

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
May 20, 2015, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

EMPLOYEE SERVICE AWARD

NEXT RESOLUTION NO. 2012

CONSENT CALENDAR (Items 1 to 9)

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

1. MINUTES

- a. April 1 , 2015 Workshop Board Meeting
- b. April 15, 2015 Regular Board Meeting
- c. April 29, 2015 Special Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: April 6, 2015
- b. Administration & Finance Committee: April 8, 2015
- c. Public Affairs & Legislation Committee: April 20, 2015
- d. Executive Committee Meeting: April 16, 2015
- e. MWDOC/OCWD Joint Planning Committee Meeting: April 22, 2015

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

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

Recommendation: Ratify and approve as presented.

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

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the period ending March 31, 2015
- b. Quarterly Budget Review

Recommendation: Receive and file as presented.

5. AWARD OF CONTRACT TO EAGLE COMMUNICATIONS FOR THE PROVISION OF A WEROC RADIO EQUIPMENT ASSESSMENT

Recommendation: Approve the award of contract to Eagle Communications for the provision of a WEROC Radio Equipment Assessment in an amount not to exceed \$15,000, plus a contingency amount of \$3,000 for a total not to exceed \$18,000.

6. TRAVEL TO WASHINGTON DC TO COVER FEDERAL INITIATIVES

Recommendation: Receive and file.

7. TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

Recommendation: Receive and file.

8. APPROVE COMMEMORATIVE RESOLUTIONS HONORING

- a. Daniel Griset
- b. Glenn A. Brown
- c. Thomas Evans
- d. Gil Ivey

Recommendation: Approve honoring Metropolitan Directors Daniel “Dan” Griset and Thomas Evans, and MET Assistant General Manager Gilbert Ivey with honorary resolutions and direct staff to prepare the resolutions for presentation at the upcoming MWDOC Water Policy Dinner on July 29, 2015; and approve honoring Metropolitan Director Glenn A. Brown with an honorary, memorial resolution, and direct staff to prepare the resolution for presentation to his family at a future date.

9. DISTRICT BENCHMARK COMPENSATION STUDY AND APPROVAL OF MWDOC PAY STRUCTURE

Recommendation: Approve the MWDOC Pay Structure as presented.

– End Consent Calendar –

ACTION CALENDAR**10-1 APPROVE CONTRACT WITH BEST, BEST & KRIEGER WITH RATE INCREASE**

Recommendation: Approve rate increase and authorize the General Manager to execute a contract reflecting the new rates, and discuss the “subscription” program to BBK’s Public Policy and Ethics Program

10-2 APPROVAL OF MWDOC’S BUDGET FOR 2015-16

RES. NO. _____

Recommendation: (1) Adopt the budget Resolution as attached, with a budget total of \$188,352,060 and a consolidated general fund budget of \$8,423,954 (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 \$3.7 million to a proposed budget of almost \$23 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 \$38.2 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 by the end of FY14-15 as outlined and maintain the Building Reserve Fund at the target level of \$350,000 from then on.*
- (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 29 to 30 (includes WEROC staff as being fully counted).*
- (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 Control Auditing, South Coast & Laguna Beach CWD Foundational Program Work on Doheny, South Coast WD Baseline Environmental Monitoring Work.*

10-3 ADOPT PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2015-16 RES. NO. _____

Recommendation: (1) Decrease MWDOC's Incremental rate from \$0.50 to \$0 per AF, increase the MWDOC Retail Meter Charge from \$10.50 to \$10.85 per meter, and (2) Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2015 and January 1, 2016 as identified in the Water Rate Resolution for Fiscal Year 2015-16.

10-4 ADOPT CONCURRING RESOLUTION IN SUPPORT OF JO MACKENZIE FOR THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) SOUTHERN NETWORK SEAT "A" FOR THE 2016-19 TERM RES. NO. _____

Recommendation: Adopt a concurring Resolution in support of Jo MacKenzie (Vista Irrigation District) for CSDA Southern Network Seat "A" for the 2016-19 term.

10-5 ADOPT LEGISLATIVE POSITIONS

- a. **AB 603 (Salas) – Income Taxes: Turf Removal Tax Credit**
- b. **AB 585 (Melendez) Re: Outdoor Water Efficiency Act of 2015**
- c. **HR 2028 (Simpson, R-ID-2) Energy & Water Development Appropriations Bill 2016**

Recommendation: The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

10-6 RECOMMENDATION FOR MWDOC SCHOOL PROGRAM GRADES 9-12 BEGINNING 2015-16

Recommendation: Authorize the General Manager to enter into an agreement with the arrangement formed by The Ecology Center and Inside the Outdoors in response to MWDOC's Request for Proposal (RFP) for the School Program for Grades 9-12 beginning in fiscal year 2015-16 and continuing for a three-year period, with the option of two 1-year extensions, in an amount not to exceed \$80,000 in Year 1.

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

11. GENERAL MANAGER'S REPORT, MAY 2015 (ORAL AND WRITTEN)

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

12. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

CLOSED SESSION ITEMS**13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

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

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

16. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, Consider Initiation of Litigation pursuant to Paragraph (4) of subdivision (d) of Section 54956.9: (Two Cases).**17. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Consideration of initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (One Case).

ADJOURNMENT

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

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

April 1, 2015

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

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Susan Hinman
Wayne Osborne
Sat Tamaribuchi
Jeffrey M. Thomas (arr. at 8:40 am)

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Secretary
Harvey De La Torre, Prin. Water Resources Planner
Heather Baez, Director of Governmental Affairs
Kevin Hostert, Assoc. Water Resources Analyst
Joe Berg, Water Use Efficiency Prog. Mgr.

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Linda Ackerman
Larry McKenney

OTHERS PRESENT

William Kahn
Mike Dunbar
Ken Vecchiarelli
Doug Reinhart
Steve LaMar
Paul Weghorst
Don Froelich
John Kennedy
Rick Erkeneff
Bill Green
Andy Brunhart
Bob Kiley
Kelly Rowe
Elizabeth Mendelson
Ed Means
Betsy Eglash

El Toro Water District
Emerald Bay Service District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Orange County Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
WR Consultant
San Diego County Water Authority
Means Consulting
Brady & Associates

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were presented.

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

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

No items were presented.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS**2015 WATER SUPPLY REPORT**

Associate Water Resources Analyst, Kevin Hostert reported that State conditions are dry and the levels of key State reservoirs are significantly low. Mr. Hostert provided a rainfall comparison over the past five years, the rainfall outlook, the current snow pack conditions, the statewide reservoir conditions, Lake Mead elevation, and MET's dry-year storage amounts. Mr. Hostert also highlighted the State Water Table A allocations (currently at 20%), a historical view of Table A allocations, and the overall current drought conditions.

Principal Water Resources Planner, Harvey De La Torre, then provided an overview of the scenarios MET will consider for implementing allocations in 2015. Considerable discussion ensued regarding the potential scenarios under consideration, how each scenario would affect imported demand and the groundwater basins, views of the MWDOC MET Directors on drawing from storage during this drought, and which scenario would be best for Orange County and which scenario had the most support from the MET Board.

The Board received and filed the reports.

METROPOLITAN'S 2015 UPDATED INTEGRATED RESOURCES PLAN (IRP)

Mr. De La Torre provided a status report on MET's 2015 Updated IRP. His presentation included background information on the history of MET (including the Laguna Declaration), the goals and purpose of the IRP, a comparison of the 2010 IRP approach and targets to the current approach and process for updating the IRP, the proposed schedule for completion, and an overview of the MET special IRP committee comments. Discussion ensued regarding MET's reliability, the desire for MET to take a more proactive approach to new desalination facilities within its service area, and the need to enhance MET's focus on reliability.

The Board received and filed the report.

OC WATER RELIABILITY DISCUSSIONS RELATED TO THE 2015 MET IRP UPDATE

Assistant General Manager Karl Seckel provided an overview of the OC Reliability Study currently underway. His presentation included information regarding MET's IRP reliability goals, the importance of the IRP to this study, as well as an overview of the various points of reliability (system and supply).

Mr. Seckel highlighted the importance of MET's IRP to the OC Reliability Study and issues that would be important for MET and Orange County to address as MET moves forward with their IRP. These issues include a system analysis of a concurrent outage of the CRA and SWP to determine how demands will be met, an evaluation of climate variability impacts, the concept of managing groundwater storage within the MET service area, the inclusion of an adaptive management and contingency target in the IRP, the inclusion in MET's IRP of options for MET member agencies who may want to achieve higher reliability than normal under the IRP and MET's water supply allocation plan, water recycling and TDS issues (created as a result of reuse of the water), and other issues.

Mr. Seckel also highlighted the potential effects that seismic and climate conditions may have on Orange County's reliability, MET's role in ocean desalination, direct potable reuse and its implications, and future foundational actions.

Following discussion regarding direct potable reuse, the Board received and filed the report.

(Director Tamaribuchi departed the meeting at 10:15 a.m.).

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects

President Dick highlighted the need to push efforts on the Bay Delta Conservation Plan and the Board received and filed the reports as presented.

OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES

No comments were received.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

The Board received and filed the reports as presented.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:25 a.m.

Respectfully Submitted,

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 15, 2015**

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

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Cathy Harris, Admin. Services Manager
Joe Berg, Water Use Efficiency Prog. Mgr.
Heather Baez, Governmental Affairs Manager
Harvey De La Torre, Prin. Water Res. Planner
Darcy Burke, Director of Public Affairs

ALSO PRESENT

Patty Quilizapa
Linda Ackerman
Larry McKenney
Ken Vecchiarelli
Brian Ragland
Paul Cook
John Kennedy
Rick Erkeneff
Andy Brunhart
Gary Melton
Betsy Eglash
Chuck Muse
Andy Sells

Aleshire & Wynder
MWDOC MET Director
MWDOC MET Director
Golden State Water Company
City of Huntington Beach
Irvine Ranch Water District
Orange County Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates
ACWA/JPIA
ACWA/JPIA

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were presented.

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

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

No items were presented.

PRESENTATION BY ACWA/JPIA REGARDING GENERAL LIABILITY PROGRAM

Mr. Chuck Muse and Mr. Andy Sells, from ACWA/JPIA presented a check for \$73,461.31 to the District which represented a refund on MWDOC's liability insurance premiums.

OTHER

As the Director of Public Affairs, Darcy Burke, submitted her resignation from the District, President Dick presented a brief farewell to Ms. Burke and thanked her for her years of service; each Board member also thanked her.

Ms. Burke then provided a brief overview of the Value of Water outreach efforts.

CONSENT CALENDAR

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

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor. Director Finnegan was absent.

MINUTES

The following minutes were approved.

March 4, 2015 Workshop Board Meeting
March 18, 2015 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: March 2, 2015
Administration & Finance Committee Meeting: February 11, 2015
Administration & Finance Committee Meeting: March 11, 2015
Public Affairs & Legislation Committee Meeting: January 19, 2015
Public Affairs & Legislation Committee Meeting: February 17, 2015
Public Affairs & Legislation Committee Meeting: March 16, 2015
Executive Committee Meeting: March 19, 2015

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 31, 2015
MWDOC Disbursement Registers (March/April)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report
(Cash and Investment report) as of February 18, 2015

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending
February 28, 2015

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

The Board authorized attendance by Board and staff, as appropriate.

END CONSENT CALENDAR

ACTION CALENDAR

**DECLARE A REGIONAL WATER SHORTAGE IN THE MWDOC SERVICE AREA
AND ADOPT A RESOLUTION IMPLEMENTING MWDOC'S WATER SUPPLY
ALLOCATION PLAN**

President Dick announced that the proposal to declare a regional water shortage in the MWDOC service area and to adopt a Resolution implementing MWDOC's Water Supply Allocation Plan, was before the Board for consideration.

Mr. Dick advised that he supported the Resolution, but requested a "Whereas" be added indicating that because the State Water Project had yet to be completed, the Metropolitan Water District has lost about 1.5 million acre-feet of deliveries through the system over the past eight years.

Director Barbre suggested the PAL Committee discuss sending a letter to Governor Brown highlighting the need for desalination in California.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board (1) declared that there is a regional water shortage in the MWDOC service area; and (2) adopted RESOLUTION NO. 2011, Implementing MWDOC's Water Supply Allocation Plan (with the additional language included: Whereas, because the State Water Project had yet to be completed the Metropolitan Water District has lost about 1.5 million acre-feet of deliveries through the system over the past eight years). Said RESOLUTION NO. 2011 was adopted by the following roll call vote:

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

AB 603 (SALAS) RE INCOME TAXES; TURF REMOVAL TAX CREDIT

President Dick advised that the Administration & Finance Committee (who reviewed this item on April 8th) recommended the Board defer taking a position on AB 603 (Salas) until such time as the specific terms are developed. The Board generally concurred; this item will be presented to the PAL Committee when appropriate.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, APRIL 2015

General Manager Hunter advised that the General Manager's report was included in the Board packet, highlighting the Governor's Executive Order on water use, MWDOC's letter to the State Water Resources Control Board regarding the drought regulations; the Board requested a copy of this letter be emailed to the Board.

Discussion ensued regarding the drought regulations, how each retail agency will implement these regulations, and how a uniform approach would be beneficial. Director Barbre suggested the District work with those agencies who are required to cut back water usage by 35%. It was noted that an overview of the Governor's Executive Order will be presented at the upcoming Elected Officials Forum.

Director Dick suggested the PAL Committee discuss whether to ask the Governor to add a nuance on his reductions (based on municipal and industrial water usage). Director Osborne suggested a discussion be held regarding whether industries in California that use "clean" water could use reclaimed water instead.

Director Tamaribuchi suggested it would be prudent for the Southern California Water Committee weigh in on the Governor's Executive Order.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS**BOARD OF DIRECTORS**

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

Director Hinman advised that she attended the MWDOC Board and Committee meetings, as well as the Orange County Water Association (OCWA) luncheon meeting, a meeting with the South County agencies, a meeting with Rob Zur Schmiede regarding the South Orange County Watershed Management Area IRWMP, the WACO meeting, and the El Toro Water District Recycled Water Expansion dedication in honor of Ted Martin.

Director Thomas advised that he attended MWDOC's Administration & Finance Committee, the MET Board/Committee meetings, the WACO meeting, the Public Affairs & Legislation Committee meeting, a meeting with the South County agencies, and a meeting with representatives from Santa Margarita Water District.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings (except the Executive Committee), the El Toro Water District Board meeting (with Karl Seckel), a meeting with the South County agencies regarding the Administrative Code, the WACO meeting, and the OCBC Infrastructure Committee meeting.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, and the WACO meeting.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a three-day State Water Project inspection trip, a meeting with Yorba Linda Water District and Orange County Water District, the La Habra and Brea City Council meetings, the Yorba Linda Water District Board meeting, the Association of California Cities of Orange County (ACCOC) Board of Directors Installation, and the WACO meeting.

Director Dick reported on attending the MWDOC and MET regular meetings, meetings with local restaurateurs from El Pato and Giuliani's Specialty Foods (Errol Giuliani), the Orange Coast Committee, the OC Taxpayers Association meeting, the WACO meeting, the ISDOC Executive Committee meeting, the OC Water Summit Planning meeting, the ACCOC meeting, a meeting with Lisa Ohlund, a meeting with Deven Upadhyay, and the Ag Committee meeting.

Director Barbre announced that MET Director Tom Evans will be replaced by Don Galleano from Western Municipal Water District; he suggested a Resolution commemorating Mr. Evan's tenure be addressed at the next PAL Committee meeting. (for presentation at the July Water Policy Forum).

CLOSED SESSION

At 9:30 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session on the following matters. It was noted that Legal Counsel Quilizapa would meet with the Board on the first three matters regarding the San Diego County Water Authority/MET litigation, and that Legal Counsel Behrens would then meet with the Board on the final two matters.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

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CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION, Consider Initiation of Litigation pursuant to Paragraph (4) of subdivision (d) of Section 54956.9: (Two Cases).

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Consideration of initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (One Case).

RECONVENE

At 10:00 a.m., Legal Counsel Quilizapa departed from the closed session, and announced that no reportable action was taken in closed session. Mr. Behrens then joined the closed session.

At 10:44 a.m., the Board reconvened, and Legal Counsel Behrens announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 10:45 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 29, 2015

At 6:00 p.m., President Dick called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors Board Room at the District facilities, 18700 Ward Street, Fountain Valley, California.

MWDOC DIRECTORS

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

STAFF PRESENT

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Prin. Water Res. Planner
Joe Berg, Water Use Eff. Programs Mgr.
Keith Lyon, Prin. Water Res. Analyst
Heather Baez, Governmental Affairs Manager

ALSO PRESENT

Larry McKenney
Art Brown
Lisa Ohlund
Scott Goldman
Cheryl Brothers
Mark Lewis
Brian Ragland
Doug Reinhart
Peer Swan
Paul Cook
Rob Zur Schmiede
Renaë Hinchey
Richard Fiore
Gary Kurtz
Scott Colton
Brian Probolsky
Joone Lopez
Ruth Zintzun
Teresa Smith
Joe Diaz
Betty Olson
Saundra Jacobs
Charles Gibson
Justin McCusker
Dan Ferons
Sandra Massa-Lavitt
Richard Freschi
Larry Pharris
Woody Rickerl
Frank Bryant
Jerry Vilander

MWDOC MET Director
City of Buena Park
East Orange County Water District
El Toro Water District
City of Fountain Valley
City of Fountain Valley
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Laguna Beach County Water District
Laguna Beach County Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
City of Orange
City of Orange
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
City of Seal Beach
Serrano Water District
Serrano Water District
Serrano Water District
Serrano Water District
Serrano Water District

Bill Green	South Coast Water District
Dennis Erdman	South Coast Water District
Wayne Rayfield	South Coast Water District
Rick Erkeneff	South Coast Water District
Andy Brunhart	South Coast Water District
Stephen Dopudja	Trabuco Canyon Water District
Allan Bernstein	City of Tustin
Ric Collett	Yorba Linda Water District
Robert Kiley	Yorba Linda Water District
Marc Marcantonio	Yorba Linda Water District
Damon Micalizzi	Yorba Linda Water District
Debbie Espe	San Diego County Water Authority

PUBLIC COMMENTS

No public comments were received.

DISCUSSION ITEMS

DISCUSSION WITH REPRESENTATIVES FROM MWDOC'S MEMBER AGENCIES REGARDING KEY REGIONAL ISSUES AND KEY ORANGE COUNTY ISSUES, INCLUDING THE MWDOC BUDGET, DROUGHT ALLOCATIONS, AND GOVERNOR BROWN'S EXECUTIVE ORDER (PURSUANT TO THE TERMS OF THE AGREEMENT BETWEEN MWDOC AND ITS MEMBER AGENCIES)

President Dick stated that the evening would consist of presentations by General Manager Robert Hunter on the following topics:

- MWDOC 2015-16 Budget
- MET/MWDOC Drought Allocations
- Governor's Executive Order/SWRCB Regulations
- Roundtable Discussion

Mr. Hunter's overview of MWDOC's 2015-16 draft budget included information on MWDOC's outside funding (grants and MET assistance), reserves summary, operational variances and budget requirements, MET rates, MWDOC's proposed rates, an overview of Choice programs/budget and activities, and a review of MWDOC's key projects for 2015-16.

Mr. Hunter also reviewed California's water supply status and State Water Project Table "A" allocations (currently at 20%), as well as MET's and MWDOC's processes for declaring and implementing their Water Supply Allocation Plans (currently implemented at Stage Level 3).

Lastly, Mr. Hunter reviewed the terms of the Governor's Executive Order and how it relates with MWDOC's Water Supply Allocation Plan, as well as an overview of how it will impact each retail agency. Mr. Hunter highlighted the key components of the Executive Order, including the fact that the percent reductions are for a nine-month period, there will be no credit for indirect potable reuse, fire zone requirements will not be considered, and there is proposed enforcement legislation in the works. He encouraged all to pursue a plan to

reduce water use, and for all Orange County water agencies to work together on messaging, enforcement issues, and compliance pooling.

Considerable discussion ensued regarding the Governor's Executive Order, how it will impact each agency, whether the proposed reductions are achievable, the need for immediate public education by the retailers, the potential messaging to consumers, and enforcement issues by the retailers.

REQUESTS FOR FUTURE AGENDA TOPICS

The following topics were requested for the November meeting:

- Update on Governor's Executive Order
- Overview of MET's storage (location and levels)
- Update on OC Reliability Study

The Board thanked all for attending the forum and received and filed the reports as presented.

President Dick announced that Felicia Marcus would be the featured speaker at the July 29, 2015 Water Policy Dinner.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 8:05 p.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS (P&O) COMMITTEE
April 6, 2015 - 8:30 a.m. to 9:05 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Wayne Osborne, Chair
Director Brett Barbre
Director Susan Hinman

Staff:

Rob Hunter, Karl Seckel, Joe Berg,
Harvey DeLaTorre, Katie Davanaugh,
Kevin Hostert

Also Present:

Director Larry Dick
Director Sat Tamaribuchi
Director Joan Finnegan
MWDOC MET Director Linda Ackerman
MWDOC MET Director Larry McKenney
Steve LaMar, Irvine Ranch Water District
Liz Mendleson, San Diego County Water Authority

Director Osborne called the meeting to order at 8:30 a.m. Mr. Osborne requested that public comments be held until that particular item was discussed.

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

The MWDOC Board convened as a full Board and took action on the following item:

BOARD ACTION ITEM

SB 355 (LARA) – SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board voted to oppose SB 355 (Lara) and send a letter to the Senate Natural Resources and Water Committee indicating MWDOC's opposition. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Tamaribuchi voted in favor. Director Thomas was absent.

The Planning & Operations Committee reconvened.

ACTION ITEMS

DECLARE A REGIONAL WATER SHORTAGE IN THE MWDOC SERVICE AREA AND ADOPT A RESOLUTION IMPLEMENTING MWDOC'S WATER SUPPLY ALLOCATION PLAN

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee voted to recommend to the Board approval of the staff recommendation for MWDOC to declare a regional water shortage in the MWDOC service area and supporting documentation and resolution. Directors Osborne, Barbre and Hinman voted in favor.

Mr. De La Torre noted that this request was separate from the recent, similar resolution recently adopted by Metropolitan Water District. MET's Supply Allocation Plan figures have not yet been released but will be available in the very near future. Director Dick stressed the importance of finding a "fix" for the Delta region which could have the potential to assist in severe drought situations. He also commented on Governor Brown's proclamation to call on Californians to reduce water usage (residential) by 20%, also noting the high level of agricultural water use throughout the state.

