generating equipment, supplies and operations

Category II: Designated Employees Must Disclose for the Following Types of Business Entity, Investment, Source of Income or Real Property:

1. All disclosure categories listed for other positions
2. Banks
3. Savings and loan associations
4. Securities dealers
5. Insurance agencies and companies
6. Financial audit and accounting firms
7. Computer and office equipment and furnishings, sales and services
8. Office and computer sales and service
9. Office services
10. Employment agencies
11. Temporary help agencies
12. Travel agencies
13. Printing, copying, reproduction, commercial art and microfilm services and equipment sales
14. Food services and supplies
15. General and special equipment leasing, sales and maintenance services

16. Periodicals, books and newspaper publishing and sales
17. Legal reporting services
18. Newspaper clipping services
19. Mail delivery service
20. Communications and telephone services and equipment sales and maintenance
21. Lodging and transportation services
22. Staff development training sales and services
23. Motor vehicles, parts, sales, service, leasing, maintenance
24. Surveying equipment services and supplies
25. Public utilities
26. Medical services, supplies and informational material
27. Right-of-way agent services
28. Securities
29. Consulting services (i.e., real estate, public relations, legal, energy and power, engineering, soils testing, water treatment, data processing, computers, employee training, advertising, travel, communications, design, art work, audio-visual, movie productions, planning, water pricing and demand, economists, desalting, environmental, appraisers, real estate sales and investment services, financial services, management services, legislative and lobbying services)
30. Electric energy
31. Security services
32. Title insurance and escrow services
33. Private water companies
34. Real estate development firms
35. Audio or visual aids
36. Educational equipment and supplies

- The General Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Minute action - 6/24/81; R1132 - 6/23/82; R1306 - 6/4/86; R1386 - 7/5/89; Minute action - 4/3/91; R1468 - 9/2/92; Motion - 7/21/93; Motion - 3/16/94; Motion - 4/20/94; R1519 - 9/21/94; R1564 - 9/18/96; Motion - 11/15/00; Motion - 11/20/02; Motion - 9/20/06; Motion 9/19/12; [Motion 11/19, 2014](#)

#### **§7006 ARTICLE 2, POLITICAL REFORM ACT**

Pursuant to Article 2 of the Political Reform Act (Government Code Section 87200 et seq.)

those positions which involve the management of public investments are required to report their economic interests under the provisions of Article 2 rather than under MWDOC's Conflict of Interest Code, on Form 700. Those positions with MWDOC who are required to report their economic interests are as follows:

- General Manager
- Members of the Board of Directors
- Treasurer
- Deputy Treasurer
- Director of Finance ~~Manager~~

Filing requirements will be followed as listed under Administrative Code §7003.

R1519 - 9/21/94; R1538 - 4/19/95; R1564 - 9/18/96; Motion – 11/15/00

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>ETHICS POLICY</b>	<b>§7100-§7110</b>
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**§7100 PURPOSE**

The policy of MWDOC is to maintain the highest standards of ethics from its Board members, officers and employees (all shall be referred to as employees for the purposes of this section). The proper operation of MWDOC requires decisions and policy to be made in the proper manner, that public office not be used for personal gain, and that all individuals associated with MWDOC remain impartial and responsible toward the public. Accordingly, all employees are expected to abide by the highest ethical standards and integrity when dealing on behalf of MWDOC with fellow Board members or employees, vendors, contractors, customers, and other members of the public.

**§7101 RESPONSIBILITIES OF BOARD MEMBERS**

Board members are obliged to uphold the Constitution of the United States and the Constitution of the State of California and shall comply with all applicable laws regulating Board member conduct, including conflicts of interest and financial disclosure laws. No Board member or officer shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

**§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES**

Except as specifically authorized, no employee shall use or remove or permit the use or removal of MWDOC property, including MWDOC vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No employee shall require another MWDOC employee to perform services for the personal convenience or profit of another employee. Each employee must protect and properly use any MWDOC asset within his/her control, including information recorded on paper or in electronic form. Employees shall safeguard MWDOC property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Employees are responsible for maintaining written records, including expense reports, in sufficient detail to reflect accurately and completely all transactions and expenditures made on MWDOC's behalf. Creating a document with misleading or false information is prohibited.

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Motion - 1/17/96;

### **§7103 CONFLICT OF INTEREST**

All MWDOC Directors, officers, and employees at every level shall comply with the requirements of Section 1090 of the California Government Code which prohibits such persons from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members, or from being a purchaser at any sale or a vendor at any purchase made by them in their official capacity.

All Directors and employees designated under MWDOC's Conflict of Interest Code ("designated employees") and employees required to report under Chapter 7, Article 2 of the Political Reform Act (Government Code Section 7300 et seq.) shall promptly and fully comply with all requirements thereof.

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

### **§7104 GIFTS**

No employee shall accept, directly or indirectly, any compensation, reward or gift from any source except from MWDOC, for any action related to the conduct of MWDOC business, except as set forth below:

1. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.\*
2. Acceptance of transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by nongovernmental sources where the employee's participation on behalf of MWDOC is the result of an invitation addressed to him or her in his/her official capacity, and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his/her official participation.\*
3. Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other items of nominal value.\*

4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.

5. Acceptance of incidental transportation from a private organization, provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

\* Nothing herein shall be deemed to relieve any Director or designated employee from reporting the value of such meals, transportation, lodging or gifts and abstaining from participation in any decision of MWDOC which could foreseeably have a material financial effect on the donor when the value of such gifts reaches the limits set forth in MWDOC's Conflict of Interest Code and the Political Reform Act.

In no event shall any employee accept gifts from any single source, the cumulative value of which exceeds the applicable gift limit under California law.

A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action, and the reasons why return was not feasible shall be made on MWDOC records. When possible, the donor also shall be informed of this action.

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Motion - 1/17/96;

#### **§7105 PERSONS OR COMPANIES REPORTING GIFTS**

All persons and companies doing business with MWDOC, with the exception of public agencies, shall submit a summary, by January 31 of each calendar year, of all gifts claimed for internal vendor audits (including meals) made to, or on behalf of, employees or Directors of MWDOC, or their immediate family members, that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to MWDOC may result in the termination of MWDOC business with that person or company.

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Motion - 7/21/93; Motion - 8/18/93;

#### **§7106 USE OF CONFIDENTIAL INFORMATION**

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

#### **§7107 POLITICAL ACTIVITIES**



"During the course and scope of their employment employees are prohibited from engaging in campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, or from attempting to influence changes to MWDOC Division boundaries, except where such activities are expressly required in the course of official duties. Employees are otherwise free to personally, endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities or during the course and scope of their duties for MWDOC. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. These provisions are intended to protect employees against political assessments, coerced political activities, and to prevent political activities on the part of employees from interfering with MWDOC operations. Nothing in this section shall be interpreted or applied in a manner to unlawfully curtail the constitutional right to political activity of MWDOC employees."

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All eEmployees are prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries, except where such activities are required in the course of the employee's official duties. Employees are otherwise free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. All staff of MWDOC is prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries. These provisions are intended to protect employees against assessments for political purposes and other involuntary, coerced political activities and to prevent political activity on the part of employees from interfering with the efficiency of MWDOC. Nothing in this section shall be applied in a manner that unlawfully curtails the constitutional rights of the employee.

#### **§7108 IMPROPER ACTIVITIES**

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

#### **§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS**

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be

referred to any of the following: (1) the General Manager; (2) Human Resources; (3) the Board of Directors; or (4) any member of the management staff, for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination.

If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action. The Executive Committee may make a determination and present the issue to the full Board.

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Motion - 1/17/96;

#### **§7110 VIOLATION OF POLICY -- DIRECTORS**

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

#### **§7111 PERIODIC REVIEW OF ETHICS, CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES**

Pursuant to the terms of Government Code Sections 53234 through 53235.2, each Director shall receive at least two hours of training in general ethics principles every two years. Pursuant to Government Code Section 53235(c), the curricula for ethics training must be approved by the Fair Political Practices Commission (FPPC) and the Attorney General. It is the general desire of the MWDOC Board to meet and review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct during the first quarter of the year immediately following an election (every two years).

Each Director shall retain the certificate of completion from any ethics course in which he/she participates and shall provide a copy of such report to MWDOC. Such records shall be retained for five years from the date they are received.

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M-12/21/05

## CHAPTER 8

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>CONTRACTS</b>	<b>§8000-§8004</b>
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**§8000 CONTRACTS**

Contract documents shall consist of such documents as the General Manager may deem desirable and as approved as to form by MWDOC's Legal Counsel in addition to those required by law. The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings. Whenever an award is made by the Board, such award shall constitute approval of the contract documents and contractor or consultant shall be authorized to proceed with the provision of services or materials described in the contract document, subject to compliance with the insurance and bonding requirements, execution of all documents and, where applicable, issuance by MWDOC of a Notice to Proceed.

It is MWDOC's policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at least every five (5) years, except in situations with documented significant benefits to MWDOC.

The procedures for entering into contracts shall be pursuant to the laws governing MWDOC and those policies outlined in MWDOC's Contracts Manual ~~(currently in draft form and under review by staff).~~

**§8001 APPROVING AUTHORITY FOR PURCHASES/CONTRACT SERVICES**

Approving authorities listing the standards and procedures for various purchases and contract services are listed in the matrix attached to this section as Exhibit A.

The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000. The General Manager may delegate all purchasing approval authorities to the Assistant General Manager during periods when the General Manager is absent.

**§8002 STANDARD AGREEMENT FOR CONSULTANT SERVICES**

During the budget approval process, each fiscal year, a listing of all proposed contracts with consultants to provide ongoing or new professional services such as auditing, legal or engineering services shall be included in the budget for approval. After Board approval, a "Standard Agreement for Consultant Services" shall be prepared and completed, including receipt of all required insurance documents, before services are

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initiated. The Agreement shall have a scope of work attached and incorporated into the Agreement by reference, specifically setting out the tasks to be completed. Tasks other than those specifically described shall not be performed without prior written approval of the General Manager. ~~In the event the same consultant is hired five years in a row, the appropriate Standing Committee shall review the contract and determine whether it would be prudent to issue a Request for Proposal (RFP) for future services.~~

Work performed under such Agreement is to be billed and paid for at rates set forth in the consultant's fee schedule or schedule of charges and invoices must reference the appropriate Purchase Order number as referenced in the Agreement. MWDOC's Ethics Policy (Section 7100-7111) shall be incorporated in to the Standard Agreement for Consultant Services, as an Exhibit.

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Motion – 12/9/92; 7/21/93; 7/16/97; 11/21/01; 06/15/11; 02/15/12

#### **Selection of Consultants**

The following criteria shall be used to qualify candidates for professional services.

1. Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
2. The consultant's familiarity with types of problems applicable to the project.
3. Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
4. The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
5. The consultant's level of financial responsibility.
6. The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.
7. Types of guarantees or warranties offered by the consultant.
8. Estimate of the range of proposed services and costs.

#### **Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority**

In the event that Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement

Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item, prior to starting the work. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President at least a week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract. The General Manager shall submit an annual written status report on all contracts executed under the General Manager's authority to the Administration & Finance Committee.

#### **Procedures for Developing Requests for Proposals**

Staff will prepare a description of the proposed project, its purpose, location, and other pertinent facts and shall request interested consultants to submit proposals; consultants may be requested to submit a statement of qualifications for certain activities. The proposals shall contain detailed information, including, but not limited to, the firm's ability to perform the job within the designated timeframe, the firm's design team, the firm's proposed use of sub-contractors, the firm's proposed scope of work, level of effort and estimated cost range, and contract documents.

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M-6/15/11

#### **§8003 REQUISITIONS AND PURCHASE ORDERS**

All requests for purchases require the completion of a requisition signed by the appropriate ~~Cost Center~~~~Program~~ Manager. If the ~~Cost Center~~~~Program~~ Manager is not available, the Assistant Manager may sign the requisition. All requisitions for purchases over \$3,000 require the issuance of a purchase order. A copy of the purchase order is to be provided to the ~~Cost Center~~~~Program~~ Manager. The ~~Accounting~~~~Finance~~ Manager may authorize purchases up to \$3,000. ~~-with-~~~~t~~The General Manager and the ~~Accounting~~~~Finance~~ Manager required to jointly sign for purchases over \$3,000.

In the absence of the ~~Accounting~~~~Finance~~ Manager or General Manager, the Assistant Manager and/or the ~~Alternate Deputy Treasurer(s)~~~~Sr. Accountant~~ are authorized to sign purchase orders. It is normally expected that neither the General Manager nor the ~~Accounting~~~~Finance~~ Manager nor those signing in their absence shall sign their own purchase orders. However, if those whose signatures are normally required are not available, they may sign their own purchase orders provided the purchase is ratified upon the return of the one who would normally sign. Confirming purchase orders are used for emergency situations only and require approval of the General Manager.

#### **A. Procurement Policy**

Every attempt will be made to obtain the best quality materials, equipment supplies and

services in the optimum time frame for the minimum price. Quality of performance, as well as lowest cost, will be considered in the process.

#### **B. Requisition Forms**

The purchase requisition form shall be used for requesting the purchase of supplies, material, equipment, labor or services. The requisition form shall be submitted sufficiently in advance of the date the supplies, materials, equipment, labor or services are needed, in order to allow time for processing of a purchase order.

Requisitions are to clearly specify the type, quantity, quality and cost of the goods or services required. Common-use items should be described by their popular names, supplemented by number, size, style or other identifying data. In the case of items or services regularly needed in MWDOC operations, where experience and convenience have indicated the most economical and convenient place of purchase, the requisition should indicate the name and address of the customarily used vendor. If the vendor is not incorporated, their Tax ID number must be indicated on the form.

If transportation costs are involved, the manner in which the goods are to be shipped is to be shown on the requisition together with the approximate cost if MWDOC is to pay those costs. If items requisitioned need to be installed or assembled, it should be stated on the requisition whether MWDOC or the vendor is to do the installing or assembling. Any unusual conditions in connection with delivery and/or installation/assembly should be indicated.

#### **C. Chargeable Account**

Each requisition will specify the program and activity for which the supplies, materials, equipment or services are necessary so that the costs of such purchase may be charged to the proper account. The ~~Cost Center~~Program Manager approving the requisition shall insure there are sufficient unencumbered funds in the proper account to cover the cost of the purchase.

#### **D. Inspection and Acceptance of Order**

The requisitioner in all cases is responsible for inspecting and for accepting or rejecting deliveries and for determining that both the quality and quantity of the delivery are as specified on the purchase order. The requisitioner shall sign the delivery ticket and submit it to Accounting as certification that the goods were received and accepted. If the goods delivered do not conform to the specifications indicated on the purchase order, the requisitioner shall immediately notify the vendor and Accounting that the delivery is rejected and will require satisfactory replacement or a supplemental delivery or a credit for returned goods.

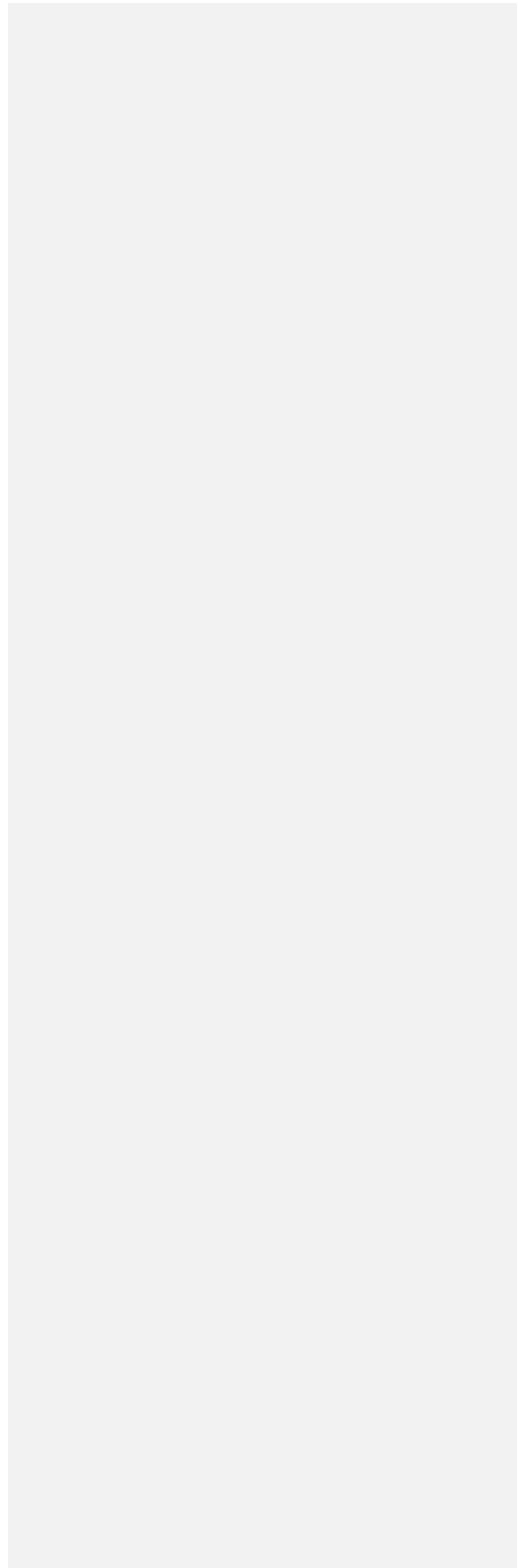
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M-6/15/11

#### **§8004 PERSONS OR COMPANIES REPORTING GIFTS**

All contracts shall contain provisions as contained in Administrative Code Section 7105

with regard to reporting of gifts.





**Exhibit A**  
**AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND**  
**CONSULTING & PROFESSIONAL SERVICES**

**TABLE 1 – REGULAR SITUATIONS**

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$3,000	<ul style="list-style-type: none"> <li>2 written quotes on purchases</li> <li>Selection based on qualifications for professional services</li> </ul>	Program Manager & <del>Accounting</del> Finance Manager	N/A
\$3,001 - \$25,000**	<ul style="list-style-type: none"> <li>Competitive bidding process on purchases</li> <li>Competitive proposals on professional services contracts.</li> <li>If competitive proposals are not utilized, a justification for sole source services must be completed and submitted to the next Board meeting as an informational item.</li> </ul>	Program Manager & GM	N/A
Over \$25,000	<ul style="list-style-type: none"> <li>Request for competitive proposals or bidding as appropriate or justification of a sole source contract</li> </ul>	General Manager	Committee and Board of Directors

\*Any aggregate work that will exceed \$25,000 for any one consultant over a one year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors for the work to be authorized.

\*\*The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

**TABLE 2 – EMERGENCY SITUATIONS\*\***

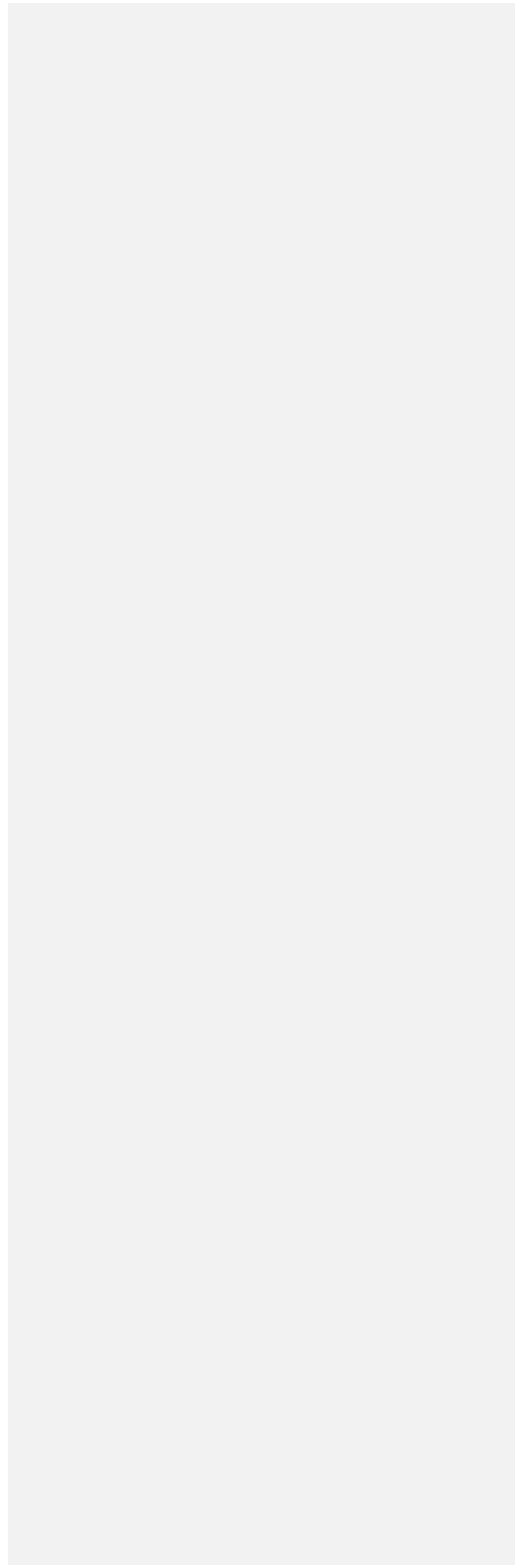
Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$100,000	Purchase order/Agreement or Contract	General Manager	Board of Directors ratification at next regular meeting or earliest special meeting
Over \$100,000	Agreement or Contract	General Manager	Board of Directors

\*\*Events requiring immediate extraordinary action to protect public health, safety, welfare and property

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M-6/15/11; 02/15/12



## CHAPTER 9

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**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>MWDOC PROPERTY</b>	<b>§9500-§9501</b>
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**§9500 DISPOSAL OF SURPLUS PERSONAL PROPERTY**

The General Manager shall have the authority and responsibility for the ultimate sale or disposal of surplus personal property of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall be informed whenever MWDOC personal property is surplus to the needs of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall investigate whether the recommended surplus material or equipment can be economically used by another department within MWDOC. If, after this investigation, it is determined that the material or equipment is either broken, obsolete or of no further use for the purposes of MWDOC the following guidelines shall apply:

- In the case of items listed on MWDOC's fixed assets, submit the item(s) to the General Manager who is authorized to declare items as surplus and to sell, scrap or dispose of such items. The Administration & Finance Committee shall be informed of the intention to write off or dispose of any items declared as surplus.
- Both items listed on the fixed assets and those items not listed on fixed assets shall be reviewed and may be disposed of at the discretion of the General Manager and in no event shall it be distributed to an officer, Director, employee or family member.
- Under the direction of the ~~Accounting~~ ~~Finance~~ Manager, staff will conduct a physical inventory of fixed assets every three years.
- Whenever it is advantageous or useful to MWDOC to publicly advertise surplus personal property for sale or otherwise dispose of said property, the ~~Finance~~ ~~Accounting~~ Manager shall sell such materials to the highest bidder at auction or by an established fixed price based on value analysis of the material
- An attempt shall be made to determine the value of items declared surplus by contacting vendors who normally take items as trade-in or buy surplus items.
- If the ~~Accounting~~ ~~Finance~~ Manager determines that surplus personal property shall be disposed of by sale or auction, notice of the time and place of said sale or auction shall be either published in a newspaper of general circulation or posted in at least three public places at least seven, but not more than 14 days prior to the date of the sale or auction. The notice shall identify with reasonable particularity the items to be sold and shall state that any person may bid on said items and that all sales will be paid in cash. No officer or Director of MWDOC or immediate family of an officer or Director shall be permitted to bid at auction for or purchase any surplus property of MWDOC.

No MWDOC employee or immediate family of an employee shall be permitted to bid at auction for or purchase any surplus property of MWDOC if such employee was in any way involved in the decision to originally purchase the item, the recommendation or decision to declare said item surplus, the determination of the value of items declared surplus, or the advertising or conduct of any sale or auction.

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Motion - 9/5/90; Motion – 11/17/99; 11/21/01

#### **§9501 DISPOSAL OF SURPLUS REAL PROPERTY**

##### **SECTION 1: IDENTIFYING SURPLUS REAL ~~TAIL~~ PROPERTY**

- 1.1 Preliminary Requirements - The General Manager shall establish a procedure for the continuous review of real property owned by MWDOC for the purpose of determining which of such property is surplus to MWDOC's needs. Upon determination by the General Manager that property is surplus, the Board shall be notified of the determination, then a) cause the property to be appraised by one or more appraisers and b) comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If, upon such compliance, any official body objects to the proposed sale, the Board shall first expressly uphold or reject the objections. There being no objections, or the objections having been completed, the General Manager may then sell the surplus property as hereinafter set forth.
- 1.2 Authority for General Manager to Sell Surplus Property - If, after offering the property for sale to certain public agencies, as required by law, at the fair market value was determined by the General Manager after review of any or all appraisals of the property, no such offer is accepted, the General Manager may sell it either by public auction or by using the services of real estate brokers or a professional auctioneer.

##### **SECTION 2: AUCTION BY MWDOC STAFF**

- 2.1 If the General Manager or a duly authorized agent elects to sell the property by public auction, such auction shall be at such time and place as may be determined by the General Manager, with or without sealed bids having been first submitted.
- 2.2 Whenever the General Manager or a duly authorized agent determines that the sale shall be at public auction without sealed bids having been first submitted, no bid at the auction shall be considered unless the bidder shall, prior to the holding of the auction, deposit with the person designated by the General Manager to conduct such sale, the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, in cash, cashier's check or check certified by a responsible bank, as a guarantee that the person making the bid will purchase the

property under the terms specified in the notice of sale. The property shall be sold to the highest responsible bidder at or above the minimum bid and the deposits of all other bidders be returned forthwith. The General Manager or a duly authorized agent shall reject all bids below the minimum bid.

- 2.3 Whenever the General Manager determines that the sale be by sealed bids, all bids shall be filed in the MWDOC office at or before the time specified in the notice of sale, shall be on forms approved by the General Manager, and shall be accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. The General Manager shall, at the time and place specified in the notice of sale, open the bids. Thereafter, there shall be a public auction at a time and place specified in the notice of sale, and any person shall be eligible to bid at the auction; provided, however, that any oral bid shall be ignored unless it exceeds by at least five percent the highest sealed bid made by a responsible person. No oral bid at such sale not preceded by a sealed bid from the same party shall be considered unless accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. If no oral bid is made at the public auction, or if such oral bid is not in accordance with the provisions hereof, the property shall be ordered sold to the highest responsible bidder at or above the minimum bid. The General Manager shall reject all bids below the minimum bid.

- 2.4 A real estate commission shall be paid in connection with a sale at public auction on the following basis: the real estate commission shall not exceed the prevailing rate in the same area where the property is located and it shall be stated in the bid for which a claim for the payment of a commission is made that it is subject to the same. The commission shall be distributed in this manner:

When at a public auction, without sealed bids, the highest bid was procured by a licensed real estate broker, the commission shall be paid to the broker. When at a public auction following submission of sealed bids, the successful bid is the highest sealed bid, and it was procured by a licensed real estate broker, the commission shall be paid to that broker.

When at a public auction following the submission of sealed bids, the successful bid was procured by a licensed real estate broker, but the highest sealed bid was not obtained by such a broker, the commission shall be paid to the broker. When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was procured by a different licensed real estate broker, the commission shall be divided equally

between the brokers.

When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was not subject to a commission, one-half of the commission based upon the amount of the successful bid shall be paid to the broker.

In determining which is the highest bid, there shall not be subtracted therefrom the commission, if any, which the bid provides shall be paid to a licensed real estate broker.

- 2.5 The General Manager shall cause a notice of sale to be posted on the property in at least one conspicuous place. It shall specify the minimum bid which will be accepted for the property, which shall not be less than 90 percent of the lowest appraisal and shall state the terms of the sale which shall be in conformity with Section 1. The General Manager shall cause one or more advertisements of the sale to be placed in a newspaper, or newspapers, so as to give reasonable notice of the sale.

### SECTION 3: OPEN LISTING

If the General Manager elects to sell the property by using the services of licensed real estate brokers, he shall do so by offering it for sale by advertising in a newspaper, or newspapers, that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The General Manager is authorized to sell the property for the highest price which can be obtained; provided, however that such price shall be no lower than the lowest appraisal without approval of the Board. The General Manager is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

- 3.1 Exclusive Listing - The General Manager may with the approval of the Board, give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the Board. In such case, the General Manager is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

### SECTION 4: AUCTION BY PROFESSIONAL AUCTIONEERS

The General Manager may sell the property by using the services of a professional auctioneer and may in connection therewith pay the reasonable expense of advertising the auction, and agree to pay a commission to the auctioneer not in excess of the prevailing rate in the area upon the consummation of the sale. Any such sale shall be

subject to the approval of the Board of Directors.

- 4.1 Required Deposit - No bid offer made pursuant to Sections 2, 3.0, and 3.1 above, shall be considered unless the bidder or offeror shall at the time the bid or offer is made, deposit with the person designated by the General Manager the percentage indicated below of the specified amount in cash, cashier's check or check certified by a responsible bank as a guarantee that the bidder or offeror will purchase the property for the bid or offered price.

<u>Specified Amount</u>	<u>Deposit</u>
To \$500	Full amount of bid or offer
\$501 to \$10,000	\$500 + 10% of minimum bid or offer
\$10,001 to \$50,000	\$1,500 + 5% over \$10,000
\$50,001 to \$100,000	\$3,000 + 3% over \$50,000
\$100,000 and above	\$4,500 + 2% over \$100,000

- 4.2 Terms - Any sale shall be for cash or on the following minimum terms: 20 percent down payment with balance amortized over 10 years at an interest rate equal to the prevailing rate charged by financial institutions in the area in which the property is located, and to be secured by a deed of trust on the property sold. No prepayment penalty shall be required.
- 4.3 Where the property was appraised on the basis of a different zoning on the property than the existing zoning, the sale may be made contingent upon the bidder or offeror's obtaining a rezoning of the property within a reasonable time to be determined by the General Manager.
- 4.4 Policy of Title Insurance - The General Manager may furnish the successful bidder or offeror with a policy of title insurance, if possible, and open an escrow to complete the sale, paying the usual seller's charges in connection therewith; provided, however, that if it subsequently develops that the title company is unwilling to issue a policy insuring title to the bidder or offeror in the manner indicated, the General Manager shall not be required to furnish such a policy and the bidder has the option to cancel the sale; whereupon money previously deposited by offeror shall be refunded promptly and there shall be no further obligation on the part of either the bidder or the General Manager in connection with the sale; provided, further, that if under such circumstances the bidder or offeror elects not to cancel the transaction, the General Manager shall furnish such title insurance as the title company will then issue, and shall be released from liability on any representation relating to title theretofore made and not covered by the title insurance policy.
- 4.5 Completion of Sale - Execution and Delivery of Deed - The General Manager shall apply the deposit made by the successful bidder, or offeror, on the purchase price or down payment if the sale is on terms, and, upon completion of the sale either



directly to him, or through an escrow, the General Manager is authorized to execute and deliver on behalf of MWDOC a grant deed conveying the property to such bidder or offeror. In the case of a sale for cash (1) without an escrow, the successful bidder or offeror must pay the balance of the purchase price to the General Manager within thirty days after the auction or acceptance of the offer or (2) with an escrow, upon the closing thereof; provided, however, that the General Manager may choose to give the successful bidder or offeror extensions of time in which to make the payment.

- 4.6 Forfeiture of Deposits - Any deposit made by a successful bidder or offeror shall be retained by MWDOC as liquidated damages if the bidder or offeror shall fail to complete the purchase in accordance with the terms and conditions of the notice of sale or offer. If there is such a failure, a licensed real estate broker, otherwise entitled to a commission under the provisions of this Section shall be paid as a commission, an amount not to exceed one-half of the deposit so retained after deducting title and escrow expenses, if any; but in no event shall it exceed the commission which would have been received in the absence of such failure. If the successful bidder or offeror does not complete the sale as required by this Section, the property may be sold to the next highest bidder or offeror who wishes to buy.

#### SECTION 5: RESERVATION OF OIL, GAS AND MINERAL RIGHTS

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Resolution provided, however, that there shall be no such extraction within 500 feet of the surface.

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R1101 - 8/26/81; R1245 - 11/26/84;

## CHAPTER 10

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>RISK MANAGEMENT AND CLAIMS HANDLING</b>	<b>§10000-§10004</b>
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**§10000      OBJECTIVE**

To preserve and protect MWDOC assets and public service capabilities against loss, destruction, or depletion to the extent physically and financially reasonable; to protect against the financial consequences of such loss; to prevent or minimize the effects of injury to employees and the public; to identify various risks and procure appropriate protection against such losses at the most reasonable long-term cost; and, to follow sound risk transfer practices by transferring risks to third parties through appropriate provisions whenever practicable and feasible.

**§10001      POLICY STATEMENT**

MWDOC has established this policy for management of MWDOC risks. This policy applies to all risks of loss such as fire, natural disaster, liability claims, theft, employee injury claims and other risks of property and liability loss, direct and indirect. This policy does not apply to deliberately assumed costs such as employee benefits, depreciation, wear and tear, or obsolescence. It shall be the policy of MWDOC to:

- Identify and measure risks of accidental loss
- Avoid or eliminate loss where practical
- Minimize, control or contractually transfer loss to others where practical
- Retain risks that can be assumed from current funds without serious impact on MWDOC's financial condition where this is the most economical and practical approach
- Purchase insurance coverage or participate in joint self-insurance arrangements with other public entities when the risks of loss are beyond MWDOC's capacity to absorb or where this expenditure is justified economically
- Maintain information for proper reporting and record keeping of losses, claims, premiums and related costs, insurance policies, coverage documents and other information

It is MWDOC's policy to follow the guidelines developed by ~~its insurance provider-the Association of California Water Agencies/Joint Powers Insurance (ACWA/JPIA) for which outline the~~ risk transfer procedures for contracts.

**§10002      RESPONSIBILITY**

MWDOC shall designate a staff member as Risk Manager for the purpose of carrying out the intent of this policy. That person shall be responsible to direct and administer the program and to recommend changes as required to best implement the overall policy of

MWDOC as set forth above. It is the responsibility of management and staff personnel at all levels to maintain lines of communication to the Risk Manager so that he/she will be advised on a timely basis of factors that would have a bearing in the management of risks or on the purchase of insurance or participation in a joint self-insurance program. This responsibility applies particularly to contracts, new or discontinued facilities, newly-recognized hazards, potential losses and known losses.

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Re – Motion 10/21/98

**§10003      DETAILS OF RISK TRANSFER PROGRAM**

The details for implementation of MWDOC's risk transfer program are outlined in both the Contracts Manual and Personnel Manual (with each manual containing the pertinent provisions for its area of interest). Please consult those manuals for further information.

## CHAPTER 11

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>MWDOC RECORDS</b>	<b>§11000-§11003</b>
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**SUMMARY**

MWDOC records shall be open to inspection at all times during normal office hours. The District Secretary shall be the official custodian of MWDOC records and shall make all nonexempt records freely available to the public in accordance with Government Code Section 6250 et seq. Certain MWDOC records may be exempted from disclosure under the Public Records Act or other provisions of law.

**§11000      INSPECTION OF MWDOC RECORDS**

The following rules shall apply to MWDOC records with the exception of requests for inspection or reproduction of documents created or retained in MWDOC files in accordance with the Political Reform Act, Government Code Sections 81000 through 91015. See Section 11003 regarding procedures for said documents.

**Procedure for Responding to Inspection Request**

Persons desiring to inspect any public record shall submit a request in writing specifying the records desired to be inspected. The request shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, a minimum of two (2) working days will be required to search for, retrieve, and make said records available. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days stating the reason therefor and identifying the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date which would result in an extension of more than ten (10) additional working days. Unusual circumstances are defined in Section 11001.