DISCUSSION ITEMS

TURF REBATE PROGRAM PROCESS AND QUALITY CONTROL EVALUATION

Mr. Berg provided an overview of the quality control process in place for the Turf program, noting that pre- and post inspections verify that an eligible customer maintains the existing turf grass prior to removal as well as area measurement. The post inspection includes a second measurement to make sure the client has removed all turf as specified in the initial inspection. Mr. Berg noted that approximately 450 applications for the program are currently being received on a monthly basis. Metropolitan Water District has authorized \$20 million dollars through the end of the current fiscal year and MWDOC is hopeful that it will continue into the next fiscal year. Staff is working on obtaining a state of the art software system that will assist in processing the applications and rebates in a more expeditious manner, as they are currently taking 4 months for residential customers and 6 months for commercial customers, from start to finish.

Staff will return to the Board in June with a request to purchase the software which will be a MWDOC expense. Mr. Hunter also noted that the proposed software has already been developed and is being used by a Long Beach agency and that he does not anticipate expending a lot of funds of software development.

Mr. LaMar, Irvine Ranch Water District, expressed support for the turf removal program noting its recent popularity.

INFORMATION ITEMS

STATUS REPORTS

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

Susan Hinman inquired about reference in Mr. Seckel's staff report pertaining to a water transfer between Santa Margarita Water District, MWDOC and Cucamonga Valley Water District. Mr. Hunter noted that the exchange would take place during a MET allocation period and is therefore unlikely to happen due to MET restrictions during allocations.

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

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:05 a.m.

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

Jointly with the
ADMINISTRATION & FINANCE (A&F) COMMITTEE

April 8, 2015 – 8:30 a.m. to 10:30 a.m.
MWDOC Conference Room 101

Committee Members:

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

Staff:

Robert Hunter, Karl Seckel, Hilary Chumpitazi,
Katie Davanaugh, Maribeth Goldsby,
Cathy Harris, Harvey DeLaTorre, Heather Baez,
Darcy Burke, Joe Berg

Also Present:

Director Larry Dick
Director Susan Hinman
Director Sat Tamaribuchi
Director Brett Barbre
MET Director Linda Ackerman
MET Director Larry McKenney
Doug Reinhart, Irvine Ranch Water District
Andrew Hamilton, Mesa Water
Dan Ferons, Santa Margarita Water District
Saundra Jacobs, Santa Margarita Water District
Ruth Zitzun, Santa Margarita Water District
Nick Dibbs

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

PUBLIC COMMENTS

Nick Dibbs requested the Committee consider sponsoring the Science and Engineering Fair Award. Director Thomas noted that Mr. Dibbs should address this item under the budget.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Mr. Hunter reported that he believed it would be prudent for the Board to adopt a position on AB 60, Tax Credit. A write-up was distributed to the Board.

Mr. Hunter then distributed a write-up regarding a Sole Source Contract for Recruitment for the Director of Public Affairs, noting that due to time sensitivities and pursuant to the Administrative Code requirements, he believed the Committee should review.

Upon MOTION by Director Osborne, seconded by Larry Dick and carried (3-0) the Committee determined that the two items came to the attention of the District subsequent to the agenda posting, and determined that there was a need to take immediate action; the two items were added to the agenda. Directors Dick, Thomas and Osborne voted in favor.

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

The PARS statement was distributed as well as a revised MWDOC member agency rate summary (page 218 of 307).

AB 603

The full Board was convened to address AB 603. Ms. Baez noted that the bill is a spot bill and not formalized yet but is intended to allow a credit to taxpayers participating in the lawn replacement program although complete details of the bill are not known at this time.

The Committee held considerable discussion with Directors Osborne, Thomas and Barbre expressing opposition with fast-tracking MWDOC's approval of this bill due to the uncertainty of all of the details at this time. The financial impact to tax-payers is unknown but is expected to be quite costly. It was noted that consumers already receive a rebate of \$2 per square foot, and sometimes more, and some local water districts may offer additional incentives for the turf removal program. Additional discussion was held on the validity of rebates for commercial sites that may be removing turf that utilizes reclaimed water and whether that water can be used elsewhere. Mr. Hunter expressed support for a conditional approval of the concepts of the bill. Director Barbre noted that Metropolitan Water District has not taken a position on this bill.

Director Osborne made a MOTION to refer this item to the April 15 Board meeting; Director Thomas seconded and the motion carried (6-0). Directors Thomas, Osborne, Dick, Hinman, Barbre, and Tamaribuchi all voted in favor. Ms. Baez will provide additional information at the April Board meeting.

The Board meeting adjourned and the Committee meeting re-convened.

Mr. Hunter reported that the sole source contract for the recruitment of the Director of Public Affairs was being presented as information only and that the agreement is within the General Manager's authority. The Sole Source Procurement Justification for a contract with Alliance Resource Consulting to fill the position of Director of Public Affairs was received and filed.

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION**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

Upon MOTION by Director Osborne, seconded by Director Dick, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the April 15, 2015 Board

meeting. Directors Thomas, Osborne and Dick all voted in favor.

Director Thomas noted the investment returns on the PARS statement are below market returns. Mrs. Chumpitazi noted that she has contacted the investor to discuss and will report findings at a future Administration & Finance Committee meeting. The account was established to meet a rate of return that is consistent with the PERS investment which should be close to 6% annually.

FINANCIAL REPORT

- a. Combined Financial Statements and Budget comparative for the period ending February 28, 2015
- b. Quarterly Budget Review

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Financial Report for approval at the April 15, 2015 Board meeting. Directors Thomas, Dick and Osborne all voted in favor.

DISTRICT CONFERENCES

- a. California Drought Conference, April 20-22, 2015, Irvine, CA

Upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the Committee recommended the District Conference for approval at the April 15, 2015 Board meeting. Directors Thomas, Dick and Osborne all voted in favor.

ACTION ITEMS

ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE

Director Thomas requested a correction on page 44 of 307, from "lease" to "least".

Director Barbre requested that language be added to the RFP process (Under Section 8000 Contracts) as follows: "Prohibitions on ex parte communications with the Board members must be approved by the Board prior to any RFP being issued", so that the Board be informed and included during the RFP process. Mr. Hunter responded that it is Management's responsibility to prepare the bids, conduct the bids and evaluations and present findings to the Board and the Board would then make an appropriate vote on the action item. Further, it is the Board's responsibility to make policy decisions. Director Barbre referenced the recent RFP process for the school program that is due for renewal. Director Thomas expressed support for the current process with staff conducting and evaluating the RFP's and returning a summary and recommendation to the Board as it is a lengthy and time consuming process.

Director Thomas noted that an April 23rd meeting is scheduled with south county agencies to discuss the administrative coded.

Sandra Jacobs noted that Santa Margarita Water District requested that the Board postpone approval of the Administrative Code today, pending outcome of the April 23rd

meeting between south county member agencies and MWDOC where they can address several concerns within the code.

Director Hinman expressed concern with the “current language” (which was an addition) pertaining to Section 1506 – MET Director Protocol. She believes that the language creates a monarchy and suggested that the appropriate MET delegation leader be appointed by the MWDOC Board on an annual basis when appointing representatives to various committees and associations. Directors Barbre and Dick were not in support of changing the language since the language indicates that the designated representative will act on behalf of the MWDOC Board’s collective decision on matters addressed at MET. Director Hinman also requested that the word “empowered” be changed to “designated.”

The item was deferred until the May meeting.

DISCUSSION ITEM

REVIEW DRAFT OF THE FY 2015-16 BUDGET

Nick Dibbs appealed to the Board to reconsider expending funds from the 2015-16 budget to contribute funds for an award(s) to the Science Fair and Program which the Committee respectfully declined, noting that the educational programs are handled primarily at Discovery Science Center and that the District has not participated in awards to such programs in several year.

Discussion was held on how revenues might be impacted with the Governor’s recent Executive Order due to the drought and the change to the District’s revenues. Mr. Hunter noted that staff is in the process on making those adjustments.

It was noted that the Budget will be discussed at the upcoming elected official meetings as well as the member agency manager’s meeting. Mr. Hunter noted that fine tune adjustments will be made and presented at the May meeting and that the salary survey will be completed, with anticipated salary adjustments presented as information becomes available.

INFORMATION ITEMS

APPLICATION FOR CSDA’s “DISTRICT OF DISTINCTION”

Director Dick noted that most of the requirements for this award have been met but harassment prevention training still needs to be completed by two individuals.

INTERNAL REVENUE SERVICE PAYROLL AUDIT (oral report)

Mr. Hunter noted that no new information has been provided by the IRS at this time.

MONTHLY WATER USAGE DATA

Mr. Hunter noted that each water utility is required to submit monthly residential per capita consumption data and that a 6-month average will be used. The State Water Board will be

reviewing that data to ensure that the recently mandated water reductions are being complied with. Significant penalties can be imposed on the water utility.

Director Dick noted that the restrictions on water to the agriculture and environmental communities are different from residential consumers and that further discussion on this topic is necessary.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 10:30 a.m.

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

Jointly with the

PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

April 20, 2015 8:30 a.m. to 9:45 a.m.

MWDOC Conference Room 101

Committee:

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

Staff:

Robert Hunter, Karl Seckel, Tiffany Baca,
Bryce Roberto, Heather Baez,
Jessica Ouwerkerk, Harvey DeLaTorre,
Pat Meszaros

Also Present:

MWDOC Director Wayne Osborne
MWDOC Director Larry Dick
Larry McKenney, MWDOC MET Director
Dick Ackerman
Steve LaMar, Irvine Ranch Water District
John Lewis, Lewis Consulting
Matt Holder, Lewis Consulting
Ian Delzer, Townsend Public Affairs (TPA)
Christopher Townsend, TPA
Casey Elliott, TPA
Heather Stratman, TPA
Jim Leach, Santa Margarita Water District
Stacy Taylor, Mesa Water District
Chuck Gibson, Santa Margarita Water Dist.

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

Chairman Barbre advised that the Committee meeting would adjourn and the full Board would convene on the following items (as agendized). President Dick then assumed the Chairman role on the following Board items.

PUBLIC PARTICIPATION

No items were presented.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

Director Barbre stated that an item had come to his attention by President Dick which is that the Region 10 Board is seeking candidates to fill a Board Member vacancy in Orange County for the remainder of the 2014-2015 term and Chuck Gibson is seeking the MWDOC

Board's support of his nomination to ACWA Region 10. Director Barbre recommended that that due to the time sensitivity, that the item be added to the agenda.

Upon MOTION by Director Tamaribuchi, seconded by Director Dick, and carried (4-0), the Board found that the item arose subsequent to the posting of the agenda and that the item requires immediate action due to time sensitivities and was added to the agenda for Board action. Directors Barbre, Tamaribuchi, Osborne and Dick voted in favor. Directors Finnegan, Hinman and Thomas were absent.

Ms. Stacy Leach stated that one of Mesa Water's directors is interested in the Region 10 position and that it would be approved at their committee meeting on April 23. President Dick inquired as to the deadline to which Director McKenney responded that ACWA votes on May 4.

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

No items were presented.

BOARD ACTION ITEMS

CONSIDER AWARD OF CONTRACT FOR SCHOOL PROGRAM

Director Barbre requested this item be deferred to allow the Review Committee sufficient time to review the six proposals.

Mr. Hunter announced that this item would be reviewed and discussed at a Special Public Affairs/Legislative (PAL) Committee meeting on May 4, with anticipated Board action also on May 4 at a scheduled Special Board meeting immediately following the PAL meeting.

AB 1347 (CHIU) – PUBLIC CONTRACTS: CLAIMS RESOLUTION PROCESS

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (4-0), the Board adopted an oppose position on AB 1347. Directors Barbre, Dick, Osborne and Tamaribuchi voted in favor. Directors Finnegan, Hinman and Thomas were absent.

AB 291 (MEDINA) – LOCAL ACCESSIBILITY TO CEQA DOCUMENTS

Upon MOTION by Director Osborne, seconded by Director Tamaribuchi, and carried (4-0), the Board adopted a support position on AB 291. Directors Barbre, Dick, Osborne and Tamaribuchi voted in favor. Directors Finnegan, Hinman and Thomas were absent.

AB 585 (MELENDEZ) - OUTDOOR WATER EFFICIENCY ACT OF 2015

Director Barbre inquired about the origin of this bill to which Ms. Baez stated that she brought it to the Board's attention and that Eastern Municipal Water District is a strong supporter and that they believe, as should we, that we need to change the landscape of

Southern California. Director Tamaribuchi stated that what he likes about this bill, unlike the Salas bill, is that it goes away when the Governor's order goes away.

Director Osborne made a MOTION which was seconded by Director Tamaribuchi to support AB 585, however, following discussion, the MOTION failed by a vote of 2-2. Directors Osborne and Tamaribuchi voted in favor; Directors Barbre and Dick voted in opposition.

Directors Osborne stated that he does not wish to review the bill again as he supports it as is. President Dick stated he'd be willing to consider this bill again in May after it goes to the Franchise Tax Board when there's substantive language and financial information available.

AB 606 (LEVINE) – WATER CONSERVATION

Director Osborne made a MOTION which was seconded by Director Tamaribuchi to support AB 606, however, following discussion, the MOTION failed by a vote of 2-2. Directors Osborne and Tamaribuchi voted in favor; Directors Barbre and Dick voted in opposition.

SUPPORT CHUCK GIBSON BY SUBMITTING A LETTER OF SUPPORT FOR HIS NOMINATION TO ACWA REGION 10

Director Osborne stated that Mr. Gibson is a highly qualified candidate and he is supportive of his nomination. Director Barbre agreed with Director Osborne that Mr. Gibson is an excellent candidate and has shown that he wants the position.

Upon MOTION by Director Osborne, seconded by Director Barbre, and carried (4-0), the Board unanimously approved sending a letter of support for Mr. Gibson's nomination to the ACWA Region 10 Board. Directors Barbre, Dick, Osborne and Tamaribuchi voted in favor. Directors Finnegan, Hinman and Thomas were absent.

President Dick adjourned the full Board meeting; and the Committee reconvened.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (Barker)

The report was received and filed.

b. State Legislative Report (Townsend)

Mr. Casey Elliott of Townsend Public Affairs reported May 1 deadline for bills with a fiscal impact with one or more committee hearings for most committees this week or next. After that, there will be a slight lull while bills are dealt with that don't have a fiscal impact. May 29 is the Appropriations Committee deadline. The Governor's May revise should come out on May 15. All indications are that the State should have substantial additional funding of \$1.2 billion. A lot of that will go to education through Prop 98 which should leave additional funding for a water action plan. The Legislature will have more budget committee hearings in advance of passing the budget on June 15. Mr. Elliott mentioned the State Water

Board's revised regulations which were issued on Saturday and that they are taking comments on the regulations until close of business Wednesday. The effective start date will be with the June reporting of water usage, due July 15.

c. County Legislative Report (Lewis)

Mr. Lewis reported that it appears the Fourth District Court of Appeals is expected to issue its ruling on the City of San Juan Capistrano's tiered rates this week. Also, the Board of Supervisors engaged in a public workshop where they presented a greatly improved recap of economic data. New employment figures came out and the unemployment rate of 4.6% is the lowest of all Southern California counties. Orange County is coming along as we've captured all the job loss we've suffered.

Mr. Holder reported that the County CEO, Mike Giancola, announced his plans to retire in September. The Board of Supervisors will try to find an internal candidate and some of the names mentioned who applied were Steve Danley, HR Director, Mark Denny, COO, Frank Kim, CFO; Neil Kelly, Registrar of Voters. If they can't agree, they'll go to a global search.

President Dick remarked how shocking it was to read in the Lewis report that 45% of families in Orange County do not speak English at home and inquired if this is correct to which Mr. Lewis stated it was published in the County report but he'd investigate the source.

d. Legal and Regulatory Report (Ackerman)

Mr. Ackerman gave an update on the Delta smelt which may be on the way to extinction according to a UC Davis biologist's presentation to scientists with the Delta Stewardship Council. If the Smelt is declared extinct, many of the rules and regulations regarding water usage in California would have to be reexamined.

Director Barbre broached the leak detection technique in Mr. Ackerman's report whereby using headphones and high tech listening devices, leaks from old pipes can be heard and locations pinpointed. Further, that Mr. Marcantonio, General Manager of Yorba Linda Water District (YLWD), had performed such leak detection at his former employer and it would be useful to have him give a presentation on it at a future WACO meeting since it is estimated that state water districts lose on average 10% of their water to leaks and broken pipes.

Discussion continued about leak detection and Mr. Berg discussed the process using the AWWA system audit which does a great job of putting it into economic terms. YLWD is interested in replicating what Mr. Marcantonio has done in Washington; MNWD and the City of Westminster are completing audits presently. MNWD's preliminary non-revenue water number is 8% with leakage likely being only a small percentage. Mr. Berg reported that SB142 was passed last year which requires audits with the 2016 Urban Water Management Plans.

e. MWDOC Legislative Matrix

f. Metropolitan Legislative Matrix

The reports were received and filed.

STATE WATER RESOURCES CONTROL BOARD

Director Tamaribuchi inquired whether we'd do another comment letter on the State Board's revised regulations which came out on Saturday. Mr. Hunter stated that a new comment letter will be submitted by the Wednesday deadline. He reported further that the latest modifications to the regulations were disappointing in terms of change as the State Board did go from a one-month per capita figure for the sorting out of tiers to a 3 month reporting, but we had requested 12 months. They ignored moving up state requirements on when meters have to be installed and also ignored acceleration of the groundwater plan activity. For us, most significantly, they ignored subtracting indirect potable reuse from total production. Mr. Hunter then announced that on Wednesday afternoon, we will be hosting our member agency general managers, public affairs coordinators and conservation coordinators on the Governor's order and what we can do county-wide to work together. The Governor's Executive Order will also be discussed at the Elected Officials' Forum. Director Tamaribuchi inquired about the possibility of "pooled reporting" to which Mr. Hunter replied that we will raise that issue on Wednesday.

ACTION ITEMS

AB 603 (SALAS) INCOME TAXES: TURF REMOVAL TAX CREDIT

Ms. Baez reported that there is nothing new on this bill. Chairman Barbre stated that this bill would be presented to the Board at its next regular meeting.

TRAVEL TO WASHINGTON, DC TO COVER FEDERAL INITIATIVES TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

President Dick inquired whether we have a plan of action to which Mr. Hunter responded that he has a meeting with Director Barbre on April 27, 2015 regarding Federal initiatives and a meeting on April 30, 2015 with Director Tamaribuchi and Ms. Baez on State initiatives. This item will be presented to the Board at its next regular meeting.

MEMORIAL RESOLUTION HONORING CITY OF SANTA ANA RETIRING METROPOLITAN DIRECTOR DANIEL "DAN" GRISET

Director Barbre stated that we'd be remiss if we didn't include that Dan Griset served on the OCWD Board which is what enabled him to become a Metropolitan director. This item will be presented to the Board at its next regular meeting.

MEMORIAL RESOLUTION HONORING CITY OF BURBANK METROPOLITAN DIRECTOR GLENN A. BROWN

President Dick mentioned that we should also do a resolution for Tom Evans of Western Municipal Water District. These resolutions will be presented to the Board at its next regular meeting.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2015 BOARD OF DIRECTORS ELECTION – SOUTHERN NETWORK REGION, SEAT A

Upon MOTION by Director Tamaribuchi, seconded by President Dick, and carried (4-0), the Committee unanimously approved sending a letter of support for incumbent Jo MacKenzie (Vista Irrigation District) for the CSDA Board of Directors election. Directors Barbre, Dick, Osborne and Tamaribuchi voted in favor.

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

Director Tamaribuchi expressed his surprise that the agenda for the Water Summit does not include any discussion on the Governor's Executive Order.

ORANGE COUNTY WATER HERO MOBILE APP**VALUE OF WATER COMMUNICATION CHOICE PROGRAM****2015 WATER AWARENESS POSTER & SLOGAN AND DIGITAL ARTS CONTESTS****RECAP OF CHILDREN'S WATER EDUCATION FESTIVAL****OVERVIEW OF TRANSLATION SERVICES TO COMPLY WITH 2747****DROUGHT OUTREACH****SCHOOL PROGRAM PARTICIPATION REPORT****PUBLIC AFFAIRS ACTIVITIES REPORT RECAP OF THE SOUTHERN CALIFORNIA WATER ISSUES CONGRESSIONAL DELEGATION BRIEFING LUNCHEON**

The reports were received and filed.

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:45 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
April 16, 2015, 8:30 a.m. to 9:50 a.m.
Conference Room 102

Committee:

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

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Hinman
Director Tamaribuchi

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

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

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

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

No new information was presented.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

a. Planning & Operations Committee

No new items were added to the agenda, however it was noted that the award of contract for the School Program would be presented to either this Committee or a special PAL Committee.

b. Workshop Board Meeting

It was noted that the May Workshop Board meeting had been cancelled due to a conflict with the ACWA conference.

c. Administration & Finance Committee

Mr. Hunter advised that the District received a request for fee increase by legal counsel Best, Best & Krieger (BBK), as well as a proposed new rate structure. He advised that the new rates reflect an increase in legal fees of approximately 17% and that these rates have been in effect since we began using BBK, noting that these same rates date back to 2008, when Russ Behrens was with McCormick, Kidman & Behrens (MKB). The Committee discussed whether it would be prudent to issue an RFP for legal services but suggested this item be presented to the A&F Committee in May.

The Committee also discussed the recent refund (of approximately \$73,000) from ACWA/JPIA and suggested the A&F Committee discuss where to place these funds in the budget.

d. Public Affairs & Legislation (PAL) Committee

Discussion ensued regarding the OC Water Summit, its value, and whether to continue with the endeavor for 2016. The Committee requested the Executive Committee discuss this issue in May.

e. MWDOC/OCWD Joint Planning Committee

Committee discussed each subject on the draft agenda, however no new information was added.

MEMBER AGENCY RELATIONS

Discussion ensued regarding the status of OCWD's groundwater basin, allocations, OCWD purchases from MET, and the Basin Production Percentage (BPP) which was recently set at 70%.

GENERAL MANAGER'S REPORTS

No new information was presented.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

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

MEETING REPORT
JOINT PLANNING COMMITTEE WITH BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and
ORANGE COUNTY WATER DISTRICT
April 22, 2015, 8:30 a.m.
MWDOC Conference Room 101

MWDOC DIRECTORS

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

OCWD DIRECTORS

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

MWDOC STAFF

Rob Hunter
Karl Seckel
Katie Davanaugh
Harvey De La Torre
Heather Baez

OCWD STAFF

Mike Markus
John Kennedy

ALSO PRESENT

Linda Ackerman
Larry McKenney
Peer Swan
Doug Reinhart
Chuck Gibson
Elizabeth Mendelson

MWDOC MET Director
MWDOC MET Director
Irvine Ranch Water District
Irvine Ranch Water District
Santa Margarita Water District
San Diego County Water Authority

OCWD President Green Chaired the meeting and led the Pledge of Allegiance.

PUBLIC COMMENTS

No public comments were received.

1. MWD UPDATE

- a. Imported Water Supply Update
- b. Review of Allocations (MET and MWDOC)
- c. OCWD expected allocation

MWDOC Principal Water Resources Planner Harvey De La Torre updated the Boards regarding MET's water supply. He provided information that included an overview of MET's Imported Water Supply Conditions and Water Supply Allocation Plan. The presentation illustrated drought conditions throughout the state from 2011 to present, Northern California

precipitation data, Northern Sierra cumulative precipitation as well as State Water Project Hydrologic conditions from October 2014 to present.

Mr. DeLaTorre noted that on April 14, 2015 the Metropolitan Board of Directors declared a Regional Water Shortage and called for the implementation of its Water Supply Allocation Plan at (Stage level 3) and that on April 15, 2015, MWDOC Board of Directors also declared a Regional Water Shortage and authorized the General Manager to implement its Water Supply Allocation Plan at a (Stage Level 3) which will be in effect from July 1, 2015 through June 30, 2016.

2. OCWD Update

- a. GWRS Initial Expansion
- b. Current OCWD imported water purchases
- c. Projected June 2015 accumulated overdraft
- d. FY 2015-16 Basin Production Percentage

OCWD Assistant Manager John Kennedy provided an overview of the Groundwater replenishment system update, including information on the initial and final expansion projects, accumulated and historical overdrafts and then projections and basin operating ranges. Mr. Kennedy noted that OCWD is currently receiving 60 cfs of untreated MWD water. He advised that 2015-16 replenishment assessments will increase from \$294 to \$322 per acre feet. He also provided water source and average hydrology information on the groundwater basin water balance, noting a loss of 10,000 (afy).

3. Update on MWDOC/OCWD Building Issues and planned repairs/upgrades

Orange County Water District General Manager, Mike Markus provided a color rendering of the proposed work on the OCWD hallway improvements and noted that design work continues with Discovery Science Center. The work is expected to be completed in approximately 3 months.

4. Poseidon Resources Project Status

It was noted that two more meetings are schedule for the future. Additional information will be presented at the May 14th meeting.

5. Remaining Committee 2015 Meeting Schedule

July 22
October 28

6. Other

No additional information was presented.

There being no further business to come before the Committee, the meeting adjourned at 9:31 a.m.

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

WATER REVENUES

Date	From	Description	Amount
04/03/15	City of La Habra	February 2015 Water deliveries	14,516.60
04/07/15	City of San Juan Capistrano	February 2015 Water deliveries	153,852.77
04/07/15	City of La Palma	February 2015 Water deliveries	6,315.69
04/07/15	City of Seal Beach	February 2015 Water deliveries	11,239.08
04/07/15	City of Newport Beach	February 2015 Water deliveries	183,652.89
04/10/15	Laguna Beach County Water District	February 2015 Water deliveries	250,457.06
04/10/15	City of Huntington Beach	February 2015 Water deliveries	904,507.43
04/13/15	South Coast Water District	February 2015 Water deliveries	377,589.93
04/13/15	El Toro Water District	February 2015 Water deliveries	550,634.95
04/13/15	Santa Margarita Water District	February 2015 Water deliveries	1,686,596.12
04/13/15	City of Garden Grove	February 2015 Water deliveries	436,456.88
04/14/15	Serrano Water District	February 2015 Water deliveries	465,891.55
04/14/15	City of Orange	February 2015 Water deliveries	447,034.30
04/15/15	Orange County Water District	February 2015 Water deliveries	530,973.61
04/15/15	East Orange County Water District	February 2015 Water deliveries	199,555.42
04/15/15	City of Westminster	February 2015 Water deliveries	257,041.38
04/15/15	Irvine Ranch Water District	February 2015 Water deliveries	1,156,207.39
04/15/15	Yorba Linda Water District	February 2015 Water deliveries	360,842.01
04/15/15	Golden State Water Company	February 2015 Water deliveries	288,017.04
04/15/15	Santiago Aqueduct Commission	February 2015 Water deliveries	84,333.25
04/15/15	Moulton Niguel Water District	February 2015 Water deliveries	1,727,131.40
04/17/15	City of Fountain Valley	February 2015 Water deliveries	23,534.52
04/24/15	City of Brea	March 2015 Water deliveries	230,408.75
04/24/15	City of La Habra	March 2015 Water deliveries	14,501.72
04/24/15	City of Huntington Beach	March 2015 Water deliveries	859,101.63
04/27/15	Trabuco Canyon Water District	March 2015 Water deliveries	17,397.92
04/27/15	City of Buena Park	March 2015 Water deliveries	256,016.82

TOTAL REVENUES \$ 11,493,808.11

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
04/29/15	Paypal	ISDOC Registrations	575.28
04/13/15	Susan Hunt	May 2015 COBRA medical premium	689.89
04/24/15	Stan Sprague	May 2015 Retiree medical premium	212.59
04/17/15	Susan Hinman	Jan-Mar 2015 Director's Insurance contribution	320.73
04/10/15	Harvey De La Torre	Movie tickets	30.00
04/24/15	2 Checks	Movie tickets	88.00
04/14/15	Steve Hedges	Poinsettia plants - Employee purchase reimbursement	72.00
04/15/15	ACWA JPIA	Retrospective Premium Adjustment Insurance refund	73,461.31
04/17/15	Darcy Burke	iPad Buyout	150.00
04/13/15	Santa Margarita Water District	Easy Water Wise Gardening publication	491.40
04/07/15	City of San Juan Capistrano	January 2015 Turf Removal rebate program	1,474.40
04/13/15	Yorba Linda Water District	January 2015 Turf Removal rebate program	114.43
04/13/15	Golden State Water Company	February 2015 Turf Removal rebate program	3,190.77
04/15/15	City of Garden Grove	February 2015 Turf Removal rebate program	1,575.00
04/17/15	Laguna Beach County Water District	February 2015 Turf Removal rebate program	838.00
04/27/15	City of Buena Park	February 2015 Turf Removal rebate program	315.00
04/30/15	Santa Margarita Water District	February 2015 Turf Removal rebate program	273.20
04/02/15	Irvine Ranch Water District	December 2014 So Cal Watersmart Residential rebate program	30,096.80
04/13/15	El Toro Water District	January 2015 So Cal Watersmart Residential rebate program	1,936.40
04/13/15	Moulton Niguel Water District	January 2015 So Cal Watersmart Residential rebate program	23,388.53
04/13/15	El Toro Water District	February 2015 So Cal Watersmart Residential rebate program	1,509.05
04/24/15	Golden State Water Company	February 2015 So Cal Watersmart Residential rebate program	2,809.00
04/27/15	Trabuco Canyon Water District	February 2015 So Cal Watersmart Residential rebate program	250.00
04/30/15	Irvine Ranch Water District	February 2015 So Cal Watersmart Residential rebate program	31,981.37
04/13/15	Moulton Niguel Water District	Aug 2014-Feb 2015 Spray to Drip Commercial rebate program	8,152.20
04/13/15	Moulton Niguel Water District	Aug 2014-Jan 2015 Spray to Drip Residential rebate program	754.54
04/01/15	Bureau of Reclamation	Oct-Dec 2014 Industrial Process Water Use Phs 1 Final invoice	23,882.08
04/03/15	City of Anaheim	July-December 2014 School billing	10,707.20

TOTAL MISCELLANEOUS REVENUES \$ 219,339.17

TOTAL REVENUES \$ 11,713,147.28



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1064	March 2015 Legal consulting on water policy issues	2,775.00
1067	April 2015 Legal consulting on water policy issues	2,575.00
	*** Total ***	5,350.00
	Adapt Consulting, Inc	
21832B	3,000 California Poppy seed packs promotional item	1,185.00
	*** Total ***	1,185.00
	Aleshire & Wynder LLP	
32528	March 2015 Legal services	2,284.10
	*** Total ***	2,284.10
	Alliance Resource Consulting	
MWDOC-03-01/02	April 2015 Services to recruit for the Director of Public Affairs position	9,000.00
	*** Total ***	9,000.00
	ALTA FoodCraft	
515041112	4/10/15 Coffee & tea supplies	347.09
	*** Total ***	347.09
	Best Best and Krieger LLP	
55401-MAR15	March 2015 Legal services	20,366.50
	*** Total ***	20,366.50
	CDM Smith	
80520747/4	March 2015 Engineering services for Water Reliability Investigation	6,465.00
	*** Total ***	6,465.00
	Creative Mgmt Solutions, Inc.	
#2	March 2015 Services for 2015 Compensation Plan update	4,200.00
	*** Total ***	4,200.00
	Finley & Cook PLLC	
SI0008833	6/5/15-6/5/16 Annual license fee for Jet Reports	957.60
	*** Total ***	957.60
	Fry's Electronics	
20795820	4/24/15 Computer supplies	175.72
	*** Total ***	175.72

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	G&E Engineering Systems, Inc.	
120.01-1	April 2015 Services for Siesmic Vulnerability and Recovery Assessment of North Orange County water supply system	19,859.31
	*** Total ***	19,859.31
	Ronald R. Gastelum	
MAR2015	March 2015 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	Genisys Corporation	
049690	1 Network server adapter	155.62
	*** Total ***	155.62
	Irvine Window Cleaning	
2733	4/7/15 Interior and exterior window cleaning	225.00
	*** Total ***	225.00
	Independent Special Dist of OC	
043015-APR15	April 2015 PayPal receipts for 4/30/15 meeting	493.05
	*** Total ***	493.05
	James C. Barker, P.C.	
105-0415	April 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Karen's Detail Custom Frames	
2632	Custom framing for Director photo	81.00
	*** Total ***	81.00
	Lewis Consulting Group, LLC	
1408	March 2015 Consulting services	4,687.50
1411	April 2015 Consulting services	3,812.50
	*** Total ***	8,500.00
	LexisNexis	
3190002874	2015 Renewal for web-based legislative tracking service	1,740.00
	*** Total ***	1,740.00
	Edward G. Means III	
MWDOC-1027	March 2015 Support on MET issues & strategic guidance to Engineering department	1,250.00
MWDOC-1028	April 2015 Support on MET issues & strategic guidance to Engineering department	2,062.50
	*** Total ***	3,312.50
	MyBinding.com	
100478705	Binding machine supplies	167.38
	*** Total ***	167.38

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	OCPC	
126184	2 Imprinted table covers for MWDOC events	803.21
	*** Total ***	803.21
	Orange County Water District	
14924	March 2015 50% of WACO expenses	225.00
14943	March 2015 Postage, shared office & maintenance expense	11,839.08
	*** Total ***	12,064.08
	Office Solutions	
I-00757698	4/6/15 Office supplies	53.99
I-00760605	4/13/15 Office supplies	129.60
I-00763560	4/23/15 Office supplies	847.48
I-00767591	4/28/15 Office supplies	84.07
I-00771545	5/6/15 Office supplies	135.39
	*** Total ***	1,250.53
	Top Hat Productions	
90259	4/16/15 Lunch for Managers's meeting	403.38
	*** Total ***	403.38
	Townsend Public Affairs, Inc.	
10755	April 2015 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	U. S. HealthWorks Medical Group	
2687544-CA	4/10/15 New hire pre-employment exam	160.00
	*** Total ***	160.00
	USA Fact	
5042429	4/18/15 New hire background check	23.22
	*** Total ***	23.22
	Total Core Expenditures	<hr/> 122,569.29

Choice Expenditures:

	Chambers Group Inc.	
29639	March 2015 Baseline environmental monitoring for Doheny Ocean Desal project	3,467.50
	*** Total ***	3,467.50
	Discovery Science Center	
033115MWDOC	March 2015 School program	35,493.27
	*** Total ***	35,493.27

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Fraser Communications	
15674	March 2015 Services for implementation of Value of Water plan	23,859.78
	*** Total ***	23,859.78
	Top Hat Productions	
90204	4/2/15 Lunch for WUE Workgroup meeting	357.37
	*** Total ***	357.37
	Total Choice Expenditures	<hr/> 63,177.92
Other Funds Expenditures:		
	AquaFicient Consulting	
02-071	March 2015 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	1,500.00
	Catalina Island Conservancy	
11328	2/5/15 Transportation provided for service technician to access radio repeater site	340.00
	*** Total ***	340.00
	ConserVision Consulting, LLC	
LPCP-229	March 2015 Consulting services for Landscape Performance Certification program	7,485.75
	*** Total ***	7,485.75
	The Ecology Center	
ECOL-1	1/1/15-2/16/15 Rain Barrel Distribution program-19 Rain barrels distributed	1,425.00
	*** Total ***	1,425.00
	GovConnection, Inc.	
52610386	12 Single-line phones for WEROC EOCs	469.80
	*** Total ***	469.80
	Hotel Program	
Y617677/Y619240	Accend Energy, Inc. (Hilton Garden Inn - Garden Grove)	8,350.00
	*** Total ***	8,350.00
	Laguna Beach County Water District	
LBCWD002	9/22/14-3/25/15 Rain Barrel Distribution program-82 Rain barrels distributed	12,300.00
	*** Total ***	12,300.00
	Mega Maids	
6971	April 2015 Cleaning services for WEROC S. EOC	140.00
6972	April 2015 Cleaning services for WEROC N. EOC	140.00
	*** Total ***	280.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mission RCD</i>	
1755	March 2015 Field verifications for Water Use Efficiency rebate programs	27,748.81
	*** Total ***	27,748.81
	<i>Office Solutions</i>	
I-00767331	4/27/15 Office supplies for WEROC	175.14
I-00767763	4/28/15 Office supplies for WEROC	22.65
	*** Total ***	197.79
	<i>South Coast Water District</i>	
SCWD-14/15-1RB	1/1/15-3/31/15 Rain Barrel Distribution program-61 Rain barrels distributed	4,575.00
SCWD-14/15-5R	2/01/15-2/28/15 Residential Targeted Water Conservation program-MET funded	7,249.00
SCWD-14/15-6R	3/01/15-3/31/15 Residential Targeted Water Conservation program-MET Funded	19,450.00
3	2/01/15-2/24/15 Residential Targeted Water Conservation program-Grant funded	2,400.00
4	3/01/15-3/31/15 Residential Targeted Water Conservation program-Grant funded	2,700.00
	*** Total ***	36,374.00
	<i>Spray to Drip Program</i>	
S2D-BREA-1040	M. Jambusaria	175.00
S2D-FVLY-1006	L. Tisu	350.00
S2DC-MNWD-1001	Baja Finistera HOA (Lake Forest)	3,381.60
S2DC-MNWD-1001	Kite Hill Community Assoc. (Laguna Niguel)	108.00
S2D-MNWD-3020	B. Ngo	269.20
S2D-SCWD-1013	D. Zukowski	310.97
S2D-SCWD-1047	T. & C. Kartchner	525.00
S2D-SMWD-1034	N. Malik	350.00
S2D-SMWD-1041	D. Boihem	525.00
S2D-SMWD-3040	G. Venanzi	525.00
S2D-TSTN-1007	C. Suh	175.00
S2D-TSTN-1032	J. Arrington	525.00
	*** Total ***	7,219.77
	<i>Turf Removal Program</i>	
TR5W-BP-2407	Y. Oh	686.00
TR5-BREA-033	R. Moore	975.00
TR5-BREA-035	L. DiCesaris	1,530.00
TR5W-BREA-1805	E. Hallman	6,381.00
TR5W-BREA-2400	L. Donovan	6,159.00
TR5W-BREA-3525	P. Orland	4,350.00
TR5-WEST-011	R. Cowley	1,508.00
TR5-ET-018	Golden Rain Foundation (Laguna Woods)	16,176.00
TR5W-ETWD-2088	Aliso Park HOA (Lake Forest)	24,714.00
TR5W-ETWD-2435	R. Stock	1,998.00
TR5W-ETWD-2556	M. Juhl	936.00
TR5W-ETWD-2727	T. Tuchsche	1,590.75
TR5W-ETWD-3208	M. Montagna	2,904.00
TR5W-FV-2721	S. Kibel	806.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-FV-3122	L. Tisu	3,866.00
TR5W-FV-3623	L. Shaw	726.00
TR5W-GG-3025	A. White	3,216.00
TR5W-GG-3046	B. McIntosh	3,648.00
TR5-GSWC-074	R. Hollis	1,830.00
TR5-GSWC-092	Cypress Management Company (International Paper)	15,474.00
TR5-GSWC-093	Cypress Management Company (Mary Kay Cosmetics)	45,132.00
TR5-GSWC-101	H. Miyashiro	2,976.00
TR5-GSWC-102	W. Andreen	1,356.00
TR5W-GSWC-1286	R. Werbick	3,018.00
TR5W-GSWC-1630A	M. Metcalfe	119.68
TR5W-GSWC-2194	S. Edrich	5,444.00
TR5W-GSWC-2374	R. Arie	2,304.00
TR5W-GSWC-2637	P. Cheung	1,008.00
TR5W-GSWC-2752	C. Hause	3,926.00
TR5W-GSWC-2922528	R. Graether	1,350.00
TR5W-GSWC-3222	C. Goh	1,104.00
TR5W-GSWC-3297	W. Stewart	778.00
TR5W-GSWC-3335	D. Garcia	1,104.00
TR5-HB-096	N. Enright	3,618.00
TR5-HB-103	D. Prohaska	1,548.00
TR5-HB-105	P. Wade	1,228.00
TR5-HB-107	R. Miller	508.00
TR5-HB-113	T. Marlow	1,620.00
TR5-HB-116	C. Levin	1,422.00
TR5W-HB-2687	R. Frederickson	1,700.00
TR5W-HB-2757	J. Walsh	800.00
TR5W-HB-3134	R. Hunter	864.00
TR5W-HB-3217	TK Real Estate	1,992.00
TR5W-HB-3219	F. Furry	1,200.00
TR5W-HB-3224	D. Stair	1,012.00
TR5W-HB-3337	M. Conley	596.00
TR5W-HB-3346	J. Judge	604.00
TR5W-HB-3364	C. Hendricks	1,570.00
TR5W-HB-3366	W. Kanbara	2,320.00
TR5W-HB-3448	W. Calhoun	1,674.00
TR5W-HB-3456	J. Zenk	1,504.00
TR5W-HB-3610	S. Singer	2,148.00
TR5W-HB-3639	J. Dorman	922.00
TR5-IRWD-258	I. Ali	708.00
TR5-IRWD-273A	Harvard Square Maint. Assn. (Irvine)	30,900.00
TR5-IRWD-273B	Harvard Square Maint. Assn. (Irvine)	12,004.00
TR5-IRWD-273D	Harvard Square Maint. Assn. (Irvine)	12,440.00
TR5-IRWD-326	J. Sears	674.00
TR5-IRWD-331	M. Drinkwater	1,150.00
TR5W-IRWD-1096D	A. Jabara	250.00
TR5W-IRWD-1926D	G. Ashton	1,426.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-IRWD-2229	K. Gentile	502.00
TR5W-IRWD-2333	C. Olson	712.00
TR5W-IRWD-2448D	E. McCollum	40.00
TR5W-IRWD-2477	J. Passamano	1,608.00
TR5W-IRWD-2667	A. Cheng	932.00
TR5W-IRWD-2683	Irvine Co. (Irvine)	5,260.00
TR5W-IRWD-2962022	Northwood Horizon Homeowners (Irvine)	13,794.00
TR5W-IRWD-3028	S. Rynders	894.00
TR5W-IRWD-3192	K. Beckmann	1,396.00
TR5W-IRWD-3373	C. Leontiev	1,336.00
TR5W-IRWD-3435	C. Sukert	9,520.00
TR5W-IRWD-3465	R. Mills	1,992.00
TR5W-IRWD-3531	S. Keith	874.00
TR5W-IRWD-3582	R. Eisen	1,444.00
TR5W-LB-1043D	J. Schroeder	2,370.00
TR5-LH-012	W. Mahoney	2,400.00
TR5-MESA-056	M. Yule	1,260.00
TR5-MESA-063	S. Jacques	5,250.00
TR5-MESA-069	C. Pelletier	908.00
TR5W-MESA-3012	C. Wright	5,486.00
TR5-MNT-163A	Rancho Niguel HOA (Laguna Niguel)	11,140.50
TR5-MNT-163B	Rancho Niguel HOA (Laguna Niguel)	13,234.50
TR5W-MNT-2095	M. Jansta	735.00
TR5W-MNT-2482	K. Reed	4,812.50
TR5W-MNT-2572	D. Weiss	3,830.00
TR5W-MNT-2634	L. Damonte	2,478.00
TR5W-MNT-2654	D. Calvert	11,735.00
TR5W-MNT-2670	M. Sahni	6,775.00
TR5W-MNT-2671	L. Folks	1,330.00
TR5W-MNT-2680	B. Naderi	9,295.00
TR5W-MNT-2952568	G. Craycraft	5,495.00
TR5W-MNT-3133	D. Witter	1,350.00
TR5W-MNT-3204	H. Paige	2,877.00
TR5W-MNT-3210	M. Towhidian	5,558.00
TR5W-MNT-3216	V. Lostrom	4,225.00
TR5W-MNT-3307	C. Bradford	4,241.46
TR5W-MNT-3356	K. Lui	2,207.00
TR5W-MNT-3442	A. Krishna	1,375.00
TR5W-MNT-3500	J. Robertson	3,790.00
TR5W-MNT-3570	D. Luckman	2,125.00
TR5W-MNWD-1119D	L. Donatich	3,615.00
TR5-NWPT-008	C. Kopitzke	2,280.00
TR5W-NWPT-2442	G. Gardner	2,020.00
TR5W-NWPT-3034	J. Laufer	2,380.00
TR5W-NWPT-3115	P. Percival	2,528.00
TR5W-NWPT-3408	M. & K. Stassel	2,560.00
TR5W-NWPT-3506	E. Ulyett	880.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-O-1213D	City Terrace Assoc., LTD (Orange)	81,184.00
TR5W-O-1626	P. Buttress	578.00
TR5W-O-2253	J. Woody	1,504.00
TR5W-O-2695	N. Juliani	1,534.00
TR5W-O-2710	C. Bishop	2,386.00
TR5W-O-3106	B. Praet	5,896.00
TR5W-O-3270	G. Davis	3,680.00
TR5W-O-3298	J. Jaswell	1,346.00
TR5W-O-3319	D. Morse	536.00
TR5-SC-102	J. Valentine	1,330.00
TR5W-SC-1503	T. O'Neill	810.00
TR5W-SC-2139	L. Hopper	1,852.00
TR5W-SC-2471	B. Panas	3,921.70
TR5W-SC-2605	J. Kemp	1,084.00
TR5W-SC-2644	R. Unique	750.00
TR5W-SC-3059	R. Guilliams	1,004.00
TR5W-SC-3117	J. Stafford	752.00
TR5W-SC-3186	M. Nicholson	864.00
TR5W-SC-3264	R. O'Malley	584.00
TR5W-SC-3294	K. Holmes	2,208.00
TR5-SJC-034	D. Michael	1,154.00
TR5-SJC-050	L. Kramer	930.00
TR5W-SJC-1404	R. Howe	4,466.00
TR5W-SJC-2117	Mesa & Loma Vista Park (San Juan Capistrano)	23,166.00
TR5W-SJC-2579	Village San Juan HOA (San Juan Capistrano)	4,392.00
TR5W-SJC-3561	J. Balaban	818.00
TR5-SM-127	CZ Master Association (Trabuco Canyon)	17,400.00
TR5-SM-128	CZ Master Association (Trabuco Canyon)	35,000.00
TR5-SM-129	CZ Master Association (Trabuco Canyon)	5,738.00
TR5-SM-180	F. Shaker	210.00
TR5-SM-183	J. Billings	1,132.00
TR5W-SM-1292	C. Thomas	292.00
TR5W-SM-1872	G. Kuhl	1,922.00
TR5W-SM-2181	C. Coker	772.00
TR5W-SM-2246	C. Nguyen	1,136.00
TR5W-SM-2487	J. Safabash	7,762.00
TR5W-SM-2594	D. McCall	2,208.00
TR5W-SM-2703	G. Christensen	1,328.00
TR5W-SM-2732	T. Real	1,098.00
TR5W-SM-2755	R. Herr	2,520.00
TR5W-SM-3088	S. McClaine	690.00
TR5W-SM-3415	J. Giampolo	338.00
TR5W-SM-3508	J. O'Connell	1,650.00
TR5W-SM-3548	M. Croft	976.00
TR5W-SM-3694	K. Cancio	848.00
TR5W-SM-3716	J. Leontas	690.00
TR5W-SOCO-073	J. Beyer	572.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-SOCO-1134D	Niguel Shores Community Association (Dana Point)	294,858.00
TR5W-SOCO-2694	M. Ellis	610.00
TR5W-SOCO-3368	J. Boehm	1,674.00
TR5W-SOCO-3436	L. Nguyen	1,476.00
TR5W-SWD-2724	C. Covington	8,696.00
TR5-TUST-015	M. Feliciano	1,912.00
TR5W-TUST-1679	K. Rowe	3,026.00
TR5W-TUST-2316	D. Robinson	2,322.00
TR5W-TUST-2464	SEBCO, Inc. (Tustin)	20,644.00
TR5W-TUST-3137	D. Paschall	2,356.00
TR5W-WEST-1068	WRI West Gate South (Westminster)	40,534.00
TR5W-YLWD-1281	L. McCool	792.00
TR5W-YLWD-3052	S. Marion	4,456.00
TR5W-YLWD-3054	S. Johnson	2,006.00
	*** Total ***	1,048,719.09
	Total Other Funds Expenditures	1,152,410.01
	Total Expenditures	1,338,157.22