Any person requesting inspection of records under the provisions of the California Public Records Act shall be assisted in making a focused and effective request by the District Secretary or designated representative. Original records and copies which are permanently retained by MWDOC may not be removed by the inspecting person from the designated inspection area.

Motion - 7/21/93; Motion - 4/20/94

### **Search for Records and Restriction on Access**

A reasonable effort shall be made to locate requested records. If the records are located and are determined to be exempt from disclosure under the Public Records Act, the requesting party shall be advised in writing of the reasons for the restrictions and, in cases of denial of access, of the name and title of the person responsible for the denial. If only a portion of a record is exempt from disclosure, any reasonably segregable non-exempt portion of the record shall be provided to a person requesting such record after deletion of the portions which are exempt. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

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Motion - 7/21/93; Motion 4/20/94;

### **§11001      REQUESTS FOR COPIES OF RECORDS**

Any person requesting copies of records shall submit a written request to the District Secretary and shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, copies of documents determined to be subject to disclosure will be provided within ten (10) working days. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days identifying the reason therefor and the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date that would result in an extension for more than ten (10) additional working days.

For purposes of this section, "unusual circumstances" means:

- a. The need to search for and collect the requested records from off-site facilities or other establishments that are separate from the office processing the request.
- b. The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.
- c. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more units of MWDOC having substantial subject matter interest therein.

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Motion 7/21/93; Motion - 4/20/94

#### **§11002      FEES FOR DUPLICATION OF RECORDS**

The direct cost for ~~photocopies of reproduction of~~ MWDOC records, except as provided in Section 11003, shall be twenty-five cents (\$0.25) per page, and for electronic copies provided on a compact disk (CD) the direct cost shall be \$1 per CD. For records produced through other media, the requestor shall be responsible for the direct costs of duplication. Where production of an electronic record either (1) involves a record that is produced only at otherwise regularly scheduled intervals, or (2) requires data compilation, extraction, or programming, the requester shall bear the cost of producing a copy of the record, including the cost to construct a record, and the cost of programming and computer services necessary to produce a copy of the record. An invoice and a receipt shall be furnished to the person or agency requesting copies. Actual postage charges incurred in mailing such copies shall be included in the invoice and receipt; however, no fee may be charged for time involved in research or retrieval. All fees shall be paid on or before delivery of such copies. Public agencies may, at the discretion of MWDOC, be exempted from payment of such fees if duplication of records is deemed to be pertinent to the business of such public agency.

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#### **§11003      RECORDS PURSUANT TO THE POLITICAL REFORM ACT**

Documents prepared and filed in the MWDOC records in accordance with the Political Reform Act (conflict of interest code, statements of economic interest, campaign statements) are a public record open for public inspection and reproduction during regular business hours, commencing as soon as practicable, but no later than the second business day following the day on which the request for inspection or reproduction was received.

Copies shall be provided at a charge not to exceed ten cents (\$.10) per page. A retrieval fee not to exceed five dollars (\$5.00) per request shall be charged for copies of reports and statements which are five years old or more (Government Code Section 81008).

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Motion - 4/20/94;



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>RECORDS RETENTION/DESTRUCTION SCHEDULE</b>	<b>§11100-§11104</b>
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The purpose of this policy is to provide for the maintenance, retention and disposal of MWDOC's historical, administrative, legal, and financial records while complying with the legal requirements and the needs of MWDOC. All District records should be inventoried and analyzed to ensure that valuable records are adequately preserved; and non-records and obsolete records are destroyed in accordance with the approved records retention schedule.

**§11100 PERMANENT RETENTION OF ORIGINAL RECORDS**

Records which shall be retained permanently in their original form include resolutions, ordinances and orders of the Board, minutes of meetings of the Board, deeds, easements, records that are determined by an executive officer of MWDOC to be of very significant and lasting historical, administrative, engineering, legal, fiscal or research value and records required by law to be filed and preserved as advised by General Counsel. The attached chart, made a part of this section, should be referenced as it is more comprehensive and easier to use.

**§11101 DESTRUCTION OF RECORDS WHERE ALTERNATE ARCHIVING IS REQUIRED**

The following records may be destroyed at any time provided they are first archived on alternate media in accordance with the requirements of Government Code Section 60203:

- a. Records not expressly required to be preserved pursuant to state statute as advised by General Counsel;
- b. Financial records summarizing the financial status of MWDOC;
- c. Oaths of office and related materials depicting the authenticity of the appointment of any of the directors or executive officers of MWDOC;
- d. All canceled checks for payments;
- e. Any records not otherwise provided for in this chapter.

**§11102 DESTRUCTION OF ORIGINAL DOCUMENTS WHERE ALTERNATE ARCHIVING IS NOT REQUIRED**

The following records may be authorized for destruction without archiving to alternate media when the use for such records has passed (Government Code Section 60201):

- a. Rough drafts, notes and working papers accumulated in preparation of a

communication, study or other document unless of a formal nature contributing significantly to preparation of a document representing the work of any department of MWDOC;

- b. Cards, listings, nonpermanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters and tracer letters;
- c. Duplicate records, after the officer or employee authorizing destruction of a record is certain that the original record or at least one copy thereof is available within MWDOC;
- d. Any records, other than those included in Section 11101, whose content is substantially found in another record.

#### **§11103 CUSTODIAN OF MWDOC RECORDS**

While the District Secretary is the official custodian of MWDOC records, each Division Head shall be the custodian of records which are permanently filed in that particular department and may determine that records, in accordance with this Code, be destroyed only on prior approval given by the Division Head. Further, records that are still active and/or needed for reference may be kept beyond the time frame set forth in MWDOC's Records Retention Schedule and this Code upon prior approval by the Division Head.

#### **§11104 ELECTRONIC MAIL (E-MAIL) RETENTION POLICY**

E-mail messages and their attachments (which may include executable, video, and/or voice files) are records which are created, stored, and delivered in an electronic format. Similar to paper-based records, they may contain information pertaining to District business, necessitating retention and disposal in accordance with the District's records retention schedule.

E-mail messages which are considered transitory are non-records that should not be retained after they have fulfilled their purpose. These messages do not set policy, establish guidelines or procedures, certify a transaction, or become a receipt; rather, they are informal communications with no historical significance or public importance.

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Motion-10/19/05; 10/20/10

**Municipal Water District of Orange County (MWDOC)**  
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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>BOARD OF DIRECTORS</b>			
<b>BOD01</b>	<b>BOARD OF DIRECTORS ADMINISTRATIVE RECORDS</b>		
	Records related to the Board of Directors. Includes general correspondence and reports. <i>Citation(s): CA GC 60201, 60203, AC 11102</i>	2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD02</b>	<b>BOARD AND INTERNAL POLICIES</b>		
	Policy set by Board of Directors. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD03</b>	<b>ORDINANCES AND RESOLUTIONS</b>		
	Records related to regulations for the District that are approved or adopted by the Board of Directors, and the formal expression of the will, opinion, and intent voted by the Board of Directors. Includes Proofs of Publication. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD04</b>	<b>BOARD &amp; COMMITTEE MEETING AGENDAS, PACKETS, AND NOTICES</b>		
	Records related to information provided to the official Board of Directors for consideration and action at official proceedings. Includes agendas, records related to committee operations and meetings, rosters of committee members, discussion points, action and information submittals, regular and special meeting notices, and adjournment and cancellation notifications. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD05</b>	<b>BOARD &amp; COMMITTEE MEETING MINUTES</b>		
	Records related to actions and decisions of the Board of Directors. Includes minutes, administrative orders, minute orders, and minute actions. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD06</b>	<b>BOARD &amp; COMMITTEE MEETING NOTES</b>		
	Records include shorthand notebooks, stenotype records, and keys to audio tapes. <i>Citation(s): AC 11103</i>	1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>BOD07</b>	<b>BOARD &amp; COMMITTEE MEETING AUDIO AND VIDEO TAPES</b>		
	Records include audio and video tape recordings of Board & Committee Meetings when used for minute preparation or where they may have historical value. <i>Citation(s): AC 11103 / CA GC 60201, 60203</i>	CL+30 Days	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD08</b>	<b>ELECTION RECORDS</b>		
	Records related to the election process. Includes filing information, maps, directors divisions, polling places and election results. <i>Citation(s): CA GC 60201, 81009, CA EC 17100</i>	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD09</b>	<b>OATH OF OFFICE</b>		
	Records of the Oaths of Office and related materials depicting the authenticity of the appointment of any of the Directors or Executive Officers of MWDOC. <i>Citation(s): CA GC 60201, 60203, AC 11101</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>ADMINISTRATION</b>			
<b>ADM01</b>	<b>ADMINISTRATION</b>		
	Records related to general administrative activities and duties of the District. Includes general memos, letters, reports, visitor log, District Report of Gifts forms, and surveys pertaining to day to day function of the District office. <i>Citation(s): CA GC 60201, 60203</i>	3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM02</b>	<b>SUCCESSFUL PROPOSALS RELATING TO REAL PROPERTY</b>		
	Records related to bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid, relating to real property. Successful bid is awarded a contract. This file does not include the original contract or insurance information. <i>Citation(s): CA GC 60201, CA CCP 337</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM03</b>	<b>SUCCESSFUL PROPOSALS NOT RELATING TO REAL PROPERTY</b>		
	Records related to construction and service bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid. Successful bid is awarded a contract. This file does not include the original contract or insurance information. <i>Citation(s): CA GC 60201, CA CCP 337</i>	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM04</b>	<b>UNSUCCESSFUL PROPOSALS</b>		
	Records related to Request for Proposals issued for competitive bids received and not selected for services. <i>Citation(s): CA GC 60201, 60203</i>	CL+6	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM05</b>	<b>BUSINESS PLAN RECORDS</b>		
	Reports describing long-range planning, District services, and goals of the District. Includes strategic plans and financial planning records. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>ADM06</b>	<b>HISTORICAL RECORDS</b>		
	Records related to the history of the District. Includes photos, anniversary celebrations, facility dedications, proclamations, and awards. These items are the archives collection. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM07</b>	<b>PERMITS &amp; LICENSES</b>		
	Records related to permits and licenses necessary for the operation of the facilities and District. Includes business license, building & construction permits, and Department of Health and Safety permits. <i>Citation(s): CA GC 60201, 60203; 40 CFR 122.41, 40 CFR 141.33, 40 CFR 141.91</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM08</b>	<b>ADMINISTRATIVE POLICIES &amp; PROCEDURES</b>		
	Records providing documentation on the implementation of management and administrative policies and directions for District functions. Includes MWDOC's Rules and Administrative Code. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM09</b>	<b>SAFETY</b>		
	Records regarding District Safety Policy & training. Including employee safety training, special skills of staff, IIPP Manual, OSHA Information, Sexual Harassment Training, and Ergonomics Training. <i>Citation(s): 8 CCR 3203, CA GC 60201, 60203</i>	SU+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM10</b>	<b>EMERGENCY &amp; SECURITY</b>		
	Records providing instructions in the event of a disaster, including evacuation information, Emergency & Disaster Plans, Emergency Response Inspection Requirements, Security Policies, Continuity of Operations Plan and related correspondence. <i>Citation(s): CA GC 60201, 60203</i>	SU+3	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM11</b>	<b>MATERIAL SAFETY DATA SHEETS</b>		
	Records related to the use of hazardous substances. <i>Citation(s): AC 11103, 40 CFR 122.21</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>ADM12</b>	<b>PUBLIC INFORMATION REQUESTS</b>		
	Requests for records under the Public Records Act, includes MWDOC response. <i>Citation(s): CA GC 6251, 60201</i>	CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM13</b>	<b>RECORDS MANAGEMENT FILES</b>		
	Records related to the management of District records: (a) Documentation of the location of records within the District offices, and transfer of records to an offsite records center (b) Destruction Certificates that certify (confirm) the destruction of official records that have been approved for destruction, and attests that destruction was accomplished in accordance with policies and procedures (c) Records Retention Schedule: a legal document listing record series maintained by the District, with associated retention periods, characteristics, the responsible department, and legal citations <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM14</b>	<b>DISTRICT INSURANCE RECORDS</b>		
	Records related to insurance policies purchased by the District, includes the policies and any amendments. Excludes invoices, premium payment information, and general correspondence pertaining to insurance. <i>Citation(s): AC 11103</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM15</b>	<b>PUBLIC NOTICES</b>		
	Records announcing Requests for Proposals or Requests for Quotes including proofs of publication. <i>Citation(s): CA GC 60201</i>	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM16</b>	<b>GENERAL CORRESPONDENCE</b>		
	Records related to internal and external general communications. Includes memos and letters kept in chronological order as a convenience file. <i>Citation(s): CA GC 60201, 60203</i>	3	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>ADM17</b>	<b>REFERENCE FILES</b>		
	Documents used for reference and research, such as books, technical journals, reference materials, reports, studies, magazines, periodicals, and presentations. Includes Library Policies & Procedures. <i>Citation(s): CA GC 60201, 60203</i>	AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM18</b>	<b>EQUIPMENT MAINTENANCE &amp; WARRANTY INFORMATION</b>		
	Records related to the maintenance, & warranty information for equipment & furniture purchased by the District. Does not include purchase or repair invoices (see Finance section). <i>Citation(s): CA GC 60201, 60203</i>	SA+4	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM20</b>	<b>MWDOC MEMBER AGENCIES</b>		
	Correspondence to and from Member Agencies relating to issues directly impacting MWDOC business and information from Member Agency Manager's Meetings. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM21</b>	<b>OTHER AGENCIES</b>		
	Correspondence to and from other agencies relating to MWDOC business. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM22</b>	<b>OUTSIDE AGENCY EVENT INFORMATION</b>		
	Records related to events sponsored by other agencies attended by MWDOC Directors & Staff. Includes conference & seminar information and travel records. Does not include attendance records, expense reports, or payment records. <i>Citation(s): CA GC 60201, 60203</i>	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>LEGAL</b>			
<b>LGL01</b>	<b>ANNEXATION FILES</b>		
	Records related to receiving or transferring land within District boundaries. <i>Citation(s): CA GC 60201</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL02</b>	<b>FORMATION FILES</b>		
	Records documenting the terms under which the District was formed, organized, re-organized or consolidated. Includes directives from LAFCO on boundaries or services. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL03</b>	<b>PARCEL RECORDS</b>		
	Records related to real property. Includes deeds, easements, and similar documents related to property which MWDOC holds or owns. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL04</b>	<b>LEGAL OPINIONS</b>		
	Records related to legal opinions on issues, problems, and policies impacting the organization. <i>Citation(s): CA GC 60201</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>LGL05</b>	<b>LITIGATION FILES</b>		
	Records related to threatened or actual litigation or government investigations. Includes subpoenas, pleadings, discovery files, work product, exhibits, final judgments, and court documents. <i>Citation(s): CA GC 60201, 60203, CA CCP 583.310</i>	CL+5	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>LGL06</b>	<b>SUBPOENAS</b>		
	Records related to subpoenas received by the District, where MWDOC is a third party. Includes the Districts response. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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<b>LGL07</b>	<b>FAIR POLITICAL PRACTICES COMMISSION FILINGS</b>		
	Records related to FPPC filings for campaign contributions. Includes annual conflict of interest filings (Form 700) for Board members, employees, and consultants; assuming/leaving statements; and lobbyist registration. <i>Citation(s): CA GC 81009, CA EC 17000</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL08</b>	<b>CONTRACTS &amp; AGREEMENTS, RELATING TO REAL PROPERTY</b>		
	Records related to obligations defined in contracts and agreements relating to real property. Includes promissory agreements, contracts for services, purchases and sales, certificates of insurance from vendors, and change orders. <i>Citation(s): AC 11103, CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>LGL09</b>	<b>CONTRACTS &amp; AGREEMENTS, CONSTRUCTION</b>		
	Records related to obligations defined in construction contracts and agreements. Includes promissory agreements, contracts for services, purchases and sales not relating to real property, certificates of insurance from vendors, and change orders. <i>Citation(s): AC 11103, CA GC 60201, 60203</i>	CL+10+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>LGL10</b>	<b>CONTRACTS &amp; AGREEMENTS, GENERAL</b>		
	Records related to obligations defined in contracts and agreements. Includes software licenses, promissory agreements, contracts for services, purchases, and sales, certificates of insurance from vendors, and change orders. Excludes construction contracts. <i>Citation(s): CA GC 60201, 60203</i>	CL+7+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**HUMAN RESOURCES**

<b>HR01</b>	<b>EMPLOYEE BENEFIT PLANS &amp; PROGRAMS</b>		
	Records related to all employee benefits plans and programs, including health and life insurance policies & information, tuition reimbursement, eligibility, and retirement plans. Does not include employee enrollment or other individual forms. <i>Citation(s): 29 CFR 1627.3, CA GC 60201 (d)(12)</i>	CL+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR03</b>	<b>SALARY SCHEDULES</b>		
	Records related to District Salary Schedules as established by the Board. <i>Citation(s): CA GC 60201(d)(12), 60203, 29 CFR 1627.3</i>	SU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR04</b>	<b>MEDICAL FILES</b>		
	Records related to the medical history of employees, required physicals or drug testing, doctor releases/notes for workers' compensation or other absences. <i>Citation(s): 8 CCR 3204</i>	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR05</b>	<b>PERSONNEL MANUAL</b>		
	Records related to Personnel Policies of the District. <i>Citation(s): CA GC 12946, 60201, 60203</i>	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR06</b>	<b>PERSONNEL ADMINISTRATION RECORDS</b>		
	Records related to the overall administration of personnel activities. Includes studies, surveys, and reports. <i>Citation(s): CA GC 60201</i>	4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR07</b>	<b>PERSONNEL FILES</b>		
	Records related to individual employees. Includes employment applications, pre-employment physicals, I-9 forms, training records, performance evaluations, driving records, awards or certificates, salary information, insurance enrollment, beneficiary designations and other forms, and separation documents. <i>Citation(s): CA GC 60201, 60203, 29 CFR 1627.3, 8 USC 1234a</i>	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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<b>HR08</b>	<b>EMPLOYEE COMPLAINTS</b>		
	Records related to employee complaints, includes MWDOC response and disciplinary action. <i>Citation(s): CA GC 60201, 60203, 29 CFR 1602.31</i>	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR09</b>	<b>RECRUITMENT RECORDS</b>		
	Records regarding the advertisement of available positions. Includes job descriptions, job postings, advertising, interviews, resumes, applications, testing questions and results. <i>Citation(s): 29 CFR 1602.32, 29 CFR 1627.3</i>	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR11</b>	<b>FORMS</b>		
	Blank forms pertaining to Personnel administration. <i>Citation(s): CA GC 60201, 60203</i>	SU+1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR12</b>	<b>ORGANIZATIONAL CHART</b>		
	Records related to District organizational structure. <i>Citation(s): CA GC 60201, 60203</i>	SU+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR13</b>	<b>RETIREE BENEFITS</b>		
	Records regarding benefits offered to retirees <i>Citation(s): CA GC 60201(d)(12), 60203; 29 CFR 1627.3</i>	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR14</b>	<b>NEW HIRE INFORMATION</b>		
	Records related to background checks for newly hired employees. <i>Citation(s): CA GC 60201, 60203</i>	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR16</b>	<b>RISK MANAGEMENT</b>		
	Records related to Worker's Compensation Claims, Disability Claims, and Incident/Accident Reports. <i>Citation(s): 29 CFR 1904 et seq.</i>	ST+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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**ENGINEERING**

<b>ENG01</b>	<b>ENGINEERING PROJECTS</b>		
	Records related to major projects or capital improvements for District services. <i>Citation(s): CA GC 60201, 60203</i>	CL+10+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ENG02</b>	<b>LOCAL WATER OPERATIONS AND WATER USAGE DATA</b>		
	Records related to non-Metropolitan water operations. Includes water usage & production information and joint facility operations & maintenance allocations. <i>Citation(s): CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ENG03</b>	<b>DRAWINGS &amp; MAPS</b>		
	Records of graphic depictions (drawings, sketches) of facilities. Includes bid set drawings marked up by contractors during construction to show how facility or component is actually constructed, base maps for service areas, Director divisions, and atlases. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ENG04</b>	<b>FACILITIES MAPS</b>		
	Records related to planning of District facilities that are geographical in nature and show pipelines and other waterworks facilities. <i>Citation(s): CA GC 34090</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ENG05</b>	<b>RESEARCH &amp; PLANNING</b>		
	Records related to planning of District projects and programs. Includes water reliability & drought issues, Orange County Water Plan, Water Demand Forecast & Regional Urban Water Management Plan, Five Year Water Projections, and water supply alternatives. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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<b>ENG06</b>	<b>SERVICE CONNECTIONS &amp; ALLEN MCCOLLOCH PIPELINE</b>		
	Records related to service connections, local distribution systems, and Allen McColloch Pipeline (AMP) operations. Does not include records regarding sale of AMP. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ENG07</b>	<b>RATES, FEES AND CHARGE RECORDS</b>		
	Records related to determining rates and fees charged by the District, includes annual water rates survey. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

<b>MWD01</b>	<b>METROPOLITAN ADMINISTRATIVE INFORMATION</b>		
	Records related to Metropolitan issues of vital interest to MWDOC business, that are not easily obtained or readily available through electronic means. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>MWD02</b>	<b>OPERATIONS &amp; SERVICE INTERRUPTIONS</b>		
	Records related to Metropolitan water operations that are of vital interest to MWDOC business. Includes shutdown & chlorination notifications & reports, treatment facilities, distribution system (including maps, capacity diagrams, & detailed schematics), water quality, and water reliability. <i>Citation(s): CA GC 60201, 60203, 40 CFR 141.33</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>MWD03</b>	<b>PROJECTS &amp; PROGRAMS</b>		
	Records related to Metropolitan projects and programs that are of vital interest to MWDOC business. Includes Capital Improvement Program, desalination projects, water supply projects, Interim Agricultural Water Program, Local Resources Program, power related projects, groundwater Conjunctive Use Programs, and Community Partnering Program. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>MWD04</b>	<b>WATER TRANSFERS &amp; WHEELING</b>		
	Records related to Water Transfers and Wheeling that are of vital interest to MWDOC business. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**GOVERNMENTAL AFFAIRS**

<b>GA01</b>	<b>FEDERAL LEGISLATION</b>		
	Information regarding House and Senate Bills. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA02</b>	<b>STATE LEGISLATION</b>		
	Information regarding Assembly & State Senate Bills and Ballot Initiatives. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA03</b>	<b>LEGISLATIVE CORRESPONDENCE</b>		
	Records of correspondence related to State & Federal Legislation, including support & oppose letters and floor alerts. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA04</b>	<b>LOBBYIST CORRESPONDENCE</b>		
	Information regarding lobbyist activities & related correspondence. Does not include FPPC filings/Lobbyist registrations. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA05</b>	<b>CONSUMER CONFIDENCE REPORTS</b>		
	Information from Member Agencies, consultants, state government, related to the content for and annual production of the report. <i>Citation(s): CA GC 60201, 60203</i>	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**WATER USE EFFICIENCY**

<b>WUE01</b>	<b>CONSERVATION AND LANDSCAPE PROGRAMS</b>		
	Records related to conservation and landscape programs facilitated by the District to encourage efficient use of water. Includes exchange and rebate programs, performance certification and training programs, and surveys. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WUE02</b>	<b>WATER USE EFFICIENCY ADMINISTRATIVE RECORDS</b>		
	Records related to general WUE program correspondence, transmittals and workgroup meeting information. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WUE03</b>	<b>CONSERVATION RESEARCH ACTIVITIES</b>		
	Records related to District research activities in the area of conservation and water use efficiency. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**PUBLIC AFFAIRS**

<b>PA01</b>	<b>INSPECTION TRIPS &amp; EVENTS</b>		
Records related to District sponsored trips/tours and other events. Includes venue information, invitations, agendas, and final attendee list. Does not include expense or cost reports or other financial information (see Finance section). <i>Citation(s): CA GC 60201, 60203</i>		CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA02</b>	<b>PUBLIC RELATIONS INFORMATION</b>		
Records related to preparing public information, brochures describing District activities, and advertising materials that promote District events or programs. Includes samples of promotional items, newspaper clippings and photographs, artwork, videos, news releases and newsletters. <i>Citation(s): CA GC 60201, 60203</i>		4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA03</b>	<b>MWDOC WEBSITE</b>		
Records relating to the creation & maintenance of the official MWDOC website. <i>Citation(s): CA GC 60201, 60203</i>		SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA04</b>	<b>PUBLIC COMPLAINT FILES</b>		
Records related to verbal and written public complaints. Includes documentation regarding MWDOC's response. Does not include government and/or legal claims. <i>Citation(s): CA GC 60201, 60203</i>		CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA05</b>	<b>SPEECHES &amp; PRESENTATIONS</b>		
Records related to the preparation of presentation materials by staff. Includes text of speeches, presentation materials, and computer presentation software files. <i>Citation(s): CA GC 60201, 60203</i>		5+AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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<b>PA06</b>	<b>SCHOOL PROGRAM</b>		
	Includes information from Discovery Science Center, contests, school presentations, and information from other education related events. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)**  
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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>FINANCE</b>			
<b>FIN01</b>	<b>GENERAL LEDGER</b>		
	Financial records related to the general ledger posting. <i>Citation(s): CA GC 60201, 60203, AC 11101</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN02</b>	<b>INTERIM FINANCIAL REPORTS</b>		
	Records describing the financial status of the District. Includes financial, fiscal, and monthly reports, worksheets, printouts, and statements on the financial position and condition of the District. <i>Citation(s): CA GC 60201</i>	10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN03</b>	<b>AUDIT RECORDS</b>		
	Records related to reviewing the District's activities to ensure compliance with policies, procedures, and standards. Includes draft reports and correspondence. Does not include final audit report. <i>Citation(s): CA GC 60201, 60203, 26909</i>	AU+7	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN04</b>	<b>ANNUAL FINANCIAL REPORT &amp; AUDITOR REPORT</b>		
	Records describing the financial status of the District, including the Annual Financial Report and the Final Audit Report. <i>Citation(s): CA GC 60201, 60203, 26909</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN05</b>	<b>DRAFT MWDOC BUDGET</b>		
	Records related to internal financial planning and management. Includes final budget vs. cost reports, summaries, worksheets, and goals and objectives. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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<b>FIN06</b>	<b>FINAL MWDOC BUDGET</b>		
	Records related to the Final MWDOC Annual Budget and milestones for the final approved budget. Final budget is approved by the Board. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN07</b>	<b>ACCOUNTS PAYABLE</b>		
	Records related to payment of financial obligations (money owed by the District). Includes vendor invoices, bills, check requests, statements including credits/refunds, disbursement reports, completed purchase orders & purchase requisitions, travel & expense reports, membership renewal payments, and petty cash. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN08</b>	<b>ACCOUNTS RECEIVABLE</b>		
	Records related to accounting for money owed to the District. Includes cash receipts, check copies, uncollectible debts, MWDOC invoices and bankruptcies. Excludes Water Billing. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN09</b>	<b>PAYROLL RECORDS</b>		
	Records related to payment of labor costs. Includes employee timesheets, completed request for leave forms, salary, wage, and deferred compensation; deduction, garnishment, and retirement contribution. <i>Citation(s): 29 CFR 516.5, 29 CFR 516.6, CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>FIN10</b>	<b>PAYROLL TAX RECORDS</b>		
	Records related to Annual & Quarterly payroll tax filings, includes W-2 forms. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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<b>FIN11</b>	<b>BANKING RECORD</b>		
	Records related to bank transactions. Includes deposits of funds, cancelled checks, check registers, bank advices, wire transfers, bank statements, and reconciliations. <i>Citation(s): AC 11100, CA GC 60201, 60203</i>	AU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN12</b>	<b>CASH &amp; INVESTMENT RECORD</b>		
	Records related to portfolio investments. Includes cash flow statement, transaction records, and investment pool statements. <i>Citation(s): CA GC 60201, 60203, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN13</b>	<b>WATER BILLING RECORD</b>		
	Records related to the processing of the monthly water billing. Includes Metropolitan invoices, invoices issued, and reconciliation reports. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN14</b>	<b>FIXED ASSET RECORD</b>		
	Records related to the acquisition, depreciation, and accruals of fixed assets. Includes purchase and sale or disposition information. <i>Citation(s): CA GC 60201, 60203</i>	SA+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN15</b>	<b>GRANT RECORDS</b>		
	Records related to accepted / approved federal or state grants, includes financial records. <i>Citation(s): CA GC 60201, 60203</i>	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN16</b>	<b>OLD BUSINESS</b>		
	Records related to previously closed finance related issues not included in other record categories. Includes the OC Bankruptcy. <i>Citation(s): CA GC 60201, 60203</i>	CL+10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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<b>FIN17</b>	<b>CONSERVATION FUNDING RECONCILIATION</b>		
	Records related to conservation project & program grant reconciliation. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN18</b>	<b>TRUSTEE ACTIVITY RECORDS</b>		
	Records of non-WFC trustee activities for agency deposits related to special projects. <i>Citation(s): CA GC 60201, 60203</i>	AU+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**INFORMATION TECHNOLOGY**

<b>IT01</b>	<b>COMPUTER SYSTEM RECORDS</b>		
	Records and manuals related to District hardware records, maintenance files, software application files, database programs and back up tapes. Excludes data contained in any of the above programs. <i>Citation(s): CA GC 60201</i>	SU	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>IT02</b>	<b>NETWORK OPERATING MANUAL</b>		
	Records related to the operation of the District Information Technology. <i>Citation(s): CA GC 60201, 60203</i>	SU+2	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**WATER FACILITIES CORPORATION**

<b>WFC01</b>	<b>WATER BONDS &amp; CERTIFICATES OF PARTICIPATION – OTHER DOCUMENTS</b>		
	Records related to interest-bearing certificates issued by the District to raise revenues, includes interest & redemption vouchers and Certificates of Participation (COPS). Does not include Official Statement. <i>Citation(s): CA GC 26907.1, CA CP 337.5, AC 11103</i>	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WFC02</b>	<b>WATER BONDS &amp; CERTIFICATES OF PARTICIPATION –OFFICIAL STATEMENT</b>		
	Records including final official statement for Bond or COPS issuance. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WFC03</b>	<b>ALLEN-MCCOLLOCH PIPELINE SALE TO METROPOLITAN</b>		
	Records related to the sale of the AMP to Metropolitan. Includes the Sales Proceed Agreement, RPOI distribution to the participants. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

**IMPROVEMENT DISTRICT NO. 1**

<b>ID101</b>	<b>IMPROVEMENT BONDS &amp; COPS</b>		
	Records related to interest-bearing certificates issued by the District to raise revenues. Includes certificates of participation (COPS). <i>Citation(s): CA GC 60201, 60203, CA CP 337.5</i>	CL+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ID102</b>	<b>PROPERTY TAX FILING</b>		
	Records related to the filing of Property Taxes with the County of Orange. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY**

<b>WER01</b>	<b>PROGRAM ORGANIZATION &amp; HISTORY</b>		
	Records relating to the development and administrative functions of WEROC, including Steering Committee & Executive Committee Meeting information & minutes, and Indemnification Agreements. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WER02</b>	<b>EMERGENCY RESPONSE PLANS</b>		
	Records relating to the Standardized Emergency Management System, National Incident Management System, Hazard Mitigation Plan, and Vulnerability Assessments & Emergency Response Plans. <i>Citation(s): CA GC 60201, 60203</i>	SU+30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WER03</b>	<b>VOLUNTEER INFORMATION &amp; TRAINING DOCUMENTATION</b>		
	Records relating to WEROC volunteers & training. Includes contact information forms and training records. <i>Citation(s): CA GC 60201, 60203</i>	TE+15	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WER04</b>	<b>FACILITIES</b>		
	Records related to the Emergency Operations Center. Includes information on maintenance and maps & equipment. <i>Citation(s): CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WER05</b>	<b>WEROC MEMBER AGENCIES</b>		
	Records related to communications, Quarterly Meetings & Metropolitan Agency Radio System. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>WER06</b>	<b>COUNTY, STATE &amp; FEDERAL EMERGENCY SERVICES</b>		
	Records related to Orange County Emergency Management Organization & Operational Area Executive Board, State of California Office of Emergency Services, Federal Emergency Management Agency, Water/Wastewater Agency Response Network, California Utility Emergency Association, and Infragard. <i>Citation(s): CA GC 60201, 60203</i>	30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WER08</b>	<b>DISASTER RESPONSE</b>		
	Records containing documentation for individual events, filed by incident. Includes activation records and communications. <i>Citation(s): CA GC 60201, 60203.</i>	CL+30	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

**RETENTION PERIOD EVENT CODES**

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review  
 AU – After Audit  
 CL – Closed, Completed

CU- Current Year  
 EX – Expiration/end of usefulness  
 PE – Permanent

RE –Revised  
 SA – Sale, Disposition  
 ST – Settlement

SU – Superseded  
 TE – Termination

**Characteristics**  
**V - Vital**  
**H - Historical**  
**C - Confidential**

**Municipal Water District of Orange County (MWDOC)**  
**Records Retention Schedule**

April 2013

Page 25 of 25

Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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## Event Code Descriptions

Code	Event Name	Description
+	Plus	Some retention periods consist of two or more components; i.e. CL+6 means they should be kept until closed plus 6 years.
AR	Annual Review	Subject to an annual review to determine if record has continued value.
AU	After Audit	Retain until audit has been performed.
CL	Closed; Completed	Retain until District Manager determines closed or project completion date.
CU	Current Year	A period of time starting after the end of the current calendar year – December 31.
EX	Expiration / end of usefulness	Retain until file has expired or is no longer useful or relevant.
M	Month	Additional retention period of 1 calendar month
PE	Permanent	Record retained indefinitely.
RE	Revised	The corrected or updated version of a record.
SA	Sale	Retain until item is sold, demolished or removed from service.
ST	Settlement	The act of settling, or the state of being settled.
SU	Superseded	Record is maintained until made obsolete by the creation or receipt of a newer version.
TE	Termination	Retain until termination, retirement, or death.

## Record Characteristics

Code	Characteristic Name	Description
V	Vital	A record identified as essential for the continuation or survival of the organization if a disaster strikes. Such records are necessary to re-create the organization's legal and financial status and to determine the rights and obligations of employees, customers, stockholders, and citizens.
H	Historical	The value attributed to a record which preserves documentation on significant historical events including the organization's operations, origin, policies, authorities, functions, and organizations, as well as significant administrative decisions.
C	Confidential	A record requiring protection against unauthorized disclosure, modification, or destruction. A document with restricted access.