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
128266	4/8/15	TIMEWA	Time Warner Cable	
		5210-APR15	April 2015 Telephone and internet expense	941.59
			***Total ***	941.59
	4/15/15	ACKEEX	Linda Ackerman	
128267		033115	March 2015 Business expense	81.65
128268		MAR2015	March 2015 MET Director compensation	2,565.50
			***Total ***	2,647.15
128274	4/15/15	BELLRI	Richard Bell	
		022815	February 2015 Business expense	41.00
			***Total ***	41.00
128278	4/15/15	DELAGE	De Lage Landen Public Finance	
		44977454	April 2015 Canon copier lease	509.00
			***Total ***	509.00
128279	4/15/15	DINHPA	Patrick Dinh	
		040715	March 2015 Business expense	27.45
			***Total ***	27.45
128283	4/15/15	IRONMO	Iron Mountain	
		LHJ8921	April 2015 Storage/retrieval of archived documents	446.18
			***Total ***	446.18
128288	4/15/15	TIMEWA	Time Warner Cable	
		3564-APR15	April 2015 Telephone expense for 4 analog fax lines	140.38
			***Total ***	140.38
	4/15/15	BARBCO	Brett Barbre	
ACH001401		MAR2015	March 2015 MET Director compensation	2,565.50
ACH001402		033115	March 2015 Business expense	243.23
			***Total ***	2,808.73
	4/15/15	DICKCO	Larry Dick	
ACH001405		MAR2015	March 2015 MET Director compensation	2,565.50
ACH001406		033115	March 2015 Business expense	185.77
			***Total ***	2,751.27
ACH001411	4/15/15	BAEZHE	Heather Baez	
		033115	March 2015 Business expense	139.19
			***Total ***	139.19

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001412	4/15/15	CHUMPI 033115	Hilary Chumpitazi March 2015 Business expense ***Total ***	 318.62 318.62
ACH001413	4/15/15	HINMAN 033115	Susan Hinman March 2015 Business expense ***Total ***	 380.80 380.80
ACH001414	4/15/15	MCKECO MAR2015	Larry B. McKenney March 2015 MET Director compensation ***Total ***	 2,565.50 2,565.50
ACH001415	4/15/15	GUTIER 033115	Marey Gutierrez March 2015 Business expense ***Total ***	 58.80 58.80
ACH001429	4/15/15	HUNTER 022715	Robert J. Hunter February 2015 Business expense ***Total ***	 5.53 5.53
ACH001430	4/15/15	SECKEL 030115	Karl Seckel December 2014-February 2015 Business expense ***Total ***	 128.49 128.49
ACH001432	4/15/15	THOMAS 033115	Jeffery Thomas March 2015 Business expense ***Total ***	 104.65 104.65
ACH001435	4/15/15	VERIZO 9742828220	Verizon Wireless March 2015 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
128542	4/30/15	C3OFFI INV37226	C3 Office Solutions LLC April 2015 Canon copier maintenance ***Total ***	 310.71 310.71
128546	4/30/15	DINHPA 040715A	Patrick Dinh April 2015 Business expense ***Total ***	 34.50 34.50
128549	4/30/15	USBANK 6533-MAR15	U.S. Bank 2/23/15-3/23/15 Cal Card charges ***Total *** (See attached sheet for details)	 13,713.61 13,713.61

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001437	4/30/15	BACATI	Tiffany Baca	
		040815	March-April 2015 Business expense	168.33
			***Total ***	168.33
ACH001438	4/30/15	BERGJO	Joseph Berg	
		040815	March-April 2015 Business expense	48.21
			***Total ***	48.21
	4/30/15	FINNEG	Joan Finnegan	
ACH001439		033115	March 2015 Business expense	131.23
ACH001440		022815	February 2015 Business expense	88.68
			***Total ***	219.91
ACH001441	4/30/15	HARRIS	Cathleen M. Harris	
		043015	April 2014 Business expense	216.00
			***Total ***	216.00
Total Core Disbursements				28,763.61

Choice Disbursements:

128548	4/30/15	SDGE	San Diego Gas and Electric	
		7768-APR15	3/22/15-4/21/15 Electrical service for Doheny Desal project	219.81
			***Total ***	219.81
Total Choice Disbursements				219.81

Other Funds Disbursements:

128272	4/15/15	ATTUVEOC	AT&T	
		8599-APR15	April 2015 U-verse internet service for N. EOC	45.00
			***Total ***	45.00
128285	4/15/15	MESAWA	Mesa Water	
		8464	February 2015 Water deliveries credit for Local Resources program	5,126.33
			***Total ***	5,126.33
ACH001404	4/15/15	STOCKB	Brandon Stock	
		033115	March 2015 Business expense	70.27
			***Total ***	70.27

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
128541	4/30/15	ATTEOC	AT&T	
		4492-APR15	April 2015 S. EOC telephone expense	226.80
		8200-APR15	April 2015 N. EOC telephone expense	166.18
		0532-APR15	April 2015 N. EOC dedicated phone line	56.70
			***Total ***	449.68
128543	4/30/15	CATALI	Catalina Island Conservancy	
		11305	April 2015 WEROC radio repeater site lease	1,558.54
			***Total ***	1,558.54
128549	4/30/15	USBANK	U.S. Bank	
		5783-MAR15	2/23/15-3/23/15 Cal Card charges	564.51
			***Total ***	564.51
			(See attached sheet for details)	
ACH001442	4/30/15	HUBBAR	Kelly Hubbard	
		033115	February-March 2015 Business expense	120.67
			***Total ***	120.67
ACH001446	4/30/15	SANTAM	Santa Margarita Water District	
		FEB2015	February 2015 SCP Operation surcharge	18,199.41
			***Total ***	18,199.41
ACH001447	4/30/15	SPRINT	Sprint	
		320982721-128	April 2015 WEROC cell phone expense	42.23
			***Total ***	42.23
WIRE-150430	4/30/15	METWAT	Metropolitan Water District	
		8288	February 2015 Water deliveries	10,489,681.63
			***Total ***	10,489,681.63
			Total Other Funds Disbursements	10,515,858.27
			Total Disbursements	10,544,841.69



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: March 23, 2015
Payment Date: April 30, 2015

Date	Description	Amount
<u>K. Seckel Card</u>		
02/23/15	5 Toner cartridges for Ricoh color printer	\$ 334.80
02/24/15	Packaging for FedEx shipment on Feb. 23, 2015	13.49
02/24/15	UPS delivery charges for Board & Committee packets on Feb. 12, 2015	7.71
02/23/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Airfare seat charge for R. Hunter	155.62
02/24/15	Fred Pryor seminar in Anaheim, CA on Mar. 26, 2015 - Registration for P. Dinh	179.00
02/24/15	Apple iPad repair	160.00
02/25/15	FedEx delivery charges for Feb. 25, 2015 DC Luncheon presentation items	434.02
02/25/15	Lunch for O.C. MET Managers' meeting	138.44
02/25/15	California Water Policy conference in Claremont, CA from Mar. 19-20, 2015 - Registration for R. Bell	399.00
02/23/15	2 AWWA Water Audits and Loss Control Programs books	189.50
02/25/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Airfare change for Director Tamaribuchi	1,100.00
02/25/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Airfare seat charge for R. Hunter	80.93
02/26/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Accommodations for H. Baez	963.06
02/26/15	Annual subscription for SurveyMonkey software	228.00
02/26/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Refund for airfare seat charge for R. Hunter	(77.81)
02/28/15	Legislative activities in Sacramento, CA on Feb. 27, 2015 - Accommodations for H. Baez	183.00
02/26/15	Cal Desal Board meeting in Sacramento, CA on Mar. 26, 2015 - Airfare for K. Seckel	261.20
02/26/15	Legislative activities in Washington, DC from Feb. 24-26, 2015 - Accommodations for Director Barbre	706.78 1
02/27/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Accommodations for R. Hunter	1,319.77
02/27/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Accommodations for Director Tamaribuchi	1,267.53
02/27/15	Partners in Emergency Preparedness conference in Tacoma, WA from Apr. 13-16, 2015- Airfare for K. Hubbard	295.20
03/03/15	UPS delivery charges for Board & Committee packets on Feb. 24, 2015	61.11
03/02/15	ACWA State Legislative Committee meeting in Sacramento, CA on April 10, 2015 - Airfare for H. Baez	498.20
03/02/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Airfare for H. Baez	454.20
03/04/15	California Emergency Services Association 2015 membership for B. Stock	75.00

Cal Card Statement Detail
Statement Date: March 23, 2015
Payment Date: April 30, 2015

Date	Description	Amount
03/05/15	California Association of Public Information Officials - Refund for canceled membership	(200.00)
03/05/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Accommodations for H. Baez	288.91
03/05/15	ACWA Legislative symposium in Sacramento, CA on Mar. 4, 2015 - Accommodations for Director Tamaribuchi	183.00
03/09/15	FedEx delivery charges for Feb. 25, 2015 DC Luncheon to return presentation items	72.43
03/09/15	Monthly license fee for Adobe Creative Cloud software	119.97
03/10/15	UPS delivery charges for Board & Committee packets on Jan. 30, Feb. 10 & 26, 2015	64.70
03/12/15	Public Agency Risk Managers Association annual membership renewal	75.00
03/14/15	FedEx delivery charges for Board of Supervisors on Mar. 12, 2015	14.94
03/17/15	UPS delivery charges for Board & Committee packets on Mar. 10, 2015	59.85
03/18/15	American Water Works Association Sustainable Water Management conference in Portland, OR from Mar. 16-18, 2015 - Accommodations for M. Baum-Haley	285.11
03/18/15	Governmental Accounting, Auditing & Financial Reporting e-book	129.00
03/19/15	2 Roku 3 Streaming Players for WEROC	194.31
03/19/15	Regal movie tickets for employee purchase	808.00
03/19/15	Government Finance Officers Association New Pension Accounting internet training - Registration for H. Chumpitazi	85.00
03/20/15	Annual maintenance for Ricoh color printer	350.00
03/20/15	Sympathy flowers	133.14
03/20/15	The Bond Buyer's Annual conference in San Francisco, CA from Oct. 21-23, 2015 - Registration for Director Barbre	95.00
03/20/15	Southern California Water Committee Quarterly meeting in Rancho Santa Margarita, CA on April 24, 2015 - Registration for H. Baez	70.00
03/20/15	California Special Districts Association 2015 Special Districts Legislative Days in Sacramento, CA from May 19-20, 2015 - Registration for H. Baez	175.00
03/22/15	California Special Districts Association 2015 Special Districts Legislative Days in Sacramento, CA from May 19-20, 2015 - Accommodations for H. Baez	328.01
Total		<u>\$ 12,759.12</u>

¹ Director Barbre reimbursed MWDOC \$200.12

Cal Card Statement Detail
Statement Date: March 23, 2015
Payment Date: April 30, 2015

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>R. Hunter Card</u>		
02/23/15-03/23/15	Meals for R. Hunter's meetings on various dates	\$ 249.67
02/26/15-02/27/15	ACWA DC conference in Washington, DC from Feb. 25-26, 2015 - Parking & transportation for R. Hunter	131.70
02/25/15	ACWA DC dinner on Feb. 25, 2015	1,137.63
Total		<u><u>\$ 1,519.00</u></u>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
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Core Disbursements:

Total Core Disbursements 0.00

Choice Disbursements:

Total Choice Disbursements 0.00

Other Funds Disbursements:

Total Other Funds Disbursements 0.00

Total Disbursements 0.00

No items to report


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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



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

March 31, 2015

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

(714) 963-3058

Fax: (714) 964-9389

www.mwdoc.com

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	32.34%
Grant & Project Cash Flow	1,000,000	14.42%
Building Repair	239,491	3.45%
Total Designated Reserves	3,482,913	50.21%
General Fund	4,179,780	60.26%
Water Fund	4,245,523	61.20%
Conservation Fund	(5,320,258)	-76.70%
Desalination Feasibility Study Fund	222,385	3.21%
WEROC Fund	125,777	1.81%
Trustee Activities	562	0.01%
Total	\$6,936,682	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	8.23%	\$570,573	\$570,573
Short-term investment			
• LAIF	0.14%	\$9,714	\$9,714
• OCIP	46.92%	3,255,067	3,255,067
Long-term investment			
• Misc. Securities	21.64%	1,501,328	1,522,360
• Certificates of Deposit	15.86%	1,100,000	1,103,889
• Federal Agency Issues	7.21%	500,000	500,005
Total	100.00%	\$6,936,682	\$6,961,608

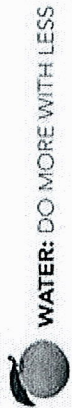
The average number of days to maturity/call as of March 31, 2015 equaled 238 and the average yield to maturity is 1.323%. During the month, the District's average daily balance was \$13,846,260.59. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of March 2015.

The \$24,926 difference between the book value and the market value on March 31, 2015 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary March 31, 2015


3/31/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,103,889.00	1,100,000.00	17.28	1080	1.459
Federal Agency Issues - Step Up	500,000.00	500,005.00	500,000.00	7.86	30	1.737
Local Agency Investment Funds	9,713.72	9,713.72	9,713.72	0.15	1	0.278
Miscellaneous Securities - Coupon	1,500,000.00	1,522,360.00	1,501,328.06	23.57	207	3.122
Orange County Investment Pool	3,255,066.91	3,255,066.91	3,255,066.91	51.14	1	0.387
Total Investments	6,364,780.63	6,391,034.63	6,366,108.69	100.00%	238	1.323
Cash						
Passbook Checking	570,572.89	570,572.89	570,572.89		1	0.00
Total Cash and Investments	6,935,353.52	6,961,607.52	6,936,681.58		238	1.323

Total Earnings	Month Ending March	Fiscal Year to Date
Current Year	8,469.83	92,563.16
Average Daily Balance	13,846,260.59	
Effective Rate of Return	1.323%	

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.

 5-7-15

Robert J. Hunter, General Manager Date

 05/05/2015

Date

Hilary Chumtazi, Treasurer

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

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,010.00	250,000.00	1.150	1.150	846	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	251,080.00	250,000.00	1.600	1.600	1210	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	250,002.50	250,000.00	1.200	1.200	847	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,339.00	100,000.00	1.050	1.050	664	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	252,457.50	250,000.00	2.050	2.050	1582	7/30/2019
Sub Total			1,100,000.00	1,103,889.00	1,100,000.00	1.459	1.459	1080	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	252,972.50	250,680.61	3.700	3.000	154	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	251,617.50	250,380.82	3.400	2.700	85	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	510,045.00	500,425.55	3.125	3.007	286	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	507,725.00	499,841.08	3.450	3.508	216	11/2/2015
Sub Total			1,500,000.00	1,522,360.00	1,501,328.06	3.375	3.122	207	
Federal Agency Issues - Step Up									
Federal Home Ln Mtg Corp	3134G5XZ3	1/30/2015	500,000.00	500,005.00	500,000.00	0.500	1.737	30	1/30/2018
Sub Total			500,000.00	500,005.00	500,000.00	0.50	1.737	30	
Total Investments			3,100,000.00	3,126,254.00	3,101,328.06	2.231	2.308	488	

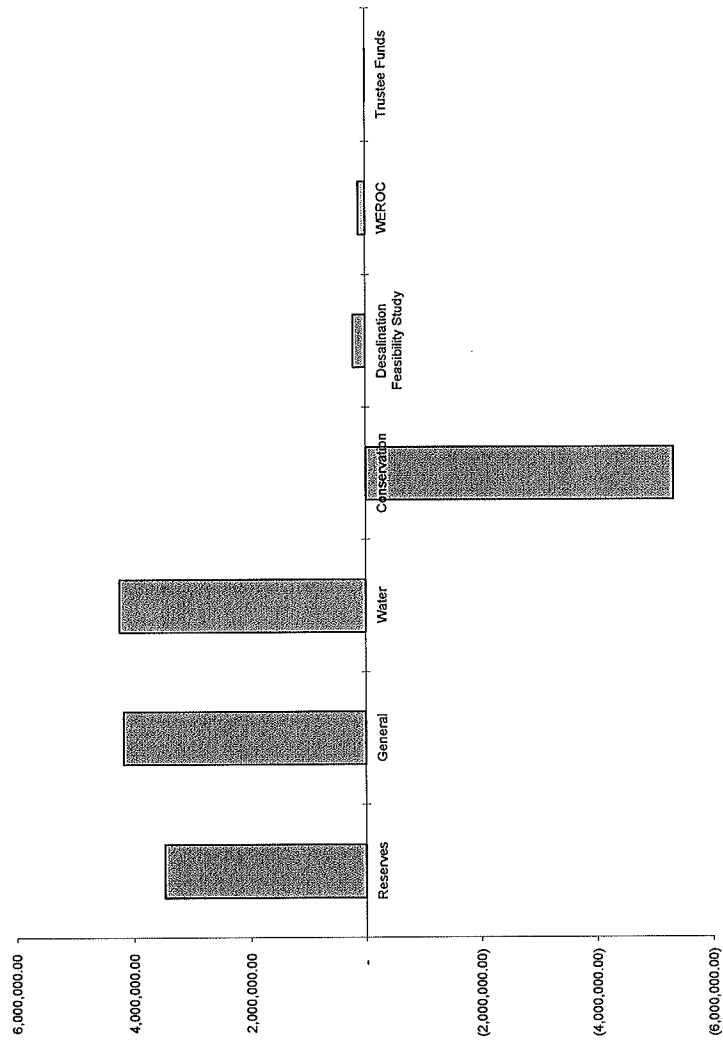
Total Earnings			Month Ending March	Fiscal Year To Date
Current Year			5,926.80	57,793.87

March 31, 2015

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	9,713.72	9,713.72	9,713.72	0.278	0.278	1	N/A
Sub Total			9,713.72	9,713.72	9,713.72	0.278	0.278	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,255,066.91	3,255,066.91	3,255,066.91	0.387	0.387	1	N/A
Sub Total			3,255,066.91	3,255,066.91	3,255,066.91	0.387	0.387	1	
Total Investments									
			3,264,780.63	3,264,780.63	3,264,780.63	0.387	0.387		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	570,072.89	570,072.89	570,072.89	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
Total Cash			570,572.89	570,572.89	570,572.89	0.000	0.000	1	
Total Cash and Investments									
			3,835,353.52	3,835,353.52	3,835,353.52	0.387	0.387	1	
Total Earnings									
Current Year			2,543.03		Fiscal Year To Date				
					34,769.29				

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

ALLOCATION	AMOUNT	%	
MWDOC			
Designated Reserves			
General	\$ 2,243,422	32.34%	
Grant & Project Cash Flow	1,000,000	14.42%	
Building Repair	239,491	3.45%	
Total Designated Reserves	3,482,913	50.21%	
General	4,179,780	60.26%	
Water	4,245,523	61.20%	
Conservation	(5,320,258)	-76.70%	
Desalination Feasibility Study	222,385	3.21%	
WEROC	125,777	1.81%	
TOTAL MWDOC	\$ 6,936,120	99.99%	
TRUSTEE ACTIVITIES			
AMP Sales Admin	\$ 562	0.01%	
TOTAL TRUSTEE ACTIVITIES	\$ 562	0.01%	
TOTAL CASH & INVESTMENTS	\$ 6,936,682	100.00%	



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Monthly Account Report for the Period**
3/1/2015 to 3/31/2015Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 3/1/2015	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 3/31/2015
Employer Contribution	\$1,149,395.03	\$0.00	-\$1,768.31	\$558.35	\$0.00	\$0.00	\$1,147,068.37
Totals	\$1,149,395.03	\$0.00	-\$1,768.31	\$558.35	\$0.00	\$0.00	\$1,147,068.37

Investment Selection

Moderate HighMark PLUS

Investment Objective

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

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
-0.15%	2.47%	5.89%	8.32%	-	-	10/26/2011

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

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

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

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 4/30/15

Cash - Beginning Balance	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
\$	219,315.71	\$ 149,503.52	\$ 117,166.51	\$ (72,752.89)	\$ (515,992.26)	\$ (1,608,905.27)	\$ (1,749,480.08)	\$ (2,229,756.57)	\$ (4,265,760.81)	\$ (5,320,257.77)	\$ (5,391,808.45)	\$ (5,391,808.45)	
REVENUES:													
BUREC					160,398.14					23,882.08			\$ 184,280.22
City of Brea	3,448.00	328.00		69.00		663.00		10,742.69	8,892.00				\$ 28,118.69
City of Buena Park					1,164.00	810.00		105.00	1,188.52	315.00			\$ 2,418.52
City of Fountain Valley							399.00						\$ 474.00
City of Fullerton	75.00	75.00		75.00	468.30	150.00		303.10	75.00				\$ 2,448.63
City of Garden Grove		255.00	346.30	955.93		2,715.26	630.00	2,205.00	1,338.46	1,575.00			\$ 11,576.40
City of Huntington Beach			810.00	292.68	1,755.00	279.09		144.00					\$ 931.94
City of La Habra				433.85	75.00		744.00	528.18					\$ 2,322.18
City of San Clemente	600.00	1,965.00	2,145.00	105.00	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		2,636.35		1,474.40			\$ 12,345.75
City of Santa Ana		157.68			369.00		300.00		75.00				\$ 526.68
City of Tustin				225.00	300.00	189.00		144.00					\$ 600.00
City of Newport Beach	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				\$ 633.00
City of Orange													\$ 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		3,445.45			\$ 27,291.29
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	6,447.39	14,477.39	4,230.00	5,995.77			\$ 47,428.87
Inlive 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	62,078.17			\$ 409,961.48
Laguna Beach County Water District	328.00	1,130.00		885.00		3,237.00	210.00	642.00	3,097.98	838.00			\$ 10,367.98
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			1,183.00	11,158.91		241,505.68	54,391.59	1,177,019.97	626,336.64				\$ 2,253,787.35
Moulton Niguel Water District		142,191.56		789.98		19,737.78	88,537.25	49,215.05	23,710.79	32,295.27			\$ 214,430.12
Orange County Water District													\$ -
MWD OC									55,000.00				\$ 55,000.00
Santa Margarita Water District	1,092.20	4,782.20			5,299.96	37,784.70		4,481.78	4,753.00	273.20			\$ 58,467.04
Serrano Water District													\$ -
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	250.00			\$ 2,817.50
Yorba Linda Water District		213.00		351.00	645.00		516.10	894.00		114.43			\$ 2,733.53
Miscellaneous Revenues													
Miscellaneous	5,950.50			1,861.01									7,811.51
Interest Revenue	171.77			81.72									253.49
Total Revenues	\$ 83,233.51	\$ 188,359.81	\$ 52,917.47	\$ 81,010.78	\$ 234,624.86	\$ 414,565.85	\$ 107,721.71	\$ 150,883.34	\$ 1,314,830.05	\$ 758,877.41	\$ -	\$ -	\$ 3,386,524.79
EXPENDITURES:													
Aqueduct	1,500.00	1,500.00		3,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00			15,000.00
Autumn Print Group													311.74
Conservation Consulting, LLC	7,544.25	7,411.50		13,663.25	7,089.75		12,756.25	7,058.25	104.38	207.36			70,854.75
City of Newport Beach	2,968.00								7,571.25	7,760.25			2,968.00
El Toro WD													11,493.00
Executive Information Systems										11,493.00			584.00
Hotel Program		584.00											74,296.32
Immersive Media			5,151.92	27,674.40	839.99		12,050.00	27,870.00		1,550.00			839.99
Industrial Program													94,197.34
Inlive 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	21,674.09			222,012.32
Public Spaces program										80,680.00			80,680.00
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	7,232.02			95,362.85
Survey Gismo				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	2,324,248.13	696,005.37			8,130,156.41
URS		12,580.00		1,415.00	1,415.00	2,765.00			1,415.00	2,325.00			21,915.00
Waterwise Consulting		1,250.00							2,510.00				5,010.00
Miscellaneous Expenses													
Interest Expense							696.44						696.44
Salary & Benefit						589.88		1,712.72	1,761.99				19,047.90
Total Expenditures	\$ 153,045.70	\$ 220,696.82	\$ 242,836.87	\$ 524,250.15	\$ 1,327,537.87	\$ 555,140.66	\$ 587,998.20	\$ 2,186,387.58	\$ 2,369,327.01	\$ 830,428.09	\$ -	\$ -	\$ 8,997,648.95
Cash - Ending Balance	\$ 149,503.52	\$ 117,166.51	\$ (72,752.89)	\$ (515,992.26)	\$ (1,608,905.27)	\$ (1,749,480.08)	\$ (2,229,756.57)	\$ (4,265,760.81)	\$ (5,320,257.77)	\$ (5,391,808.45)	\$ (5,391,808.45)	\$ (5,391,808.45)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2014 THRU MARCH 31, 2015

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

<u>ASSETS</u>	Amount
Cash in Bank	570,572.89
Investments	6,366,108.69
Accounts Receivable	26,707,332.00
Accounts Receivable - Other	1,605,713.30
Accrued Interest Receivable	24,067.59
Prepays/Deposits	544,794.54
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,506,371.32)
Net OPEB Asset	37,041.00
	<hr/>
TOTAL ASSETS	\$36,899,768.59
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	22,332,273.74
Accounts Payable - Other	812.34
Accrued Salaries and Benefits Payable	338,147.20
Other Liabilities	2,787,409.71
Unearned Revenue	1,095,020.32
Total Liabilities	<hr/> 26,553,663.31 <hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	956,196.21
Total Restricted Fund Balances	<hr/> 956,196.21 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,280,462.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	<hr/> 3,519,953.66 <hr/>
GENERAL FUND	1,441,435.43
WEROC	55,774.88
Total Unrestricted Fund Balances	<hr/> 5,017,163.97 <hr/>
Excess Revenue over Expenditures	
Operating Fund	3,184,025.13
Other Funds	1,188,719.97
Total Fund Balance	<hr/> 10,346,105.28 <hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$36,899,768.59
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	<u>6,839.60</u>	<u>87,688.53</u>	<u>103,564.00</u>	<u>84.67%</u>	<u>0.00</u>	<u>15,875.47</u>
Water rate revenues	6,839.60	6,528,220.53	6,544,096.00	99.76%	0.00	15,875.47
Interest Revenue	<u>9,515.06</u>	<u>93,542.22</u>	<u>138,000.00</u>	<u>67.78%</u>	<u>0.00</u>	<u>44,457.78</u>
Subtotal	<u>16,354.66</u>	<u>6,621,762.75</u>	<u>6,682,096.00</u>	<u>99.10%</u>	<u>0.00</u>	<u>60,333.25</u>
Choice Programs	0.00	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	1,985.70	20,753.24	3,000.00	691.77%	0.00	(17,753.24)
School Contracts	13,011.92	71,424.76	70,000.00	102.04%	0.00	(1,424.76)
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>14,997.62</u>	<u>1,477,386.95</u>	<u>1,343,712.00</u>	<u>109.95%</u>	<u>0.00</u>	<u>(133,674.95)</u>
TOTAL REVENUES	<u>31,352.28</u>	<u>8,099,149.70</u>	<u>8,025,808.00</u>	<u>100.91%</u>	<u>0.00</u>	<u>(73,341.70)</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	237,412.27	2,166,816.61	2,995,855.00	72.33%	0.00	829,038.39
Salaries & Wages - Grant Recovery	(1,339.11)	(14,406.33)	(16,437.00)	87.65%	0.00	(2,030.67)
Directors' Compensation	16,675.75	130,521.73	210,342.00	62.05%	0.00	79,820.27
MWD Representation	10,262.00	76,683.38	120,197.00	63.80%	0.00	43,513.62
Employee Benefits	68,356.53	640,022.48	961,916.00	66.54%	0.00	321,893.52
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	(422.88)	(3,811.93)	0.00	0.00%	0.00	3,811.93
Director's Benefits	5,091.68	55,702.52	119,356.00	46.67%	0.00	63,653.48
Health Ins \$'s for Retirees	2,671.88	29,661.49	50,244.00	59.03%	0.00	20,582.51
Training Expense	179.00	2,903.52	18,000.00	16.13%	0.00	15,096.48
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	338,887.12	3,084,093.47	4,598,804.00	67.06%	0.00	1,504,691.33
Engineering Expense	7,715.00	69,771.40	355,000.00	19.65%	219,121.37	66,107.23
Legal Expense	22,650.60	175,801.80	329,000.00	53.44%	173,198.20	(20,000.00)
Audit Expense	0.00	21,125.00	23,000.00	91.85%	0.00	1,875.00
Professional Services	166,092.40	639,869.86	1,133,200.00	56.47%	407,387.44	85,942.70
Professional Fees	196,458.00	906,568.06	1,840,200.00	49.26%	799,707.01	133,924.93
Conference-Staff	729.00	11,796.00	13,925.00	84.71%	0.00	2,129.00
Conference-Directors	125.00	7,857.00	8,650.00	90.83%	0.00	793.00
Travel & Accom.-Staff	5,895.74	27,428.66	38,300.00	71.62%	0.00	10,871.34
Travel & Accom.-Directors	3,351.55	16,692.98	29,600.00	56.40%	0.00	12,907.02
Travel & Conference	10,101.29	63,774.64	90,475.00	70.49%	0.00	26,700.36
Membership/Sponsorship	4,483.17	75,073.43	90,437.00	83.01%	0.00	15,363.57
CDR Support	0.00	29,970.75	39,961.00	75.00%	9,990.25	0.00
Dues & Memberships	4,483.17	105,044.18	130,398.00	80.56%	9,990.25	15,363.57
Business Expense	274.67	4,326.67	7,000.00	61.81%	0.00	2,673.33
Maintenance Office	5,280.06	71,634.98	110,768.00	64.67%	33,905.73	5,227.29
Building Repair & Maintenance	6,957.72	14,198.26	20,800.00	68.26%	6,601.74	0.00
Storage Rental & Equipment Lease	955.18	33,975.78	40,708.00	83.46%	7,241.22	(509.00)
Office Supplies	2,208.52	21,061.17	24,288.00	86.71%	966.90	2,259.93
Postage/Mail Delivery	966.92	8,148.08	11,100.00	73.41%	984.88	1,967.04
Subscriptions & Books	560.58	1,100.17	1,600.00	68.76%	0.00	499.83
Reproduction Expense	3,526.24	13,619.44	90,625.00	15.03%	3,492.80	73,512.76
Maintenance-Computers	170.59	5,568.36	6,000.00	92.81%	617.24	(185.60)
Software Purchase	119.97	15,047.76	25,515.00	58.98%	360.18	10,107.06
Software Support	991.07	18,425.47	28,869.00	63.82%	0.00	10,443.53
Computers and Equipment	0.00	8,303.68	9,300.00	89.29%	0.00	996.32
Automotive Expense	1,196.27	9,850.77	13,300.00	74.07%	0.00	3,449.23
Toll Road Charges	47.05	689.60	1,250.00	55.17%	0.00	560.40
Insurance Expense	10,537.16	77,756.68	97,000.00	80.16%	0.00	19,243.32
Utilities - Telephone	1,242.30	11,035.53	16,900.00	65.30%	0.00	5,864.47
Bank Fees	872.76	7,939.12	10,700.00	74.20%	0.00	2,760.88
Miscellaneous Expense	5,541.23	40,303.26	109,700.00	36.74%	0.00	69,396.74
MWDOC's Contrb. To WEROC	10,709.00	96,381.00	128,508.00	75.00%	0.00	32,127.00
Depreciation Expense	1,167.00	18,985.92	0.00	0.00%	0.00	(18,985.92)
Other Expenses	53,324.29	478,351.70	753,931.00	63.45%	54,170.69	221,408.61
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
TOTAL EXPENSES	603,253.87	4,915,124.57	8,025,808.00	61.24%	863,867.95	2,246,815.48
NET INCOME (LOSS)	(571,901.59)	3,184,025.13	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	12,504,041.20	133,283,702.80	163,874,103.00	81.33%	30,590,400.20
Readiness to Serve Charge	1,100,100.87	10,269,425.61	13,946,682.00	73.63%	3,677,256.39
Capacity Charge CCF	368,705.00	2,935,765.02	3,659,300.00	80.23%	723,534.98
SCP Surcharge	19,216.09	228,646.86	361,200.00	63.30%	132,553.14
Interest	263.12	2,085.50	4,275.00	48.78%	2,189.50
TOTAL WATER REVENUES	13,992,326.28	146,719,625.79	181,845,560.00	80.68%	35,125,934.21
<u>WATER PURCHASES</u>					
Water Sales	12,504,041.20	133,283,702.80	163,874,103.00	81.33%	30,590,400.20
Readiness to Serve Charge	1,100,100.87	10,269,425.61	13,946,682.00	73.63%	3,677,256.39
Capacity Charge CCF	368,705.00	2,935,765.02	3,659,300.00	80.23%	723,534.98
SCP Surcharge	19,216.09	228,646.86	361,200.00	63.30%	132,553.14
TOTAL WATER PURCHASES	13,992,063.16	146,717,540.29	181,841,285.00	80.68%	35,123,744.71
EXCESS OF REVENUE OVER EXPENDITURES	263.12	2,085.50	4,275.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	98,990.54	116,000.00	85.34%
Expenses	<u>74,287.75</u>	<u>116,000.00</u>	64.04%
Excess of Revenues over Expenditures	24,702.79	0.00	
SmarTimer Program			
Revenues	86,783.48	50,467.00	171.96%
Expenses	<u>50,614.05</u>	<u>50,467.00</u>	100.29%
Excess of Revenues over Expenditures	36,169.43	0.00	
Industrial Water Use Reduction			
Revenues	103,532.25	113,980.00	90.83%
Expenses	<u>103,548.24</u>	<u>113,980.00</u>	90.85%
Excess of Revenues over Expenditures	(15.99)	0.00	
Spray To Drip Conversion			
Revenues	97,083.71	65,342.47	148.58%
Expenses	<u>90,231.79</u>	<u>65,342.47</u>	138.09%
Excess of Revenues over Expenditures	6,851.92	0.00	
Water Smart Landscape for Public Property			
Revenues	152,978.44	1,248,000.00	12.26%
Expenses	<u>6,118.43</u>	<u>1,248,000.00</u>	0.49%
Excess of Revenues over Expenditures	146,860.01	0.00	
Member Agency Administered Passthru			
Revenues	93,407.83	27,143.00	344.13%
Expenses	<u>89,199.83</u>	<u>27,143.00</u>	328.63%
Excess of Revenues over Expenditures	4,208.00	0.00	
ULFT Rebate Program			
Revenues	256,724.55	132,250.00	194.12%
Expenses	<u>241,806.30</u>	<u>132,250.00</u>	182.84%
Excess of Revenues over Expenditures	14,918.25	0.00	
HECW Rebate Program			
Revenues	400,805.81	403,000.00	99.46%
Expenses	<u>373,896.45</u>	<u>403,000.00</u>	92.78%
Excess of Revenues over Expenditures	26,909.36	0.00	
CII Rebate Program			
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	
Large Landscape Survey			
Revenues	61,132.14	32,000.00	191.04%
Expenses	<u>44,702.62</u>	<u>32,000.00</u>	139.70%
Excess of Revenues over Expenditures	16,429.52	0.00	
Indoor-Outdoor Survey			
Revenues	4,411.63	5,200.00	84.84%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	4,411.63	0.00	
Turf Removal Program			
Revenues	7,312,575.27	725,000.00	1008.63%
Expenses	<u>7,551,889.55</u>	<u>725,000.00</u>	1041.64%
Excess of Revenues over Expenditures	(239,314.28)	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	684,603.65	258,690.00	264.64%
Expenses	<u>72,048.29</u>	<u>258,690.00</u>	27.85%
Excess of Revenues over Expenditures	612,555.36	0.00	
Home Certification and Rebate			
Revenues	35,444.39	248,050.00	14.29%
Expenses	<u>63,445.31</u>	<u>248,050.00</u>	25.58%
Excess of Revenues over Expenditures	(28,000.92)	0.00	
CI, Large Landscape, Performance (OWOW)			
Revenues	504,484.79	145,960.00	345.63%
Expenses	<u>16,644.79</u>	<u>145,960.00</u>	11.40%
Excess of Revenues over Expenditures	487,840.00	0.00	
WEROC			
Revenues	228,287.38	248,622.00	91.82%
Expenses	<u>160,550.29</u>	<u>248,622.00</u>	64.58%
Excess of Revenues over Expenditures	67,737.09	0.00	
WUE Projects			
Revenues	9,904,736.48	3,730,332.47	265.52%
Expenses	<u>8,789,311.40</u>	<u>3,730,332.47</u>	235.62%
Excess of Revenues over Expenditures	1,115,425.08	0.00	
RPOI Distributions			
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	
Ocean Desalination			
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	



Memorandum

DATE: May 13, 2015

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

FROM: Robert Hunter

SUBJECT: Quarter ending March 2015 Financials Actual versus Budget

The following reports are attached:

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

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

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail connection fees	6,440	6,440	100.0%
Water rate increment ⁽¹⁾	88	104	84.7%
Subtotal	6,528	6,544	99.8%
Other Revenues:			
Interest income	94	138	67.8%
Choice Programs ⁽²⁾	1,385	1,355	102.2%
School Contracts ⁽³⁾	71	70	102.0%
Other income ⁽⁴⁾	21	3	697.3%
Transfer to Reserve	0	(84)	0.0%
Subtotal	1,571	1,482	106.0%
 TOTAL REVENUES	 8,099	 8,026	 100.9%
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	3,084	4,599	67.1%
Professional services ⁽⁵⁾	661	1,156	57.2%
Outside engineering ⁽⁶⁾	69	355	19.5%
Legal expense ⁽⁷⁾	176	329	53.4%
Travel & Conference	64	91	70.1%
Dues and memberships	105	130	80.6%
General & Admin expense	751	1,198	62.7%
Building Repair & Maintenance ⁽⁸⁾	5	168	2.8%
TOTAL EXPENSES	4,915	8,026	61.2%

EXCESS OF REVENUES OVER EXPENSES 3,184

RESERVE FUND

Beginning Balance	2,927
Nov 2014 - excess from FY 13-14 General Fund	556
Net OPEB Asset	37
TOTAL RESERVE FUND	3,520

- (1) Water rate increment revenue higher from July through October.
(2) Choice programs are paid in beginning of fiscal year.
(3) School contracts: more children coming through the program.
(4) Other Income from Open Meetings Act/Brown Act Reform.
(5) Professional Fees: a portion will be used for upcoming projects.
(6) Engineering will be used for the Reliability Study, which was recently started.
(7) Legal Expense expected to be used through Best, Best & Krieger.
(8) Building Repair postponed to FY 15/16; working with OCWD.