### RETENTION PERIOD EVENT CODES

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review

AU – After Audit

CL – Closed, Completed

CU - Current Year

EX – Expiration/end of usefulness

PE – Permanent

RE –Revised

SA – Sale, Disposition

ST – Settlement

SU – Superseded

TE – Termination

### Characteristics

V - Vital

H - Historical

C - Confidential

## CHAPTER 12

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
ADMINISTRATIVE CODE**

<b>MWDOC/COASTAL CONSOLIDATION ISSUES</b>	<b>§12000-12002</b>
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**§12000 INTRODUCTION**

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

**§12001 Standby Charge Levied in MWDOC and Coastal Service Areas**

This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by ~~MetropolitanMET~~ is higher in the Coastal service area because at the time the Standby Charge was established by ~~MetropolitanMET~~ (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by ~~MetropolitanMET~~ through the Standby Charge are forwarded to each participating ~~MetropolitanMET~~ member agency (including MWDOC and Coastal) as credits against the amount owing under ~~MetropolitanMET~~'s Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), ~~MetropolitanMET~~ engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a ~~MetropolitanMET~~ Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that ~~MetropolitanMET~~ equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

**§12002 ~~MetropolitanMET~~ Capacity Provided in the EOCF#2 for the Coastal Service Area**

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by ~~MetropolitanMET~~, Anaheim, Santa Ana,

MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service area in 1951 the Anaheim and Santa Ana city service areas from ~~MetropolitanMET~~ had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, ~~MetropolitanMET~~ provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. ~~MetropolitanMET~~'s 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
Santa Ana	15
Coastal	63

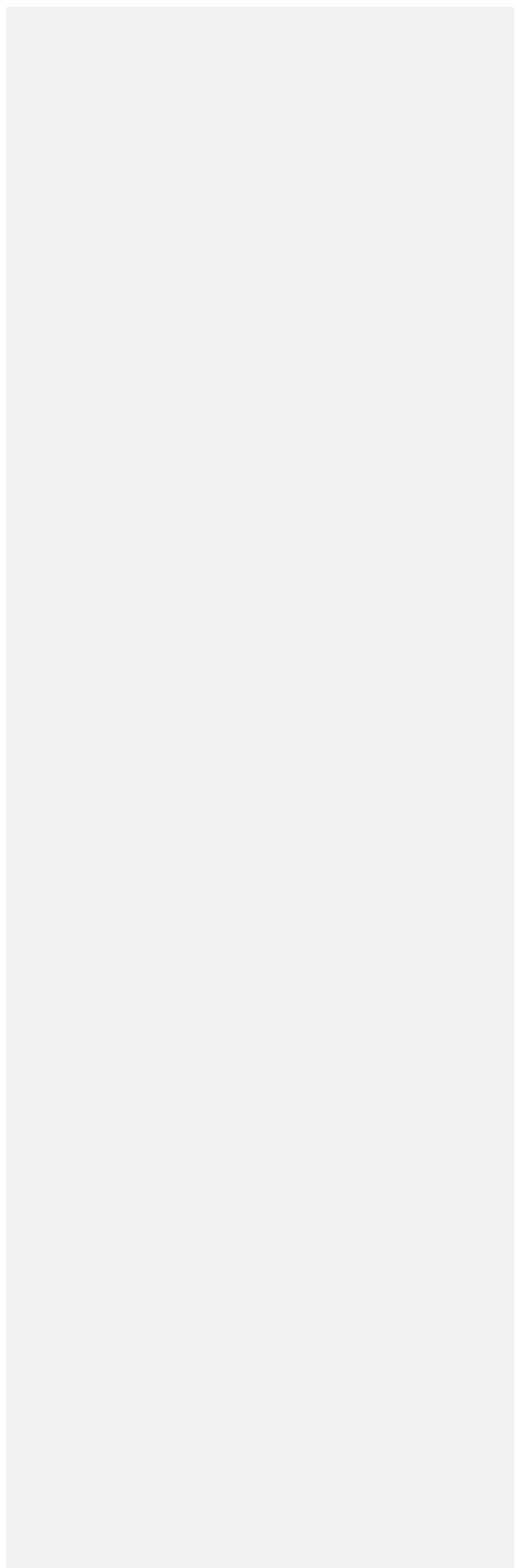
Met Total      84

In ~~MetropolitanMET~~ Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to ~~MetropolitanMET~~ in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to ~~MetropolitanMET~~ and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by ~~MetropolitanMET~~ for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that ~~MetropolitanMET~~ has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with ~~MetropolitanMET~~. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by ~~MetropolitanMET~~.

M-5/2005; M-2/16/11





**DISCUSSION ITEM**

April 8, 2015

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

**FROM:**       Robert Hunter, General Manager

**SUBJECT:   REVIEW FIRST DRAFT OF THE FY 2015-16 BUDGET**

**STAFF RECOMMENDATION**

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Attached is the budget document from the March meeting. No significant changes have been made since the last review. Also attached is the April 3, 2015 memo to Member Agency Managers regarding MWDOC's 2015-16 Budget – Choice Budget Selections and other Rates and Charges for Member Agency Budgeting Purposes

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**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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See attached budget document.





TO: MEMBER AGENCY GENERAL MANAGERS

FROM: Robert J. Hunter, General Manager

DATE: April 3, 2015

**RE: MWDOC 2015-16 Budget – CHOICE Budget Selections and other Rates and Charges for Member Agency Budgeting Purposes**

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Greetings,

MWDOC staff has been working with our Board of Directors and the member agencies on the 2015-16 budget. Part of this process includes outlining the costs and options for the CHOICE Budgets and providing information to the member agencies on other rates and charges for the coming year to assist in preparation of your budgets. The CHOICE activities for this year include:

1. Water Use Efficiency
2. School Program
3. Value of Water Communications
4. Poseidon Ocean Desalination (NO New requests for funds this year)
5. Doheny Ocean Desalination 2008 (NO New requests for funds this year)
6. Doheny Ocean Desalination 2014 (NO New requests for funds this year)
7. Doheny Foundational Action Program (South Coast Water District only) (NO New requests for funds this year)
8. Urban Water Management Plans
9. Water Loss Control Program
10. AMP Sale Agreement Administration (AMP Participants only)

Each of these topics are discussed in more detail below:

- **Water Use Efficiency:** A reminder that the CHOICE WUE Program cost is based on each retail agency's access to funding through MWDOC for the prior calendar year. MWDOC tracks and accounts for all WUE funding, whether from MET, BUREC, DWR or SWRCB and tracks which retail agency received the benefit of the expenditure, either directly to the agency or directly to one of the agency's customers. The percentage share of the total grant funding is then used to allocate the costs of the MWDOC WUE program. Please note that there has been a substantial increase in funds flowing from MET and the total amount of outside funding for calendar year 2014 is about \$6 million, approximately double the amount from last year. Depending on where the benefits accrue, variations between agencies compared to last years' allocation can occur. Also note that the amount is expected to more than double again for the coming year. Happy conserving! MWDOC's records for the calendar year 2014 WUE Grant funding are shown on **Exhibit C** (if you have any questions, please contact Joe Berg).
- **School Program:** For budgeting purposes this year, MWDOC has used similar numbers for each member agency as was used last year. Please note that MWDOC has advertised an RFP for

School Program vendors and as part of that process has requested pricing and recommendations for improvements to the program. The proposals are due in early April for potential award by the MWDOC Board at their April 20 Board and Committee meeting. The RFP suggested that the vendors stay within the current total annual budget of approximately \$312,000. More information will be available upon receipt and evaluation of the proposals. Agencies will not be requested to commit to the program until such time as the costs and program details are better understood.

- **Value of Water Communications:** For budgeting purposes this year, MWDOC has used the same numbers for each member agency as was used last year. The Value of Water Program is a multiple year effort to improve outreach and communications regarding the value of having a reliable water supply. The exact activities for the coming year will be discussed and worked out among the Public Affairs Workgroup. At such time as the actual activities are decided upon, agencies will be requested to provide a final level of financial commitment.
- **Poseidon:** Last year 17 Member Agencies participated in the Poseidon CHOICE program. MWDOC is not requesting any additional contributions at this time, but is suggesting that the existing accumulation of funds be maintained and available for such uses as decided by the Poseidon Workgroup. Approximately \$45,000 remains in this fund.
- **Doheny Desal 2008:** Between 2008 and 2014, 5 agencies participated in this program to a total amount of about \$6M. Starting last year, about \$94,000 remained, in addition to the \$356,000 from the five agencies retained by MWDOC to remove the facilities and restore the site. A portion of the \$94,000 was used in the past year to work with the State Parks to renew the lease and to make payments towards the lease and the site's electrical costs. Approximately \$31,000 remain. This is estimated to be sufficient to pay the annual lease and the site's electrical costs for 2015-16. If additional funds are needed, MWDOC will make a request. The Participants may want to decide as a group whether to leave the existing facilities in place or whether they should be removed and terminate the lease; the annual renewal for the lease now runs in January of each year.
- **Doheny Desal 2014:** Last year, given an uncertain scope of work for NEW Doheny activities, MWDOC requested \$10,000 from each of the five agencies. Only three of the five agencies contributed funding (South Coast, Laguna Beach and San Clemente). Therefore, \$30,000 remains in this fund. It is recommended that these funds be retained for use by these agencies for activities to be decided by the group.
- **Doheny Foundational Action Program (South Coast Water District only):** This program, while only affecting South Coast Water District, was included in MWDOC budget because of the requested direct assistance by MWDOC staff towards completion of the Foundational Action report. During this past year, South Coast also requested additional assistance from MWDOC to award and assist with a contract for the environmental baseline work for the coastal lagoon and lower San Juan Creek. The contract award, including the estimated MWDOC staff time, was \$160,000, which was added within this same category. It is anticipated that all of this work will be wrapped up in 2015-16. Approximately, \$137,000 remain in the fund.
- **Urban Water Management Plans:** MWDOC is in the process of drafting an RFP for completion of the 2015 UWMP in a manner as was done in 2010, as a CHOICE activity. In 2010, 24 UWMP's

were completed under a single contract. MWDOC anticipates being ready to award a consultant contract prior to July 1 and will be asking for member agency commitments towards participation at that time. That commitment timing is later than the standard CHOICE timing of commitments. Staff has preliminarily estimated \$55,000 as the cost for the completion of each UWMP. However, this estimate may change according to the consultant's fees and pricing, an agency's additional services, and the number of participating agencies.

- **Water Loss Control Program:** The 2015 UWMP requires a new component be included, a water loss control effort. MWDOC is in the process of drafting an RFP for assistance to agencies for this portion of the Water Loss Control effort, as a CHOICE activity. MWDOC anticipates being ready to award a consultant contract prior to July 1 and will be asking for member agency commitments towards participation at that time. That commitment timing is later than the standard CHOICE timing of commitments. Staff has preliminarily estimated \$15,000 for the completion of this effort for each participating agency. However, this cost estimate may change according to the consultant's fees and pricing.
- **AMP Sale Agreement:** The term of the AMP Sale Agreement is defined as the period from Closing (1995) to the date all obligations under Financing Documents are discharged, unless terminated earlier. This includes distribution of all proceeds under the AMP SALE AGREEMENT, which have fully occurred with the exception of several small payments due from the City of San Juan Capistrano coming up in the next year.

What happens to the AMP Capacity Limitations? Section 3.06 of the AMP PROCEEDS AGREEMENT, page 20, is important and discusses capacity limitations on an agency by agency basis. It says that during the term of the agreement **and** until such time as MET augments the capacity of the AMP in any manner, the agreement provisions limit agencies to only using up to their agreed upon capacity within the SALES AGREEMENT. Therefore, MWDOC's obligations run during the term (i.e. until end) **and** "until such time as Metropolitan augments the capacity of the AMP". Therefore, if MET has not augmented the capacity of the AMP, the capacity limitations still apply and MWDOC must continue its activities. Legal Counsel has suggested that it may be prudent to hold an AMP Participants Meeting to discuss this issue to see if there is a consistent understanding or if interpretations of this provision are viewed differently. Until it has been agreed that MWDOC's obligations under these agreements are fully discharged, MWDOC needs to continue with these activities. Activities include the monitoring of usage of capacities by all agencies and enforcement of the SALE AGREEMENT provisions.

MWDOC has suggested a total cost for this coming year of \$20,249, including making up for running over last year by about \$3,151 and so that would leave a remainder of about \$17,098, primarily for legal efforts. In addition, legal counsel is assisting EOCWD in the enforcement of one of the provisions of the AMP Sale Agreement. We believe this cost can also be accommodated within the requested amount. MWDOC is allocating this cost among all of the AMP Participants based on the percent of ownership in the project. The allocation among the agencies is provided in the CHOICE allocation attachment below.

**Exhibit A** provides the estimated costs for each of the CHOICE activities for each agency. Please note the table below regarding the timing for CHOICE decisions needed for this year. Please let us know your selection intentions at your earliest convenience, but no later than April 30, 2015 for the first column of items.

Timing for CHOICE Selections by Agencies		
Standard Selections Due by April 30, 2015	Selections Due After Finalizing Scopes of Work and Costs	No Selections Needed This Year
<ul style="list-style-type: none"> <li>WUE</li> </ul>	<ul style="list-style-type: none"> <li>School Program</li> </ul>	<ul style="list-style-type: none"> <li>Poseidon</li> </ul>
<ul style="list-style-type: none"> <li>AMP Sale Administration</li> </ul>	<ul style="list-style-type: none"> <li>Value of Water Communications</li> </ul>	<ul style="list-style-type: none"> <li>Doheny 2008</li> </ul>
	<ul style="list-style-type: none"> <li>UWMP</li> </ul>	<ul style="list-style-type: none"> <li>Doheny 2014</li> </ul>
	<ul style="list-style-type: none"> <li>Water Loss Control</li> </ul>	<ul style="list-style-type: none"> <li>Doheny Foundation Action Program</li> </ul>

### **MET and Other MWDOC Rates and Charges**

Estimates and information related to MWDOC's rates and charges for FY15/16 for other than the CHOICE activities are provided below so that agencies can start preparation of their own budgets.

#### **MWDOC's Rates to purchase water:**

July – December 2015: \$923/AF for treated Full service; and \$582/AF for untreated Full service,

January – June 2016: \$942/AF for treated Full service; and \$594/AF for untreated Full service.

Note: The above projected rates assume no MWDOC Increment and no Tier-2 Contingency charge.

#### **MWDOC Increment Rate:**

The MWDOC increment rate will go to \$0/AF for FY 2015/16, per the goal of going to 100% on the retail meter charge.

**The charges below are summarized on an agency by agency basis on Exhibit B. The charges include:**

#### **MWDOC's Retail Meter Charge:**

A projected rate of \$10.85/meter was included in the first draft of MWDOC's FY15/16 budget.

#### **Readiness-To-Serve Charge (RTS):**

MET's RTS total charge for FY 2015/16 had a slight decrease from last year. Illustrated in Exhibit B is each agency's monthly MWDOC RTS charge for the coming fiscal year.

#### **Capacity Charge:**

MET's Capacity Charge is calendar year based; therefore, we separated the July to Dec. 2015 and Jan. to June 2016 monthly Capacity Charges for each agency in Exhibit B

The information in this memo is provide assists to our Member Agencies to estimate MWDOC's rates and charges for FY15/16. Please remember that these numbers above are draft and subject to change until the MWDOC Board approves the Budget in May.

If there are questions about the above information, please contact Keith Lyon at klyon@mwdoc.com or (714) 593-5009 or Harvey De La Torre at hdelatorre@mwdoc.com or (714) 593-5027.

Exhibit A  
MWDOC Member Agency Choice Services Program Summary  
Cost Allocations by Agencies for FY 2015-16

DRAFT

No contributions needed this year								As of 4/2/2015			
Program Budget	Water Use Efficiency	School Program	Value of Water Communications	Poseidon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 [5]	Doheny Foundational Action Program [6]	Urban Water Management Plan[7] (\$55,000 each)	Water Loss Control Program (\$15,000 each) [8]	AMP Administration	Total Choice Allocation
Draft Budget (3/6/2015) [1]	\$ 864,576	\$ 312,000	\$ 178,033	\$ -	\$ -	\$ -	\$ -	\$ 1,650,000	\$ 450,000	\$ 17,098	\$ 3,471,707
Prior Year Adjustment [2]	\$ -	\$ -	\$ (2,216)	\$ (45,162)	\$ (31,194)	\$ (30,000)	\$ (136,983)	\$ -	\$ -	\$ 3,151	\$ (242,404)
Net Project Budget	\$ 864,576	\$ 312,000	\$ 175,817	\$ (45,162)	\$ (31,194)	\$ (30,000)	\$ (136,983)	\$ 1,650,000	\$ 450,000	\$ 20,249	\$ 3,229,303

Retail Agency	Water Use Efficiency	School Program	Value of Water Communications	Poseidon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 [5]	Doheny Foundational Action Program [6]	Urban Water Management Plan[7] (\$55,000 each)	Water Loss Control Program (\$15,000 each) [8]	AMP Administration	Total Choice Program
Brea	\$ 9,743	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 93,743
Buena Park	\$ 8,384	\$ 10,000	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 97,384
East Orange County WD	\$ 2,909	\$ 1,500	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 615	\$ 80,025
El Toro WD	\$ 16,171	\$ 10,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 938	\$ 104,109
Fountain Valley	\$ 8,500	\$ 5,500	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 92,000
Garden Grove	\$ 12,994	\$ 14,500	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 111,494
Golden State Water Company	\$ 32,347	\$ 10,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 112,847
Huntington Beach	\$ 49,660	\$ 26,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 160,660
Irvine Ranch WD	\$ 149,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 8,500	\$ 227,558
La Habra	\$ 4,534	\$ 7,500	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 90,034
La Palma	\$ 967	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 74,467
Laguna Beach County WD	\$ 10,122	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 81,622
Mesa Water	\$ 21,168	\$ 8,500	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 109,668
Moulton Niguel WD	\$ 214,533	\$ 31,000	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 2,754	\$ 331,288
Newport Beach	\$ 20,035	\$ 2,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 100,035
Orange	\$ 60,951	\$ 8,500	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 1,069	\$ 152,521
Orange County WD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 70,000
San Clemente	\$ 21,559	\$ 3,500	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 103,059
San Juan Capistrano	\$ 14,174	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 89,174
Santa Margarita WD	\$ 127,766	\$ 17,000	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 5,623	\$ 233,389
Seal Beach	\$ 5,721	\$ 3,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 84,721
Serrano WD	\$ 1,586	\$ 2,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 78,586
South Coast WD	\$ 33,187	\$ 5,500	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 115,687
Trabuco Canyon WD	\$ 3,145	\$ 2,500	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 343	\$ 81,988
Tustin	\$ 9,482	\$ 13,500	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 100,982
Westminster	\$ 8,284	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 89,284
Yorba Linda WD	\$ 12,926	\$ 8,500	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 187	\$ 100,613
Anaheim	\$ 2,189	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ 219	\$ 103,408
Fullerton	\$ 675	\$ 11,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 81,675
Santa Ana	\$ 1,804	\$ 51,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 15,000	\$ -	\$ 122,804
<b>Orange County Total</b>	<b>\$ 864,576</b>	<b>\$ 312,000</b>	<b>\$ 178,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,650,000</b>	<b>\$ 450,000</b>	<b>\$ 20,249</b>	<b>\$ 3,474,825</b>

Note: Totals may not foot due to rounding.

\*\* These numbers are draft and subject to change

[1] These numbers are from the MWDOC Draft Budget dated 3/6/2015

[2] The adjustment amounts reflect prior year revenue overage or (shortfall) to be reconciled with participating member agencies

[3] The activity for Poseidon Desal for FY 2015-16 remain uncertain at this time. The funds in the account are from last year and are recommended to remain to assist with efforts that may arise in this coming Fiscal Year

[4] The activity for Doheny 2008 is utilizing existing remaining funds to pay the state lease and the power costs at the pilot plant site

[5] The activity for Doheny 2014 remain uncertain at this time. The funds listed in the account are from last year and are recommended to remain to assist with efforts that may arise in this coming Fiscal Year

[6]The activity for Doheny Foundational Action Program remain uncertain at this time. The funds listed in the account are from last year and are recommended to remain to assist with efforts that may arise in this coming Fiscal Year

[7] Participation in the Urban Water Management Plan is currently estimated at \$55K per agency. The actual cost will vary depending on each agency's plan and the number of participants. MWDOC plans to select the consultant firms in the coming months

**REVISED Exhibit B****MWDOC Member Agency Rate Summary**

FY 2015-16

**DRAFT**

As of 4/3/2015

Retail Agency	MWDOC Readiness-to-Serve Charge		MWDOC Capacity Charge		MWDOC Retail Service Connection FY 2015-16	Total
	Monthly Charge July 2015 - December 2015	Monthly Charge January 2016 - June 2016	Monthly Charge July 2015 - December 2015	Monthly Charge January 2016 - June 2016		
Brea	\$ 16,614	\$ 15,945	\$ 8,517	\$ 8,374	\$ 133,791	\$ 430,493
Buena Park	\$ 26,457	\$ 25,393	\$ 6,585	\$ 6,019	\$ 203,025	\$ 589,750
East Orange County Water District	\$ 20,685	\$ 19,853	\$ 14,933	\$ 14,344	\$ 226,038	\$ 644,930
El Toro Water District	\$ 48,661	\$ 46,704	\$ 15,586	\$ 14,139	\$ 106,699	\$ 857,240
Fountain Valley	\$ 17,415	\$ 16,714	\$ 4,710	\$ 2,239	\$ 182,085	\$ 428,552
Garden Grove	\$ 39,796	\$ 38,195	\$ 24,678	\$ 23,705	\$ 366,263	\$ 1,124,509
Golden State Water Company	\$ 47,217	\$ 45,318	\$ 14,553	\$ 12,891	\$ 444,459	\$ 1,164,334
Huntington Beach	\$ 52,654	\$ 50,536	\$ 24,951	\$ 23,967	\$ 575,007	\$ 1,487,653
Irvine Ranch Water District	\$ 106,399	\$ 102,120	\$ 35,520	\$ 30,771	\$ 1,080,693	\$ 2,729,551
La Habra	\$ 5,797	\$ 5,564	\$ 5,994	\$ 5,758	\$ 147,951	\$ 286,632
La Palma	\$ 3,675	\$ 3,527	\$ 2,369	\$ 2,275	\$ 47,024	\$ 118,104
Laguna Beach County Water District	\$ 19,629	\$ 18,839	\$ 5,620	\$ 5,115	\$ 93,787	\$ 389,004
Mesa Water	\$ 17,835	\$ 17,117	\$ 15,520	\$ 12,707	\$ 253,890	\$ 632,964
Moulton Niguel Water District	\$ 146,960	\$ 141,049	\$ 40,196	\$ 38,610	\$ 570,916	\$ 2,771,806
Newport Beach	\$ 29,111	\$ 27,940	\$ 9,399	\$ 9,028	\$ 282,610	\$ 735,479
Orange	\$ 46,304	\$ 44,442	\$ 14,404	\$ 13,836	\$ 358,527	\$ 1,072,443
Orange County Water District	\$ 106,619	\$ 102,331	\$ 5,708	\$ 68,573	\$ -	\$ 1,699,388
San Clemente	\$ 46,247	\$ 44,387	\$ 14,079	\$ 13,524	\$ 187,271	\$ 896,693
San Juan Capistrano	\$ 26,093	\$ 25,044	\$ 13,219	\$ 12,697	\$ 122,876	\$ 585,196
Santa Margarita Water District	\$ 143,088	\$ 137,332	\$ 48,216	\$ 42,803	\$ 562,497	\$ 2,791,128
Seal Beach	\$ 6,495	\$ 6,233	\$ 4,065	\$ 3,904	\$ 58,406	\$ 182,588
Serrano Water District	\$ 5,970	\$ 5,730	\$ -	\$ -	\$ 24,510	\$ 94,709
South Coast Water District	\$ 29,104	\$ 27,933	\$ 8,009	\$ 7,693	\$ 130,677	\$ 567,109
Trabuco Canyon Water District	\$ 13,470	\$ 12,929	\$ 4,685	\$ 4,274	\$ 42,868	\$ 255,017
Westminster	\$ 21,584	\$ 20,716	\$ 4,574	\$ 3,516	\$ 218,237	\$ 520,576
Yorba Linda Water District	\$ 56,521	\$ 54,248	\$ 22,614	\$ 21,722	\$ 267,214	\$ 1,197,843
<b>MWDOC Total</b>	<b>\$ 1,100,401</b>	<b>\$ 1,056,140</b>	<b>\$ 368,704</b>	<b>\$ 402,484</b>	<b>\$ 6,687,322</b>	<b>\$ 24,253,694</b>

\*\* These numbers are draft and subject to change

**MWDOC's Rates to purchase water:**

July – December 2015: \$923/AF for treated Full service; and \$582/AF for untreated Full service,

January – June 2016: \$942/AF for treated Full service; and \$594/AF for untreated Full service.

Note: The above projected rates assume no MWDOC Increment and no Tier-2 Contingency charge.

**MWDOC Increment Rate:**

The MWDOC increment rate will go to \$0/AF for FY 2015/16, per the goal of going to 100% on the retail meter charge.

Exhibit C  
MWDOC Water Use Efficiency Choice Allocation  
Participating Agencies for FY 2015-16

DRAFT

By Retail Agencies	Metropolitan Incentives	MWDOC Grants	Vendor Fees	Total Outside Funding	Percentage Share	Choice Allocation For FY 2015/16
Brea	\$ 62,074	\$ 3,146	\$ 2,499	\$ 67,719	1.13%	\$ 9,743
Buena Park	\$ 50,794	\$ 4,027	\$ 3,447	\$ 58,268	0.97%	\$ 8,384
East Orange County Water District	\$ 16,046	\$ 3,738	\$ 437	\$ 20,221	0.34%	\$ 2,909
El Toro Water District	\$ 104,296	\$ 4,034	\$ 4,064	\$ 112,395	1.87%	\$ 16,171
Fountain Valley	\$ 54,535	\$ 2,236	\$ 2,309	\$ 59,079	0.98%	\$ 8,500
Garden Grove	\$ 83,247	\$ 2,817	\$ 4,247	\$ 90,311	1.50%	\$ 12,994
Golden State Water Company	\$ 209,727	\$ 7,627	\$ 7,464	\$ 224,819	3.74%	\$ 32,347
Huntington Beach	\$ 244,660	\$ 90,177	\$ 10,313	\$ 345,150	5.74%	\$ 49,660
Irvine Ranch Water District	\$ 916,272	\$ 75,623	\$ 44,087	\$ 1,035,981	17.24%	\$ 149,057
La Habra	\$ 27,919	\$ 1,180	\$ 2,414	\$ 31,512	0.52%	\$ 4,534
La Palma	\$ 6,086	\$ -	\$ 633	\$ 6,719	0.11%	\$ 967
Laguna Beach County Water District	\$ 52,408	\$ 16,199	\$ 1,741	\$ 70,348	1.17%	\$ 10,122
Mesa Water	\$ 139,013	\$ 3,632	\$ 4,475	\$ 147,120	2.45%	\$ 21,168
Moulton Niguel Water District	\$ 1,447,974	\$ 22,766	\$ 20,313	\$ 1,491,053	24.81%	\$ 214,533
Newport Beach	\$ 109,713	\$ 27,071	\$ 2,462	\$ 139,245	2.32%	\$ 20,035
Orange	\$ 375,289	\$ 40,749	\$ 7,587	\$ 423,625	7.05%	\$ 60,951
Orange County Water District	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
San Clemente	\$ 130,482	\$ 15,990	\$ 3,366	\$ 149,838	2.49%	\$ 21,559
San Juan Capistrano	\$ 90,714	\$ 5,401	\$ 2,397	\$ 98,512	1.64%	\$ 14,174
Santa Margarita Water District	\$ 770,992	\$ 98,447	\$ 18,561	\$ 888,000	14.78%	\$ 127,766
Seal Beach	\$ 38,710	\$ 178	\$ 877	\$ 39,765	0.66%	\$ 5,721
Serrano Water District	\$ 10,532	\$ -	\$ 488	\$ 11,020	0.18%	\$ 1,586
South Coast Water District	\$ 192,437	\$ 34,915	\$ 3,305	\$ 230,657	3.84%	\$ 33,187
Trabuco Canyon Water District	\$ 19,240	\$ 1,351	\$ 1,271	\$ 21,862	0.36%	\$ 3,145
Tustin	\$ 58,487	\$ 5,452	\$ 1,965	\$ 65,903	1.10%	\$ 9,482
Westminster	\$ 54,867	\$ 118	\$ 2,592	\$ 57,577	0.96%	\$ 8,284
Yorba Linda Water District	\$ 80,161	\$ 6,006	\$ 3,672	\$ 89,838	1.50%	\$ 12,926
Anaheim	\$ -	\$ 15,217	\$ -	\$ 15,217	0.25%	\$ 2,189
Fullerton	\$ -	\$ 4,694	\$ -	\$ 4,694	0.08%	\$ 675
Santa Ana	\$ -	\$ 12,541	\$ -	\$ 12,541	0.21%	\$ 1,804
<b>Orange County Total</b>	<b>\$ 5,346,675</b>	<b>\$ 505,329</b>	<b>\$ 156,985</b>	<b>\$ 6,008,989</b>	<b>100%</b>	<b>\$ 864,576</b>



**Item No.**

## **DISCUSSION ITEM**

March 18, 2015

**TO: Board of Directors**

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

**Rob Hunter**  
General Manager

**SUBJECT: FIRST DRAFT of MWDOC's Budget for 2015-16**

### **STAFF RECOMMENDATION**

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Staff recommends the A&F Committee, Board, Member Agencies and the public review and provide input and comments in the FIRST DRAFT of MWDOC's budget for 2015-16. The form of findings for the FIRST DRAFT budget includes the following:

1. Adopt the budget Resolution as proposed (will be attached to the May or June Action Item) with a budget total of \$257,617,512 and a consolidated general fund budget of \$8,271,565 (Revenue).
2. The total amount of Water Use Efficiency (WUE) outside funding for rebates and grants will increase from a FY2014-15 budget of approximately \$2.9 million to a proposed budget of almost \$22 million. This requires an increase in the Cash Flow Reserve to \$1.5 million.
3. The total outside funding from WUE and Local Resource Project (LRP) sources will be approximately \$37 million in FY2015-16. This means that MWDOC will be bringing in revenue that is more than 4.6 times its consolidated operating budget.
4. Fund the Reserves to the levels specified in the Administrative Code.
5. Fund the Election Reserve via an annual contribution of \$260,000 which has been determined to be the long-term annual contribution to allow full funding for election costs every two years.
6. Establish a Building Improvement Budget of \$500,000 as outlined in the discussion below and maintain the Building Reserve Fund at the target level.
7. Fund OPEB at the annual level pay amount of \$155,000. Combined with the estimates provided in our most recent actuarial evaluation, this level of annual contributions should allow satisfaction of the OPEB liabilities within the next 10 years.



8. For dealing with the Pension Liability issue, staff is recommending continuation of the practice of increasing the staff contribution towards pension payments by 1% each year until a total of 7% has been achieved. This year, the budget was developed assuming the staff contribution is 4%.
9. Complete the transition to a 100% fixed rate for retail meters with a FY2015-16 target of 100% fixed revenue for the Core Budget.
10. Increase the total number of full-time MWDOC and WEROC employees from 28 to 29.
11. Significant project activities in FY2015-16 will include:
  - Orange County Reliability Study actions
  - Value of Water communication program
  - MWDOC rate study
  - Water Use Efficiency efforts on water savings potential and a web-based rebate processing platform
  - Metropolitan activities related to allocations and the Integrated Resource Plan
  - Update of the MWDOC website and communication surveys
  - Government Affairs activities at the local, state and federal level.
12. The CHOICE Activities for this year will include:
  - School Program
  - Water Use Efficiency
  - Value of Water Communications Plan
  - Doheny Desal
  - Poseidon
  - Urban Water Management Plans
  - Water Loss Reduction Auditing
  - South Coast & Laguna Beach CWD Foundational Program Work on Doheny
  - South Coast WD Baseline Environmental Monitoring Work

A reminder to the Board that Memberships outlined in the Budget (Exhibit D) are approved by the Board with approval of the budget and therefore, each membership will NOT be brought to the Board for approval. Any NEW memberships not included in the budget will be brought to the Board for consideration.

In a similar sense to Memberships, budget approval includes Board and Staff approval for attendance at "standard conferences". Standard conferences are those included on Exhibits E and F. Any NEW conferences will be brought to the Board for consideration.

## **COMMITTEE RECOMMENDATION**

Committee recommends (To be determined at Committee Meeting)

## **DETAILED REPORT**

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The FY 2015-16 MWDOC budget is developed through a transparent and iterative process. Key topics discussed below include:

1. MWDOC Budget Process & Schedule
2. Budget Principles
3. Budget Input from Member agencies
4. MWDOC Priorities & Practices Overview
5. Key Initiatives
6. Core/Choice Programs
7. Reserves
8. Water Rates and Charges

A short discussion on each item follows:

### **1. MWDOC Budget Process & Schedule**

MWDOC's budget is developed in a process that begins in December with initial notification of Member Agencies and concludes with the formal budget approval by the Board of Directors in May. The general schedule is outlined below.

#### **December 2014**

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

#### **January 2015**

- MWDOC staff begins preparation of budget hours and costs on program and line-item basis.
- Review of five month actuals and fiscal year-end projections.
- Review budget adjustments for current fiscal year.
- Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year).

#### **February 2015**

- Initial review of budget issues with A&F Committee for feedback.
- Initial discussion of budget issues with Member Agencies for feedback.
- Request for Member Agencies' preliminary indication of participation in CHOICE Services.

#### **March 2015**

- Publish and post the First Draft Budget in the packet for the Administration and Finance (A&F) Committee in early March.
- Review Full Draft Budget with A&F Committee.
- Formally request comments from all Member Agencies.

- DRAFT information completed on prior year WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.
- Member Agencies are to confirm participation in CHOICE Services by March 15. However in practice, this often doesn't occur until the end of April and after Elected Officials meeting.
- Discuss First Draft Budget at Member Agency Managers' Meeting.
- Meet with Member Agencies as requested or scheduled.

#### **April 2015**

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

#### **May 2015**

- Final Draft Budget and Rates presented to A&F Committee.
- Member Agencies' Formal Comments presented to A&F Committee.
- Discussion at Member Agency Manager's meeting.
- Board approval of FY2015-16 Budget and Rates.

## **2. MWDOC Budget Principles for 2015-16**

Staff continues to utilize several Budget Principles to develop the draft budget including:

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Value**  
The budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders.
- **Principle #2: Activities Based on a County-wide Perspective**  
MWDOC's service area extends to the Orange County's borders and the budgeted activities must comprehensively address issues, needs and benefits for the entire county.
- **Principle #3: Efficient Program Design & Performance**  
The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.

- **Principle #4: Full Cost Recovery**

The budget will be developed so as to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves

- **Principle #5: Compliance with Administrative Code & Settlement Agreement**

The proposed budget and budget process should fully comply with applicable sections of the code and agreement.

### **3. Budget Input From Member Agencies**

At this point in the budget process, input from Member Agencies has been limited. This will change with the release of the First Draft Budget and interactions during meetings.

### **4. Priorities & Practices Overview**

Key priorities and practices include MWDOC's major areas of concentration:

- Metropolitan as a main source of reliability
- Regional Reliability and the OC Water Reliability Study
- Water Use Efficiency (WUE)
- Water Emergency Response
- Communications
- Government Affairs
- 

These are discussed below.

#### **Metropolitan Water District of Southern California (MET)**

MWDOC's number one effort remains ensuring that policies, supplies, programs and projects developed and implemented by MET have significant value to the citizens and ratepayers in Orange County and to Southern California.

- MET is key to providing and underwriting SUPPLY reliability and regional SYSTEM reliability in Southern California. Many of MWDOC's initiatives are aimed at maintaining a close working relationship with MET and other MET member agencies to guide the efforts at MET in a constructive manner; in the best interest of the region and Orange County. The value of these types of relationships resulted in significant progress made in the last year in getting approval at the MET level for increased contributions towards MET's LRP Program, in working out the details of the Allocation Program and in securing water for groundwater replenishment for OCWD, providing additional funding for WUE and drought communications of about \$80 million.
- MWDOC appoints four MET directors who sit on the MET Board and directly advocate issues. These four MET directors work with the other three directors from Orange County (Anaheim, Fullerton, Santa Ana) and directors from outside of Orange

County. Our Orange County MET contingent and the overall MET Board are faced with ensuring the economic health of MET which directly impacts the economic health for Orange County, the region and the State. To this end, our directors have advocated for financial issues at MET to ensure its viability over the long run, appropriate levels of reserves, and financial policies that minimize and level long-term costs and rates impacts. Over the past year, the advocacy of our MET directors has resulted in MET significantly improving its position with respect to pension liability, OPEB liability, investments in rehabilitation and repair of facilities and in incorporating future long term investments such as the BDCP while remaining strong financially.