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

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,440,532	6,440,532	100.00%
Water Increment	87,689	103,564	84.67%
Water rate revenues	6,528,221	6,544,096	99.76%
Choice Programs	1,291,042	1,261,086	102.38%
Choice Prior Year Carry Over	94,000	94,000	100.00%
Interest Revenue	93,542	138,000	67.78%
Miscellaneous Income	20,920	3,000	697.33%
School Contracts	71,425	70,000	102.04%
Transfer to Reserve	0	(84,374)	0.00%
Other revenues	1,570,929	1,481,712	106.02%
TOTAL REVENUES	8,099,150	8,025,808	100.91%

OPERATING EXPENSES			
Salaries & Wages	2,166,817	2,995,855	72.33%
less Recovery from Grants	(14,406)	(16,437)	87.65%
Directors' Compensation	130,522	210,342	62.05%
MWD Representation	76,683	120,197	63.80%
Employee Benefits	640,022	961,916	66.54%
less Recovery from Grants	(3,812)	0	0.00%
OPEB Annual Contribution	0	133,331	0.00%
Directors Benefits	55,703	119,356	46.67%
Health Insurances for Retirees	29,661	50,244	59.03%
Training Expense	2,904	18,000	16.13%
Tuition Reimbursement	0	6,000	0.00%
Personnel Expenses	3,084,093	4,598,804	67.06%
Engineering Expense	69,771	355,000	19.65%
Legal Expense	175,802	329,000	53.44%
Audit Expense	21,125	23,000	91.85%
Professional Services	639,870	1,133,200	56.47%
Professional Fees	906,568	1,840,200	49.26%
Conference-Staff	11,796	13,925	84.71%
Conference-Directors	7,857	8,650	90.83%
Travel & Accom.-Staff	27,429	38,300	71.62%
Travel & Accom.-Directors	16,693	29,600	56.40%
Travel & Conference	63,775	90,475	70.49%
Membership/Sponsorship	75,073	90,437	83.01%
CDR Support	29,971	39,961	75.00%
Dues & Memberships	105,044	130,398	80.56%

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

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	4,327	7,000	61.81%
Maintenance Office	71,635	120,768	59.32%
Building Repair & Maintenance	14,198	10,800	131.47%
Storage Rental & Equipment Lease	33,976	40,708	83.46%
Office Supplies	21,061	24,288	86.71%
Postage/Mail Delivery	8,148	11,100	73.41%
Subscriptions & Books	1,100	1,600	68.76%
Reproduction Expense	13,619	90,625	15.03%
Maintenance-Computers	5,568	6,000	92.81%
Software Purchase	15,048	25,515	58.98%
Software Support	18,425	28,869	63.82%
Computers and Equipment	8,304	9,300	89.29%
Automotive Expense	9,851	13,300	74.07%
Toll Road Charges	690	1,250	55.17%
Insurance Expense	77,757	97,000	80.16%
Utilities - Telephone	11,036	16,900	65.30%
Bank Fees	7,939	10,700	74.20%
Miscellaneous Expense	40,303	109,700	36.74%
MWDOC's Contribution To WEROC	96,381	128,508	75.00%
Depreciation Expense	18,986	0	0.00%
Election Expense	272,537	444,000	61.38%
MWDOC Building Expense	4,756	168,000	2.83%
Other Expenses	755,644	1,365,931	55.32%
TOTAL EXPENSES	4,915,125	8,025,808	61.24%
EXCESS OF REVENUES OVER EXPENSES	3,184,025	0	

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

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	133,283,703	163,874,103	(30,590,400)
Ready to Serve Charge	10,269,426	13,946,682	(3,677,256)
Capacity Charge Flat Rate	2,935,765	3,659,300	(723,535)
SCP Surcharge	228,647	361,200	(132,553)
Interest	<u>2,086</u>	<u>4,275</u>	<u>(2,190)</u>
Total Water Revenues	<u>146,719,626</u>	<u>181,845,560</u>	<u>(35,125,934)</u>
 <u>Water Purchases</u>			
Water Sales	133,283,703	163,874,103	(30,590,400)
Ready to Serve Charge	10,269,426	13,946,682	(3,677,256)
Capacity Charge	2,935,765	3,659,300	(723,535)
SCP Surcharge	<u>228,647</u>	<u>361,200</u>	<u>(132,553)</u>
Total Water Purchases	<u>146,717,540</u>	<u>181,841,285</u>	<u>(35,123,745)</u>
EXCESS OF REVENUES OVER			
EXPENDITURES	<u>2,086</u>	<u>4,275</u>	<u>(2,190)</u>

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

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	228,287	248,622	(20,335)
Expenditures	<u>160,550</u>	<u>248,622</u>	<u>(88,072)</u>
Excess of Revenues over Expenditures	67,737	0	67,737

WUE Projects (details on next page)

Revenues	9,904,736	3,730,332	6,174,404
Expenditures	<u>8,789,311</u>	<u>3,730,332</u>	<u>5,058,979</u>
Excess of Revenues over Expenditures	1,115,425	0	1,115,425

RPOI Distribution

Revenues	0	4,921	(4,921)
Expenditures	<u>0</u>	<u>4,921</u>	<u>(4,921)</u>
Excess of Revenues over Expenditures	0	0	0

Ocean Desalination

Revenues	0	0	0
Expenditures	<u>(2,045)</u>	<u>0</u>	<u>(2,045)</u>
Excess of Revenues over Expenditures	2,045	0	2,045

Footnote:

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Landscape Performance Certification</u>					
Revenues	98,991		116,000	85.34%	116,000
Expenditures	<u>74,288</u>		<u>116,000</u>	64.04%	<u>116,000</u>
Excess of Revenues over Expenditures	24,703	25%	0		

Actual Variance: Posting of revenues out ahead of posting of expenses.

Budget Variance: No comment needed.

SmarTimer Program

Revenues	86,783		50,467	171.96%	100,000
Expenditures	<u>50,614</u>		<u>50,467</u>	100.29%	<u>100,000</u>
Excess of Revenues over Expenditures	36,169	42%	0		

Actual Variance: Posting of revenues out ahead of posting of expenses.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Industrial Water Use Reduction

Revenues	103,532		113,980	90.83%	113,980
Expenditures	<u>103,548</u>		<u>113,980</u>	90.85%	<u>113,980</u>
Excess of Revenues over Expenditures	(16)	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

Spray to Drip Conversion

Revenues	97,084		65,342	148.58%	65,342
Expenditures	<u>90,232</u>		<u>65,342</u>	138.09%	<u>65,342</u>
Excess of Revenues over Expenditures	6,852	7%	0		

Actual Variance: No comment needed.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Water Smart Landscape for Public Property</u>					
Revenues	152,978		1,248,000	12.26%	1,248,000
Expenditures	<u>6,118</u>		<u>1,248,000</u>	0.49%	<u>1,248,000</u>
Excess of Revenues over Expenditures	146,860	96%	0		

Actual Variance: Able to invoice Grant ahead of expected expenses.

Budget Variance: No comment needed.

Member Agency Administered Pass thru

Revenues	93,408		27,143	344.13%	27,143
Expenditures	<u>89,200</u>		<u>27,143</u>	328.63%	<u>27,143</u>
Excess of Revenues over Expenditures	4,208	5%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

ULFT Rebate Program

Revenues	256,725		132,250	194.12%	132,250
Expenditures	<u>241,806</u>		<u>132,250</u>	182.84%	<u>132,250</u>
Excess of Revenues over Expenditures	14,918	6%	0		

Actual Variance: No comment needed.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

HECW Rebate Program

Revenues	400,806		403,000	99.46%	403,000
Expenditures	<u>373,896</u>		<u>403,000</u>	92.78%	<u>403,000</u>
Excess of Revenues over Expenditures	26,909	7%	0		

Actual Variance: Several agencies provide upfront funding that we draw down as the year progresses.

Budget Variance: No comment needed.

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>CII Rebate Program</u>					
Revenues	11,778		159,250	7.40%	159,250
Expenditures	<u>10,878</u>		<u>159,250</u>	6.83%	<u>159,250</u>
Excess of Revenues over Expenditures	900	8%	0		

Actual Variance: Received pre-funding.

Budget Variance: Program just beginning.

<u>Large Landscape Survey</u>					
Revenues	61,132		32,000	191.04%	80,000
Expenditures	<u>44,703</u>		<u>32,000</u>	139.70%	<u>80,000</u>
Excess of Revenues over Expenditures	16,430	27%	0		

Actual Variance: Billing MET for expenses.

Budget Variance: No comment needed.

<u>Indoor-Outdoor Survey</u>					
Revenues	4,412		5,200	84.84%	5,200
Expenditures	<u>0</u>		<u>5,200</u>	0.00%	<u>5,200</u>
Excess of Revenues over Expenditures	4,412	100%	0		

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

Budget Variance: No comment needed.

<u>Turf Removal Program</u>					
Revenues	7,312,575		725,000	1008.63%	10,000,000
Expenditures	<u>7,551,890</u>		<u>725,000</u>	1041.64%	<u>10,000,000</u>
Excess of Revenues over Expenditures	(239,314)	-3%	0		

Actual Variance: Posting of expenses slightly out ahead of posting of revenue.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	684,604		258,690	264.64%	258,690
Expenditures	<u>72,048</u>		<u>258,690</u>	27.85%	<u>258,690</u>
Excess of Revenues over Expenditures	612,555	89%	0		

Actual Variance: Able to invoice Grant ahead of expected Expenses.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Home Certification and Rebate

Revenues	35,444		248,050	14.29%	248,050
Expenditures	<u>63,445</u>		<u>248,050</u>	25.58%	<u>248,050</u>
Excess of Revenues over Expenditures	(28,001)	-79%	0		

Actual Variance: Revenue request from Grants are submitted bi-annually in October and April. Revenue for Expenses through March will be requested in April 2015.

Budget Variance: Goal is to hit the budget amounts by June 2015.

CII, Large Landscape, Performance (OWOW)

Revenues	504,485		145,960	345.63%	145,960
Expenditures	<u>16,645</u>		<u>145,960</u>	11.40%	<u>145,960</u>
Excess of Revenues over Expenditures	487,840	97%	0		

Actual Variance: Able to invoice Grant ahead of expected Expenses.

Budget Variance: Able to invoice Grant ahead of expected Expenses.

Notes:

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

[2] Fiscal year budget versus Actual

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



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Kelly Hubbard
Emergency Manager

SUBJECT: Award of Contract to Eagle Communications for the provision of a WEROC Radio Equipment Assessment

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the Award of Contract to Eagle Communications for the provision of a WEROC Radio Equipment Assessment in an amount not to exceed \$15,000, plus a contingency amount of \$3,000 for a total not to exceed \$18,000.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

The WEROC radio system operates on a VHF Low Band repeater system. The FCC license and repeaters are maintained by the Municipal Water District of Orange County (MWDOC), on behalf of WEROC. WEROC maintains two (2) repeater sites, one at Black Jack Peak and one at Pleasants Peak (these are NOT part of the assessment) and then three (3) base radio stations. It is the responsibility of each Member Agency to purchase and maintain their own equipment in proper operational condition. Every WEROC Member Agency has at least one WEROC Radio. Agencies are encouraged to have more than one WEROC radio located at separate locations as back-up to each other. Radio installations include both base stations within utility facilities and mobile radios within utility vehicles.

Budgeted (Y/N): N	Budgeted amount: \$0	Core X	Choice __
Action item amount:	Line item: Up to \$18,000		
Fiscal Impact (explain if unbudgeted): Project will be paid from WEROC Reserve Account			

In January 1987, WEROC provided the initial procurement and installation of the WEROC radio system for its offices and its Member Agencies. Since that initial installation, the Member Agencies have been responsible for the repair, replacement and programming of their own WEROC radio equipment. Over the years, WEROC staff provided recommendations for replacement equipment and programming. However, Agencies purchased the equipment that made the most sense for their agency and often programmed the radios with different settings.

WEROC seeks to hire a qualified contractor to complete a full assessment of the radio equipment operated at the WEROC EOCs, MWDOC office and its 35 member agencies. The purpose of the radio system assessment is to provide a comprehensive report on all of the operational components of the radio network, so that the WEROC Program Administrators can assist member agencies in the proper use of the system and most efficiently manage the network.

As part of the Assessment, the role of the Contractor will be to (1) document the specific model of equipment being used by each member agency at each site, (2) evaluate and document the antenna system connected to each user radio, (3) document how each radio function is programmed to access the various repeaters, (4) label all equipment and buttons appropriately (for accessing the different repeaters) when applicable, (5) deliver a quick (10-15 min) training seminar to staff on-site, (6) document any recommended maintenance or reliability changes/improvements that should be made, and (7) lastly provide a summary report to WEROC for future reference.

WEROC staff sent a Request for Quotes to four radio technician companies on April 1, 2015 and encouraged our member agencies to send the RFQ to any contractors they may work with. Staff received no requests for clarification and received 2 quotes from Eagle Communications and Pacific Communications Technology.

Each company was asked to provide a base quote for the requested services, as well as a quote for contingency costs. Additionally, the contract was to include a pre-authorization for up to \$50 in repairs per agency on radio equipment while on-site. The two proposals received included the following costs estimates:

Company	Base Cost	Contingency Repair Cost (Not to Exceed)	Contingency Cost for Assessment Per Hour
Eagle Communications	\$13,027.50	\$1,750.00	\$98
Pacific Communications Technology, Inc.	\$16,640.00	\$1,750.00	\$128

In evaluating the quotes received, a significant reason for the cost difference is the hourly rate charge by each company. Pacific Communications Technology's quote includes a significantly higher fee per hour and committed less time to the actual project. Additionally, staff has worked with Eagle Communications on previous repairs in which they have provided quality work with good customer service. Staff recommends award of the contract to Eagle Communications.

**CONSENT CALENDAR ITEM**

May 20, 2015

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

Staff Contact: Heather Baez

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

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

For the third quarter of fiscal year 2014-2015, three trips have been taken:

- January (Director Barbre)
- February – 2 trips (Director Barbre)
- March – No trip

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

Budgeted (Y/N): Yes	Budgeted amount: \$7,500 – 5 trips; 2014-2015 Fiscal year expenditure	Core <u>X</u>	Choice <u> </u>
Action item amount:		Line item: 11-7155 (Directors travel), 11-7150 (Staff)	
Fiscal Impact (explain if unbudgeted): Staff is projecting the trips will be about \$2,100 over budget due to the increased advocacy. A larger amount has been budgeted for next year.			

The following goals will be the purpose and focus for our advocacy trips in 2015:

1. Monitor the EPA's implementation of the WIFIA rules and regulations regarding this loan program and where possible, offer assistance to the EPA so that the program is workable.
2. Submission of an Appropriations Request centered on asking the EPA to prepare a Report on what the costs of allowing tax free municipal bonds to be included in a WIFIA loan package—like the TIFIA Transportation Program currently allows. (***)
Note – this letter was submitted to Senator Feinstein on February 18, 2015 (***)
3. Track and assist with California water and drought related legislation.

Meetings with House and Senate staff will focus on these goals.

SUMMARY OF TRIPS

In January, Director Barbre traveled to Washington D.C. January 14-16, February 11-13 and February 24-27. The next trip is scheduled for April 15-17, and then again from May 13-15.

FISCAL IMPACT

The following is budgeted for fiscal year 2014/2015:

Washington Legislative Advocacy (5 trips) - \$7,500 for directors.

- 4 trips have been taken so far this fiscal year (September, November, January & February)
- Total cost estimate so far for fiscal year 14/15: \$7,704.79 (over budget)
- Total cost estimate for this quarter:
 - January - \$1,342.88
 - February (2 trips) - \$1876.38
 - March – \$402.19 (credit for canceled trip can be used for a different trip, but money has been spent)

Projecting out for 4th Quarter of fiscal year 2014/2015

- Two trips have been booked/scheduled by Director Barbre for April & May
 - April - \$868.47
 - May - \$993.00
 - June – No trip scheduled at this time

Due to MWDOC's increased advocacy and outreach efforts, we are projected to be approximately \$2,100 over budget in Washington Legislative Advocacy. Staff has recommended a larger travel budget to accommodate these efforts in fiscal year 2015/2016.

**CONSENT CALENDAR ITEM**

May 20, 2015

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

Staff Contact: Heather Baez

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

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

Last month, the Board directed this item be returned to committee for discussion. For the third quarter of fiscal year 2014-2015, five trips have been taken:

- January (Heather Baez)
- February – 2 trips (Heather Baez)
- March – 2 trips (Heather Baez)

Budgeted (Y/N): Yes	Budgeted amount: Sacramento Legislative Advocacy - \$1,600 – 4 trips; ACWA Legislative Symposium \$1500 2014-2015 Fiscal year expenditure	Core <u>X</u>	Choice ____
Action item amount:		Line item: 11-7155 (Directors), 11-7150 (Staff)	
Fiscal Impact (explain if unbudgeted): Staff has projected to be approximately \$3,000 over budget for this year; staff has budgeted additional costs to meet the districts travel needs for the following fiscal year.			

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

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

In working with MWDOC's Sacramento advocates, we have outlined the following goals for 2015:

1. Continue to meet with and educate the Orange County delegation on Water Issues affecting the District and region as a whole.
2. Secure support and potential funding for the Doheny Desalination Project and other reliability efforts in Orange County.
3. Monitor, track, and assist with Prop 1 implementation guidelines
4. Monitor, track and respond to related legislation outlined in MWDOC's Legislative Policy Principles approved by the Board in January 2015.
5. Other issues as directed by the Board.

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

SUMMARY OF THIRD QUARTER FY 14/15 TRIPS

In January, Heather attended the ACWA State Legislative Committee (SLC) meeting, met with Senate Republican Caucus Natural Resources and Water Consultant, Todd Moffitt, Christina Hulick, Legislative Aide for Assemblyman Bill Brough, and Mark Reeder, Chief of Staff for Senator Janet Nguyen.

February's trips included:

Water 2015 sponsored by Capitol Weekly, ACC-OC/OCBC Sacramento Advocacy Trip, and the ACWA SLC Meeting (same week/plane ticket as ACC-OC/OCBC Trip), plus meetings with members of the Orange County delegation & staff.

March trips included the ACWA Legislative Symposium (as reported on at the March 2015 PAL meeting and General Managers report); the 2nd trip in March included the ACWA SLC meeting and CSDA's Public Works Coalition (re: CEQA legislation). The 2nd March trip was covered by MWD as after the SLC meeting and CSDA meeting, Heather picked up with the MWD State Water Project trip and joined them for the remainder of the weekend.

FISCAL IMPACT

The following is budgeted for fiscal year 2014/2015:

Sacramento Legislative Advocacy (4 trips) - \$1,600 for staff.

- 6 trips (5 paid by MWDOC) have been taken so far this fiscal year (October, January, February & March)
- Total cost estimate so far for fiscal year 14/15: \$2,200 (over budget)
- Total cost estimate for this quarter:
\$1,750

Projecting out for 4th Quarter of fiscal year 2014/2015

- Upcoming trips:
April 10
May 1
June 5
June 26

In addition to the above planned trips, Directors Barbe and Thomas are planning a Sacramento trip April 20-21 to meet with members of the delegation to discuss water and drought related messaging.

We are projected to be approximately \$3,000 over budget for this fiscal year. Due to our increased advocacy and outreach efforts in both Sacramento and Washington D.C., staff has recommended a larger travel budget for fiscal year 15/16. It is important for MWDOC to



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

FROM: Robert Hunter, General Manager

**SUBJECT: RESOLUTION HONORING CITY OF SANTA ANA RETIRING
METROPOLITAN DIRECTOR DANIEL “DAN” GRISET**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Director Daniel “Dan” Griset with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on May 18, 2015 and make a recommendation to the Board.

DETAILED REPORT

In March, Director Daniel “Dan” Griset retired from the Metropolitan Water District of Southern California’s Board of Directors after serving on behalf of the City of Santa Ana for ten years. Director Griset has been an active member of the Orange County delegation as well as a friend and supporter of the Municipal Water District of Orange County. As a token of our thanks for his years of service and his continued support, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Director Griset at MWDOC’s upcoming Water Policy Dinner which will be held on July 29th, 2015.

Budgeted (Y/N): Y	Budgeted amount: \$5,000	Core _X_	Choice __
Action item amount: \$150.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

**A Resolution of the Board of Directors
Recognizing Daniel “Dan” Griset
On the occasion of his retirement from the
Metropolitan Water District of Southern California
Board of Directors**

WHEREAS, Daniel “Dan” Griset is retiring from Metropolitan Water District of Southern California’s Board of Directors after twenty years of faithful service and sound resource stewardship; and

WHEREAS, in February of 1995, Dan was appointed by the City of Santa Ana to serve as the representative on the Metropolitan Water District of Southern California’s Board of Directors; and

WHEREAS, Dan served as the Vice Chair of the Communications and Education Committee as well as the serving on the Executive Committee, the Legislation Committee, Blue Ribbon Review Committee and the Legal and Claims Committee; and

WHEREAS, Dan serves as the founding principal of the Griset Insurance Group., a brokerage firm assisting privately-held businesses and individuals with employee benefit plans and other insurance risk management programs; and

WHEREAS, Dan is a Chartered Life Underwriter and a member of the Society of Financial Service Professionals; and

WHEREAS, Dan was the Mayor, City Councilmember and Planning Commissioner of the City of Santa Ana; and

WHEREAS, Dan has distinguished himself for his on-going public services, including serving on the Orange County Water District Board, Orange County Sanitation District, Orange County Transportation Commission, Orange County Transit District, the National League of Cities and the life Underwriters’ Association the city’s Public Safety Commission; and

WHEREAS, Dan graduated from University of California Berkeley with a Bachelor’s Degree in History and a minor in Economics; and

WHEREAS, Dan graduated from The Fletcher School of Law and Diplomacy, Tufts/Harvard Universities with a Master degree in International Affairs; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Dan for his service to the residents of Orange County, Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing southern California’s water reliability and a heartfelt congratulations in his future endeavors.



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

FROM: Robert Hunter, General Manager

**SUBJECT: MEMORIAL RESOLUTION HONORING CITY OF BURBANK
METROPOLITAN DIRECTOR GLENN A. BROWN**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Director Glenn A. Brown with an honorary, memorial resolution and direct staff to prepare the resolution for presentation to his family at a future date.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

DETAILED REPORT

In January, Director Glenn A. Brown retired from the Metropolitan Water District of Southern California's Board of Directors after serving on behalf of the City of Burbank for fourteen years. Director Brown passed away at his home in February. Director Brown played a key role in the selection of the site for Diamond Valley Lake and was a recognized geology expert, both here in the United States as well as abroad. He was a friend and supporter of the Municipal Water District of Orange County and his expertise will be greatly missed. As a token of our thanks for his years of service, staff has drafted an honorary, memorial resolution recognizing his contributions and noteworthy career. The draft resolution follows and is intended to be presented to his family at a later date.

Budgeted (Y/N): Y	Budgeted amount: \$5,000	Core _X_	Choice __
Action item amount: \$150.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

A Memorial Resolution of the Board of Directors

Recognizing Glenn A. Brown for his service on the Metropolitan Water District of Southern California Board of Directors

WHEREAS, Glenn A. Brown retired from Metropolitan Water District of Southern California's Board of Directors in January of 2015 and passed away at his home in February, after fourteen years of faithful service and sound resource stewardship; and

WHEREAS, in December of 2001, Glenn was appointed by the City of Burbank to serve as the representative on the Metropolitan Water District of Southern California's Board of Directors; and

WHEREAS, Glenn served as the Chair of the Engineering and Operations Committee and Water Planning and Stewardship Committee as well as the serving on the Executive Committee, Legal and Claims Committee, Ethics Committee, Organization and Personnel Committee, and Asset and Real Property Committee; and

WHEREAS, Glenn was a registered engineering geologist and served on the peer review panel that examined potential groundwater storage projects along Metropolitan's Colorado River Aqueduct, including the district's Hayfield groundwater storage project; and

WHEREAS, Glenn also played a role in Metropolitan's preliminary evaluation of potential reservoir sites south of the San Andreas Fault, which led to the selection of the Diamond Valley Lake project in Hemet; and

WHEREAS, Glenn had more than 60 years of experience in applied geology and was the senior geologist on water rights litigation regarding the San Fernando Valley in the 1950's and early 60's; and

WHEREAS, Glenn provided consulting services for a range of domestic and international projects involving engineering and environmental geology as well as hydrogeology through his firm Glenn A. Brown and Associates, which later merged with LeRoy Crandall and Associates; and

WHEREAS, Glenn was a California native, born in Hollywood, and graduated from University of California at Los Angeles with a Bachelor's Degree in Geology; and

WHEREAS, Glenn served our Great Nation in the United States Navy in World War II from 1942 to 1946; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Glenn for his service to the residents of Orange County, Southern California and the International Water Community for his leadership, expertise, stewardship and contributions in enhancing southern California's water reliability and heartfelt condolences to his family on his passing.