- MWDOC will continue its involvement in the lawsuit between SDCWA and MET, as well as other litigation. The outcome is critically important to Orange County and our involvement in the litigation is to ensure the taxpayers and ratepayers of Orange County are fully represented.
- The upcoming year will involve an update to MET's Integrated Resources Plan (IRP), the first update since 2010. The IRP is the Region's Roadmap to Reliability, combining both local supplies and imported supplies to meet total Southern California demands over the next 20 years. This time around, the IRP will likely involve a number of interesting discussions and decisions given that 8 of the last 9 years have involved supplies considerably lower than historic supplies and demand conditions hotter and drier than have typically been encountered under our 90 year historical climate conditions. Key to meeting demands over the long-run is the completion of the BDCP. However, questions loom over how reliability will be achieved in California and Southern California over the next 20 years or so until the BDCP comes on-line. Other key issues are climate variability and how this will affect our ability to store water in wet years for use in dry years and how we might collectively plan to meet demands in Southern California if the San Andreas Fault simultaneously interrupted the Colorado River Aqueduct and the State Water Project.

### **Regional Water Reliability and the OC Water Reliability Study**

The improvement of water supply and system reliability is key for the ratepayers and citizens of the County and is of primary concern in MWDOC's budget. Reliability cannot be improved by OC investments alone and it is imperative that our reach in this area is both local and regional to MET and DWR. This past year included the kick-off of the OC Water Reliability Study which will wrap up on the coming fiscal year. The goals for the OC Water Reliability Study are:

1. To understand Orange County's current and future situation with respect to WATER SUPPLY and SYSTEM RELIABILITY issues
2. Develop and provide information towards prioritization and decision-making for reliability improvements in Orange County
3. Involve/engage the large stakeholder group in the process of improving SUPPLY and SYSTEM reliability

4. To foster actions that produce quantifiable reliability improvements in Orange County that are timely and cost-effective

The OC Reliability Study is the first comprehensive look at local and regional investments that can benefit OC in many years. The examination of our SUPPLY and SYSTEM reliability must consider not only the regional system, but the upcoming investments through MET Integrated Resources Plan and must take into account the many intricacies and policies of tracking where benefits accrue for the water resources investments being made. The biggest example of this is how investments in OC will pay-off for OC under future shortage scenarios and whether the existing policies appropriately vest the benefits in the correct places.

### **Water Use Efficiency (WUE)**

Sound water management policy requires a continuing effort to improve water use efficiency. This requirement is intensified by the current drought conditions. Providing the technical expertise and the program support along with securing funds for water use efficiency efforts is a priority for MWDOC and our member agencies. Additional funding for WUE efforts emerged this past year in an amount over \$15 million and will likely increase again in this coming fiscal year to \$20 million. MWDOC must be able to capitalize on these opportunities as they arise and bring the benefits to OC.

### **Water Emergency Response**

MWDOC made significant changes towards the preparedness of the Water Emergency Response Organization of Orange County (WEROC) this past year to improve and strengthen the state of readiness to assist in a time of emergency. WEROC will pursue further changes this coming year to enhance response efforts and to seek additional funding options for improved resilience across the county.

### **Communication**

Communications to our citizens, in coordination with our member agencies, is a key part of MWDOC's efforts. Communication related to critical water resource issues, water supply and system reliability, and water resource projects and investments are all essential elements of the Communications Plan. To maximize both effectiveness and efficiency MWDOC is working with our member agencies on coordinated communication efforts. MWDOC generally provides program efforts at the regional level and above while providing necessary assistance to the retail agencies for communications with the local ratepayers. This division of responsibilities is a key area of coordination on behalf of MWDOC. Crucial issues in the coming year will be the drought, BDCP discussions, regional reliability and funding from the Water Bond.

### **Government Affairs**

Governmental Affairs continues to work at the local, state and national levels with our Member Agencies, organizations, delegations, agencies and bureaus to advance Orange County's agenda. Central to this effort are not only funding opportunities such as Prop1 but also policy legislative and regulatory developments and opportunities.

## 5. **MWDOC Key Initiatives**

Besides the items previously discussed above, the key initiatives from staff for 2015-16 that are included in the budget include:

- Continue to work closely with MET on rate/stability issues, support for the Bay-Delta, completion of the IRP Update and management of water in Southern California, especially since it is anticipated that we will be under Mandatory Restrictions from MET beginning in July 1 of this year. The drought and water management issues it brings will likely remain at the fore-front as a short-term priority, but we can't forget about planning for the long-term solutions such as the BDCP preferred alternative and recirculated EIR/EIS that is anticipated this coming summer.
- Continue work on the OC Water Reliability Study. The OC Water Reliability Study was initiated last year and should wrap up in the fall of 2015. It is too early to predict the exact nature of the spin-off efforts from the Study work, however, staff will seek to provide sufficient budget to accommodate whatever work efforts may arise, which could include:
  - A conjunctive use program between OCWD and South Orange County
  - Consideration of ocean desalination
  - Consideration of central valley banking and transfers
  - Support for additional recycling, Indirect Potable Reuse and Direct Potable Reuse planning
  - Improvements to respond to emergency outages
  - Work with MET and DWR on Emergency Colorado River and State Water Project Outages
  - Examination of additional investments in WUE to reduce demands
  - Sharing of supplies and resources within the County
  - On-going work with OCWD on basin issues
  - A key element is to obtain concurrence for the introduction and conveyance of local water in the East Orange County Feeder No. 2 (EOCF#2). This has never been done, but when accomplished opens up a number of options for Orange County.
  - Continue to examine opportunities for local or regional reliability via banking programs.

The key aspects of the OC Water Reliability Study are:

- 10-Year update of Countywide Water Reliability
- Improved methodology for projecting water demands
- Agreed upon definition and evaluation of SUPPLY and SYSTEM Reliability
- Comprehensive Review of ALL Water Sources
- MET Import including put and take from storage sources
- Local supplies Including groundwater

- Regional Projects
- Storage
- Water Banking
- Transfers/Contracts
- Focus on utility of information for decision-making
- Decision making remains with local utilities

The key tasks of the OC Water Reliability Study are:

- Analyze historical demands and develop updated projection of future demands & potential for future WUE impacts in OC
  - Review existing OC local supplies and project these supplies into the future
  - Estimate of supplies available from MET – This will involve modeling of supplies from the State Water Project and the Colorado River Aqueduct as well “puts” into and “takes” out of MET storage accounts; will also characterize climate variability impacts and biops impacts on supplies as well as “with” and “without” a BDCP solution (note – our time frame is out to 2035, so under almost any condition, a BDCP solution will not be in place at that time)
  - Develop a SUPPLY GAP Analysis – This is the most difficult analysis for the study, which is to estimate through the year 2035 what the reliability of our import supplies will be from MET under various scenarios. The goal of this task is to provide a reasonably analysis of what is to be expected and to understand the impacts of key drivers of reliability or the lack of reliability.
  - Develop an Emergency SYSTEM GAP Analysis – Based on prior work completed by MET, the ability of the local water systems to provide supplies for 60 days assuming there is an outage of the MWD system will be made; the key analysis will be to estimate the potential impacts to local well production facilities due to earthquake ground acceleration and to examine recovery aspects.
  - Review options for NEW local supplies & SYSTEM capabilities/supplies to resolve GAPS identified
  - Recommendations/Follow-up
- Continue with implementation of the Water Use Efficiency Master Plan including methods to firm up local funding options for local agencies. Begin integrating recycled water use into Water Use Efficiency programs by accelerating recycled water connections through customer incentives. Additional funding for water use efficiency efforts did emerge and will likely increase again this year which brings with it an opportunity to continue working to assist residents and businesses in the County with opportunities to use water more efficiently, thus saving water for future years, achieving compliance with the 20% by 2020 and attaining Integrated Resources Plan reliability goals.
    - Secure MET funding; over the past several years, MWDOC has brought in about \$3 to \$4 million per year; this year funding could reach \$15 million this year and next year could reach \$25 million. Had MWDOC not had the staffing, expertise, know-how and systems in place, a large opportunity would have been missed. Our WUE staff continues to perform for the benefit of OC.



- Secure Proposition 84 (last round) and Prop 1 via the IRWMP to allow additional WUE programs to be implemented in South OC.
  - Complete implementation and evaluation of the Spray-to-Drip Pilot Program. Seek opportunities to expand beyond the Pilot Phase.
  - Conduct a Turf Removal Rebate Program water savings evaluation to establish an OC based water savings metric
  - Engage with the SWRCB regarding Drought Regulations
  - Develop a methodology for implementation of “efficiency targets” as a way of measuring how we are doing and examining the potential for future savings from investments in WUE
  - The massive upsurge in WUE rebate funding requires the development of a new web-based rebate processing platform to contain costs, maintain timely performance and continue stringent audit controls.
- Continue to expand drought response assistance to member agencies and customers. This includes understanding the implications of the water supply situation, moving into allocations and how to manage local issues including the development of key messages, input to MET on their key messages, coordination of messages internal to the County and the Value of Water Communications.
  - The Value of Water Communications Plan is a long-term effort designed to engage, educate and inform Orange County residents and businesses of the value water service provides. The value of reliable water service includes building support for local projects, repair and replacement programs and water rate increases. In addition, one of the core elements of this plan is to improve public trust and credibility. Changing public perception and sentiment as well as instilling public trust is a long-term effort. It is not a switch that you turn on and off overnight; rather, it is a commitment that the family of Orange County Water Agencies make every day, with each customer and stakeholder interaction. These communication needs are occurring against a backdrop of aging infrastructure, regulatory changes, competition for supplies, projected water rate increases, and a need for greater transparency – and now the drought.

Last year the program, implemented as a Choice program, included:

- Definition of public attitudes and perceptions of water and water service
- Development of a communication plan and message refinement
- Working with our communications consultant, Fraser Communications, a number of creative elements were developed and made available to participating agencies/cities; these included:
  - Video: a short, two-minute video will be developed. This format can also provide shorter, 30-second versions for digital media channels as well as local Public Service Announcements.
  - Digital media/Social media: Facebook marketed via weekly “boosted” posts. As our research indicated, digital and social media channels are becoming more important to consumers. This also provides outreach to those consumers that are not directly paying their bill and do not receive information from their water provider in other formats. This also

includes social media elements agencies can incorporate with their existing media strategy and editorial calendars.

- Bill inserts: print and electronic bill inserts will be distributed via the retail water agencies' billing systems. Although digital and social media is growing in popularity, bill stuffers are still a reliable way to reach the bill-paying consumer.
- Give-away items: a selection of message-focused items are being purchased and distributed at community events. These items will be focused on innovation and provide a way to reinforce our message to the public.
- Professional services and staff support: ongoing subject matter expertise and in-house staff support will be available to implement the program and provide necessary support and resources.
- Briefing Papers; one page, visually engaging elements are being developed to support the three pillars and to easily convey information to stakeholders and influencer groups.
- Electronic Consumer Confidence Report Templates
- Newsletter articles: based on the three platforms we developed, newsletter articles are being crafted and made available to member agencies and to influencer groups.
- Presentation templates: a PowerPoint and Prezi template are being developed and distributed to participating agencies to use as part of their outreach efforts. Assistance with community outreach will be made available as resources permit.

This coming year, the Value of Water Communications will examine a similar menu of options for our agencies which will also consider message points relative to the drought and allocation situation.

- Public Affairs activities increase focus on a few critical areas. MWDOC will implement a major upgrade of our website in FY2015-16. The current website is not functional for some mobile devices and iPads. In addition, our biennial phone survey is scheduled for this year along with an experimental survey to address portions of the population which are being under-represented in the normal phone surveys.
- MWDOC's renewed efforts on Government Affairs will focus on funding and regulatory programs at the state and federal level. We are accelerating efforts with the Orange County and California delegations and select Committee Members to marshal support, funding and beneficial modifications for national programs including WIFIA and SRF. At the state level, significant efforts will be made in tracking and obtaining funding opportunities, including Prop 1, for Orange County projects.
- Protect MWDOC and local agency interests in MET via continued participation in the SDCWA lawsuit against MET.
- Participate in other water-related lawsuits, as appropriate, in support of our Member agencies and the residents of Orange County.

- Continue to seek areas of efficiency in the District's operations.
- A renewed effort for WEROC this past year will continue. It involves an enhanced training program for MWDOC staff to ensure sufficient support staff exists and is fully cross-trained to staff both a North and South Emergency Operations Centers and to search for more grant funding for resiliency improvements in the County. The investment in MWDOC staff training this past year resulted in one of the best WEROC test exercises ever, while requiring the volunteers to take-on positions they had not previously staffed. The resulting cross-training should continue to pay-off. Again this coming year, each of the MWDOC staff members will participate in about 30 to 40 hours of training to help WEROC remain at a high state of readiness. Also, in this coming year, there are potential grants in the form of fuel trailers and generator cabling to allow connections to differing types of electrical transfer switches. Both of these improvements should improve our resiliency in the County. Also, the outcome of the OC Water Reliability Study SYSTEM evaluation should result in proposals for further improvements in the County resiliency in dealing with earthquakes or other events and allow us to seek further grant funding.
- Preparing for the MET Update of its Integrated Resources Plan. Work from the OC Water Reliability Study will position us well to provide input into the process. Additional work may be required to demonstrate the need for MET to conduct work in specific areas.
- Tracking Progress on the BDCP and whether any deeper involvement from MWDOC and OC is warranted
- Completion of a study to support MWDOC's rates and charges.
- Review of staffing levels and succession planning issues.

## **6. Core/Choice Programs for 2015-16**

The Choice Programs for 2015-16 include:

- School Program – will continue grade-level appropriate educational opportunities in accordance with State Curriculum. MWDOC will be soliciting an RFP for the School Education Program to evaluate the services that have been provided by Discovery Science Center over the past 11 years with what others may have to offer.
- Water Use Efficiency – Will continue to access MET WUE funding and grants from other sources for implementation programs for OC.
- Value of Water Communications Plan - It is anticipated that this implementation phase of the communication plan will continue as a Choice Budget at a level consistent with last year.

- Doheny Desal 2008 – Work at maintaining the site, compliance with the State Parks Lease arrangement and conduct of site tours will continue. Limited funding remains from the 2008 Participation Agreement to fund the State Lease and electrical costs of the facility; furthermore, the group of five Participants needs to make a decision regarding leaving the facilities in place or pulling them out (funds in the amount of \$356,000 have been retained for the removal effort). It is uncertain at this time what other focus activities might be involved this coming year.
- Doheny Desal 2015 – This would be activities initiated in this coming year in the event two or more Participants would want to continue on with the project. MWDOC's involvement might include the formation of a JPA with MWDOC holding a position open for future potential participation by other local agencies. The exact nature of these efforts is not entirely certain for the coming year or which participants may be involved.
- Poseidon – Much work on the Poseidon Project is anticipated by Poseidon this year with their desire being to secure the final Coastal Commission Permit. It is expected that OCWD will remain involved in the discussions as will MWDOC. MWDOC will continue its efforts to secure LRP funding and to secure approval to convey the water in the EOCF#2 (these efforts are not part of the Choice Program, but are efforts undertaken by MWDOC in support of our agencies). It is uncertain the exact focus of MWDOC's Choice efforts this coming year or which participants may be involved although it is anticipated that the work group will be active in reviewing project documents and proposals.
- 2015 Urban Water Management Plans - By the start of the fiscal year, MWDOC should be seeking Member Agency Participation in a contract to prepare the 2015 Urban Water Management Plans, which must be submitted to DWR by July 1, 2016. As the budget is being prepared, MWDOC is in the process of preparing an RFP to various consulting firms to invite them to provide proposals to help 20 to 30 of our agencies in the preparation of these plans. In 2010, MWDOC developed a plan to complete 24 UWMP's simultaneously in Orange County, saving the average agency about \$40,000 in the process. A NEW UWMP requirement for this coming year is the completion of reporting for Water Loss Reduction Auditing, as prescribed by AWWA. MWDOC will also be seeking proposals from consultants to help our agencies comply with this requirement, as an additional option.
- South Coast & Laguna Beach CWD Foundational Program Work on Doheny (requires the staff time of Richard Bell) – These efforts, which began in 2014, should be completed this coming fiscal year. The work undertaken will result in a better understanding of the water quality issues for feed water for various sized project and will provide a better understanding of any mitigation that might be required for a smaller, 5 mgd facility, as well as for a 15 mgd facility. Most of MWDOC's work under this program, similar to what MWDOC is providing for the SJBA Foundational Action Program, is staff support MWDOC would provide to any of its agencies seeking MET funding. This is listed under the Choice Program because Richard Bell's time and assistance was specifically assisted for several

of the tasks involved in the study, which would have been beyond the level of input provided by MWDOC. That extra amount (about \$37,000 of Richard's time between last fiscal year and this coming fiscal year) serves as the basis for the Choice Program, paid by the two agencies.

- South Coast WD Baseline Environmental Monitoring Work – Requires the staff time of Richard Bell. As South Coast Water District has initiated work for a 5 mgd facility, they have opted to begin the baseline environmental work that would be necessary for any future facility. Again, they requested assistance from MWDOC to help in this effort by contracting for the work and providing input to South Coast in the management of this work (about \$153,000 in consulting work and about \$6,000 of Richard's time). That is why this is listed as a Choice option.

## **7. MWDOC's Reserve Funds**

The MWDOC Reserve Policy includes the following categories:

- General District
- Cash Flow
- Election Expense
- Building Expense
- OPEB Reserves

### **General District Reserves:**

The General District Reserves were set at \$1.85 million as of July 1, 2010 and increase by the inflation rate each year. In FY2015-16 the target reserve balance will be \$2,056,908. The general district reserve balance will be on target.

### **Cash Flow Reserve:**

Cash flow reserves were set at \$1.00 million in 2010 and this amount is reviewed from time to time for appropriateness, based on the District's current operational needs. Due to the tremendous increase in WUE rebates, the cash flow reserve is increased to \$1.5 million in the FY2015-16 budget.

### **Election expense:**

MWDOC's election reserve is managed to fund seven elections every four years. Based on previous election costs, we have determined that \$1.04 million (or \$148,000 per division) is sufficient to cover seven elections. This requires that \$260,000 be contributed to the election reserve annually.

**Building Expense Reserve:**

MWDOC's Building Reserves were set in 2010 to be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility.

- Staff has working with OCWD and others on estimates of the costs involved for a number of projects, which include:
  - Renovation of Joint Boardroom, including conference room C-3 and the Lobby/Entrance area
  - Renovation of restrooms outside of the Joint Boardroom
  - Renovation of transition area from Lobby to MWDOC offices
  - Renovation of one set of MWDOC Bathrooms
  - Replacement of Boiler, Chiller and Energy Management System that serves both the MWDOC and the OCWD buildings (last year MWDOC replaced the air handler in its building)
  - Upgrade of front Landscaping
  - Renovation of office roof for future years
  - Upgrade to fire alarm system
  - Slurry coat of parking lot

Overall, these costs are estimated at about \$400,000 in expenses next year.

The FY2015-16 budget includes a building expense contribution of \$258,000 to maintain the \$350,000 reserve balance.

**OPEB Reserve:**

In managing MWDOC's OPEB liability, the Board has taken the following actions:

- Employees hired after July 1, 2012 are not eligible to receive District-paid retiree and elective health and welfare benefits. This will substantially reduce future OPEB costs after dealing with the existing employees who qualified for the prior benefits.
- The Board requested that staff examine options for accelerating the payoff of the OPEB liability by increasing the annual payments. Based on the most recent actuarial as of July 1, 2014, it is recommended that the Board continue with annual contributions of \$155,000 per year to both fund the actual annual costs and include an annual contribution to the Trust fund. Based on this level of investment, the liability should be fully accommodated within the next 10 years.

**8. Water Rates and Charges**

Historically, MWDOC's revenue towards funding of its Core Budget has been derived from charges associated with a retail meter charge (fixed) and a water volume increment charge (variable). Beginning in 2015-16, MWDOC's Core Budget will be supported ONLY by the retail meter charge. This is the fifth year of transition from the two-component charge to a single component charge. It should be noted that MWDOC has budgeted to complete a review of its water rate charges to determine if any future changes should be considered beginning on or after July 1, 2016.

The total amount of revenue from water sales also includes charges to cover the cost of MET water purchases and MET's associated charges. The proposed Total Water Revenues for FY2015-16 are \$211,253,710 which is greater than the adopted FY2014-15 budget number of \$181,545,560 and the projected FY2014-15 actual of \$198,166,020.

For FY 2015-16 the proposed Retail Meter Charge is \$10.85.

**Attachments:**

Attached hereto is the detailed, draft budget for this coming year.



## **Annual Budget for Fiscal Year 2015-16**

### **First Draft**

**MWDOC's mission is:**

***To provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County***



**Exhibit A2**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CORE FUND**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 2,609,584	\$ 2,419,500	\$ (190,084)	\$ 2,805,639 <sup>1</sup>	\$ 386,139	\$ 196,055
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	831,154	725,157	(105,997)	746,208 <sup>2</sup>	21,051	(84,946)
Director Compensation	210,342	182,258	(28,084)	220,588	38,330	10,246
Director Benefits	119,356	70,765	(48,591)	60,024	(10,740)	(59,332)
MWD Representation	120,197	104,078	(16,119)	126,050	21,972	5,853
OPEB Annual Contribution	133,331	180,456	47,125	105,188	(75,268)	(28,143)
Overhead Reimbursement	(139,240)	(183,825)	(44,585)	(199,271)	(15,446)	(60,031)
Health Insurance Coverage for Retirees	50,244	45,980	(4,264)	50,387	4,407	143
Audit Expense	23,000	21,125	(1,875)	23,000	1,875	0
Automotive & Toll Road Expenses	14,550	14,100	(450)	14,775	675	225
Conference Expense - Staff	13,925	15,113	1,188	18,500	3,387	4,575
Conference Expense - Directors	8,650	10,745	2,095	9,800	(945)	1,150
Engineering Expense	355,000	465,000	110,000	300,000	(165,000)	(55,000)
Insurance Expense	97,000	95,000	(2,000)	96,000	1,000	(1,000)
Legal Expense - General	329,000	295,435	(33,565)	355,000	59,565	26,000
Maintenance Expense	118,768	115,804	(2,964)	126,670	10,866	7,902
Membership / Sponsorship	90,437	88,955	(1,482)	104,361	15,406	13,924
CDR Participation	39,961	39,961	-	39,740	(221)	(221)
Miscellaneous Expense	71,150	62,307	(8,843)	94,470	32,163	23,320
Postage / Mail Delivery	11,100	10,100	(1,000)	11,285	1,185	185
Professional Fees	463,700	365,495	(98,205)	716,478	350,983	252,778
Rents & Leases	16,708	11,780	(4,928)	19,000	7,220	2,292
Outside Printing, Subscription & Books	51,725	34,568	(17,157)	48,380	13,812	(3,345)
Office Supplies	24,288	25,244	956	29,400	4,156	5,112
Building Repair & Maintenance	10,800	10,000	(800)	11,000	1,000	200
Computer Maintenance	6,000	6,000	-	7,100	1,100	1,100
Business Expense	7,000	6,589	(411)	6,800	211	(200)
Software Support & Expense	54,384	43,723	(10,661)	51,500	7,777	(2,884)
Computers and Equipment	9,300	9,000	(300)	19,000	10,000	9,700
Telecommunications Expense	16,900	14,405	(2,495)	15,650	1,245	(1,250)
Temporary Help Expense	-	-	-	-	-	-
Training Expense	18,000	12,000	(6,000)	18,000	6,000	-
Tuition Reimbursement	6,000	-	(6,000)	5,000	5,000	(1,000)

**Exhibit A2**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CORE FUND**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES: continued</b>						
Travel & Accommodations - Staff	38,300	36,898	(1,402)	53,260	16,362	14,960
Travel & Accommodations - Directors	29,600	31,087	1,487	27,600	(3,487)	(2,000)
MWDOC's Contribution to WEROC	128,508	128,508	-	143,028	14,520	14,520
Capital Acquisition (excluding building)	-	-	-	6,000	6,000	6,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 5,988,722</b>	<b>\$ 5,513,312</b>	<b>\$ (475,410)</b>	<b>\$ 6,285,611</b>	<b>\$ 772,299</b>	<b>\$ 296,889</b>
MWDOC's Building Expense	\$ 168,000	\$ 17,000	\$ (151,000)	\$ 400,000	\$ 383,000	\$ 232,000
Election Expense	444,000	272,537	(171,463)	-	(272,537)	(444,000)
<b>TOTAL EXPENSES</b>	<b>\$ 6,600,722</b>	<b>\$ 5,802,849</b>	<b>\$ (797,873)</b>	<b>\$ 6,685,611</b>	<b>\$ 882,762</b>	<b>\$ 84,889</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,440,532	\$ 6,440,532	\$ -	\$ 6,687,322	\$ 246,790	\$ 246,790
Water Increment Charge	103,564	107,775	4,211	-	(107,775)	(103,564)
Interest Revenue	138,000	119,641	(18,359)	117,675	(1,966)	(20,325)
Miscellaneous Income	3,000	3,000	-	3,000	-	0
School Contracts	-	-	-	-	-	0
Inter Fund In	-	-	-	-	-	0
<b>TOTAL REVENUES</b>	<b>\$ 6,685,096</b>	<b>\$ 6,670,948</b>	<b>\$ (14,148)</b>	<b>\$ 6,807,997</b>	<b>\$ 137,049</b>	<b>\$ 122,901</b>

<b>EFFECT ON RESERVES:</b>						
Reserves Contribution (Draw) to cover for Operating expenses for Operations	\$ 84,374	\$ 868,099	\$ 783,725	\$ 122,386	\$ (745,713)	
Increment Refund Due to OC-88 Error	\$ -	\$ (72,809)	\$ (72,809)	\$ -	\$ 72,809	
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ 84,374</b>	<b>\$ 795,290</b>	<b>\$ 710,916</b>	<b>\$ 122,386</b>	<b>\$ (672,904)</b>	<b>\$ 38,012</b>

1 Total Salaries & Wages includes \$67,400 for intern support

2 Total Benefits includes \$7,847 for intern support

**Exhibit A3**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CHOICE FUNDS**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 386,271	\$ 444,954	\$ 58,683	\$ 457,657 <sup>1</sup>	\$ 12,704	\$ 71,386
less for Recovery from Grants	\$ (16,437)	\$ (20,080)	\$ (3,643)	\$ (23,500) <sup>1</sup>	(3,420)	(7,063)
Employee Benefits	130,762	127,198	(3,564)	120,631 <sup>2</sup>	(6,567)	(10,131)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	139,240	183,825	44,585	199,271	15,446	60,031
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	-	-	-	-	-	-
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
CDR Participation	-	-	-	-	-	-
Miscellaneous Expense	49,250	20,000	(29,250)	12,500	(7,500)	(36,750)
Postage / Mail Delivery	-	-	-	-	-	-
Professional Fees	695,500	750,000	54,500	673,559	(76,441)	(21,941)
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	40,500	30,000	(10,500)	23,450	(6,550)	(17,050)
Office Supplies	-	-	-	-	-	-
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	-	-	-
Telecommunications Expense	-	-	-	-	-	-
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-
Training Expense	-	-	-	-	-	-
Tuition Reimbursement	-	-	-	-	-	-

**Exhibit A3**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CHOICE FUNDS**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition (excluding building)	-	-		-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,425,086</b>	<b>\$ 1,535,896</b>	<b>\$ 110,810</b>	<b>\$ 1,463,569</b>	<b>\$ (72,328)</b>	<b>\$ 38,483</b>

<b>REVENUES:</b>						
Choice Revenue	1,425,086	1,535,896	110,810	1,463,569	(72,328)	38,483
<b>TOTAL REVENUES</b>	<b>\$ 1,425,086</b>	<b>\$ 1,535,896</b>	<b>\$ 110,810</b>	<b>\$ 1,463,569</b>	<b>\$ (72,328)</b>	<b>\$ 38,483</b>

1 Total Salaries & Wages includes \$43,120 for intern support

2 Total Benefits includes \$4,396 for intern support

**Exhibit A4**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CONSOLIDATED**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 2,995,855	\$ 2,864,454	\$ (131,401)	\$ 3,263,296 <sup>1</sup>	\$ 398,842	\$ 267,441
less for Recovery from Grants	\$ (16,437)	\$ (20,080)	\$ (3,643)	\$ (23,500)	(3,420)	(7,063)
Employee Benefits	961,916	852,355	(109,561)	866,840 <sup>2</sup>	14,484	(95,076)
Director Compensation	210,342	182,258	(28,084)	220,588	38,330	10,246
Director Benefits	119,356	70,765	(48,591)	60,024	(10,740)	(59,332)
MWD Representation	120,197	104,078	(16,119)	126,050	21,972	5,853
OPEB Annual Contribution	133,331	180,456	47,125	105,188	(75,268)	(28,143)
Overhead Reimbursement	-	-	-	-	-	0
Health Insurance Coverage for Retirees	50,244	45,980	(4,264)	50,387	4,407	143
Audit Expense	23,000	21,125	(1,875)	23,000	1,875	0
Automotive & Toll Road Expenses	14,550	14,100	(450)	14,775	675	225
Conference Expense - Staff	13,925	15,113	1,188	18,500	3,387	4,575
Conference Expense - Directors	8,650	10,745	2,095	9,800	(945)	1,150
Engineering Expense	355,000	465,000	110,000	300,000	(165,000)	(55,000)
Insurance Expense	97,000	95,000	(2,000)	96,000	1,000	(1,000)
Legal Expense - General	329,000	295,435	(33,565)	355,000	59,565	26,000
Maintenance Expense	118,768	115,804	(2,964)	126,670	10,866	7,902
Membership / Sponsorship	90,437	88,955	(1,482)	104,361	15,406	13,924
CDR Participation	39,961	39,961	-	39,740	(221)	(221)
Miscellaneous Expense	120,400	82,307	(38,093)	106,970	24,663	(13,430)
Postage / Mail Delivery	11,100	10,100	(1,000)	11,285	1,185	185
Professional Fees	1,159,200	1,115,495	(43,705)	1,390,037	274,542	230,837
Rents & Leases	16,708	11,780	(4,928)	19,000	7,220	2,292
Outside Printing, Subscription & Books	92,225	64,568	(27,657)	71,830	7,262	(20,395)
Office Supplies	24,288	25,244	956	29,400	4,156	5,112
Building Repair & Maintenance	10,800	10,000	(800)	11,000	1,000	200
Computer Maintenance	6,000	6,000	-	7,100	1,100	1,100
Business Expense	7,000	6,589	(411)	6,800	211	(200)
Software Support & Expense	54,384	43,723	(10,661)	51,500	7,777	(2,884)
Computers and Equipment	9,300	9,000	(300)	19,000	10,000	9,700
Telecommunications Expense	16,900	14,405	(2,495)	15,650	1,245	(1,250)
Temporary Help Expense	-	-	-	-	-	-
Training Expense	18,000	12,000	(6,000)	18,000	6,000	-
Tuition Reimbursement	6,000	-	(6,000)	5,000	5,000	(1,000)

**Exhibit A4**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CONSOLIDATED**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	38,300	36,898	(1,402)	53,260	16,362	14,960
Travel & Accommodations - Directors	29,600	31,087	1,487	27,600	(3,487)	(2,000)
MWDOC's Contribution to WEROC	128,508	128,508	-	143,028	14,520	14,520
MWDOC's Contribution to Desalination	-	-	-	-	-	-
Expenses billed to AMP, WFC	-	-	-	-	-	-
Election Expense	-	-	-	-	-	-
Capital Acquisition (excluding building)	-	-	-	6,000	6,000	6,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 7,413,808</b>	<b>\$ 7,049,208</b>	<b>\$ (364,600)</b>	<b>\$ 7,749,179</b>	<b>\$ 699,971</b>	<b>\$ 335,371</b>
MWDOC's Building Expense	\$ 168,000	\$ 17,000	\$ (151,000)	\$ 400,000	\$ 383,000	\$ 232,000
Election Expense	444,000	272,537	(171,463)	-	(272,537)	(444,000)
<b>TOTAL EXPENSES</b>	<b>\$ 8,025,808</b>	<b>\$ 7,338,745</b>	<b>\$ (687,063)</b>	<b>\$ 8,149,179</b>	<b>\$ 810,434</b>	<b>\$ 123,371</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,440,532	\$ 6,440,532	\$ -	\$ 6,687,322	\$ 246,790	\$ 246,790
Water Increment Charge	103,564	107,775	4,211	-	(107,775)	(103,564)
Interest Revenue	138,000	119,641	(18,359)	117,675	(1,966)	(20,325)
Miscellaneous Income	3,000	3,000	-	3,000	-	0
School Contracts - Core	-	-	-	-	-	0
Inter Fund In	-	-	-	-	-	0
Choice Revenue	1,425,086	1,535,896	110,810	1,463,569	(72,328)	38,483
<b>TOTAL REVENUES</b>	<b>\$ 8,110,182</b>	<b>\$ 8,206,844</b>	<b>\$ 96,662</b>	<b>\$ 8,271,565</b>	<b>\$ 64,721</b>	<b>\$ 161,383</b>

<b>EFFECT ON RESERVES:</b>						
<b>Reserves Contribution (Draw) to cover for Operating expenses for Operations</b>	<b>\$ 84,374</b>	<b>\$ 868,099</b>	<b>\$ 783,725</b>	<b>\$ 122,386</b>	<b>\$ (745,713)</b>	
<b>Increment Refund Due to OC-88 Error</b>	<b>\$ -</b>	<b>\$ (72,809)</b>	<b>\$ (72,809)</b>	<b>\$ -</b>	<b>\$ 72,809</b>	
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ 84,374</b>	<b>\$ 795,290</b>	<b>\$ 710,916</b>	<b>\$ 122,386</b>	<b>\$ (672,904)</b>	<b>\$ 38,012</b>

① Total Salaries & Wages includes \$110,520 for intern support

② Total Benefits includes \$12,242 for intern support

② Total Benefits assumes a Calpers contribution for full time employees of 11.512% for legacy classic employees, 8.512% for classic employees and 6.237% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2016.

**Exhibit A5**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**WATER FUND**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>Water Revenues</b>						
Water Sales	\$ 179,976,734	\$ 192,637,559	\$ 12,660,825	\$ 208,442,158	\$ 15,804,599	\$ 28,465,424
Local Resource Program Incentives	\$ (16,102,631)	\$ (12,171,036)	\$ 3,931,595	\$ (15,210,085)	\$ (3,039,049)	\$ 892,546
Readiness-To-Serve Charge	13,946,682	13,282,405	(664,278)	13,214,277	(68,128)	(732,405)
Capacity Charge	3,659,300	4,041,880	382,580	4,424,460	382,580	765,160
Tier 2 Contingency	-		-	-	-	-
Interest Revenue - CC			-		-	-
Interest Revenue - Tier 2 Cont.	4,275	2,700	(1,575)	2,900	200	(1,375)
SCP Operation Surcharge	361,200	372,512	11,312	380,000	7,488	18,800
<b>TOTAL WATER REVENUES</b>	<b>\$ 181,845,560</b>	<b>\$ 198,166,020</b>	<b>\$ 16,320,459</b>	<b>\$ 211,253,710</b>	<b>\$ 13,087,690</b>	<b>\$ 29,408,150</b>
<b>Water Expenses</b>						
Water Purchases	\$ 179,976,734	\$ 192,637,559	\$ 12,660,825	\$ 208,442,158	\$ 15,804,599	\$ 28,465,424
Local Resource Program Incentives	\$ (16,102,631)	\$ (12,171,036)	\$ 3,931,595	\$ (15,210,085)	\$ (3,039,049)	\$ 892,546
Readiness-To-Serve Charge	13,946,682	13,282,405	(664,278)	13,214,277	(68,128)	(732,405)
Capacity Charge	3,659,300	4,041,880	382,580	4,424,460	382,580	765,160
Tier 2 Surcharge	-		-	-	-	-
SCP Operation Surcharge	361,200	372,512	11,312	380,000	7,488	18,800
<b>TOTAL WATER EXPENSES</b>	<b>\$ 181,841,285</b>	<b>\$ 198,163,320</b>	<b>\$ 16,322,034</b>	<b>\$ 211,250,810</b>	<b>\$ 13,087,490</b>	<b>\$ 29,409,525</b>
<b>Changes to Fund Balance:</b>						
Capacity Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Contingency	\$ 4,275	\$ 2,700	\$ (1,575)	\$ 2,900	\$ 200	\$ (1,375)

**Exhibit A6**  
**SUMMARY OF FUNDING AND EXPENSES**  
**For All Water Use Efficiency Programs**

	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2015-2016 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2014-2015 BUDGET
<b>Funding</b>						
Metropolitan Water District	\$ 1,050,465	\$ 17,591,710	\$ 16,541,246	\$ 18,519,094	\$ 927,384	\$ 17,468,629
USBR	420,706	375,937	(44,769)	380,548	4,612	(40,158)
DWR	1,461,363	1,314,715	(146,648)	305,829	(1,008,886)	(1,155,534)
Member Agencies	748,798	3,507,494	2,758,696	3,511,734	4,240	2,762,936
MWDOC	49,000	49,000	0	49,000	0	0
						0
<b>TOTAL OUTSIDE FUNDING</b>	<b>\$ 3,730,332</b>	<b>\$ 22,838,855</b>	<b>\$ 19,108,524</b>	<b>\$ 22,766,204</b>	<b>\$ (72,651)</b>	<b>\$ 19,035,873</b>
<b>Program Expenses Funded from Outside Sources</b>						
Project Administration - Staff Time	\$ 25,135	\$ 22,043	\$ (3,092)	\$ 14,000	\$ (8,043)	\$ (11,135)
Consultant Administration	116,000	117,000	1,000	142,420	25,420	26,420
Monitoring and Evaluation	79,384	0	(79,384)	121,947	121,947	42,563
Installation Verification	140,383	188,845	48,463	148,592	(40,254)	8,209
Rebate Incentives	3,151,969	22,342,345	19,190,376	22,140,474	(201,872)	18,988,504
Surveys and Audits	188,500	141,712	(46,788)	185,475	43,763	(3,025)
Databasing	3,063	1,291	(1,772)	1,097	(195)	(1,966)
Customer Support	3,986	813	(3,173)	0	(813)	(3,986)
Marketing and Outreach	10,000	5,000	(5,000)	10,575	5,575	575
Engineering Assistance	11,913	19,805	7,893	1,626	(18,180)	(10,287)
<b>TOTAL PROGRAMS EXPENSES</b>	<b>\$ 3,730,331</b>	<b>\$ 22,838,855</b>	<b>\$ 19,108,524</b>	<b>\$ 22,766,204</b>	<b>\$ (72,651)</b>	<b>\$ 19,035,873</b>



**Exhibit B**  
**Expenditures by Program**

Cost Center	PROGRAM	FY 2014-2015 BUDGET FTE	FY 2015-2016 BUDGET FTE	FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
11	Administrative - Board	1.94	1.78	\$ 1,169,584	\$ 1,010,591	\$ 1,132,702
12	Administrative - General	3.04	2.92	376,942	399,395	466,903
13	Personnel / Staff Development	1.30	1.47	265,991	274,218	304,516
19	Overhead	3.33	3.62	844,239	802,562	794,071
21	Planning & Resource Development	2.72	3.74	675,164	689,932	750,656
22	Research Participation	0.00	0.00	39,961	39,961	39,740
23	Met Issues and Special Projects	4.78	4.06	827,523	787,204	752,278
31	Governmental Affairs	1.37	0.84	499,389	367,508	410,450
35	Policy Development	0.26	0.39	58,313	93,622	145,990
32	Public Affairs	2.28	3.40	357,037	352,700	564,137
41	Finance	3.73	3.23	566,654	384,919	560,035
45	Information Technology	0.99	1.06	179,417	182,191	221,104
25	MWDOC's Contribution to WEROC <sup>1</sup>	2.00	2.00	128,508	128,508	143,028
<b>CORE TOTAL</b>		<b>27.74</b>	<b>28.51</b>	<b>\$ 5,988,722</b>	<b>\$ 5,513,312</b>	<b>\$ 6,285,611</b>
62	Water Use Efficiency Program	4.75	5.31	785,805	828,586	864,576
63	School Programs	0.13	0.07	275,109	276,618	294,842
67	Value of Water	0.00	0.55	148,250	175,784	178,033
64	Foundational Action - Doheny Desal	0.14	0.07	37,922	186,264	19,761
65	Poseidon Desal	0.00	0.00	54,000	5,838	45,162
69	2008 Fund - Doheny Desal	0.00	0.04	94,000	62,806	31,194
68	2014 Fund - Doheny Desal	0.00	0.00	30,000	-	30,000
<b>CHOICE TOTAL</b>		<b>5.02</b>	<b>6.04</b>	<b>\$ 1,425,086</b>	<b>\$ 1,535,896</b>	<b>\$ 1,463,569</b>
<b>CORE &amp; CHOICE TOTAL</b>		<b>32.76</b>	<b>34.55</b>	<b>\$ 7,413,808</b>	<b>\$ 7,049,208</b>	<b>\$ 7,749,179</b>
Includes:	Full-time employees	27.00	28.00			
	WEROC Full-time employee	2.00	2.00			
	Part-time employees	1.22	1.74			
	Interns	2.54	2.82			

<sup>1</sup> FTE accounts for WEROC, Manager Kelly Hubbard and 1 full time employee. Total cost of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton, and South Orange County Wastewater Authority. Dollars shown are MWDOC's share only.

**Municipal Water District of Orange County  
2015-2016 FISCAL MASTER PLAN PROJECTIONS**

(in thousands)

	Projected ACTUALS FY14-15	BUDGET FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Beginning Designated Reserve Balance - MWDOC	\$3,520	\$ 4,340	\$ 4,487	\$ 4,177	\$ 4,494	\$ 4,366	\$ 4,663
OPEB Contribution above the ARC	37	62	87	111	135	158	182
Adjusted Reserve Balance	3,483	4,278	4,400	4,066	4,359	4,208	4,481
<b>Revenues</b>							
Water Rate Revenues:							
Retail Meter Fees	6,441	6,687	6,792	6,959	7,093	7,225	7,373
Water Rate Increment	108	-	-	-	-	-	-
Subtotal	6,548	6,687	6,792	6,959	7,093	7,225	7,373
Other Revenues:							
Choice Revenues	1,536	1,464	1,500	1,538	1,576	1,616	1,656
Interest Earnings	120	118	126	122	151	174	205
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,659	1,584	1,629	1,662	1,730	1,792	1,864
<b>Total Revenues</b>	<b>8,207</b>	<b>8,272</b>	<b>8,421</b>	<b>8,622</b>	<b>8,823</b>	<b>9,017</b>	<b>9,237</b>
<b>Expenses</b>							
Core Expenses	5,513	6,280	6,493	6,711	6,935	7,108	7,286
Choice Expenses	1,536	1,464	1,500	1,538	1,576	1,616	1,656
Capital Acquisitions (not including building)	-	6	20	20	20	20	20
<b>Total Expenses w/o Building &amp; Election</b>	<b>7,049</b>	<b>7,749</b>	<b>8,013</b>	<b>8,269</b>	<b>8,531</b>	<b>8,744</b>	<b>8,962</b>
<b>Revenue Over Expenses w/o Building &amp; Election</b>	<b>1,158</b>	<b>522</b>	<b>408</b>	<b>353</b>	<b>292</b>	<b>273</b>	<b>275</b>
<b>ELECTION Reserve Beginning Balance</b>	<b>228</b>						
<b>Annual Election Reserve Contribution</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>
<b>Annual Election Expense</b>	<b>273</b>	<b>-</b>	<b>592</b>		<b>444</b>		<b>592</b>
<b>Election Reserve Ending Balance</b>	<b>215</b>	<b>475</b>	<b>143</b>	<b>403</b>	<b>219</b>	<b>479</b>	<b>147</b>
<b>BUILDING Reserve Beginning Balance</b>	<b>111</b>						
<b>Annual Building Reserve Contribution</b>	<b>398</b>	<b>258</b>	<b>150</b>	<b>60</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Annual Building Expense</b>	<b>17</b>	<b>400</b>	<b>150</b>	<b>60</b>	<b>-</b>		
<b>Building Reserve Ending Balance</b>	<b>492</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>CASH FLOW Reserve Beginning Balance</b>	<b>1,000</b>						
<b>Annual Cash Flow Reserve Contribution</b>	<b>500</b>	<b>4</b>	<b>(2)</b>	<b>33</b>	<b>32</b>	<b>13</b>	<b>15</b>
<b>Cash Flow Reserve Ending Balance</b>	<b>1,500</b>	<b>1,504</b>	<b>1,502</b>	<b>1,535</b>	<b>1,567</b>	<b>1,580</b>	<b>1,596</b>
<b>Adjustments to the General Fund Reserve</b>							
Increment Refund Due to OC-88 Meter Error	(73)						
<b>Ending General Fund &amp; Cash Flow Reserves</b>	<b>\$ 3,571</b>	<b>\$ 3,575</b>	<b>\$ 3,573</b>	<b>\$ 3,606</b>	<b>\$ 3,638</b>	<b>\$ 3,651</b>	<b>\$ 3,667</b>
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
<b>MWDOC Water Rates</b>							
Water Sales in Acre Feet	215,550	223,946	223,950	224,800	225,123	223,541	228,456
Total Retail Meters	613,384	616,343	617,440	621,355	624,960	625,510	627,510
OCWD BPP %	72%	70%	70%	70%	70%	70%	70%
<b>Increment Rate</b>	<b>\$ 0.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Connection Charge</b>	<b>\$ 10.50</b>	<b>\$ 10.85</b>	<b>\$ 11.00</b>	<b>\$ 11.20</b>	<b>\$ 11.35</b>	<b>\$ 11.55</b>	<b>\$ 11.75</b>
Fixed Charge %		100%	100%	100%	100%	100%	100%

1 Assumptions for FMP:

Inflation factor:

Rate of return on Investment of portfolio:

2.50% per year

1.25% per year

## Total Core Expenses

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,609,584	2,419,500	2,805,639
	S & W Reimb. DSC or Recov from Grants	-	-	-
6090	Directors Compensation - MWDOC	210,342	182,258	220,588
6095	Directors Compensation - MWD	120,197	104,078	126,050
6105	Benefits - Admin	831,154	725,157	746,208
	OPEB Annual Contribution	133,331	180,456	105,188
	Overhead Reimbursement	(139,240)	(183,825)	(199,271)
6115	Benefits - Directors	119,356	70,765	60,024
6120	Health Insurance Coverage for Retirees	50,244	45,980	50,387
6205	Training	18,000	12,000	18,000
6210	Tuition Reimbursement	6,000	-	5,000
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	355,000	465,000	300,000
7020	Legal - General	329,000	295,435	355,000
7030	Audit	23,000	21,125	23,000
7040	Other Professional Fees	463,700	365,495	716,478
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	13,925	15,113	18,500
7115	Conference - Directors	8,650	10,745	9,800
7150	Travel & Accommodations - Employee	38,300	36,898	53,260
7155	Travel & Accommodations - Director	29,600	31,087	27,600
7210	Membership / Sponsorship	90,437	88,955	104,361
7250	CDR Participation	39,961	39,961	39,740
7305	Business Expense	7,000	6,589	6,800
7310	Office Maintenance	118,768	115,804	126,670
7315	Building Repair & Maintenance	10,800	10,000	11,000
7320	Rents & Leases	16,708	11,780	19,000
7330	Office Supplies	24,288	25,244	29,400
7340	Postal / Mail Delivery	11,100	10,100	11,285
7350	Subscriptions / Books	1,600	1,238	1,820
7360	Reproduction Expense	50,125	33,330	46,560
7410	Computer & Peripherals Maint	6,000	6,000	7,100
7430	Software Purchase	25,515	19,154	18,500
7440	Software Support	28,869	24,569	33,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	9,300	9,000	19,000
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,300	12,900	13,500
7615	Toll Road Charges	1,250	1,200	1,275
7620	Insurance Expense	97,000	95,000	96,000
7640	Utilities - Telephone	16,900	14,405	15,650
7650	Bank Fees	10,700	9,000	10,700
7670	Miscellaneous Expenses	60,450	53,307	83,770
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	-	-	6,000
	<b>Total Expenditure</b>	<b>5,860,214</b>	<b>5,384,804</b>	<b>6,142,583</b>

MWDOC's Contribution to WEROC	128,508	128,508	143,028
MWDOC's Election Expense	444,000	272,537	-
MWDOC's Building Expense	168,000	17,000	400,000
	<u>6,600,722</u>	<u>5,802,849</u>	<u>6,685,611</u>

**Total Choice Revenue and Expense**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
	Choice Revenue	1,261,086	1,447,836	1,305,374
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry Over	94,000	94,000	106,356
		-	-	-
	Choice billing over/under	-	(75,940)	(18,161)
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	<b>Total Revenue</b>	1,425,086	1,535,896	1,463,569

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	386,271	444,954	457,657
	S & W Reimb. DSC or Recov from Grants	(16,437)	(20,080)	(23,500)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	130,762	127,198	120,631
	Overhead Reimbursement	139,240	183,825	199,271
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	-	-	-
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	461,500	516,000	416,159
	Other Professional Fees - DSC	234,000	234,000	257,400
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7220	CUWA Participation	-	-	-
7240	AWWARF Participation	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7340	Postal / Mail Delivery	-	-	-
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	40,500	30,000	23,450
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7615	Toll Road Charges	-	-	-
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	-
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	49,250	20,000	12,500
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	<b>Total Expenditure</b>	1,425,086	1,535,896	1,463,569

### Total Core and Choice Expenses

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,995,855	2,864,454	3,263,296
	S & W Reimb. DSC or Recov from Grants	(16,437)	(20,080)	(23,500)
6090	Directors Compensation - MWDOC	210,342	182,258	220,588
6095	Directors Compensation - MWD	120,197	104,078	126,050
6105	Benefits - Admin	961,916	852,355	866,840
	OPEB Annual Contribution	133,331	180,456	105,188
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	119,356	70,765	60,024
6120	Health Insurance Coverage for Retirees	50,244	45,980	50,387
6205	Training	18,000	12,000	18,000
6210	Tuition Reimbursement	6,000	-	5,000
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	355,000	465,000	300,000
7020	Legal - General	329,000	295,435	355,000
7030	Audit	23,000	21,125	23,000
7040	Other Professional Fees	925,200	881,495	1,132,637
	Other Professional Fees - DSC	234,000	234,000	257,400
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	13,925	15,113	18,500
7115	Conference - Directors	8,650	10,745	9,800
7150	Travel & Accommodations - Employee	38,300	36,898	53,260
7155	Travel & Accommodations - Director	29,600	31,087	27,600
7210	Membership / Sponsorship	90,437	88,955	104,361
7250	CDR Participation	39,961	39,961	39,740
7305	Business Expense	7,000	6,589	6,800
7310	Office Maintenance	118,768	115,804	126,670
7315	Building Repair & Maintenance	10,800	10,000	11,000
7320	Rents & Leases	16,708	11,780	19,000
7330	Office Supplies	24,288	25,244	29,400
7340	Postal / Mail Delivery	11,100	10,100	11,285
7350	Subscriptions / Books	1,600	1,238	1,820
7360	Reproduction Expense	90,625	63,330	70,010
7410	Computer & Peripherals Maint	6,000	6,000	7,100
7430	Software Purchase	25,515	19,154	18,500
7440	Software Support	28,869	24,569	33,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	9,300	9,000	19,000
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,300	12,900	13,500
7615	Toll Road Charges	1,250	1,200	1,275
7620	Insurance Expense	97,000	95,000	96,000
7640	Utilities - Telephone	16,900	14,405	15,650
7650	Bank Fees	10,700	9,000	10,700
7670	Miscellaneous Expenses	109,700	73,307	96,270
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	-	-	6,000
	<b>Total Expenditure</b>	<b>7,285,300</b>	<b>6,920,700</b>	<b>7,606,151</b>

MWDOC's Contribution to WEROC	128,508	128,508	143,028
MWDOC's Election Expense	444,000	272,537	-
MWDOC's Building Expense	168,000	17,000	400,000
	<u>8,025,808</u>	<u>7,338,745</u>	<u>8,149,179</u>

**Administrative - Board**

11

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	242,249	238,288	259,439	
6090	Directors Compensation - MWDOC	210,342	182,258	220,588	1
6095	Directors Compensation - MWD	120,197	104,078	126,050	2
6105	Benefits - Admin	73,905	62,704	63,411	
6115	Benefits - Directors	119,356	70,765	60,024	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	320,000	268,035	320,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	8,650	10,745	9,800	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	29,600	31,087	27,600	5
7210	Membership / Sponsorship	25,000	23,181	25,040	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,600	4,000	4,500	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	9,500	8,900	9,300	
7615	Toll Road Charges	700	650	700	
7620	Insurance Expense				
7640	Utilities - Telephone	985	1,100	1,150	
7650	Bank Fees				
7670	Miscellaneous Expenses	4,500	4,800	5,100	7
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	1,169,584	1,010,591	1,132,702	

1&2 Based on 5% increase from Jan to June 2015.

3	Best, Best & Krieger	\$	250,000
	Aleshire & Wynder	\$	18,035
		\$	268,035

4	Best, Best & Krieger	\$	305,000
	Aleshire & Wynder	\$	15,000
		\$	320,000

5 See Exhibit F.

6 LAFCO Annual Assessment  
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Election Expense

444,000	272,537
1,613,584	1,283,128
	1,132,702

**Administrative - General**  
**12**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	204,597	221,704	259,839	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	54,593	60,189	57,268	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee	13,925	15,113	18,500	1
7115	Conference - Directors				
7150	Travel & Accommodations - Employee	38,300	36,898	53,260	1
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship	51,377	51,714	63,191	2
7250	CDR Participation				
7305	Business Expense	7,000	6,589	6,800	
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books	1,600	1,238	1,820	
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	3,800	4,000	4,200	
7615	Toll Road Charges	550	550	575	
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	1,200	1,400	1,450	
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	376,942	399,395	466,903	

1 See Exhibit E.

2 See Exhibit D.

**Personnel / Staff Development**  
**13**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	144,067	138,205	163,117	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	45,924	45,614	46,649	1 • Staff Technical Training & Leadership Development Training
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	18,000	12,000	18,000	1
6210	Tuition Reimbursement	6,000	-	5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				2 Best, Best & Krieger \$ 35,000
7020	Legal - General	9,000	27,400	35,000	2
7030	Audit				
7040	Other Professional Fees	35,000	37,000	25,000	3 • Semi-annual Review of Deferred Comp and pension investment composition. \$ 25,000
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				4 • Employee Recognition program \$ 2,500
7320	Rents & Leases				• Applicant Background Checks \$ 2,400
7330	Office Supplies				• Team Building, Lunch meetings \$ 1,500
7340	Postal / Mail Delivery				• Holiday Lunch \$ 2,000
7350	Subscriptions / Books				• OCWD Health Fair \$ 300
7360	Reproduction Expense				• Employee Flu Shots \$ 550
7410	Computer & Peripherals Maint				• Job Adds Recruiting 2,500
7430	Software Purchase				\$ 11,750
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	8,000	14,000	11,750	4
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	265,991	274,218	304,516	



**Overhead**  
**19**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	359,881	358,327	401,092
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	115,544	95,491	106,020
6109	OPEB Annual Contribution	133,331	180,456	105,188
6111	Overhead Reimbursement from Choice	(139,240)	(183,825)	(199,271)
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	50,244	45,980	50,387
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	10,100	10,000	5,800
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7250	CDR Participation			
7310	Office Maintenance	118,768	115,804	126,670
7315	Building Repair & Maintenance	10,800	10,000	11,000
7320	Rents & Leases	16,708	11,780	19,000
7330	Office Supplies	24,288	25,244	29,400
7340	Postal / Mail Delivery	6,000	6,100	6,785
7350	Subscriptions / Books			
7360	Reproduction Expense	5,400	2,000	2,400
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support	2,300	-	
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense	97,000	95,000	96,000
7640	Utilities - Telephone	15,915	13,305	14,500
7650	Bank Fees	10,700	9,000	10,700
7670	Miscellaneous Expenses	6,500	7,900	8,400
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	844,239	802,562	794,071

1 Retirees:  
• 9 Retirees

2 • Pension Plan administration by  
Dissinger Associates \$ 4,000  
• Cafeteria Plan Wageworks \$ 1,800  
5,800

3 • Site maintenance and receptionist  
from OCWD \$ 112,000  
• Plant Maintenance \$ 2,820  
• Copier machine maint. \$ 4,200  
• Landscape Atrium Maint \$ 3,600  
• Binding Machine Renewal \$ 650  
• Phone Maintenance \$ 3,400  
\$ 126,670

4 • Iron Mountain \$ 9,600  
• Copier machine lease \$ 8,400  
• El Toro Water District \$ 1,000  
(South EOC site)  
\$ 19,000

5 • Misc equipment repairs, fees etc.

6 • Chillers, Boilers, new EMS, Board Room  
MWDOC @ 36%

MWDOC's Building Expense

168,000	17,000	400,000
1,012,239	819,562	1,194,071

**Planning Resource Development**  
**21**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	395,062	390,610	486,511
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	133,102	110,369	117,145
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	140,000	185,000	140,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,000	3,952	7,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	675,164	689,932	750,656

1 Includes general consulting, reliability of MET, conjunctive use, climate change and value of being reliable.

2 Over budget portion funded via the use of carry over funds from FY13-14.

**Research Participation**  
**22**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin			
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation	39,961	39,961	39,740
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	39,961	39,961	39,740

1 Center for Demographic Research at  
Cal State University Fullerton \$ 39,740

**Met Issues and Special Projects**  
23

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	462,691	388,762	465,837
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	149,832	118,442	126,441
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	215,000	280,000	160,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	827,523	787,204	752,278

1 Includes funding for local project decision-making, MET advocacy, MET workgroup and UWMP.

2 Over budget portion funded via the use of carry over funds from FY13-14.

**Government Affairs**  
**31**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	156,272	83,145	81,384
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	46,317	26,863	28,825
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	280,000	247,000	279,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	-		420
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	16,800	10,500	20,820
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	499,389	367,508	410,450

1	• Townsend	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 2,000
	• Lewis Consulting	\$ 34,000
	• Nossaman/Ackerman	\$ 25,000
		<u>\$ 247,000</u>

2	• Townsend	\$ 96,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 3,000
	• Lewis Consulting	\$ 48,000
	• Nossaman/Ackerman	\$ 36,000
		<u>\$ 279,000</u>

3	• State & Federal Legislative Tracking	\$ 3,500
	• Legislative Outreach & Briefings	\$ 7,000
	• Legislative Staff Trip Travel Costs	\$ 7,500
	• WACO	\$ 2,820
		<u>\$ 20,820</u>

**Public Affairs**  
**32**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	167,213	197,560	271,654	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	51,234	61,161	71,815	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	65,600	43,995	151,678	1
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	500	-	-	
7350	Subscriptions / Books				
7360	Reproduction Expense	44,725	31,330	43,740	2
7410	Computer & Peripherals Maint				
7430	Software Purchase	15,515	10,154	-	
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	12,250	8,500	25,250	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	<b>357,037</b>	<b>352,700</b>	<b>564,137</b>	

1 Public Affairs Activities:

• Resolutions	\$ 5,000
• Member Agency Workshops PAW	\$ 10,000
• Consumer Confidence Reports	\$ 34,178
• Website Hosting & Maintenance	\$ 10,000
• Event Registration Fees	\$ 2,500
• PAW meeting materials	\$ 2,500
• New Website	25,000
<b>Subtotal</b>	<b>89,178</b>

Communications Plan Activities:

• Outreach	\$ 7,500
• Marketing Materials	\$ 15,000
• Survey - Phone	\$ 20,000
• IPSO Survey	\$ 20,000
<b>Subtotal</b>	<b>\$ 62,500</b>
	<b>\$151,678</b>

2 • Briefing Papers	\$ 2,500
• Name Badges	\$ 1,500
• Attire & Promo items	\$ 1,500
• Folders 1000@\$4.25	\$ 4,250
• Thumb Drives 1000@10.24	\$ 10,240
• Brochures 1500 @ 2.50	\$ 3,750
• Awards and Events	\$ 7,500
• Promotional Items	\$ 12,500
	\$ 43,740

3 • Ricki Maint and Repair	\$ 2,750
• Children's Water Festival Sponsorship	\$ 3,500
• Industry Events	\$ 5,000
• Event Display Materials	\$ 2,500
• Speaker Recognition	\$ 1,500
• OC Water Hero	\$ 10,000
	\$ 25,250

**Water Use Efficiency  
Policy Development (Core)**  
35

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	34,719	55,021	50,513
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	9,534	24,541	14,347
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			65,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	14,060	14,060	16,130
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	58,313	93,622	145,990

1 • Project Audit	\$ 5,000
• Water Savings Potential Study	\$ 60,000
	\$ 65,000
2 • CUWCC Dues	\$ 8,005
• South O.C. Watershed Mngmt	
Area Dues	6,625
• OC CLCA	1,500
	\$ 16,130

**General Finance**  
**41**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	352,263	253,302	266,549
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	115,391	82,337	79,486
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit	23,000	21,125	23,000
7040	Other Professional Fees	73,000	27,500	190,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support	2,000	-	-
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	655	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	566,654	384,919	560,035

1 • Custodial Bank fees \$ 3,000  
 • Financial Consulting \$ 112,000  
 • Rate Study \$ 75,000  
 \$ 190,000

2 • Misc Fees and Supplies \$ 1,000



**Information Technology**  
45

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	90,570	94,575	99,703	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	35,778	37,447	34,801	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				1 • Misc repairs, maint & components
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				2 • Misc software upgrades and License
7320	Rents & Leases				
7330	Office Supplies				3 • Investment software usage cost \$ 2,340
7340	Postal / Mail Delivery				• Financial Management System \$ 22,286
7350	Subscriptions / Books				• Cisco Smartnet support \$ 790
7360	Reproduction Expense				• Misc NAV development \$ 2,000
7410	Computer & Peripherals Maint	6,000	6,000	7,100	1 • Jet Reports support \$ 1,277
7430	Software Purchase	10,000	9,000	18,500	2 • B;ythco ABRA \$ 750
7440	Software Support	24,569	24,569	33,000	3 • ECS Laserfiche \$ 3,557
7450	Software Development				\$ 33,000
7510	Site Maintenance				
7540	Computers and Equipment	9,300	9,000	19,000	4 • 13 desktop computers \$ 10,400
7580	Maintenance Expense				• 13 Monitors \$ 2,600
7610	Automotive / Mileage				• Miscellaneous hardware \$ 6,000
7615	Toll Road Charges				\$ 19,000
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	3,200	1,600	3,000	5 • Misc supplies \$ 1,800
8410	Overhead Reimbursement				• MWDOC Website \$ 1,200
8610	Depreciation Expense				
8710	Election Expenses				6 • HP Z5400 Plotter \$ 6,000
8810	Capital Acquisition			6,000	
	<b>Total Expenditure</b>	179,417	182,191	221,104	

**Water Use Efficiency  
(choice)  
62**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	785,805	785,805	864,576
4705	Prior Year Carry over			
	Choice billing over/under		42,781	
	<b>Total Revenue</b>	785,805	828,586	864,576

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2015 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	354,469	396,507	397,220
6012	Salaries & Wages - Recovery from Grants	(16,437)	(20,080)	(23,500)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	120,651	116,063	110,064
	Overhead Reimbursement	127,122	161,096	167,593
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	195,000	170,000	208,200
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	-		-
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	5,000	5,000	5,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	785,805	828,586	864,576

1 Recovery from WUE Grants for some Salaries and Benefits:

• CII Performance Based - North County	\$ 8,500
• Comprehensive Landscape Water Use	\$ 15,000
	\$ 23,500

2 • Marketing of WUE programs \$ 60,000  
• Water Smart Landscape \$ 50,000  
• California Sprinkler Adjustment Program \$ 1,200  
• Web Based Rebate Processing Platform \$ 72,000  
• Landscape Ordinance Plan Review \$ 25,000  
\$ 208,200

**School Program  
(choice)  
63**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	205,109	205,109	224,842
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry over			
	Choice billing over/under		1,509	
	<b>Total Revenue</b>	275,109	276,618	294,842

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2015 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	9,482	10,370	6,293
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	2,989	3,199	1,647
	Overhead Reimbursement	3,638	4,049	2,752
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - DSC	234,000	234,000	257,400
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	17,500	17,500	19,250
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,500	7,500	7,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	275,109	276,618	294,842

1 • Assemblies; FY15-16  
Goal is 75,000 students

2 • School books and other printings

3 • Demonstration supplies including new  
Ricki Pencils and Stickers for education  
presentation

**Foundational Action - Doheny Desal**  
(choice)  
64

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	37,922	197,922	37,922
4705	Prior Year Carry over			
	Choice billing over/under		(11,658)	(18,161)
	<b>Total Revenue</b>	37,922	186,264	19,761

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2015 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	22,320	18,990	11,631
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	7,122	4,553	2,347
	Overhead Reimbursement	8,480	8,721	5,783
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees		154,000	
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	37,922	186,264	19,761

To Be Funded by South Coast Water District. An additional \$160,000 was added during FY14-15 for the Environmental Baseline Monitoring Project. All Revenue and expense are shown here in FY14-15 but in actuality this project is expected to carry over into FY15-16

**Poseidon Desal  
(choice)  
65**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	54,000	51,000	
4705	Prior Year Carry over			45,162
	Choice billing over/under		(45,162)	
	<b>Total Revenue</b>	54,000	5,838	45,162

Recommendation for 2015-16 is to maintain existing funds for efforts that might arise this coming year.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin		3,436	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		796	-
	Overhead Reimbursement		1,606	-
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	54,000		45,162
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	54,000	5,838	45,162

Actual activity for 2015-16 are uncertain at this time.

**Value of Water  
(choice)  
67**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	148,250	178,000	178,033
	Choice billing over/under		(2,216)	
	<b>Total Revenue</b>	148,250	175,784	178,033

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2015 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin		11,645	35,217
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		1,662	5,016
	Overhead Reimbursement		6,477	19,601
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	88,500	136,000	114,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	23,000	12,500	4,200
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	36,750	7,500	
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	148,250	175,784	178,033

- |                               |                   |
|-------------------------------|-------------------|
| 1 • Communications Consultant | \$ 35,000         |
| • Pump Toppers                | \$ 23,150         |
| • Movie Theaters              | \$ 26,350         |
| • Social Media Advertising    | \$ 1,500          |
| • Bus Shelter Adds            | \$ 10,000         |
| • Video                       | \$ 40,000         |
|                               | <u>\$ 136,000</u> |
| 2 • Bill Stuffers             | \$ 7,500          |
| • Printed Materials           | \$ 5,000          |
|                               | <u>\$ 12,500</u>  |
| 3 • Communications Consultant | \$ 32,500         |
| • Pump Toppers                | \$ 35,000         |
| • Movie Theaters              | \$ 35,000         |
| • Social Media Advertising    | \$ 4,000          |
| • Bus Shelter Adds            | \$ 7,500          |
|                               | <u>\$ 114,000</u> |
| 4 • Printed Materials         | \$ 4,200          |

**2014 Fund - Doheny Desal**  
**(choice)**  
**68**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4215	Choice Revenue	30,000	30,000	
4705	Prior Year Carry over			30,000
	Choice billing over/under		(30,000)	
	<b>Total Revenue</b>	30,000	-	30,000

This fund includes deposits from South Coast, LBCWD and San Clemente. Recommendation for 2015-16 is to maintain existing funds from 2014-15 for efforts that might arise this coming year.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	-
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	-
	Overhead Reimbursement		-	-
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	30,000		30,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	30,000	-	30,000

Actual activity for 2015-16 are uncertain at this time.

**2008 Fund - Doheny Desal  
(choice)  
69**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
4215	Choice Revenue				
4705	Prior Year Carry over	94,000	94,000	31,194	1
	Choice billing over/under		(31,194)		
	<b>Total Revenue</b>	94,000	62,806	31,194	

The source of funding for these efforts are remaining funds from the 2008 participation agreement for Doheny desalination.

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin		4,006	7,297
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		924	1,558
	Overhead Reimbursement		1,877	3,543
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	94,000	56,000	18,797
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	94,000	62,806	31,194

Anticipated activities consist of payment of state park lease, electrical costs, coordination with state park planning for removal of the facilities.