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

**SUBJECT: RESOLUTION HONORING CITY OF SANTA ANA RETIRING
METROPOLITAN DIRECTOR THOMAS EVANS**

STAF RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Director Thomas “Tom” Evans with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

DETAILED REPORT

In April, Director Thomas “Tom” Evans retired from the Metropolitan Water District of Southern California’s Board of Directors after serving on behalf of Western Municipal Water District for almost 6 years. Director Evans has been a friend to the Orange County delegation as well as a supporter of the Municipal Water District of Orange County. As a token of our thanks for his years of service and his continued support, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Director Evans at MWDOC’s upcoming Water Policy Dinner which will be held on July 29th, 2015.

Budgeted (Y/N): Y	Budgeted amount: \$5,000	Core _X_	Choice __
Action item amount: \$150.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

**A Resolution of the Board of Directors
Recognizing Thomas P. Evans
On the occasion of his retirement from the
Metropolitan Water District of Southern California
Board of Directors**

WHEREAS, Thomas (Tom) P. Evans is retiring from The Metropolitan Water District Board of Directors where he represented the Western Municipal Water District of Riverside County since July 2009; and

WHEREAS, Tom was most recently a member of the Engineering and Operations Committee; Finance and Insurance Committee; Integrated Resources Planning Committee; and Organization, Personnel and Technology Committee; and

WHEREAS, Tom has served on numerous other board committees during his tenure, including liaison committees for the City of Riverside and Eastern Municipal Water District of Western's Board of Directors; and

WHEREAS, Tom retired in 2005 as the City of Riverside's interim city manager with 35 years of experience in water, electric and gas utility management; and

WHEREAS, Tom also served as the City of Riverside's director of public utilities and as director for both the Southern California Public Power Agency and the Northern California Power Agency, as well as the Interim City Manager for Lake Elsinore in 2012; and

WHEREAS, Tom, with a deep-seeded belief in giving back to the community in which he lives and works, volunteers his time and talents as a member of the Riverside East Rotary Club, as a counselor for SCORE, an organization designed to counsel small business owners, and as a past board member of both the Greater Riverside Chambers of Commerce, where he was past chair of the Leadership Steering Committee, and Smart Riverside; and

WHEREAS, Tom earned a bachelor's degree in mechanical engineering from the University of California at Davis and a master's degree in business and information systems management from Golden Gate University; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Tom for his service to the residents of Riverside County, Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing southern California's water reliability and a heartfelt congratulations in his retirement.



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

FROM: Robert Hunter
General Manager

**SUBJECT: RESOLUTION HONORING METROPOLITAN ASSISTANT GENERAL
MANAGER GILBERT IVEY**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Assistant General Manager Gilbert Ivey after 40 years of service with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29th, 2015.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

DETAILED REPORT

In June, Gilbert Ivey, Assistant General Manager, will retire from Metropolitan Water District of Southern California with more than 40 years of service. Gilbert has been a friend to the Orange County delegation as well as a supporter of the Municipal Water District of Orange County. As a token of our thanks for his years of service, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Gilbert at MWDOC's upcoming Water Policy Dinner which will be held on July 29th, 2015.

Budgeted (Y/N): Y	Budgeted amount: \$5,000	Core _X_	Choice __
Action item amount: \$150.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

A Resolution of the Board of Directors
Recognizing Gil Ivey
On the occasion of his retirement from the
Metropolitan Water District of Southern California

WHEREAS, Gil Ivey is retiring from The Metropolitan Water District of Southern California following a 40-year career with the agency, most recently serving as the Assistant General Manager/Chief Administrative Officer; and

WHEREAS, Gil is responsible for managing the administrative functions of Metropolitan, human resources, management of Metropolitan's real property portfolio, information technology, an award-winning business outreach program and Metropolitan's headquarters at Union Station; and

WHEREAS, Gil currently serves on the City of La Verne's Planning Commission, on the executive boards of the Los Angeles Area Chamber of Commerce, Los Angeles Central City Association, California State University Dominguez Hills Foundation Board, American Association of Blacks in Energy, the Infrastructure Academy, Think Together Board, Los Angeles County Fairplex Advisory Board and as Executive Secretary for the Los Angeles County Business Federation (BizFed); and

WHEREAS, Gil was honored in 2009 as the Southern California Leadership Network's Visionary for Public Sector Leader of the Year and received the Patriots Award from the Department of Defense; and

WHEREAS, Gil, in 2005 as interim Chief Executive Officer, represented Metropolitan at the historic signing of the Lower Colorado River Multi-Species Conservation program and was also involved with the Quantification Settlement Agreement, one of the largest water transfers from agriculture to urban use; and

WHEREAS, Gil was also project manager for the Visitor Center/Museum Complex at Diamond Valley Lake, a complex that has earned Platinum LEED status; and

WHEREAS, Gil was the project director in charge of development and construction of Metropolitan's headquarters at Union Station, a complex that has received numerous awards and accolades since its official opening on December 11, 1998, including the Silver LEED designation and recent recognition from the Building Operators and Managers Association as an outstanding government building in Los Angeles; and

WHEREAS, Gil earned a bachelor's degree in business administration from California State University, Dominguez Hills and other professional designations and certifications in management from Pepperdine University, the University of Southern California, and the University of North Carolina, Chapel Hill.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Gil for his service to the residents of Southern California and the California Water Community for his leadership, stewardship and contributions in enhancing southern California's water reliability and a heartfelt congratulations in his retirement.



CONSENT CALENDAR ITEM

May 20, 2015

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Executive Assistant/HR Specialist

**SUBJECT: DISTRICT BENCHMARK COMPENSATION STUDY AND APPROVAL
OF MWDOC PAY STRUCTURE**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the MWDOC Pay Structure as presented;

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

In accordance with District policy, a comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. The last survey was completed in April of 2012. Creative Management Solutions recently completed the District's 2015 benchmark study and the report is attached for review.

The survey results identified that MWDOC's current ranges compared to the average market range maximums were below market by 2.04%. In an effort to maintain internal equity within the pay structure and stay competitive with the labor market, those positions identified below market will require a reclassification to the bottom of the new range.

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

For the 2015/16 MWDOC Budget, a total of 6% is included in the merit pool, with 5% for merit increases and 1% for employee share of the PERS contribution. Approximately \$34,000 for equity adjustments to allow for reclassification of positions to the minimum of the new range is included in the 2015/16 Budget.

There will be no range adjustments to the minimum and maximum of each range at this time.

Based on the Compensation Study, all benefits were reviewed and no changes are recommended.

The proposed changes will be implemented after July 1, 2015.

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May 4, 2015

Mr. Robert Hunter
General Manager
MWDOC
P.O. Box 20895
Fountain Valley, CA 92728

MWDOC 2015 TOTAL COMPENSATION ASSESSMENT

Dear Mr. Hunter,

Attached is an assessment of the District's Total Compensation Program that was completed by Creative Management Solutions, Inc., an independent compensation consulting firm.

This Report provides the study background and findings, and our recommendations. Please advise us if you should have any questions regarding the findings and recommendations at (714) 281-7300 or barry@creativemgtsolutions.com.

Sincerely,

Barry C. Newton

Barry C. Newton, CCP, SPHR
Creative Management Solutions, Inc. (CMS)

MWDOC TOTAL COMPENSATION ASSESSMENT

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A. STUDY BACKGROUND

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource planning agency that serves nearly all of Orange County through 28 retail water agencies. MWDOC purchases imported water from the Metropolitan Water District of Southern California and distributes it to client agencies which provide retail water services while promoting supply and system reliability, conservation, and public education.

MWDOC manages a total operating budget of over \$193,698,000, of which approximately \$4,098,000 is dedicated to employee and director compensation and direct and indirect benefits. The FY2014-2015 budget reflects 27 full-time employees, 2 WEROC employees, 1.22 part-time positions, and 2.54 interns. Financing for District expenses is drawn from water sales, capacity charges, interest income, and grant revenues.

The last total compensation analysis of District positions was completed in FY2011-2012 and changes were subsequently adopted by the MWDOC Board. During the past three years, there have been changes in the organization structure, staffing, and modifications of the job content of District positions. In addition, market conditions have been improving through the economic recovery. In accordance with Board Policy, an independent total compensation study of the District's positions has been conducted to address the following policy questions:

- Are the jobs **properly classified given organization design and staffing changes** and are **any changes needed in the career paths**?
- Are the District's **compensation rates externally competitive and internally equitable**?
- Are the District's **benefit practices** aligned with the market with respect to program practices and **plan contributions from employers and employees**?



The General Manager approved the services of Creative Management Solutions, Inc. (CMS), an independent compensation consulting firm, and known hereafter as “CMS” or the “Consultant” in this Report. CMS has conducted organizational analyses and compensation studies for over 150 client organizations for public, not-for-profit, and private sector organizations since 1989. Mr. Newton serves as the administrator of CalPACS, the California Public Agencies Compensation Survey, which represents a compensation and benefits database for local governments, including water and sanitation districts, planning agencies, and cities and counties within Southern California.

B. STUDY METHODOLOGY

I. Overview

CMS used a number of widely accepted organizational planning and data analysis methods to design the study elements and to achieve greater validity and acceptability of the study findings and results. The Consultant reviewed the study goals with the General Manager and Administrative Services Manager and Human Resources Department to identify changes in the organization structure, levels of staffing, modifications of position responsibilities, and labor market recruiting and retention practices.

As part of MWDOC staff’s classification review, employees were asked to complete a review of their job descriptions to ensure that the information was complete and accurate. Comments were solicited to clarify how the jobs may have changed given departmental needs, legislative and program changes, and turnover.

Four positions were studied for conformance with the Fair Labor Standards Act and the California Industrial Welfare Commission Guidelines to establish their proper exemption status for overtime compensation:

- Network Administrator
- Financial Analyst
- Public Affairs Coordinator
- Water Resources Analyst (first level)

As part of the study, the Consultant has reviewed the job titling methodology by job series to determine if more accurate or descriptive designations could be used to convey job levels.

The Consultant considered the adequacy of the District’s career paths by job family and bridge classification and the extent to which the job definitions are responsive to changes in the applicant pool for District positions. MWDOC’s current organization chart has been considered in the evaluation of practices of the survey organizations and benchmark jobs.

II. Job Evaluation Comparisons



The Consultant has established benchmarking comparison factors to achieve greater consistency in the District's evaluation of its job classifications:

SUMMARY OF BENCHMARK JOB COMPARISON FACTORS

1. **Impact of Job In Relation To Organizational Success:** encompasses the nature and importance of the work performed by the job in relation to the mission of the District and its departments, and the initiatives of the General Manager and Board of Directors.
2. **Scope of Responsibility:** considers the impact and diversity of job functions, programs, contracts, and services that are performed directly, or through the work of other employees. Also considers the budgetary accountabilities of the job.
3. **Decision-Making Authority:** assesses the ability of the position to make decisions that have major policy, program, and departmental impacts upon member agencies and the MET. This factor considers the independence of action and the significance of decisions, including potential financial, political and human impact of errors in judgment.
4. **Nature and Extent of Interpersonal Communications:** analyzes the purpose, frequency and level of interpersonal interactions that are required, both internally and externally. This factor considers the purpose and nature of interpersonal relationships, and how they are initiated, the types of coaching, counseling or guidance that is provided or received, and how relationships are developed and maintained, and how the job must influence other persons to take action. Examples of job-related communications include interfaces with the Board, committees, member agencies, MET and advisory representatives, staff, consultants, contractors, vendors, auditors, governmental officials and the general public.
5. **Breadth and Depth of Knowledge and Skills:** evaluates the breadth and depth of required education, experience, training and licensure or certification that may be required to perform the essential job functions. Particular jobs will require specialized expertise or competencies that are highly valued internally, or in the marketplace.
6. **Level of Supervision Exercised and Received:** considers the number of employees supervised, the nature of supervision provided, and the classification level of jobs that are supervised. Also assesses technical direction that may be provided to other departmental representatives or staff when these persons are not directly supervised by this job. Further considers the type of direction received from the General Manager and Board and committee representatives.



III. Job Classifications and Benchmarking

MWDOC's current classification structure is organized into general and limited term classifications which have been evaluated in conjunction with the study. In accordance with compensation surveying practices, benchmark jobs were selected for market surveying practices. *Benchmark* jobs can be commonly compared given the similarity of job functions and qualifications guidelines with other industry jobs.

The term ***benchmark job*** is used since not all job classifications can be accurately compared with industry jobs given differences in the job responsibilities, organizational structure and reporting relationships, and qualifications guidelines. Non-benchmark jobs are compared internally with the benchmark jobs using the job descriptions and job evaluation factors to determine appropriate pay grades. The following is a master list of the District's current classifications that were benchmarked (excluding the General Manager), and includes some position classifications that are not filled or authorized for the FY2015-2016 budget.

Accountant
Accounting Manager
Accounting Technician
Administrative Assistant
Administrative Services Manager
Assistant General Manager
Assoc. Water Resources Analyst
Director of Finance/IS
Director of Public Affairs
Exec. Assist/HR Specialist
Financial Analyst/Database Analyst
Governmental Affairs Manager
Intern
Network Administrator
Office Assistant
Principal Engineer
Principal Water Resources Analyst
Principal Water Resources Planner
Public Affairs Coordinator
Public Affairs Manager
Public Affairs Specialist
Records Coordinator
Sr. Accountant
Sr. Admin. Assist.
Sr. Admin. Assist. / Public Affairs Assist
Sr. Engineer
Sr. Exec. Assist to the Board



Sr. Exec. Assist. to the GM
Water Resources Analyst
WEROC Programs Coordinator
WEROC Programs Manager
WUE Analyst
WUE Program Coordinator
WUE Program Manager
WUE Program Specialist
WUE Program Supervisor

IV. Labor Market Definition

Benchmark survey agencies are selected as part of the market compensation analysis to make comparisons with similar types of organizations that provide employment opportunities for current and prospective employees. Multiple survey resources are used to improve the validity of the survey findings and to increase possible job matches. Direct labor market survey organizations were selected using these criteria:

Geographic proximity (Orange County and other agencies in L.A. and Riverside Counties within recruiting/commuting radius of MWD OC based on its workforce)
Industry (Water districts, planning agencies, special districts, and cities)
Organizational Size (accounting for budget or number of employees)
Benchmark classification (including job content and qualifications)

The District's direct labor market of public sector survey organizations for use in setting pay structures for FY15-16 are summarized below:

Central Basin Municipal Water District	MET
City of Brea	Moulton Niguel Water District
City of Fountain Valley	Orange County Sanitation District
City of San Clemente	Orange County Water District
City of Tustin	San Diego County Water Authority
Eastern Municipal Water District	Santa Margarita Water District
El Toro Water District	South Coast Water District
Inland Empire Utilities Agency	Three Valleys Municipal Water District
Irvine Ranch Water District	Walnut Valley Water District
Laguna Beach County Water District	West Basin Water District
Las Virgenes Municipal Water District	Western Municipal Water District
Mesa Water	Yorba Linda Water District



The City of Anaheim, City of Los Angeles and Orange County Fire Authority and County of Orange have been included to collect supplementary data for specialized WEROC classifications.

In conjunction with the public labor market analysis, the Consultant used four major published and recognized industry surveys for additional comparisons of pay and benefit practices of public and private sector employers:

• California Center For Not-For-Profit Management (CNPM)
• California Public Agencies Compensation Survey (CalPACS)
• Economic Research Institute Survey (ERI)
• Employers Group (EG)

The **California Center For Non-Profit Management (CNPM) Compensation and Benefits Survey** reports data for 300 Southern California organizations and includes over 160 benchmark jobs by organizational budget and employment size, and given comparisons of wages, salaries, and benefit programs.

The **California Public Agencies Compensation Survey (CalPACS)** reports data for Southern California organizations and includes over 125 benchmark jobs by organizational budget and employment size, and given comparisons of wages, salaries, and benefit programs.

The **Economic Research Institute (ERI) Salary Assessor Survey** reports competitive wage, salary, and incentive pay survey data by benchmark job, city, level of experience, industry, and organizational size throughout California and North America. The data is updated on a quarterly basis. The Economic Research Institute survey database includes over 5,800 benchmark jobs and the companion Geographic Assessor provides prevailing rate comparisons for 8,300 North American locations and 12 million employers and is normalized to Fountain Valley, California prevailing rates.

The **Employers Group** represents one of the largest California-based compensation and benefits survey databases for private and not-for-profit sector benchmark job comparisons. The Employers Group conducts 14 published compensation and benefit surveys for about 1,000 benchmark job classifications.

The Consultant has considered MWDOC's actual recruiting and top candidate data to understand employee and candidate profile and valued total compensation elements in relation to market practices.

As part of this assessment, it has become more apparent that the District's labor market should consist of both public and private comparisons. The reasoning here is that a number of the District's classifications exist in both the public and private sector and the candidate pools are increasingly reflecting candidates from both sectors, as well as recent college graduates specializing in public administration and business administration programs, and related marketing and policy development curriculums.



The labor market analysis is based upon total compensation comparisons. When base pay and lump sum or incentive payments are combined for survey comparisons, this is known as comparing total cash compensation. When health and welfare benefit comparisons and other forms of indirect compensation are added to employee compensation, this is known as total compensation for comparison purposes.

The Consultant modified the market data in some cases to improve the validity of the survey comparisons, to account for differences in the responsibilities and experience requirements, as compared with the District's jobs. When the job functions and qualifications of each benchmark job was compared, it was possible for the District's jobs to be comparable to, lesser than, greater than, or not comparable to the District's jobs.

Given accepted compensation standards used by professional consultants and federal audit agencies, the survey findings section is based upon an averaging of the published data and direct comparator organizations within the surrounding area.

V. Elements of Total Compensation Compared

The elements of total compensation that were compared are summarized below:

Elements of Total Compensation	Programs and Practices
A. Salaries	Base Salary Rates and Pay Ranges, if provided
B. Proposed Merit Increases	Planned Merit Increases and Pay Structure Adjustments for FY2015-16, if any
C. Short-Term Incentive Payments	Planned Lump Sum or Incentive Compensation Payments for FY2015-16, if any
D. Sum of A+B+C = Cash Compensation	
E. Benefits Practices	Health and Welfare, Paid Time Off, Long-Term Contributions, and Perquisites
Total Compensation (A+ D+E)	

The **benefits practices** can be further delineated by program element. MWD OC's practices are generally competitive with the market for general and management employees.

Health and Welfare	Paid Time Off and Categories	Long-Term Contributions	Perquisites and Allowances
Health Insurance	Vacation	Retirement (PERS)	Auto Allowance or Mileage Reimbursement
Dental Insurance	Holidays	Deferred Compensation	Educational Reimbursement
Vision Insurance	Sick Leave	Retiree Health Insurance	
Life Insurance and Long-Term Disability Insurance	Administrative Leave (Mgmt)		

C. EXECUTIVE SUMMARY OF RECOMMENDATIONS

The following is a summary of the key report recommendations, based on the benchmark findings and evaluation of the current organizational structure. The General Manager will implement the following changes effective, July 1, 2015:

- A. **Reclassifications/Title Changes/Classification Additions:** Reclassify positions to new ranges as follows:

2014 Grade	2015 Grade	Exempt Non-Exempt	Title
R2	R3		Office Specialist
R4	R5		Admin Assist
R6	R6		Sr. Admin. Assist./ Public Affairs Assist
R5	R7		WEROC Programs Coordinator
R5	R7		Records Coordinator
R7	R8		Public Affairs Coordinator
R7	R9		WUE Analyst
	R9		Exec. Assist/HR Specialist <u>Executive Assistant</u>
R7	R9		<u>Associate</u> Water Resources Analyst
R8	R10		WUE Program Coordinator
	R10		Sr. Exec. Assist. to the GM <u>Sr. Executive Assistant</u>
	R11		Water Resources Analyst



	R12	NE <u>E</u>	Financial Analyst/Database Analyst
	R12		Network <u>Systems Administrator</u> Engineer
R10	R12		WUE Program Specialist
R12	R13		Public Affairs Manager
	R13	NE <u>E</u>	Assoc. <u>Sr.</u> Water Resources Analyst
R13	R14		WUE Program Supervisor
R13	R14		WEROC Programs Manager
	<u>R14</u>	<u>E</u>	<u>Sr. Financial Analyst/Database Analyst</u>
R14	R15		Accounting Manager
R14	R15		Governmental Affairs Manager
R15	R16		Principal Water Resources Analyst
R15	R16		Administrative Services Manager
R16	R18		Director of Public Affairs
	R18	E	Director of Water Use Efficiency
	<u>R19</u>	<u>E</u>	<u>Associate General Manager</u>

1. Merit Pool and Equity Adjustments for FY2015-16:

- A. In an effort to properly recognize internal job value and prevailing market rates and to reconcile market lag for classifications based on the recent benchmark study, a total of 6%, will be included in the 2015/16 merit pool, with 5% for merit increases and 1% for employee share of PERS contribution.
- B. Approximately \$34,000 is included in the 2015/16 Budget for equity adjustments and reclassification of positions to the minimum of the new range.