**WEROC  
25**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4320	Revenues from MWDOC	128,508	128,508	143,028
4210	WEROC Contracts	126,973	126,973	143,027
4705	Prior Years Carryover	(1,859)	(16,766)	0
4205				
4230	Reimbursements		4,933	
4240				
4410				
4805				
	<b>Total Revenue</b>	253,622	243,648	286,055

6 • OCSD	\$ 28,033
• SOCWA	\$ 10,870
• OCWD	\$ 71,514
• 3 Cities -- \$10,870 ea	\$ 32,610
	<u>\$ 143,027</u>

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	139,368	134,826	161,522
6012	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	55,648	48,159	56,290
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	3,000	3,000	3,000
7110	Conference - Employee	1,800	1,800	1,800
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	3,500	2,700	3,500
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	205	225	420
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	18,183	18,183	19,092
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	200	100	200
7410	Computer & Peripherals Maint	4,642	4,000	4,207
7430	Software Purchase			
7440	Software Support			6,750
7450	Software Development			
7510	Site Maintenance	850	460	850
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	1,000	2,000
7581	Maintenance - Radios	1,000	7,000	2,000
7582	Maintenance - EOC's	3,000	3,000	3,000
7610	Automotive / Mileage	600	679	800
7615	Toll Road Charges	125	116	125
7620	Insurance Expense	1,500	1,200	1,500
7640	Utilities - Telephone	10,000	8,000	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
7671	Miscellaneous Training	1,000	2,200	2,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	248,621	238,648	281,055

1 Catalina Repeater (6% increase)	
6 'In Case of Crisis' Software	
2 Janitorial services for 2 EOCs.	
3 • Generators	\$ 2,000
• OA radios	\$ 2,000
• Misc	\$ 3,000
	<u>\$ 7,000</u>

4 Land-line and cellular phones, and DSL	
5 • WEROC Staff & Agencies trainings	

Sinking Fund (generator/radio)	5,000	5,000	5,000
	<u>253,621</u>	<u>243,648</u>	<u>286,055</u>

**AMP Proceeds Agreement Administration**  
**61**

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
4020	Interest Revenue	-		-
4050	O & M Maintenance Deposit	-	-	-
4230	Reimbursement	20,000	20,000	17,098
4680	Miscellaneous Income	-		-
	Billing over/under		3,151	
	<b>Total Revenue</b>	20,000	23,151	17,098

Participating Member agencies will be billed annually per the AMP sales admin agreement to cover legal and audit expenses until the RPOI ends in 2016

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	-	989	2,098
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		264	
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	17,000	21,897	15,000
7030	Audit	3,000		
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	20,000	23,151	17,098

## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2015-2016

	Budget	Projected	Budget	Approval included in
	FY 2014-2015	FY 2014-2015	FY 2015-2016	Budget Approval
		Actuals		
<b>Required Participation or Service</b>				
Colorado River Water Users Association	\$ -	\$ 40	\$ 40	✓
LAFCO	25,000	23,141	25,000	✓
<b>Subtotal Cost Center 11</b>	25,000	23,181	25,040	
Association. of Calif. Water Agencies (ACWA)	15,631	16,849	18,200	✓
Federal Affairs				
Local Government				
Water Management				
Joint Powers Ins. Auth.				
eCivis, LLC - Grants Locator	3,900	3,900	-	
Santiago Aqueduct Commission	3,906	3,900	3,900	✓
<b>Subtotal Cost Center 12</b>	23,437	24,649	22,100	
OC Chapter-Calif. Landscape Contractors Assoc.	500	500	1,500	✓
CA Urban Water Conservation Council Dues	7,810	7,810	8,005	✓
South OC Watershed Management Area Dues	5,750	5,750	6,625	✓
<b>Subtotal Cost Center 35</b>	14,060	14,060	16,130	
<b>Subtotal - Required Participation or Service</b>	<b>\$ 62,497</b>	<b>\$ 61,890</b>	<b>\$ 66,770</b>	
<b>Elective Participation</b>				
Association of California Cities- Orange County (ACCOC)	\$ 5,000	\$ 5,000	\$ 5,000	✓
American Water Works Association (AWWA)	1,550	1,513	1,550	✓
Association of Metropolitan Water Agencies (AMWA)			16,004	New
Association of Public Treasurers (APT)	145	-	-	
CA Chamber of Commerce (HR California)	499	449	499	✓
CALDESAL	5,000	5,000	5,000	✓
California Municipal Treasurers Association (CMTA)	155	155	155	✓
California Society of Municipal Finance Officers (CSMFO)	125	125	125	✓
CA Special Districts Assn. (CSDA)	5,294	5,691	6,100	✓
Colorado River Water Users Assn. (CRWUA)	100	60	60	✓
Government Finance Officers Association (GFOA)	165	160	165	✓
Indep. Special Districts of Or. Co. (ISDOC)	200	200	200	✓
International Personnel Management Association	105	105	105	✓
Latino Business Association	250	250	250	✓
Municipal Information Systems Association of California (MISAC)	-	-	200	New
National Water Resources Assn., Mun. Caucus	500	500	500	✓
Orange County Business Council (OC Chamber)	1,500	1,500	1,500	✓
Orange County Employmnt Rltns Consortium (Liebert, Cassidy & Wh	2,994	2,994	-	
Orange County Public Affairs Association	150			
Orange County Water Association (OCWA)	200	100	100	✓
Public Agency Risk Managers Association (PARMA)	100	100	100	✓
Public Relations Society of America/O.C.	300	-	300	✓
Society of Human Resources Management (SHRM)	180	185	200	✓
Southern California Personnel Management Assoc. (SCPMA)		50	50	✓
South Orange County Economic Coalition	1,500	1,500	1,500	✓
Southern California Water Committee	850	850	850	✓
Vietnamese Chamber of Commerce	500	-	-	
Water Education Foundation	578	578	578	✓
<b>Subtotal Cost Center 12</b>	27,940	27,065	41,091	
<b>Subtotal - Elective Participation</b>	<b>\$ 27,940</b>	<b>\$ 27,065</b>	<b>\$ 41,091</b>	

## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2015-2016

	Budget	Projected	Budget	Approval included in
	FY 2014-2015	FY 2014-2015	FY 2015-2016	Budget Approval
		Actuals		
<b>(Exhibit D Continued..)</b>				
International Association of Emergency Managers	-	-	\$ 185	New
InfraGard	\$ 55	\$ -	\$ 55	✓
California Emergency Services Association	150	225	180	✓
<b>WEROC Program Total</b>	<u>205</u>	<u>225</u>	<u>420</u>	
<b>GRAND TOTAL</b>	<u>\$ 90,642</u>	<u>\$ 89,180</u>	<u>\$ 108,281</u>	

#### New or Increased Memberships for 2015-16

	Budget	Projected	Budget	Approval included in
Association	FY 2014-2015	FY 2014-2015	FY 2015-2016	Budget Approval
		Actuals		
Association of Metropolitan Water Agencies (AMWA)			\$ 16,004	✓
Municipal Information Systems Association of California (MISAC)	-	-	200	✓
International Association of Emergency Managers	-	-	185	✓
OC Chapter-Calif. Landscape Contractors Assoc.	500	500	1,500	✓
CA Urban Water Conservation Council Dues	7,810	7,810	8,005	✓
South OC Watershed Management Area Dues	5,750	5,750	6,625	✓
CA Special Districts Assn. (CSDA)	5,294	5,691	6,100	✓
Society of Human Resources Management (SHRM)	180	185	200	✓
<b>Total of New or Increased Memberships</b>	<b>\$ 19,534</b>	<b>\$ 19,936</b>	<b>\$ 38,819</b>	

## Exhibit E

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget <sup>(1)</sup> Fiscal Year 2015-2016

Conference / Meeting	Registration	Travel <sup>(1)</sup>	Approval included in Budget Approval
ACWA - DC Conference (2 staff)	\$ 1,250	\$ 5,000	✓
- Fall Conference (3 staff)	2,400	2,500	✓
- Spring Conference (3 staff)	2,400	5,000	✓
- Legislative Symposium (2 staff)	200	600	✓
ACC-OCBC Legislative Advocacy Trip		950	New
ACWA Region 10 (2 Staff)	150	200	✓
Association of Metropolitan Water Agencies (AMWA)	2,400	3,700	New
AWWA Cal Nevada & National Conference (1)	400	900	New
AWWA Fall Conference (1 staff)	550	1,200	✓
AWWA Spring Conference (1 staff)	550	1,200	✓
Bond Buyers Conference (1 Staff)	200	500	✓
California Dept. of Health Svcs Certif Stakeholder Mtg. (2 Trips)	-	1,200	✓
California Dept. of Water Resources (USC & ITP) (1 staff)	-	600	✓
Calif. Soc. of Mun. Finance Officers (2 staff)	200	400	✓
Cal Desal Conference (2 staff)	500	1,200	✓
CRWUA - Fall (3 staff)	1,350	3,750	✓
CSDA Annual Conference (1 staff)	500	-	
CUWCC Board Plenary & Committee Meetings (13 meetings)	-	5,760	✓
DWR Stakeholder Meetings (4x)		1,200	✓
Gov. Finance Officers Assoc. Seminar (1 staff)	200	400	✓
Information Technology Seminar (2 staff)	600	1,200	✓
Irrigation Association Annual Conference (3 staff)	1,200	-	
Liebert Cassidy & Whitmore Employment Law Conference ( 2 Staff)	950	-	
Sacramento Legislative Advocacy (12 trips)		3,600	✓
Urban Water Institute (2x )	300	300	✓
Washington Legislative Advocacy (6 trips)	-	8,500	✓
Water Smart Innovations (1 Staff)	400	900	✓
Miscellaneous*	1,800	2,500	✓
<b>General Fund Total **</b>	<b>\$ 18,500</b>	<b>\$ 53,260</b>	
 AWWA Security Congress (1 WEROC staff)	 600	 1,500	 ✓
California Emergency Services Association (2 WEROC staff)	1,200	2,000	✓
<b>WEROC Program Total</b>	<b>\$ 1,800</b>	<b>\$ 3,500</b>	
 <b>PROPOSED GENERAL FUND BUDGET</b>	 <b>\$ 18,500</b>	 <b>\$ 53,260</b>	

\* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

\*\* Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

## Exhibit F

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2015-2016

<b>Conference</b>	<b>Registration</b>	<b>Travel <sup>(1)</sup></b>	<b>Approval included in Budget Approval</b>
ACWA DC Conference (2 Directors)	\$ 1,250	\$ 3,800	√
ACWA Fall Conference (3 Directors)	\$ 2,400	\$ 2,500	√
ACWA Spring Conference (3 Directors)	\$ 2,400	\$ 5,000	√
ACWA Region 10 (2 Directors)	\$ 150	\$ 200	√
Bond Buyers Conference (2 Directors)	\$ 400	\$ 1,000	√
CRWUA Fall Conf (2 Directors)	\$ 900	\$ 2,500	√
CSDA Annual Conference (1 Director)	\$ 1,000	\$ 200	√
Sacramento Legislative Advocacy (8 Trips)	-	\$ 2,400	√
Washington DC Legislative Advocacy ( 6 trips)	-	\$ 8,500	√
Urban Water Institute (2 Directors)	300	\$ 300	√
Miscellaneous*	\$ 1,000	\$ 1,200	√
<b>TOTAL**</b>	<b>\$ 9,800</b>	<b>\$ 27,600</b>	
 <b>PROPOSED GENERAL FUND BUDGET</b>	 <b>\$ 9,800</b>	 <b>\$ 27,600</b>	

\* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

\*\* Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

## Exhibit H

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Schedule of Capital Expenditures Fiscal Year 2015-2016

	<b>Proposed Budget</b>	<b>Approval included in <u>Budget Approval</u></b>
<b>Computer Equipment - 45-8810:</b>		
HP Z5400 Plotter	6,000	√
<b>Subtotal Cost Center 45</b>	<b>6,000</b>	
<b>Total Capital Expenditures</b>	<b>\$ 6,000</b>	

**Exhibit J**  
**Professional / Special Services Authorized**  
**Core Fund**

Department	Consultant	Service	Budget FY 14-15	Budget FY 15-16	* Approval included in Budget Approval
<b>Engineering Expenses</b>					
<b>Planning &amp; Operation (21)</b>	(To be determined)	Various Engineering/Technical Services	140,000	140,000	
<b>Met Issues &amp; Special Projects (23)</b>	Ed Means Consulting	Consulting on MET issues	60,000	60,000	√
	Ron Gastelum Consulting		10,000	10,000	√
	(To be determined)	Urban Water Management Plan	65,000	30,000	
	(To be determined)	MET IRP Analysis and Reliability Planning	80,000	60,000	
<b>Total Engineering Expenses</b>			<b>355,000</b>	<b>300,000</b>	
<b>Legal Expenses</b>					
<b>Administration (11 &amp; 13)</b>	Best, Best & Krieger	General Legal Counsel Services	300,000	305,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego County Water Authority	20,000	15,000	√
	Demsey, Filliger & Associates, LLC	OPEB Actuarial	3,000		
	Best, Best & Krieger	Labor Counsel Services	6,000	35,000	√
<b>Total Legal Expenses</b>			<b>329,000</b>	<b>355,000</b>	
<b>Audit Expenses</b>					
<b>Finance (41)</b>	Vavrinek, Trine, Day & Co., LLP	Annual Financial Audit and Federal Single Audit	23,000	23,000	√
<b>Training</b>					
<b>Administration (13)</b>	TBD/Cal State University Fullerton Leadership	Staff Development/Training/indiv. Employee training	18,000	18,000	√
<b>Professional Fees</b>					
<b>Administration (12 &amp; 13 &amp; 19)</b>	Dissinger Associates	Pension Plan Administration	3,400	4,000	√
	(To be determined)	Evaluate fund portfolio on a semi annual basis for 401 and 457 Plan/RFP for 401 & 457	15,000	25,000	
	Wage Works	Cafeteria Plan Administration	2,400	1,800	√
	Blytheco	HR Maintenance	500		
	(To be determined)	Salary and Benefit Benchmark study	20,000		
	ECS, Inc.	Info. Management Professional Services	3,800		
<b>Governmental Affairs (31)</b>	Townsend Public Affairs	State Legislative Advocate	90,000	96,000	√
	James C. Barker	Federal Legislative Advocate	96,000	96,000	√
	Lewis Consulting	County Issues Consulting	48,000	48,000	√
	Ackerman	Legal and Regulatory	36,000	36,000	√
	(To be determined)	Miscellaneous	10,000	3,000	
<b>Public Affairs (32)</b>	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	31,000	34,178	√
	(To be determined)	Public Outreach	7,500	7,500	
	(To be determined)	Collateral materials update and resolutions	5,000	5,000	
	(To be determined)	Event Registration Fees	3,500	2,500	
	(To be determined)	PAW Meeting Materials	2,600	2,500	
	(To be determined)	Client Agency Workshops for PAW	5,000	10,000	
	(To be determined)	Marketing Materials	3,500	15,000	
	(To be determined)	Surveys - Phone and IPSO		40,000	
	(To be determined)	Website updates and Maintenance/New Website	7,500	35,000	
<b>Finance &amp; IT (41 &amp; 45)</b>	(To be determined)	Rate Study	-	75,000	
	Union Bank	Custodial Bank fees	3,000	3,000	√
	(To be determined)	Financial Consulting	20,000	112,000	
	(To be determined)	Project Financial Consulting	50,000		
<b>Total Professional Fees</b>			<b>463,700</b>	<b>651,478</b>	



**Exhibit J**  
**Professional / Special Services Authorized**  
**Trustee Activities**

Department	Consultant	Service	Budget FY 14-15	Budget FY 15-16	* Approval included in Budget Approval
<b>Legal Expenses</b>					
<b>AMP Administration (61)</b>	Best, Best & Krieger	AMP Administration, 1996 COPS	17,000	15,000	√
<b>Audit Expenses</b>					
<b>AMP Administration (61)</b>	(To be determined)	Annual Audit	3,000		

\* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

**Exhibit J1**  
**Professional / Special Services Authorized**  
**Choice Funds**

Department	Consultant	Service	Budget FY 14-15	Budget FY 15-16	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>Water Use Efficiency (62)</b>	*ConserVision Consulting, LLC	Water Smart Landscape	55,000	50,000	√
	(To be determined)	Printing of marketing materials for all WUE programs	40,000	60,000	
	Enterprise Information Systems	California Sprinkler Adjustment Program	35,000	1,200	√
	(To be determined)	Landscape Design Assistance Program	35,000		
	Gilbert & Associates	Project Audit	5,000		√
	(To be determined)	Web Based Rebate Processing Platform		72,000	
	(To be determined)	Landscape Ordinance Plan Review	25,000	25,000	
<b>Value of Water (67)</b>	(To be determined)	Outreach	25,000		
	(To be determined)	Communications Consultant	20,000	32,500	
	(To be determined)	Gas Station Pump Video Adds	12,000	35,000	
	(To be determined)	Bus Shelter Adds	12,500	7,500	
	(To be determined)	Public Service Announcements	8,000		
	(To be determined)	Website Development	3,500		
	(To be determined)	Mobile Application Development	7,500		
	(To be determined)	Movie Theaters		35,000	
	(To be determined)	Social Media Advertising		4,000	
	(To be determined)	(To be determined)	54,000		
<b>Poseidon Desal</b>					
<b>2008 Fund Doheny Desal</b>	(To be determined)	(To be determined)	94,000	45,985	
<b>2014 Fund Doheny Desal</b>	(To be determined)	(To be determined)	30,000		
<b>School Program (63)</b>	Discovery Science Center	Assemblies	234,000	257,400	√
<b>Total Professional Fees</b>			<b>695,500</b>	<b>625,585</b>	

\* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Municipal Water District of Orange County  
Fiscal Year 2014-2015 Consolidated Budget Summary

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI <sup>[1]</sup>	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>[2]</sup>	Consolidated Budget Total
<b>Revenues:</b>									
Water Sales		\$ 197,943,916					\$ 181,841,285		\$ 181,841,285
Local Resource Program Incentives		\$ (16,102,631)							
Retail Meter Charge	6,440,532						6,440,532		6,440,532
Water Increment Charge	103,564						103,564		103,564
Interest Revenue	138,000	4,275					142,275		142,275
MWDOC's Contribution			49,000	128,508			177,508	(177,508)	-
Outside Fundings	-		3,681,332	126,973	20,000	4,921	3,833,226		3,833,226
Carryover Funds				(1,859)			(1,859)		(1,859)
Choice Revenue	1,425,086						1,425,086		1,425,086
Miscellaneous Income	3,000						3,000		3,000
<b>Total Revenues</b>	<b>8,110,182</b>	<b>181,845,560</b>	<b>3,730,332</b>	<b>253,622</b>	<b>20,000</b>	<b>4,921</b>	<b>193,964,617</b>	<b>(177,508)</b>	<b>193,787,109</b>
<b>Expenses:</b>									
Water Purchases	-	181,841,285					181,841,285		181,841,285
Salaries & Wages	2,995,854			139,368	-		3,135,223		3,135,223
less S & W Reimb. DSC or Recov from Grants	(16,437)						(16,437)		(16,437)
Employee Benefits	1,095,249			55,648			1,150,897		1,150,897
Engineering Expense	355,000						355,000		355,000
Professional Fees	1,133,200		3,730,332	3,000			4,866,532	(49,000)	4,817,532
Election Expense (annualized)	444,000						444,000		444,000
Legal Expense - General	329,000			-	17,000		346,000		346,000
Maintenance Expense	131,568			3,850			135,418		135,418
Insurance Expense	97,000			1,500			98,500		98,500
Membership / Sponsorship	90,437			205			90,642		90,642
Director Compensation	210,342						210,342		210,342
MWDOC Contribution to WEROC	128,508						128,508	(128,508)	-
MWDOC Contribution to Desalination							-	-	-
RPOI Distribution to Member Agencies						4,921	4,921		4,921
<b>Others:</b>									
MWD Representation	120,197						120,197		120,197
Director Benefits	119,356						119,356		119,356
Health Insurance Coverage for Retirees	50,244				-		50,244		50,244
Audit Expense	23,000				3,000		26,000		26,000
Automotive & Toll Road Expenses	14,550			725			15,275		15,275
Conference Expense - Staff	13,925			1,800			15,725		15,725
Conference Expense - Directors	8,650						8,650		8,650
CDR Participation	39,961						39,961		39,961
Business Expense	7,000						7,000		7,000
Miscellaneous Expense	120,400			5,000	-		125,400		125,400
Postage / Mail Delivery	11,100						11,100		11,100
Rents & Leases	40,708			18,183			58,891		58,891
Outside Printing, Subscription & Books	92,225			200			92,425		92,425
Office Supplies	24,288			1,000			25,288		25,288
Computer Maintenance	6,000			4,642			10,642		10,642
Software Support & Expense	54,384						54,384		54,384
Computers and Equipment	9,300			-			9,300		9,300
Telecommunications Expense	16,900			10,000			26,900		26,900
Temporary Help Expense	-						-		-
Training Expense	18,000						18,000		18,000
Tuition Reimbursement	6,000						6,000		6,000
Travel & Accommodations - Staff	38,300			3,500			41,800		41,800
Travel & Accommodations - Directors	29,600						29,600		29,600
MWDOC Building Expense	168,000						168,000		168,000
WEROC Sinking Fund Expense (generator & radios)				5,000			5,000		5,000
Capital Acquisition	-						-		-
<b>Total Expenses</b>	<b>8,025,809</b>	<b>181,841,285</b>	<b>3,730,332</b>	<b>253,622</b>	<b>20,000</b>	<b>4,921</b>	<b>193,875,969</b>	<b>(177,508)</b>	<b>193,698,461</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ 84,373</b>	<b>\$ 4,275<sup>[3]</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,648</b>	<b>\$ -</b>	<b>\$ 88,648</b>

1 Revised Percentage Of Investment (RPOI) - distribution of installment AMP sales proceeds from bond participants.

2 Adjustment for MWDOC's contributions to other funds.

3 Net change to restricted reserves for Interest revenue.

Municipal Water District of Orange County  
Fiscal Year 2015-2016 Consolidated Budget Summary

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI <sup>[1]</sup>	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>[2]</sup>	Consolidated Budget Total
<b>Revenues:</b>									
Water Sales		\$ 226,460,895					\$ 226,460,895		\$ 226,460,895
Local Resource Program Incentives		(15,210,085)							
Retail Meter Charge	6,687,322						6,687,322		6,687,322
Water Increment Charge	-						-		-
Interest Revenue	117,675	2,900					120,575		120,575
MWDOC's Contribution			49,000	143,028			192,028	(192,028)	-
Outside Fundings	-		22,717,204	143,027	17,098	4,823	22,882,152		22,882,152
Carryover Funds				0			0		0
Choice Revenue	1,463,569						1,463,569		1,463,569
Miscellaneous Income	3,000						3,000		3,000
<b>Total Revenues</b>	<b>8,271,565</b>	<b>211,253,710</b>	<b>22,766,204</b>	<b>286,055</b>	<b>17,098</b>	<b>4,823</b>	<b>257,809,540</b>	<b>(192,028)</b>	<b>257,617,512</b>
<b>Expenses:</b>									
Water Purchases	-	211,250,810					211,250,810		211,250,810
Salaries & Wages	3,263,296			161,522	2,098		3,426,916		3,426,916
less S & W Reimb. DSC or Recov from Grants		(23,500)					(23,500)		(23,500)
Employee Benefits	972,028			56,290			1,028,317		1,028,317
Engineering Expense	300,000						300,000		300,000
Professional Fees	1,390,037		22,766,204	3,000			24,159,241	(49,000)	24,110,241
Election Expense (annualized)	-						-		-
Legal Expense - General	355,000			-	15,000		370,000		370,000
Maintenance Expense	137,670			4,850			142,520		142,520
Insurance Expense	96,000			1,500			97,500		97,500
Membership / Sponsorship	104,361			420			104,781		104,781
Director Compensation	220,588						220,588		220,588
MWDOC Contribution to WEROC	143,028						143,028	(143,028)	-
MWDOC Contribution to Desalination							-	-	-
RPOI Distribution to Member Agencies						4,823	4,823		4,823
<b>Others:</b>									
MWD Representation	126,050						126,050		126,050
Director Benefits	60,024						60,024		60,024
Health Insurance Coverage for Retirees	50,387				-		50,387		50,387
Audit Expense	23,000				-		23,000		23,000
Automotive & Toll Road Expenses	14,775			925			15,700		15,700
Conference Expense - Staff	18,500			1,800			20,300		20,300
Conference Expense - Directors	9,800						9,800		9,800
CDR Participation	39,740						39,740		39,740
Business Expense	6,800						6,800		6,800
Miscellaneous Expense	106,970			6,000	-		112,970		112,970
Postage / Mail Delivery	11,285						11,285		11,285
Rents & Leases	19,000			19,092			38,092		38,092
Outside Printing, Subscription & Books	71,830			200			72,030		72,030
Office Supplies	29,400			1,000			30,400		30,400
Computer Maintenance	7,100			4,207			11,307		11,307
Software Support & Expense	51,500			6,750			58,250		58,250
Computers and Equipment	19,000			-			19,000		19,000
Telecommunications Expense	15,650			10,000			25,650		25,650
Temporary Help Expense	-						-		-
Training Expense	18,000						18,000		18,000
Tuition Reimbursement	5,000						5,000		5,000
Travel & Accommodations - Staff	53,260			3,500			56,760		56,760
Travel & Accommodations - Directors	27,600						27,600		27,600
MWDOC Building Expense	400,000						400,000		400,000
WEROC Sinking Fund Expense (generator & radios)				5,000			5,000		5,000
Capital Acquisition	6,000						6,000		6,000
<b>Total Expenses</b>	<b>8,149,179</b>	<b>211,250,810</b>	<b>22,766,204</b>	<b>286,055</b>	<b>17,098</b>	<b>4,823</b>	<b>242,474,169</b>	<b>(192,028)</b>	<b>242,282,141</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ 122,386</b>	<b>\$ 2,900<sup>[3]</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,335,371</b>	<b>\$ -</b>	<b>\$ 15,335,371</b>

1 Revised Percentage Of Investment (RPOI) - distribution of installment AMP sales proceeds from bond participants.

2 Adjustment for MWDOC's contributions to other funds.

3 Net change to restricted reserves for Interest revenue.



**INFORMATION ITEM**

April 8, 2015

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

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

**SUBJECT: APPLICATION FOR CSDA'S "DISTRICT OF DISTINCTION"**

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee:      Receive and file.

**DETAILED REPORT**

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As a follow up to the District's receipt of CSDA's District Transparency Certificate of Excellence, the Administration & Finance Committee (in September 2014) directed staff to pursue CSDA's District of Distinction award. At that time, it was reported that to receive the award, several requirements needed to be met; these requirements are:

- Governance Training. Each Board member, the General Manager, and other executive staff (as designated by the District), must complete six hours of basic governance training. *To date, all MWDOC Directors, as well as Rob and Karl, have completed this requirement.*
- Ethics Training (all Board members and the General Manager and Assistant General Manager are up to date);
- Harassment Prevention Training. Each Board member, the General Manager, and other executive staff (as designated by the District), must complete Harassment Prevention Training (2 hours). *To date, five MWDOC Directors have completed this requirement (however one of these certificates expires in May) and two have not. Of these two, one Director is scheduled to complete this requirement at the ACWA Spring Conference in May.*

There are a few options available to the Board to complete the Harassment Prevention Training. These options include an on-line course and completion at the ACWA Conference. Staff would like guidance from the Committee on whether to continue to pursue this award.

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



**INFORMATION ITEM**

April 8, 2015

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

**FROM:**       Robert Hunter, General Manager                      Staff Contact: Harvey De La Torre

**SUBJECT:   Monthly Water Usage Data, Tier 2 Projection, and Water Supply Info.**

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee receive and file this information.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**REPORT**

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The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Tier 2 volume for MWDOC, and selected water supply information.

Fig. 1    OC Water Usage, Monthly by Supply   OCWD Groundwater water was the main supply in February.

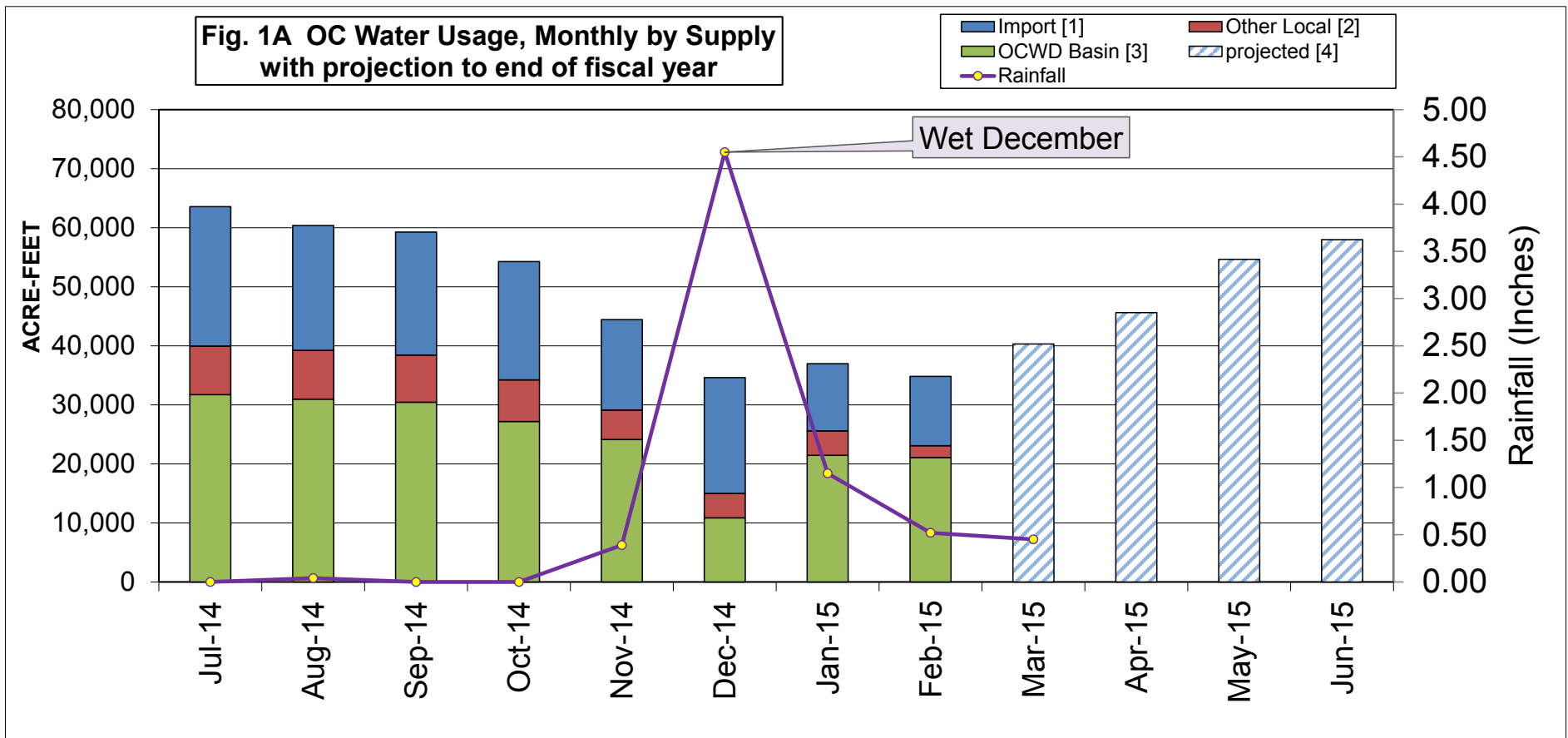
Fig. 2    OC Water Usage, Monthly, Comparison to Previous Years   Water usage in February 2015 was slightly below average compared to past usage.

Fig. 3    Historical OC Water Consumption   OC water consumption of about 622,000 AF in FY 2013-14 was up about 3-½ % from FY 2012-13, but was still below the long-term average of about 630,000 AF/yr. Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. High Temperature, precipitation and the economy all remain indicators to O.C. water consumption.

Fig. 4    MWDOC "Firm" Water Purchases, 2014   "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2015.

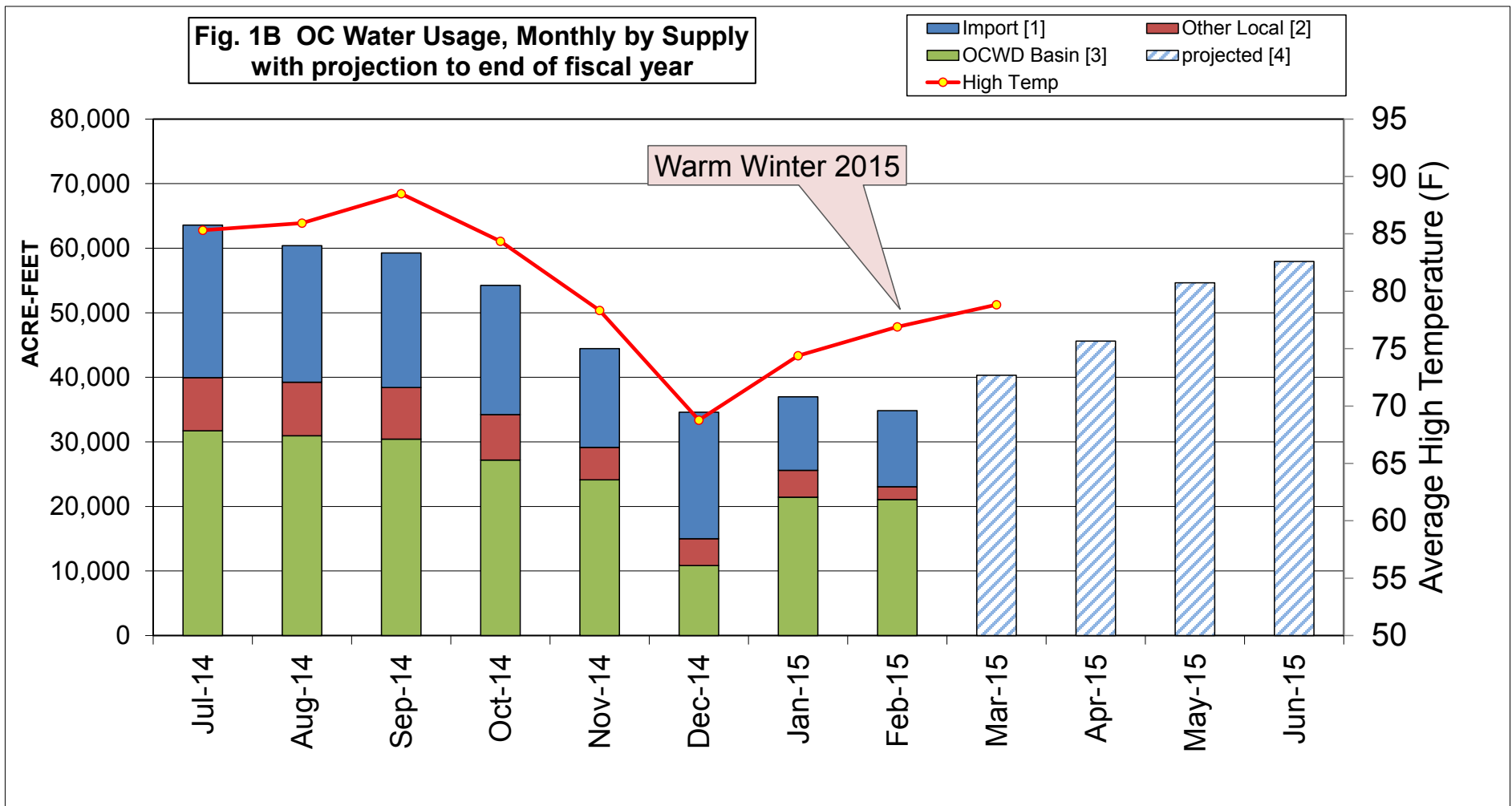
Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data has implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1<sup>st</sup> through Sept. 30<sup>th</sup>.

- Orange County's accumulated rainfall through March was below average for this period. This continues the impact of the previous three hydrologic years' below-normal rainfall in reducing those local supplies that are derived from local runoff.
- Northern California accumulated precipitation in March was around 79% of normal for this period. The Northern California snowpack was 5% of normal as of March 30<sup>th</sup>, the date used for year-to-year comparison. This follows two below-average hydrologic years. The State of California has been in a declared Drought Emergency since January 2014. The State Water Project Contractors Table A Allocation is only 20% as of the end of March. This percentage will most likely remain below 40% due to dry conditions throughout the state.
- Colorado River Basin accumulated precipitation in March was a little 78% average for this period. The Upper Colorado Basin snowpack was 76% of average as of March 30<sup>th</sup>. However, this follows two below-average hydrologic years, and this watershed is in a long-term drought. Lake Mead and Lake Powell combined have about 61% of their average storage volume for this time of year. If Lake Mead's level falls below a "trigger" limit, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. The USBR predicts that the "trigger" limit could be reached as early as May 2015 and most likely in March 2016.

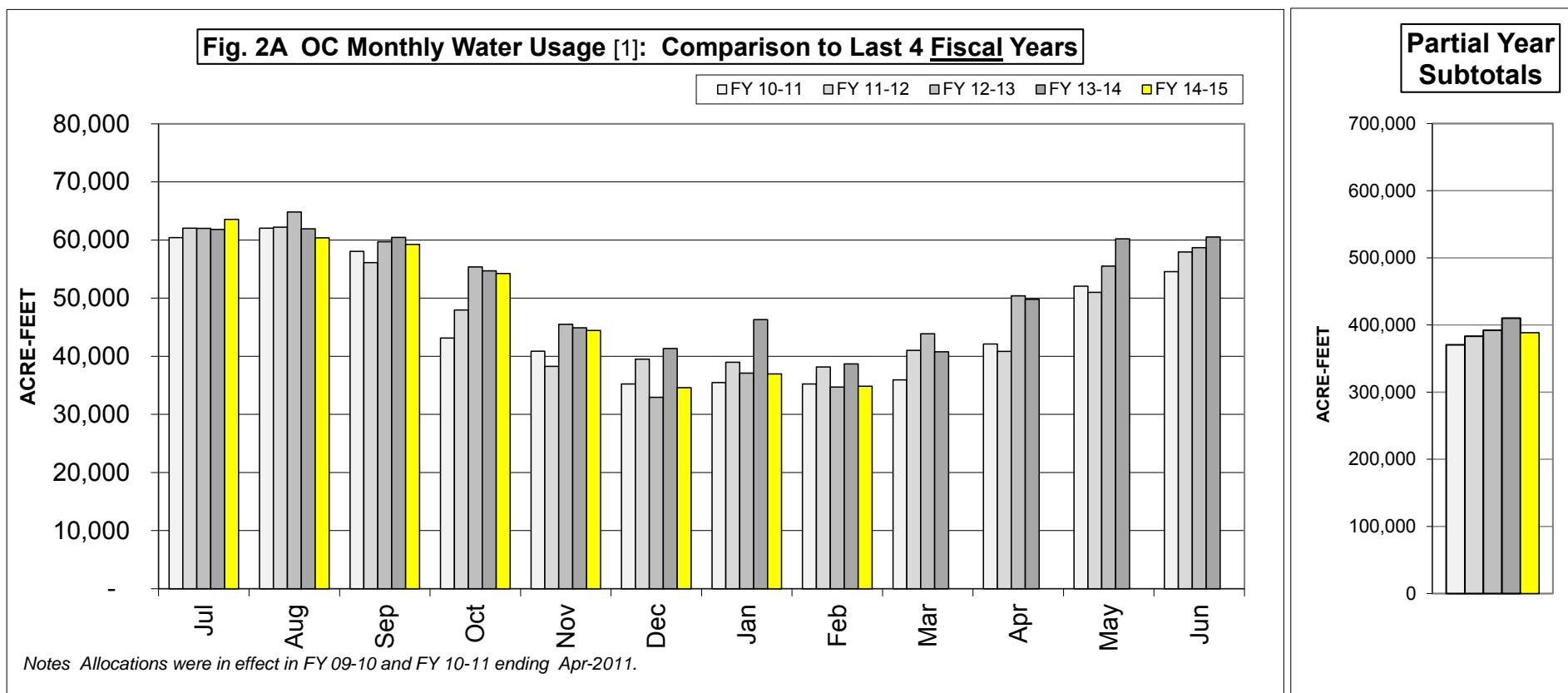


- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.
- [4] MWD OC's estimate of monthly demand is based on the projected FY 14-15 "Retail" water demand and historical monthly demand patterns.



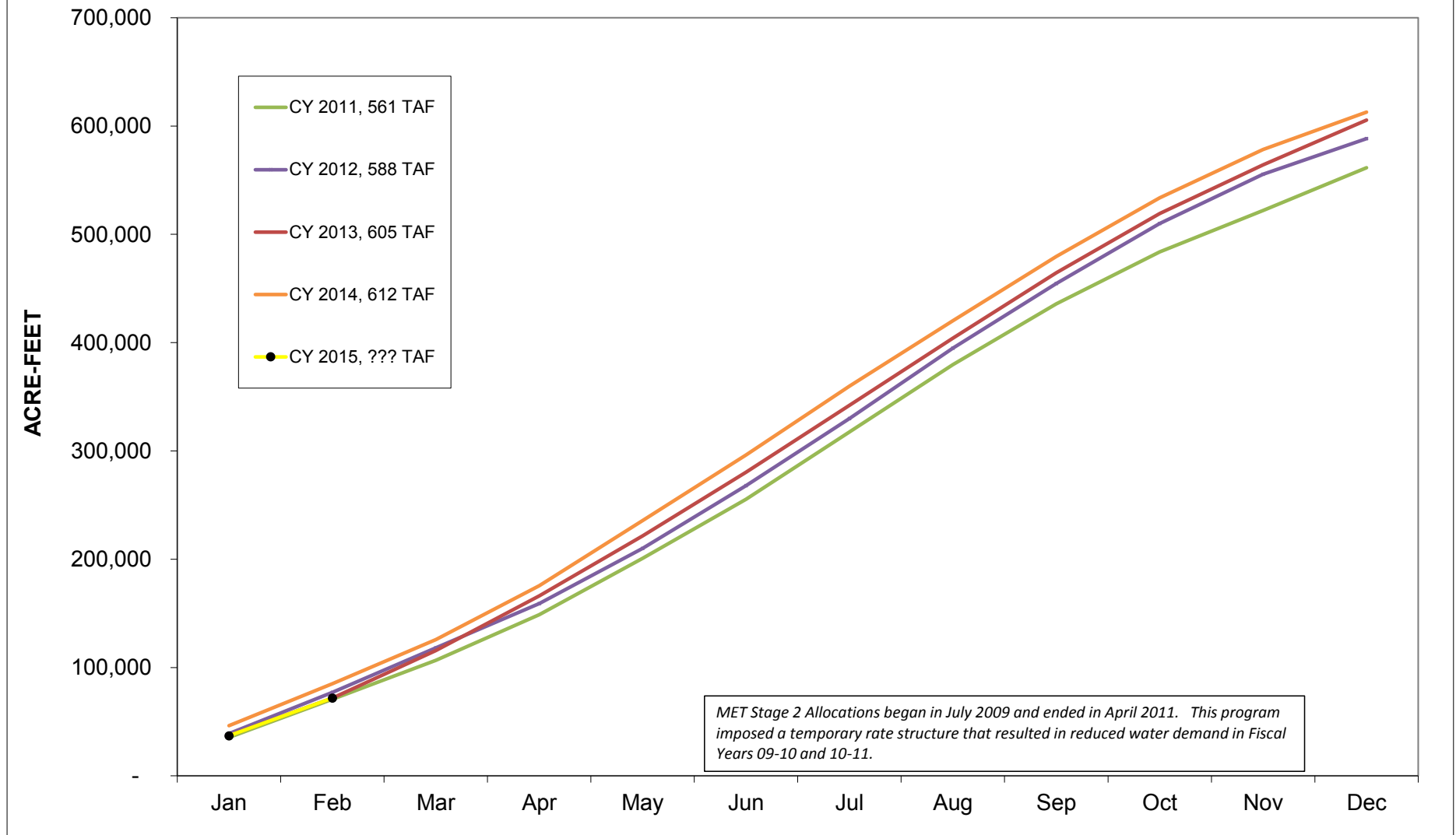


- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment"
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are
- [3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.
- [4] MWDOC's estimate of monthly demand is based on the projected FY 14-15 "Retail" water demand and historical monthly demand patterns.

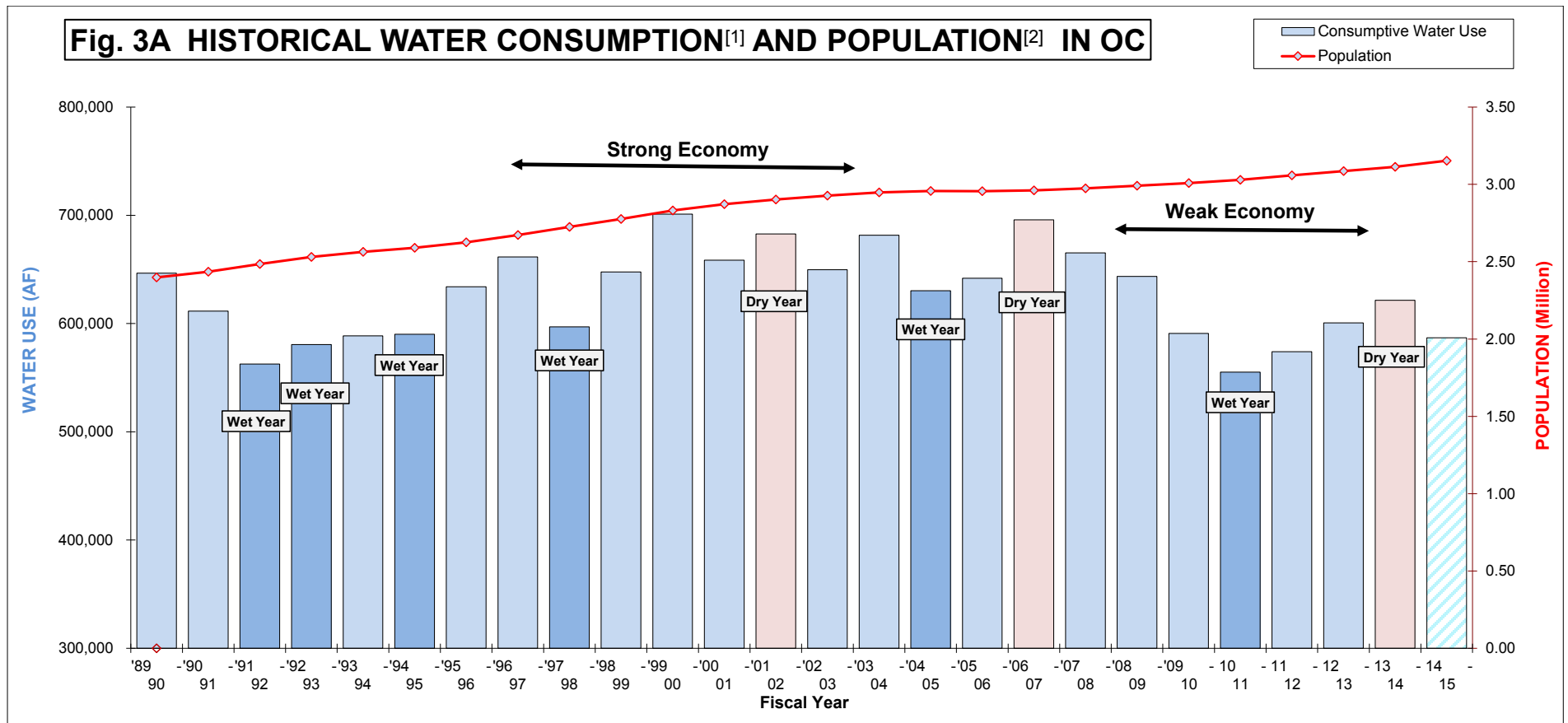


[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use

**Fig. 2B Orange County Cumulative Monthly Consumptive Water Usage [1]:  
present year compared to last 4 calendar years**



[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use

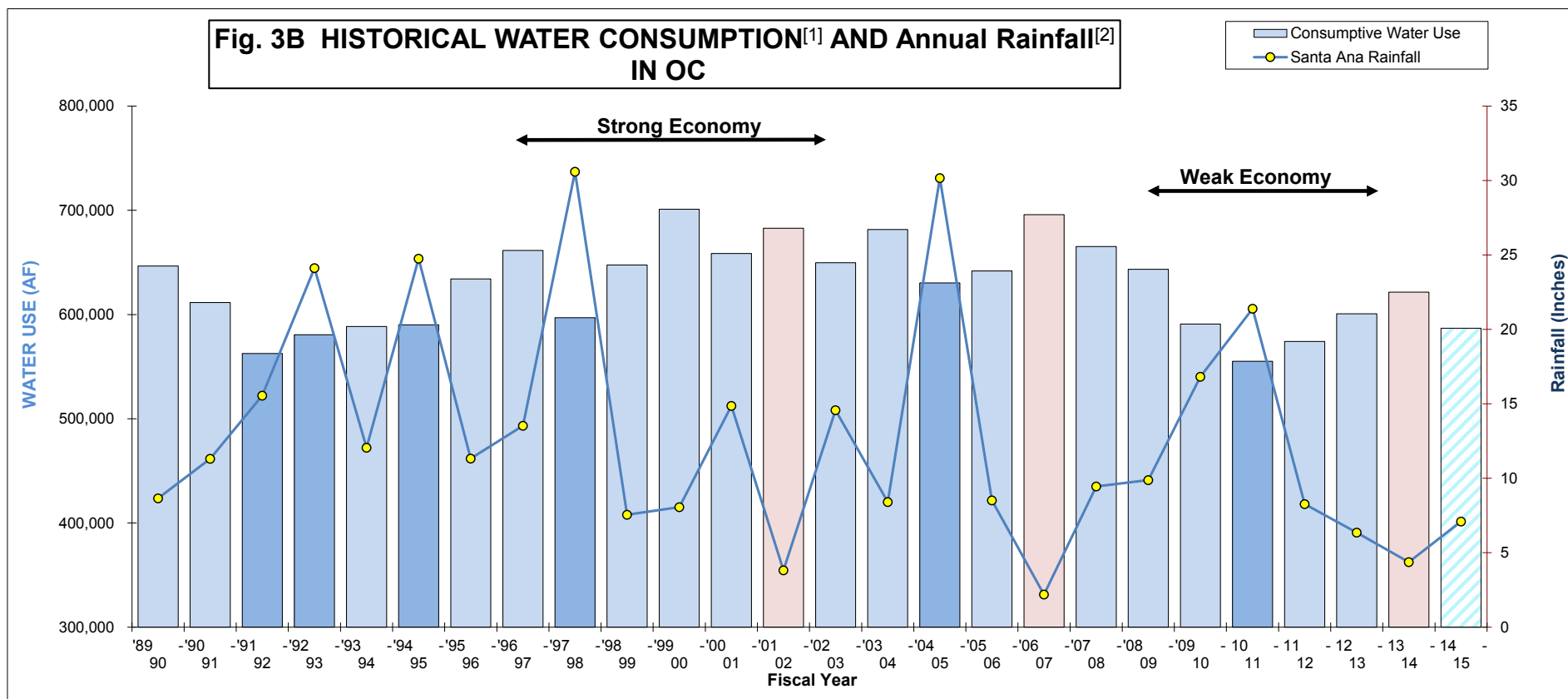


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.

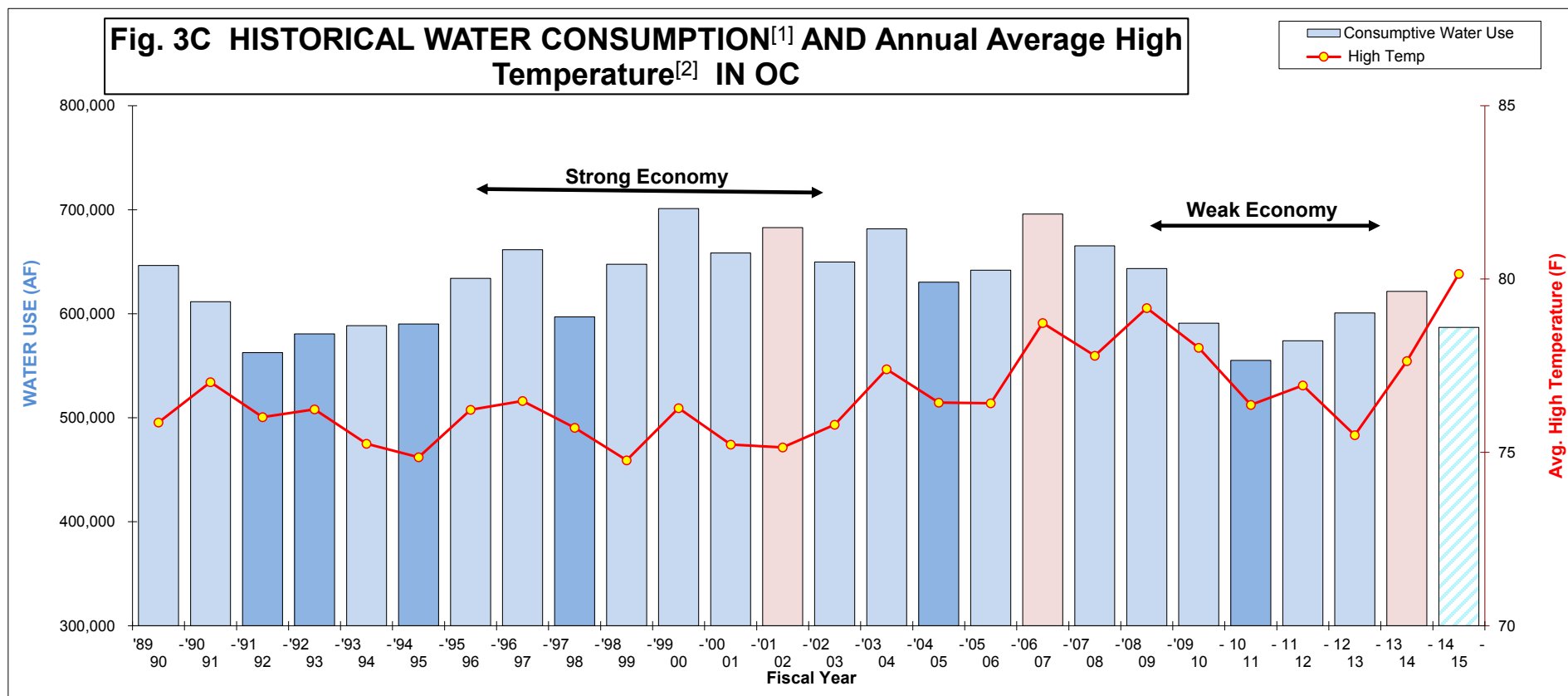
[3] Projection of FY 14-15 water use estimated by MWDOC based on partial-year data.

Projection of FY 14-15 population estimated by MWDOC continues historical trend.



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

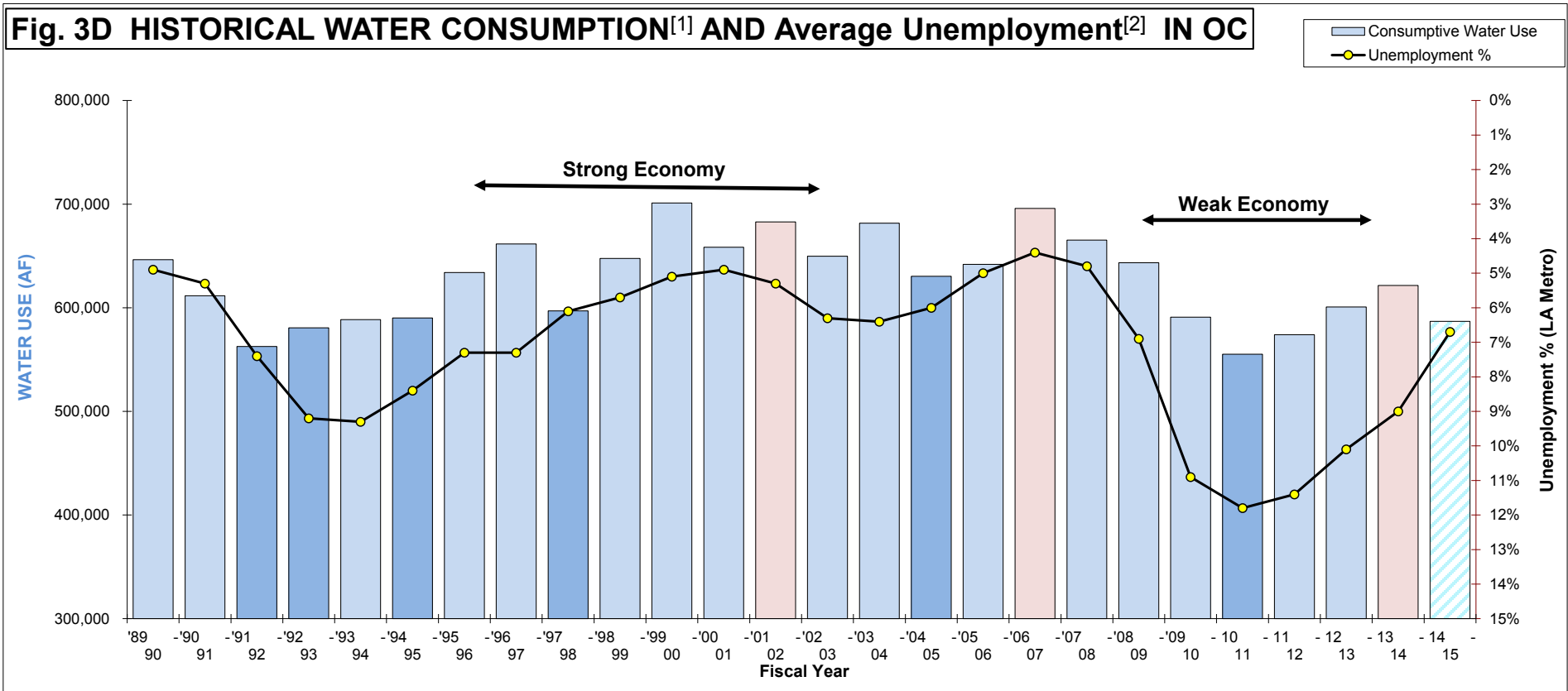
[2] Rainfall data from Santa Ana Station #121



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Temperature data is from Santa Ana Fire Station, elevation 135'

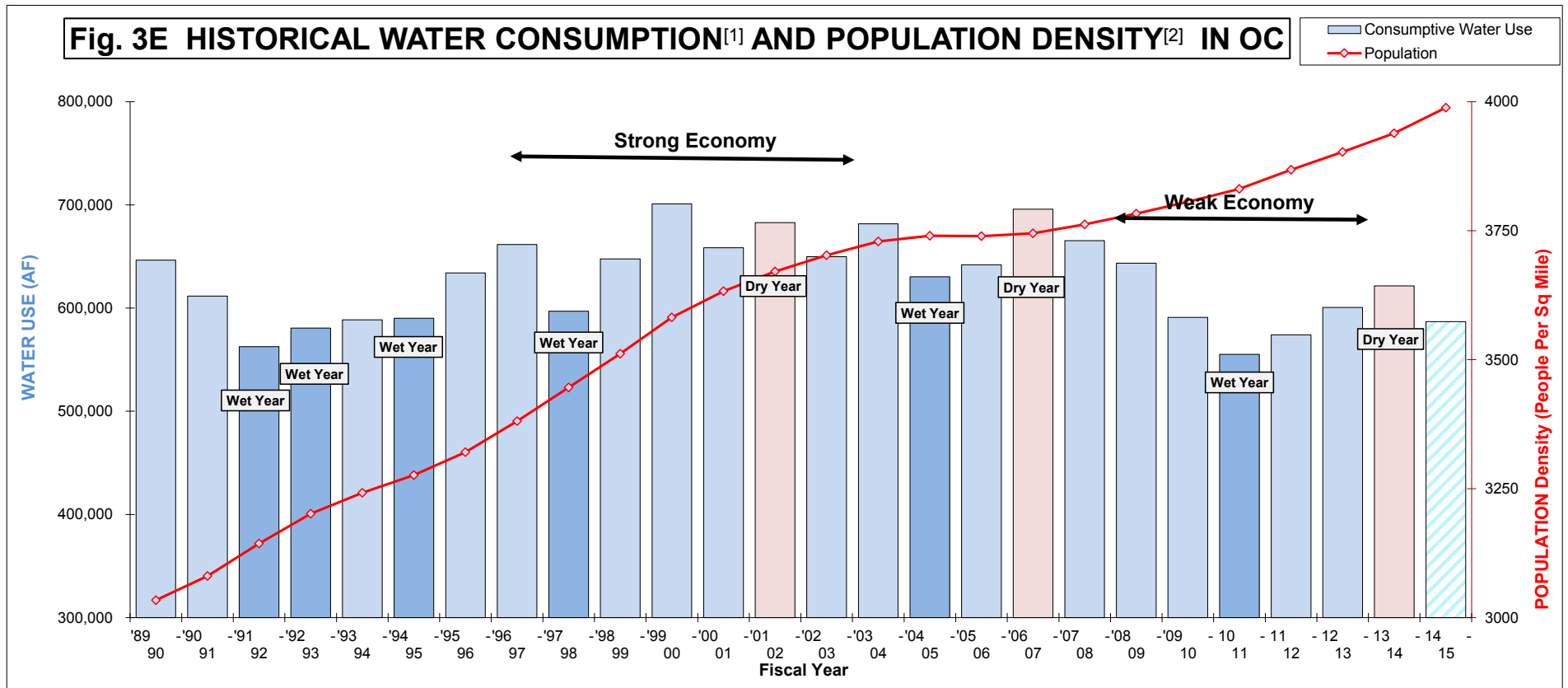
**Fig. 3D HISTORICAL WATER CONSUMPTION<sup>[1]</sup> AND Average Unemployment<sup>[2]</sup> IN OC**



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Employment Data source Bureau of Labor Statistics for Long Beach-L.A.-Santa Ana Metro Area

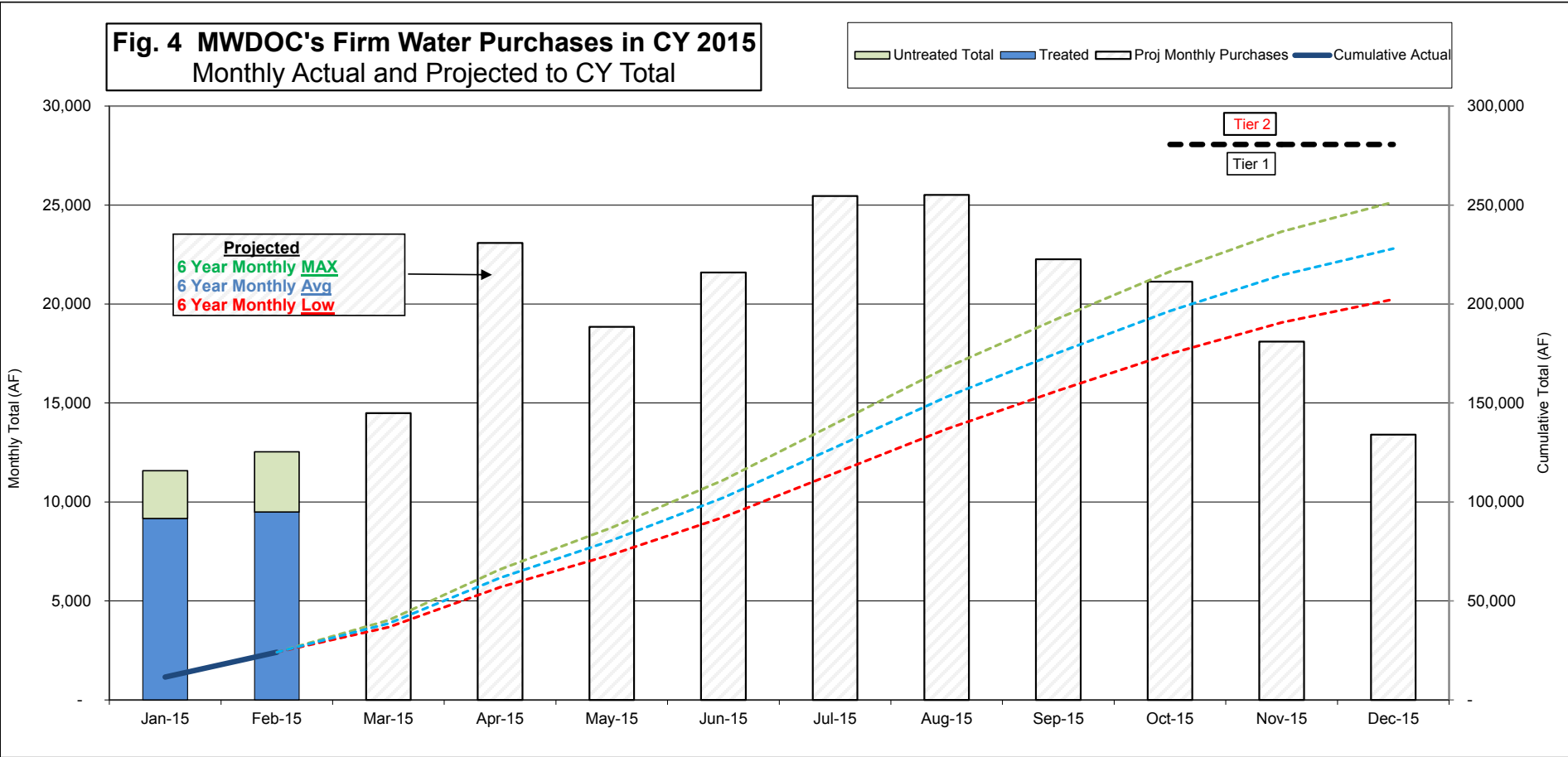
<http://www.bls.gov/lau/>



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.



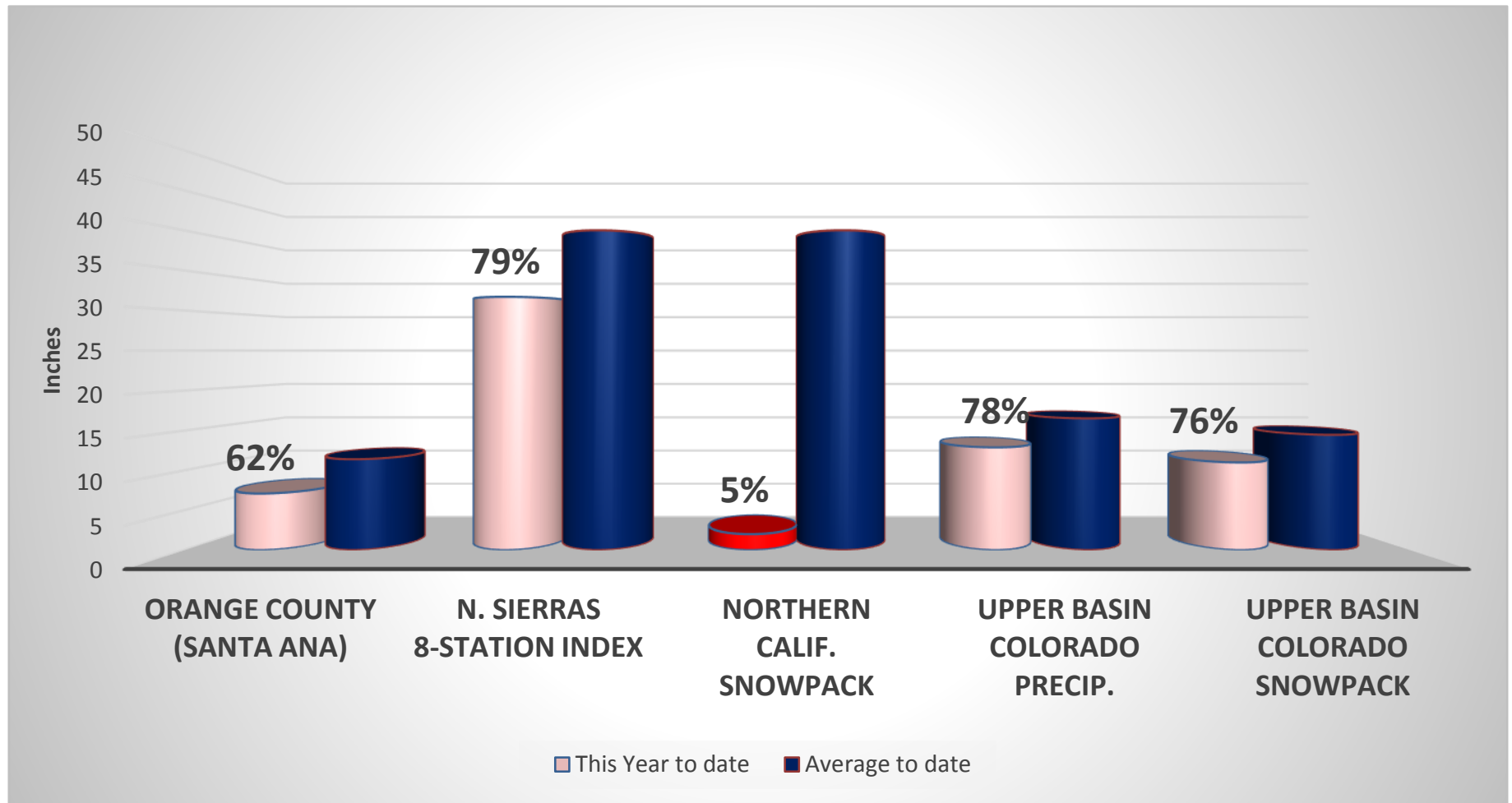


Notes

1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.
2. Basin Pumping Percentage (BPP) is the percentage of a retail water agency's total water demand that they are limited to pump from the OCWD-managed groundwater basin. BPP pertains to Basin agencies only. For example, if a Basin agency's total demand is 10,000 AF/yr and OCWD sets the BPP at 72%, then the agency is limited to 7,200 AF of groundwater that year. There may be certain exceptions and/or adjustments to that simple calculation. OCWD sets the BPP for the Basin agencies, usually as of July 1st. Import demands for Jan.-Jun. were with BPP of 72% for Basin agencies; for Jul.-Dec. they are projected with BPP of 72%.

# Accumulated Precipitation

## for the Oct.-Sep. water year, through March 2015



\* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

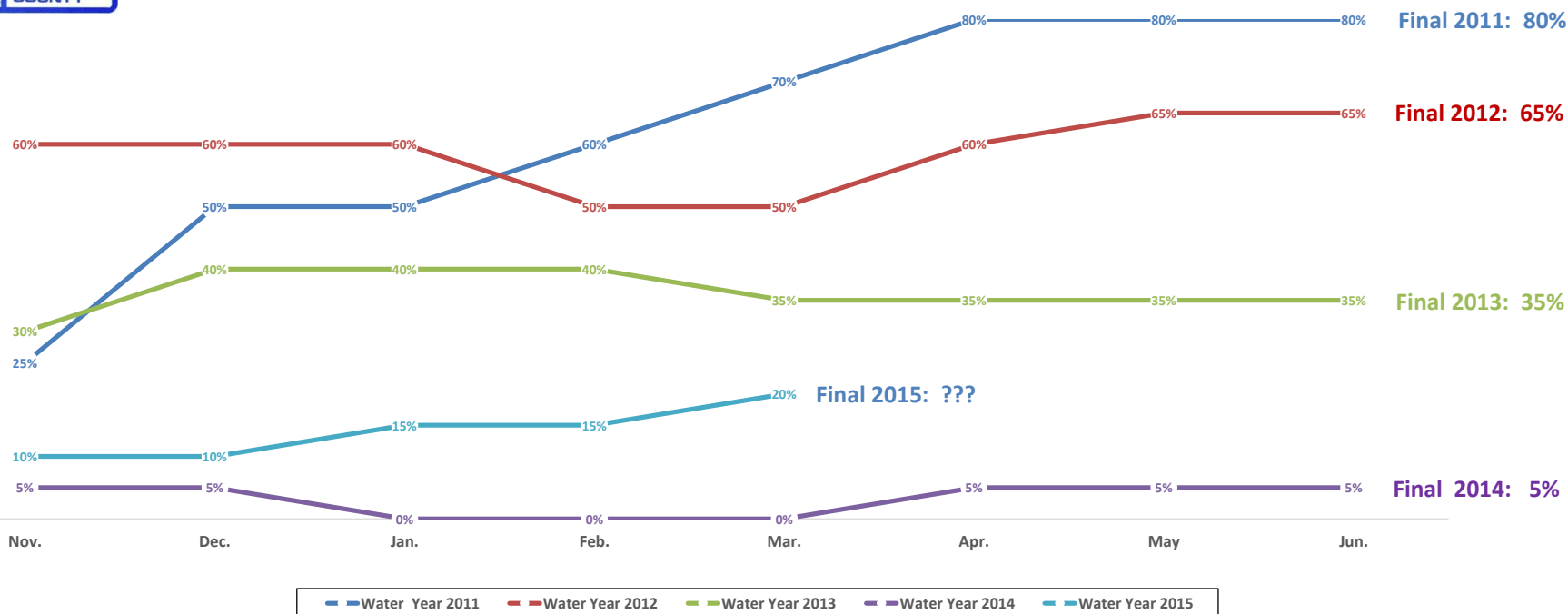
prepared by the Municipal Water District of Orange County

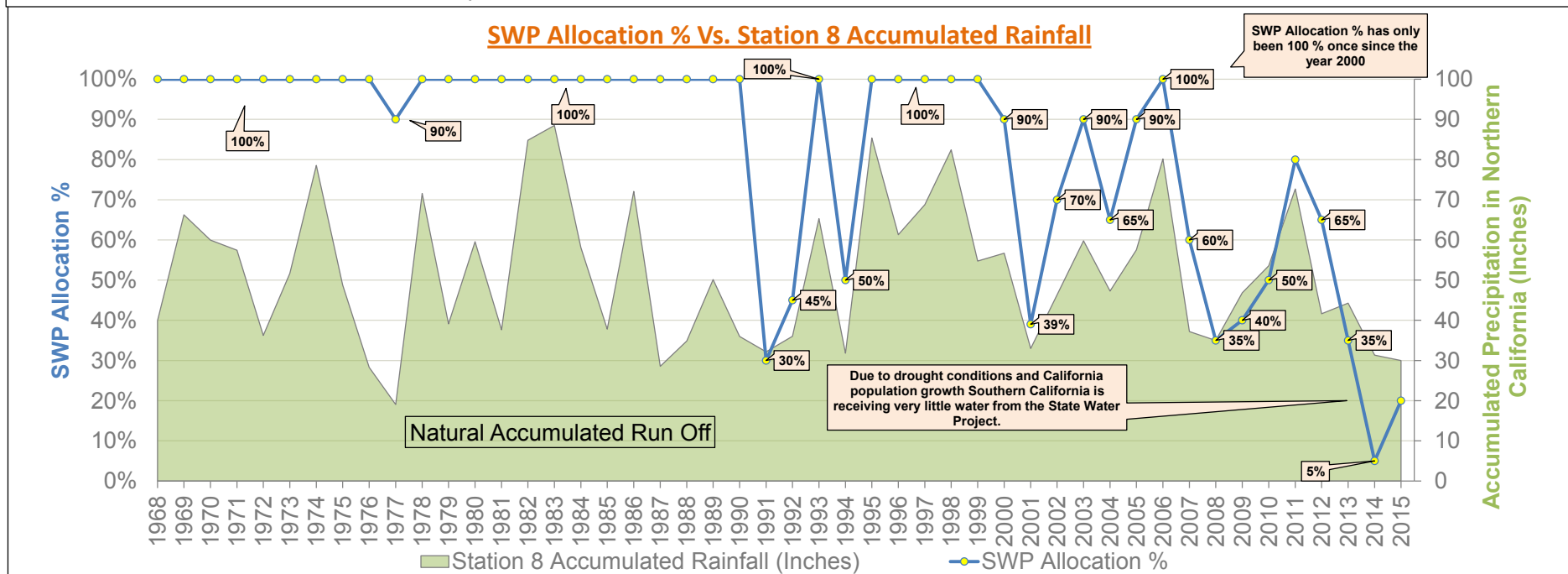
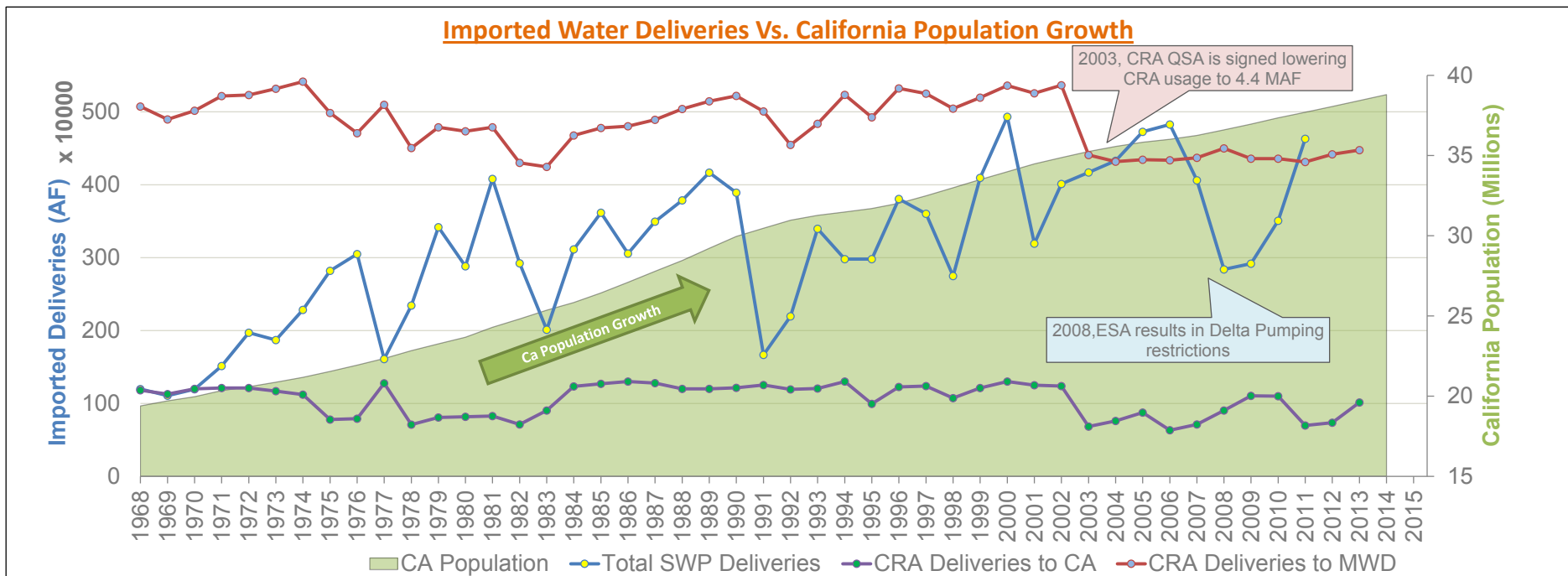
*\*numbers are subject to change*



## SWP TABLE A ALLOCATION

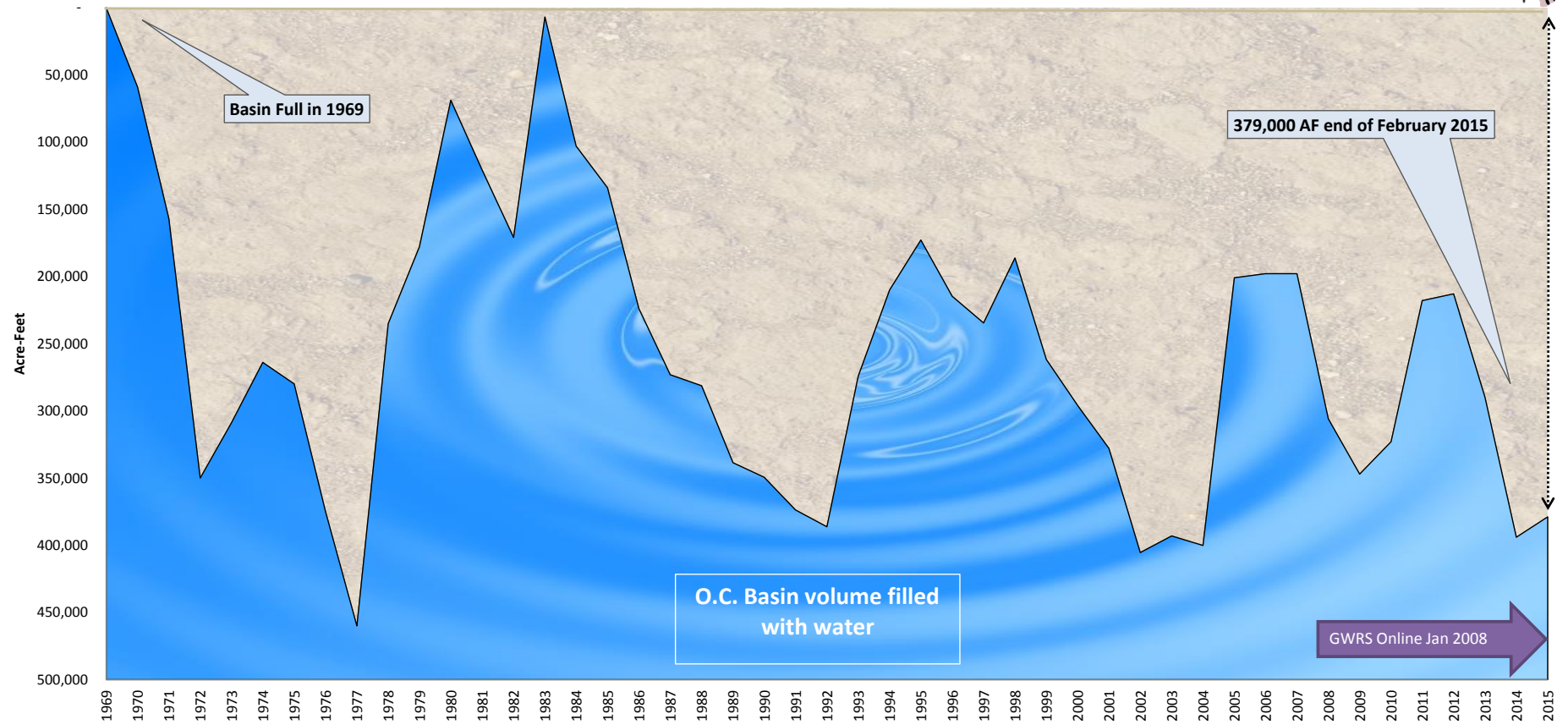
FOR STATE WATER PROJECT CONTRACTORS





# O.C. Basin Accumulated Overdraft

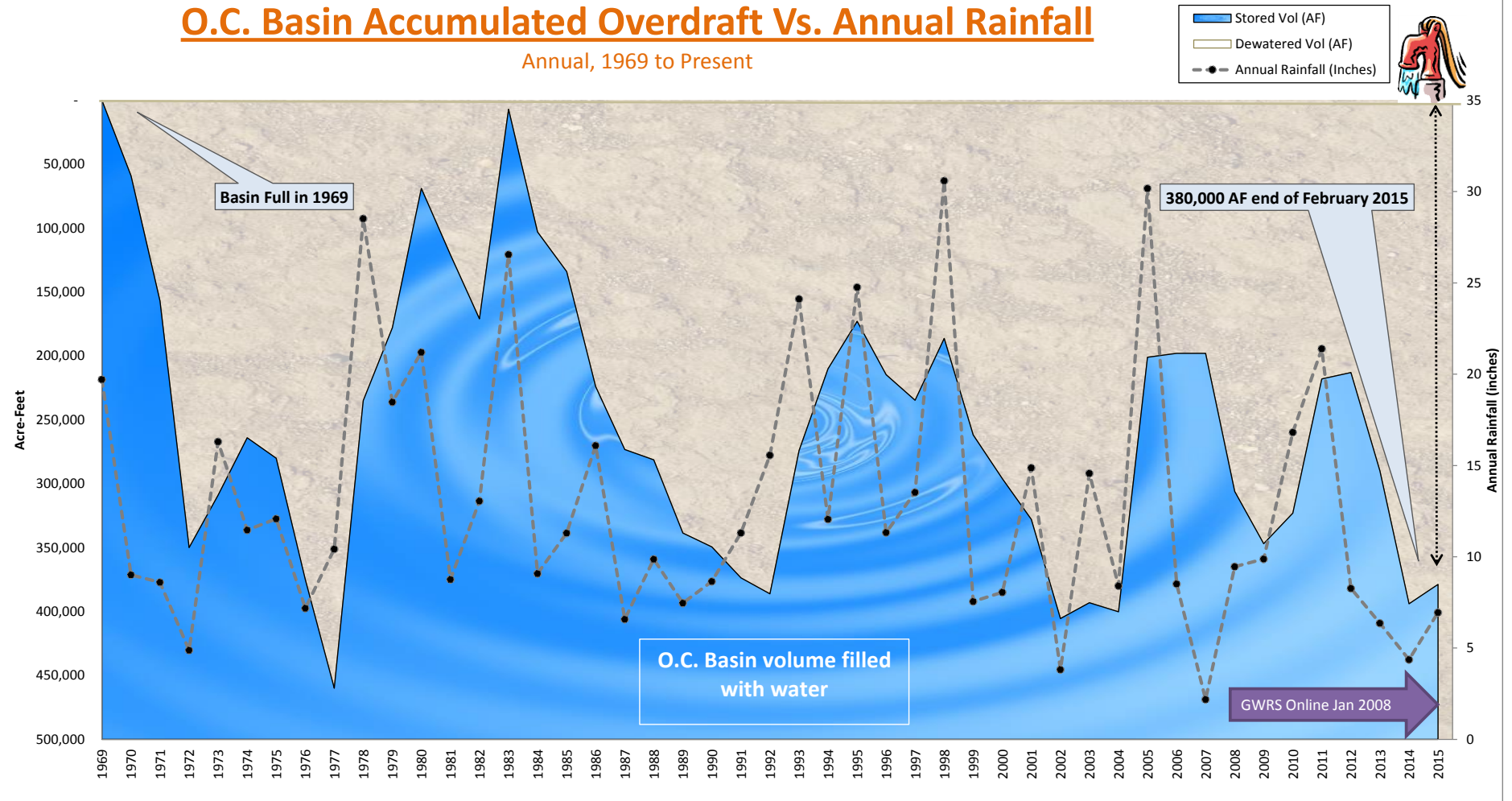
Annual, 1969 to Present



~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD

# O.C. Basin Accumulated Overdraft Vs. Annual Rainfall

Annual, 1969 to Present

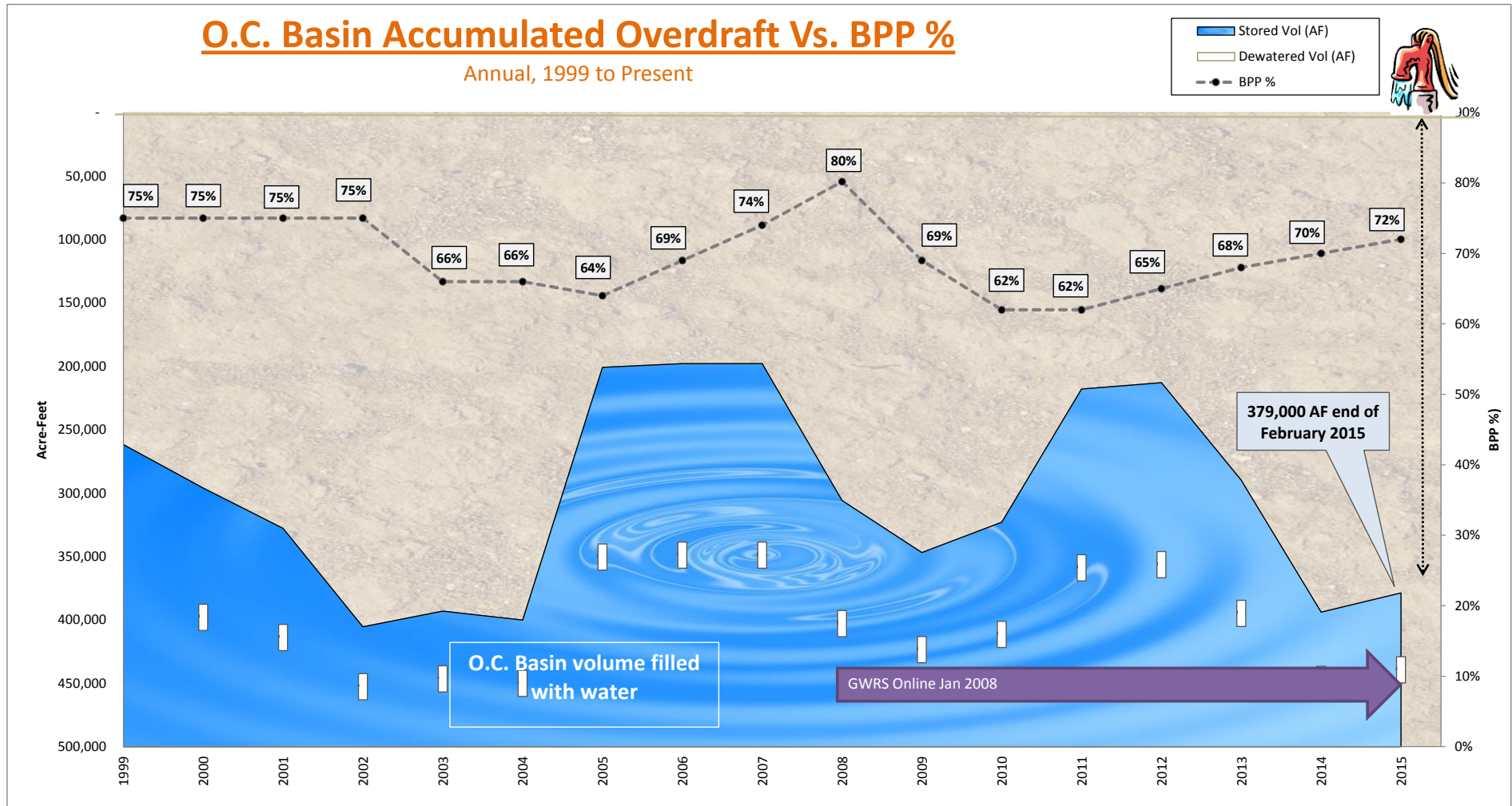


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



# O.C. Basin Accumulated Overdraft Vs. BPP %

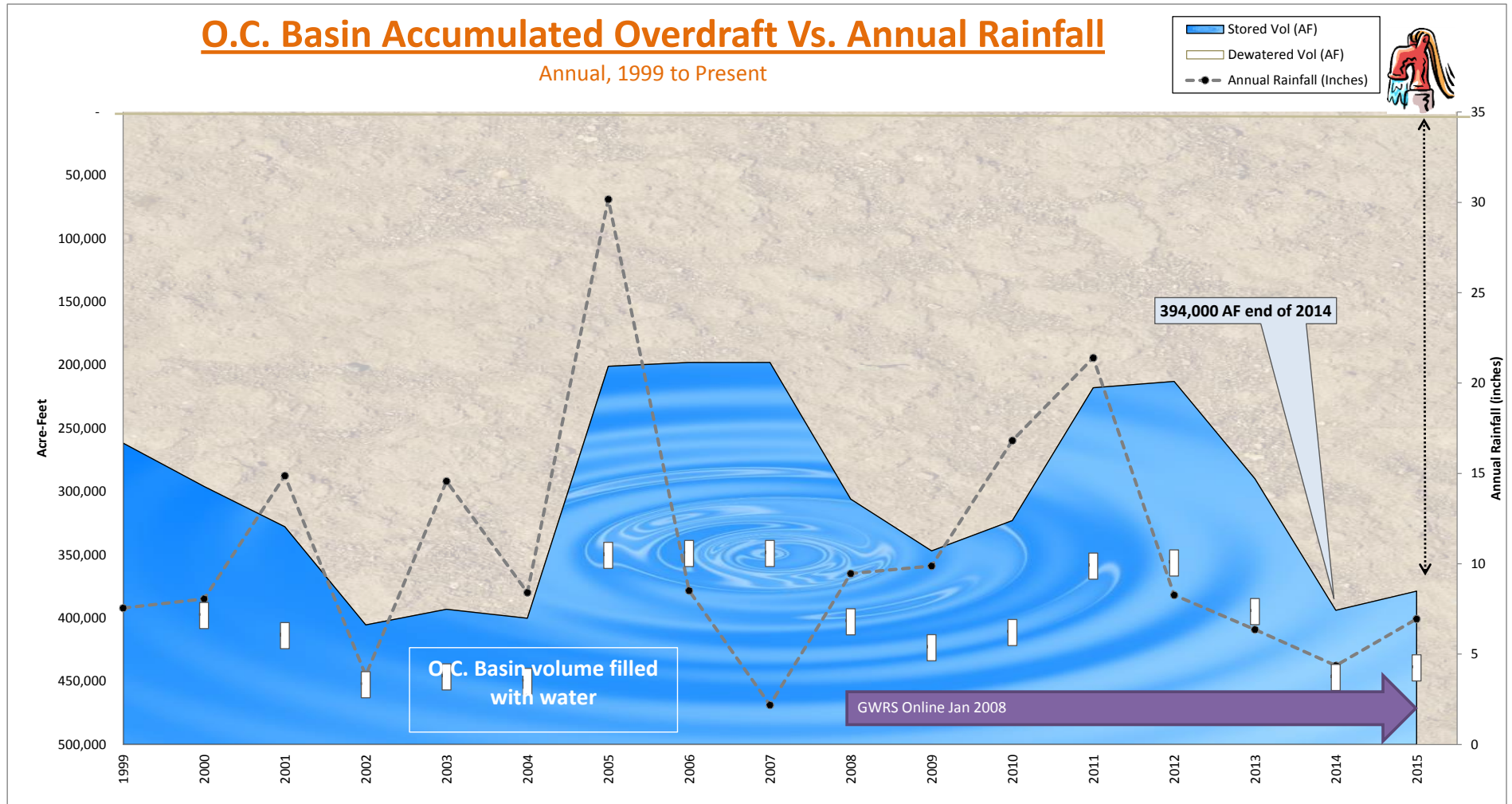
Annual, 1999 to Present



~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD

# O.C. Basin Accumulated Overdraft Vs. Annual Rainfall

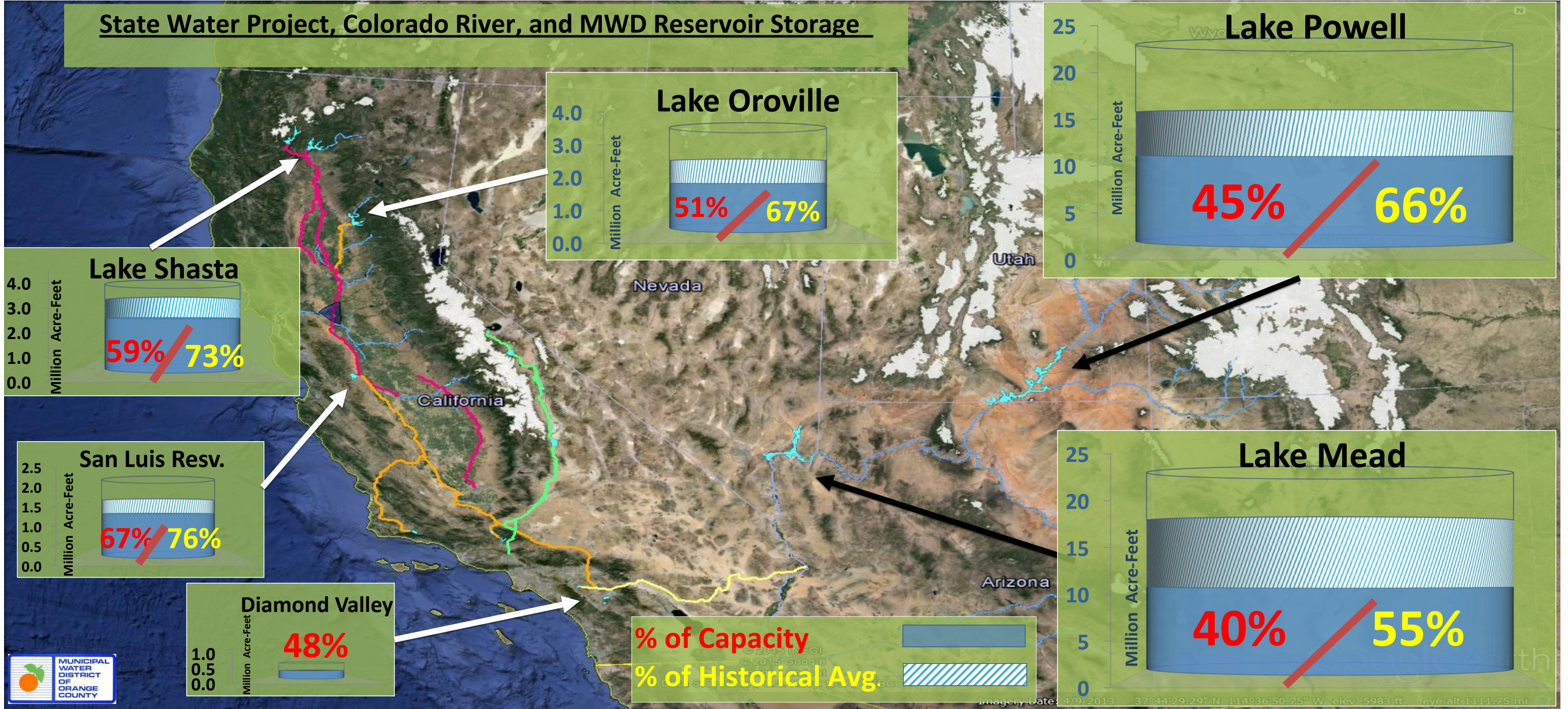
Annual, 1999 to Present



~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan . source: OCWD

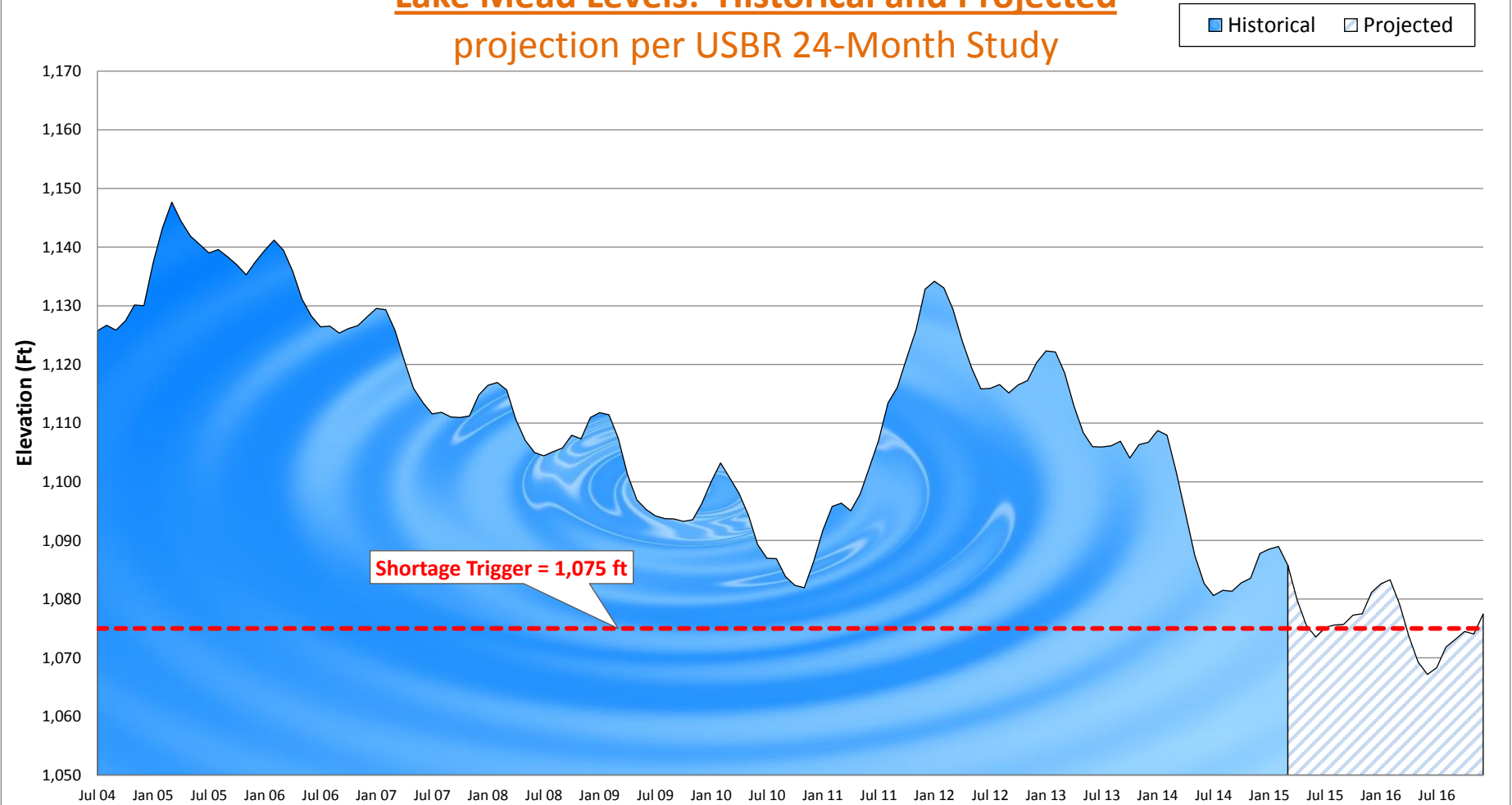


State Water Project, Colorado River, and MWD Reservoir Storage





## Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study



**Administration Activities Report  
February 5, 2015 to March 6, 2015**

Activity	Summary
<b>Administration/Board</b>	<ul style="list-style-type: none"> <li>• Maribeth has been scheduling meetings for Rob Hunter and for various Ad Hoc Committees of the Board.</li> <li>• Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as research projects.</li> <li>• Maribeth has been working with legal counsel and the Ad Hoc Committee regarding revisions to the Administrative Code.</li> <li>• Maribeth distributed the Statements of Economic Interests (Form 700) and will be filing them appropriately</li> <li>• Maribeth filed the Statement of Facts with the Secretary of State</li> <li>• Maribeth responded to 1 Public Records Request and is gathering information for two additional requests</li> <li>• Maribeth prepared Form 806 and posted it to the District's website</li> <li>• Pat has been scheduling meetings for Karl and Harvey and Kelly.</li> <li>• Pat proofed and formatted letters for Karl and Heather.</li> <li>• Pat has been assisting Kelly with Alert OC Training and Coordination. She has been taking rsmps and calling and emailing all WEROC agencies to coordinate attendance at trainings and meetings.</li> <li>• Pat began a website review for Kelly by researching the "calwarn.org" site for agencies" agreements.</li> <li>• Pat has been scheduling travel for the ACWA DC Conference, ACWA Legislative Committee, CUWCC and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up.</li> <li>• Pat continued updating contacts and lists and created a new "Elected Officials" group.</li> </ul>
<b>MWDOC/OCWD Joint Administration</b>	No information to report.
<b>Health Benefits</b>	<ul style="list-style-type: none"> <li>• All claims for the Flexible Spending Plan for the 2014 year must be submitted no later than 3/31/15.</li> </ul>
<b>Records Management</b>	<ul style="list-style-type: none"> <li>• Sarah continued to train Pari on scanning/quality checking procedures</li> <li>• Sarah began training Pari on procedures for agreement processing</li> <li>• Sarah researched documents relating to the Poseidon Huntington Beach Desalination Project for Maribeth &amp; Karl.</li> </ul>
<b>CalPERS</b>	No information to report.
<b>Agency Inquiries</b>	None to report.

Activity	Summary
<b>Recruitment /Departures</b>	<ul style="list-style-type: none"> <li>• Brandon Stock joined MWDOC as the new WEROC Coordinator on March 2<sup>nd</sup>.</li> <li>• Recruitment efforts are underway for the Public Affairs Manager. The closing date has been extended until March 13. To date, the District has received 36 applications.</li> <li>• Recruitment continues for a Water Use Efficiency Intern.</li> <li>• Interviews were held and recruitment is in the final stages for the Part-Time Temporary Public Affairs Assistant position for the Value of Water program.</li> </ul>
<b>Other</b>	
<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>• Cathy and Katie continue to work with Barry Newton on various components of the classification and compensation study which is anticipated to be completed in early April.</li> <li>• Katie completed the final report to DWR on Budget Based Tiered Rates in OC for Water Management and Drought for Karl Seckel.</li> <li>• Katie assisted WEROC (Kelly) in creating fillable forms for Alert OC Activation.</li> <li>• Katie assisted Public Affairs (Heather) in creating name badges for the DC ACWA luncheon.</li> <li>• Katie is completing the renewal for the workers compensation insurance, due to SDRMA by March 13.</li> <li>• MWDOC Managers held a "Staff Appreciation BBQ" on February 12<sup>th</sup> for all MWDOC employees.</li> <li>• Cathy participated in the Off-Site Management Meeting held on February 6.</li> <li>• Cathy coordinated and chaired the HR Member Agency Meeting held on March 4<sup>th</sup> at IRWD. HR Representatives from Western Municipal, Walnut Valley and Inland Empire Utilities have also asked to participate in these quarterly meetings. This provides an opportunity for agencies to network and share ideas and discuss industry trends.</li> <li>• In an effort to provide cost estimates for the budget, Cathy met with Elisabeth Ladowicz of BL Architects, to discuss MWDOC's restroom remodel project and to obtain estimates to include in upcoming budget.</li> </ul>

**INFORMATION ITEM**

April 8, 2015

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

**FROM:** Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

**SUBJECT:** Finance and IT Pending Items Report

**SUMMARY**

The following list details the status of special projects and department activities that are in-progress or to be completed during FY 2014-15.

Description	% of Completion	Estimated Completion date	Status
<b><u>Finance</u></b>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Implementation of WUE Landscape Programs Database for Member Agencies.	<b>95%</b>	6/30/15	In Progress
Preparation of documents for FY15-16 budget process.	<b>65%</b>	6/30/15	In Progress

<b><u>Information Technology</u></b>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Implement Web Security for District Network	<b>60%</b>	6/30/2015	In Progress
Purchase and upgrade Network Attach Storage for Offsite Backup.	<b>100%</b>	3/31/2015	Completed
Program and implement "Music On Hold" for District Phone System.	<b>30%</b>	6/30/2015	In Progress

## FY 2014-15 Completed Special Tasks

Description	% of Completion	Completion date	Status
<b><u>Finance</u></b>			
Upgrade Serenic ERP Software from version 5 to version 7	<b>100%</b>	7/31/14	Completed
Research additional Investment options for Reserves	<b>100%</b>	8/31/14	Invested \$1,000,000 in four CD's; laddered terms. Approximate monthly gain of \$970.
Investment in OCIP	<b>100%</b>	8/15/2014	Invested \$3 million in OCIP from Retail Meter revenues. May need to transfer some back out in 6 months for operating expenses.
State Tax filing for Water Facilities	<b>100%</b>	9/30/14	Completed
Government Compensation in California report	<b>100%</b>	10/31/14	Completed
State Controller Report preparation	<b>100%</b>	10/31/14	Completed
Annual financial audit conducted by Vavrinek, Trine, Day & Company	<b>100%</b>	10/31/14	Completed
\$500k Bond Investment matured 1/30/15. Invested in a 3 yr. FHLMC Step-up callable bond at 1.74%.	<b>100%</b>	01/30/15	Completed

Description	% of Completion	Completion date	Status
<b><u>Information Technology</u></b>			
Upgrade existing Windows Server Operating Systems from 2003 and 2008 versions to 2012 version (software upgrade).	<b>100%</b>	6/30/14	Completed
Purchase and upgrade District Record Management Database Server (hardware and software).	<b>100%</b>	6/30/14	Completed
Purchase and upgrade Finance database Server (hardware and software) to run new version of Serenic application (64-bit).	<b>100%</b>	6/30/14	Completed
Purchase and upgrade 4 Desktop Computers for WEROC SEOC (hardware and software).	<b>100%</b>	09/30/14	Completed
Purchase and upgrade 2 Network Printers.	<b>100%</b>	10/31/14	Completed
Purchase and upgrade 5 Desktop Computers for Staff.	<b>100%</b>	10/31/14	Completed
Purchase and implement SmartDraw software for Public Affairs Dept.	<b>100%</b>	10/31/14	Completed
Purchase and replace Projection Screen in Conference Room 102	<b>100%</b>	10/31/14	Completed
Program auto voice respond for "Turf Removal Program" for WUE Department	<b>100%</b>	11/30/14	Completed
Purchase and upgrade 3 laptops for Staff.	<b>100%</b>	12/31/14	Completed
Purchase and upgrade portable Projector.	<b>100%</b>	12/31/14	Completed
Implement and upgrade ACT software on a new Virtual Windows Server.	<b>100%</b>	12/31/14	Completed
Purchase and upgrade MS Office 2013 for remain Desktop Computers	<b>100%</b>	3/31/2015	Completed
Purchase and upgrade 4 Desktop Computers for WEROC NEOC (hardware and software).	<b>100%</b>	3/31/2015	Completed