D. COMPENSATION AND BENEFITS FINDINGS

I. Projected Salary Increases and Market Positioning

The following market survey data reflects current FY14-15 and FY15-16 projections:



	2014/15 (current FY)		2015/16 (next FY)		
Agency	COLA %	Merit %	COLA %	Merit %	Additional Comments
Central Basin MWD	0%	5%	0%	4%	Per CBMWD policy, no COLAs offered.
City of Brea	1%	Unknown	TBD	TBD	
City of Fountain Valley					
City of San Clemente	2.78%		2.78%		
City of Tustin	0%	5%	TBD	5%	Employees eligible for 5% merit increase every 12 months until reaching the top of the range. Contracts expire 06.30.15 - increases TBD.
County of Orange					
Eastern Municipal Water District	2.30%	up to 5%*	2.50%	up to 5%*	
El Toro Water District	0.80%	3%	1.30%	3%	Agency has one annual "pool" that consists of both the COLA and merit component. For 2015/2016 that pool is 4.3% and is for General Staff as well as Management Staff.
Inland Empire Utilities Association	3%		3%		
Irvine Ranch Water District	2%	2%	2%	2%	In addition to 2.5% Merit and COLA increases, the GM also approved (in contract) 2014-15 bonus of \$7500 and 2015-16 bonus of \$7500 for each qualified employee.
Laguna Beach County Water District	1%	1.5% TO 2.5%	1%	1.5% TO 2.5%	In addition to 2.5% Merit and Cola increase, GM also approved FY14-15 Bonus of \$7,500 and FY15-16 bonus of \$7,500.
Las Virgenes Municipal Water District					
Mesa Water District	3%		3%		
Orange County Sanitation District					



Orange County Water District	2%		2%		
San Diego County Water Authority	2.40%				2015/2016 - Currently in negotiations for next contract. Current contract expires 6/30/2015.
Santa Margarita Water District	2%	2.5% -5.0%	Per CPI-U. Not less than 2% and not more than 3%	2.5% - 5.0%	
South Coast Water District	2%	Undetermined	Based on CPI	Undetermined	FY14/15 TBD by 6/30/15.
Three Valleys MWD	1.13%	5%	1.31%	5%	
Walnut Valley Water District	2%	See Comments	2%	See Comments	All Merit increases depend on employee performance.
West Basin Municipal Water District					
Yorba Linda Water District	3%		3%		
Market Median Range	1.0 to 3.0%	1.5 to 5.0%	1.0 to 3.0%	1.50 to 5.0%	

Recap: The median market practices show that merit and COLA adjustments have both been in effect or planned for FY14-15 and FY15-16 and the rates are similar. The combined Median Merit and COLA budgets range from 2.5% to 7.5%. Employers use the CPI as well as other survey data to determine the amount of pay structure adjustments as well as merit pools.

Market Survey Results

Based on the benchmark survey data results, MWDOC's current classifications were below market by 2.04%. Those positions that are below market will require a reclassification to the minimum of the new range. In an effort to maintain internal equity within the pay structure and stay competitive with the labor market, positions will be reclassified accordingly. The pay structure ranges will not be adjusted.

II. Pay Structure Design and Merit Increase Plan

Labor market survey organizations are increasingly using a table of merit increases based on overall performance appraisal score, consideration of pay range position of employee and lump sum payments for employees paid at higher rates within the salary range. These options should be reviewed in relation to the performance appraisal program using an accepted tabling option that considers goal attainment and factor



attainment, as linked to General Manager and Board initiatives and individual development goals.

Commentary:

During the past three years, there have been changes to minimum wage standards for the State of California. The minimum wage was raised to \$9.00 per hour effective July 1, 2014 and will be raised again to \$10.00 per hour effective January 1, 2016.

The District's current pay structure rates are in compliance with present California law and already exceed the minimum rates that will be in effect as of January 1, 2016 mid-way through MWDOC's 2015-2016 Fiscal Year.

Proposed Changes:

There are currently three levels of Student Intern. It is recommended that a single Intern Classification and pay grade be established with an adequate salary range that complies with minimum wage standards, and differences in education levels. This also conforms with the most popular market compensation practices which is to have a single classification level.

The Consultant has proposed a new hourly pay structure for Interns:

Classification	Range Minimum	Range Maximum
Student Intern	\$13.23	\$19.78

Current Regular Pay Structure and Effects of Job Changes

The current pay structure was designed with 21 ranges. The plan was for sufficient grades to be established to include non-exempt and exempt jobs with a constant range progression of 7.5% beginning at Grade 2. The spreads are tapered beginning at 40% and rising to 60% at the top ranges in accordance with all industry norms recognized by the World at Work (American Compensation Association) based on the size of organization and number of job classifications. The pay regression line has been used to compare the current line of range maximum rates for 2015 to determine if additional changes are needed.

III. Premium, Bonus, and Incentive Compensation Plans

MWDOC's Practices: MWDOC does not have a formal bonus or incentive compensation plan based on the attainment of target goals and objectives. The adoption of a formula-based program would often be accompanied by established project plans and goals that were linked to the strategic plan. The Employee Excellence Award Program in which an employee can receive individual gift recognition up to \$200 and the General Manager may grant a special award up to \$1,000.



Market Practices: For employers with variable merit increase plans in the marketplace, it is more common to use a merit pay and equity increase matrix table in which differences in the overall performance rating and range position of the employee are used to determine eligibility for increases. In cases where current employee pay rates are close to range maximum rates, lump sum bonus payments tied to goal attainment is a method used to recognize employee contributions.

Bonus incentive applications tend to be limited in practice with limited dollar payouts of 5% or less. Professional certification pay related to licenses is commonly limited to professional engineering classifications with water planning resources organizations or these credentials are incorporated within the base salary range practices.

Employee recognition programs have become increasingly popular. However, the forms of recognition are modest in scope and cost. For these programs, labor market industry employers tend to host award luncheons and dinners, provide gift cards, and offer public recognition. Cash limits typically do not exceed \$300 per employee on an annualized basis.

MARKET BENEFITS PRACTICES

A. Health and Welfare Contributions

Within industry, these forms of insurance benefits are typically provided to regular full-time employees in both General and Management classifications. Within industry, part-time employees may not be eligible to receive these types of benefits at all. In December of 2014, MWDOC negotiated changes in the Long-Term Disability Insurance, Life Insurance, and Employee Assistance Plans that produced significant premium cost savings as shown below:

Type of Plan	2014 Annual Premium Rate	2015 Premium Rate	Cost Savings
Long Term Disability	\$13,821	\$10,431	\$3,390
Life	\$13,248	\$8,640	\$4,608
Employee Assistance Plan	\$850	\$353	\$497
Total Cost Savings			\$8,495

1. Health Insurance and Cafeteria Plan Contributions

MWDOC's Practices: For General and Management employees, MWDOC offers HMO/PPO/Kaiser plan options. MWDOC pays 100% of the employee only coverage of the least expensive plan and 80% of dependent and family coverage insurance benefits. Employees may opt for higher level coverage for employee only coverage by paying 10% of the difference between the least expensive plan and the other plans.



Market Practices: All of the core survey organizations sponsor health insurance coverage with one or more options. About two-thirds of employers in the core labor market provide three or more plan types such as HMO, PPO, POS and/or indemnity plans. About one-third of the remaining survey organizations offer a cafeteria plan for general and management employees, and provide a fixed employer contribution, regardless of the number of dependents covered. Employees are increasingly being expected to cover a greater share of the cost of plan coverage. Employers tend to charge higher premium rates for employees who elect the most expensive plans. Many employers are now beginning to require that employees contribute a co-payment of 10% or more of the Employee Only premium cost. An equal or higher share, such as 20% of the spousal and dependent care cost, is being adopted by employers in the plan design. Alternatively, if an employer cafeteria plan is provided, the contribution amounts often equate to about \$1,400 for health, dental, and vision insurance. The use of incentive payments for the employee's waiver of health insurance benefits is declining in usage and employer dollar amounts provided as part of employer cost containment strategies.

Conclusions/Recommendations: MWDOC employees are required to contribute 20% toward the cost of employee plus one and family plans. The current policy of having employees contribute 20% of employee plus one and family health coverage should be retained. For employee only coverage, the employee is paying 10% of the difference between the least expensive plan and the other plans.

2. Dental Insurance

MWDOC's Practices: MWDOC currently pays for 90% of the total cost for employees and dependents for General and Management employees.

Market Practices: Over three quarters of the survey organizations sponsor and provide group dental insurance coverage for their General and Management employees. The water districts and public agencies are increasingly having employees contribute toward employee and couple and dependent coverage costs for dental coverage. Direct percentage comparisons are difficult since employers may limit total premium contributions to a specific monthly dollar value. However, the overall long-term trend is to provide a lesser percentage of employer contributions to couple and dependent coverage than employee only coverage.

Conclusions/Recommendations: Based on current market practices, no changes are recommended in the District's current practices with respect to employee contributions to employee only, employee plus one, or family coverage.

3. Vision Insurance

MWDOC's Practices: MWDOC currently pays for 100% of the employee vision care costs for employee and dependents.



Market Practices: Over three quarters of the survey organizations sponsor group vision as well as group dental insurance benefits through their HMO/PPO group carrier or cafeteria coverage. MWDOC provides the same benefits to these General and Management employees as with other employees of the organization. The survey data shows that MWDOC's contribution rates are in line with market practices. Most employers do not require employee contributions to vision insurance coverage given that coverage is often quoted in conjunction with dental plan coverage and the relative monthly premium costs are low.

Conclusions/Recommendations: Based on current market practices, no changes are recommended in the District's current practices with respect to employee contributions to employee only, couple, or family coverage.

4. Life and Accidental Death & Dismemberment (AD &D) Insurance

MWDOC's Practices: MWDOC presently offers 100% employer paid life and accidental death/dismemberment insurance policy for its General and Management employees as a factor of two times annual salary up to a maximum employer paid policy value of \$250,000.

Market Practices: A majority of the survey organizations are providing coverage of at least \$50,000 of group life insurance coverage. It should be noted that employees are subject to ordinary income tax on paid premium value in excess of \$50,000, as adjusted for the age of the employee, and subject to employee ordinary income taxes, based on IRS regulations. The market policy value is highly variable but is typically equal to one to two times annual salary with a cap equal to \$200,000 to \$300,000.

Conclusions/Recommendations: The life insurance policy values and contributions on behalf of the employer are consistent and competitive with market practices. No changes are recommended.

5. Long-Term Disability Insurance

MWDOC's Practices: The employer provides and pays for the cost of Long-Term Disability (LTD) insurance plan for General and Management employees. Plan eligibility begins on the first of the month following 30 days of employment and the plan value is up to a maximum benefit value of \$7,500 per month. For plan integration, employees are eligible for short-term disability benefits following 60 days of employment.

Under California law, employees pay for the cost of State Disability Insurance for non-work related accidents, injuries, and disabling conditions. Work-related injuries and illnesses are covered by the employer's Workers' Compensation policies.

Market Practices: The core labor market survey results have shown that over three quarters of the core survey organizations sponsor and pay for the full premium cost of long-term disability insurance benefits.



Conclusions/Recommendations: No changes are recommended in the current plan benefits.

Paid Time Off

1. Employer Paid Vacation Leave

MWD OC's Practices: The MWD OC presently provides employer-paid vacation, sick leave, and holiday leave benefits for its General and Management employees. Management level employees may receive up to five days of administrative leave per year at the discretion of the General Manager. MWD OC's full-time General and Management employees currently accrue vacation paid-time off benefits at the following maximum annual rates:

Years of Service with MWD OC (No Combined PTO Plan)	MWD OC Annual Hours Accrued	Market Practices: Accrued Hours
Beginning with first year	80 hours	80 hours
Beginning with fourth year	120 hours	120 hours
Beginning with eleventh year	136 hours	120 to 144 hours
Beginning with fifteenth year	160 hours	160 hours
Beginning with twentieth year	168 hours	Unchanged

MWD OC's maximum carry-over rate of vacation pay is two times the annual accrual rate and linked to the number of years of service.

Market Practices: In the marketplace, the level of employee paid leave time is typically graduated by years of service with the employer. There are typically four to five break points in the benefits accrual schedule (after one year, after four years, after eight years, after 15 years, and after 20 years of service). Two weeks of paid vacation are often provided after the first year of service, three weeks are often provided by the time the employee attains five years of service, and four weeks are often provided by the 20th year of employee service. The average maximum vacation carryover varies from 240 to 260 hours in the marketplace.

Some employers combine vacation and sick leave into a single comprehensive leave bank of hours of that can be used for paid time off.

Conclusions/Recommendations: MWD OC's practices are competitive when compared with the market. No change is recommended in the existing vacation plan.

2. Employer Paid Holidays

MWD OC's Practices: MWD OC provides the equivalent of 11 paid holidays for its General and Management employees as part of its paid time off practices. Employees



have one floating holiday. Here are the current standard and floating paid holidays when comparing MWD OC and labor market practices:

MWD OC Practices- Current Standard Holidays	Dates of Current MWD OC Holidays	Market Practices- Standard or Variable Practices
New Year's Day	January 1	Standard Holiday
President's Day	3 rd Monday in February	Standard Holiday
Memorial Day	Last Monday in May	Standard Holiday
Independence Day	July 4	Standard Holiday
Labor Day	1 st Monday in September	Standard Holiday
Veteran's Day	November 11	Variable Recognition
Thanksgiving Day	4 th Thursday in November	Standard Holiday
Day After Thanksgiving	4 th Friday in November	Standard Holiday
Christmas Eve	December 24	Variable Recognition- Day Before or After
Christmas Day	December 25	Standard Holiday
One floating holiday to be designated by employee each year		Variable Recognition/Day Off

Market Practices: The modal number of holidays in the survey was 11 days. There are typically two floating holidays in the total count. The holidays are frequently administered separately from vacation and sick leave within a paid time off plan. New Year's Eve is often considered as part of the paid holidays. Martin Luther King Day and Veteran's Day are typically variable in being recognized.

Conclusions/Recommendations: The MWD OC holiday policy was just updated in December of 2014. No additional changes are recommended at this time.

Employer Paid Sick Leave

MWD OC's Practices: MWD OC employees earn 96 hours per year with the option to donate up to 16 hours toward another employee as part of a catastrophic sick leave bank. A sliding scale is used to pay employees for accumulated and unused sick leave above 488 hours per year. Employees can receive 0% to 50% of accumulated sick leave above 488 hours dependent upon the number of hours of sick leave used in the year.

Market Practices: The median sick leave accrual rate in the core labor market survey was 12 days (96 hours) per year with the option to contribute toward a catastrophic sick leave bank. Paid sick leave is typically paid at a conversion rate of 50% of accrued annual sick leave or a lesser rate. However, employers may opt to carry the sick leave time to a specific maximum accrual value and then pay employees for the hours over



that rate. The longer term trends have been toward reducing the percentage of payment to employees for accrued and unused sick leave.

Conclusions/Recommendations: The District's current plan provides for the advantage of accruing a larger bank of hours that can be accessed under catastrophic conditions or for other major health needs. No changes are recommended in the existing paid sick leave practices.

3. Employer Paid Administrative Leave

MWDOC's Practices: MWDOC provides five days of paid administrative leave for management employees at the General Manager's discretion.

Market Practices: Management employees in the core labor market typically earn three to five days of administrative leave whereas General employees do not typically receive paid administrative leave.

Conclusions: No changes are recommended in existing administrative leave practices.

C. Long-Term Employer Contributions

1. Retirement Plans

MWDOC's Practices: MWDOC is a member of the CalPERS plan and provides retirement benefits based upon with the Miscellaneous plan formula of 2.0% per year of service with full retirement at age 55. Currently, the District pays 4.0% of the employee's (member) share of the PERS cost and the employee contributes 3% of the member share of the cost. MWDOC pays the full share of the employer's cost.

For FY2015-16, the District will pay 3.0% of cost of the employee's share and the full 10.514% share of the agency cost. The employee will contribute 4.0% to the employee's share of the employee's cost.

MWDOC is a participant in a designated CalPERS pool that provides for a pre-retirement death benefit, 1959 survivor benefit level four credit, sick leave credit, 2.0% COLA adjustment feature, and EPMC (employee's share of retirement earnings). The CalPERS credits provided by MWDOC are common and in line with market practices. MWDOC does not have an enhanced age formula such as 2.5% at age 55 that would result in higher plan benefit costs.

The following is a history of the changes in employee and employer cost sharing beginning in FY2009-10:



MWDOC Fiscal Year	Employer (ER) Cost	Employee (EE) Cost Paid By District	Employee (EE) Cost Paid By Employee	Total PERS Obligation
2009/2010	9.5770%	7.0000%	0.0000%	16.577%
2010/2011	8.9840%	7.0000%	0.0000%	15.984%
2011/2012	10.0590%	7.0000%	0.0000%	17.059%
2012/2013	10.2380%	6.0000%	1.0000%	16.238%
2013/2014	10.7810%	5.0000%	2.0000%	15.781%
2014/2015	11.5220%	4.0000%	3.0000%	15.522%
2015/2016	10.5140%	3.0000%	4.0000%	13.514%

The average employer contribution to the member share of the current CalPERS cost is 2.4% for FY15-16. Therefore, the District's planned contribution of 3.0% plan of the member cost is competitive with that practice. The actual dollar cost per employee may be actuarially determined and it can vary by employment tier so these comparisons can be more complex.

Market Practices:

Public sector organizations, such as water districts and cities, typically provide membership in the California Public Employees Retirement System (CalPERS). Employees who participate in CalPERS have been assuming responsibility for paying for a portion of CalPERS retirement cost over the past several years. Some organizations have continued to pay for the full amount of the employee's share of the cost. However, the survey data shows that two-thirds of employers have already instituted or are planning to adopt policies which require employee contributions. There are significant variations by employer based on the number of employment tiers, and whether enhanced plan options are available to employees with higher accrual rates by years of service.

Conclusions/Recommendations:

MWDOC members should continue to be expected to provide a level of contribution to the member share of the plan benefits. The level of contribution should be lower than that of an employer with an enhanced formula. This is the case with MWDOC's current practices when overall comparisons are made. The Consultant does not favor a second tier retirement plan since employees whose hire dates vary yet have the same full-time status would provide different levels of plan contributions and the District would be required to administer a second separate plan.

2. Deferred Compensation Plans



MWDOC's Practices: All employees are eligible to participate in the 457(b) plan on an elective basis subject to annual contribution limits, notwithstanding the IRS catch-up provisions for qualified employees who are 50 years of age and older. Eligibility for plan participation begins the first day of employment.

Market Practices: Public agencies can sponsor 457 (b), (f), and (k) plans to provide opportunities for employees to set aside additional savings. In recent years, many public sector employers have been suspending or limiting employer matching contributions. These qualified 457 plans are subject to an IRS salary discrimination test so that the top 5% of compensated employees do not receive excessive benefits. The market data shows that over two-thirds of the employers are not making matching contributions to the employee's contributions to deferred compensation plans.

Conclusions/Recommendations: It is important to sponsor a qualified savings plan for employees that can reduce tax liability for the employer and employees. Employer contributions should be based on competitive market practices and economic conditions. At this time, the Consultant does not recommend that MWDOC make employer matching contributions to deferred compensation plans.

3. Retiree Medical Insurance Plan

MWDOC's Practices: Employees hired on or after July 1, 2012 are not eligible to receive District-paid retiree medical and elective health and welfare benefits. For eligible employees, the plan requires 10 or more years of service and a minimum age of 55. The District pays 100% of medical coverage for lowest cost plan for retirees, or 80% of medical coverage for retiree and spouse until retired employees are eligible for Medicare. Other requirements and restrictions apply.

Market Practices: The core labor market survey results and CalPACS survey data have shown high variability in employer practices with respect to the administration of retiree health plans for retirees. Increasingly, water districts and cities have adopted a more conservative policy position for newer employees, either providing the CalPERS statutory minimum values or not contributing to a plan. Retiree medical insurance benefits typically expire when employees reach age 65 and qualify for Medicare coverage. Similar to MWDOC's practices, a minimum agency service period of at least five years is commonly established. Some organizations do not establish age limits although Medicare coverage is required after age 65.

For employers who support retiree medical plans, the contributions vary greatly from over \$100 per month up to the same value as active employee health insurance coverage. Many employers are beginning to limit the dollar value of contributions to employee only, couple, and dependent care coverage, and have also considered the adoption of higher employee contributions for employees hired more recently.

Conclusions/Recommendations: No changes are recommended to the existing policy.

D. Perquisites and Reimbursements

1. Auto Allowance, Vehicle Provided, Mileage Reimbursement

MWDOC's Practices: A monthly auto allowance of \$500 is provided to seven professional and management positions listed below, as well as the General Manager, who receives a monthly allowance of \$750 per month:

- Assistant General Manager
- Director of Public Affairs
- Principal Water Resources Planner
- WEROC Program Manager
- Governmental Affairs Manager
- WUE Program Manager
- Principal Engineer

New requests for the automobile allowance are made through the annual budget process and during the year subject to the approval of the Administration and Finance Committee of the Board and the General Manager provides an annual report to the Administration and Finance Committee listing eligible positions. Employees are not eligible simultaneously for auto allowances and mileage reimbursement.

Market Practices: Most of the survey organizations limit the auto allowance to management positions. An allowance of \$600 per month to \$800 per month would be common for the General Manager. Designated department management positions tend to receive an allowance of \$400 to \$500 per month. As a perquisite, employers often consider whether the a) allowance value is tied to pay grade as part of the job responsibilities and b) the expectation is that the employee frequently uses a personal vehicle for travel to conduct District business.

Management level positions that require frequent travel to Board and committee meetings for District business are typically those that qualify for the allowance. In some cases, the mileage reimbursement is viewed as a management perquisite rather than being tied to actual business usage. However, it is uncommon for professional employees in lower classifications to receive an allowance with the exception of sales personnel.

Conclusions/Recommendations: The Consultant maintains that the monthly value of the allowance is reasonable. However, the job responsibilities should require frequent business travel (average threshold of 300 business miles per month) and these jobs should be assigned to management level pay grades. A detailed assessment of actual vehicle for those positions receiving the allowance was provided in 2012 to determine which positions should qualify for this dispensation. Any of these positions not driving an average threshold of 300 business miles per month using personal vehicles for District business should be reimbursed at the latest IRS approved reimbursement rate for 2015 of 57.5 cents per mile. No changes are recommended to the existing policy.



2. Educational Reimbursement

MWDOC's Practices: The MWDOC provides an Education Reimbursement Program for all regular full-time employees for work-related study approved by the supervisor, General Manager, and Human Resources and requiring one year of District service. An employee whose service is terminated within 12 months of course completion is required to reimburse the District for 100% of the reimbursement received. An employee who terminates employment within 13 to 24 months of completion of coursework and payment is expected to reimburse the District for 50% of the expenses. The FY14-15 program budget is \$6,000. Requests for reimbursement may be denied given the absence of available budgetary resources. Eligible expenses are tuition, books, registration fees, lab and materials fees, and parking.

The annual limit each year for educational expenses has been based upon the Cal State University Fullerton adopted program fee schedule for undergraduate and graduate programs given the program in which the employee is enrolled. Coursework should be completed with proof of an equivalent of a B average or higher for completed coursework. The remaining provisions of the District's new Education Reimbursement Policy were adopted in July, 2012 and apply to all employees who are not currently enrolled in an approved degree or certificate program under the District's current policies. Employees must submit an Education Reimbursement Approval Form prior to or within 30 days of enrollment in the course.

Market Practices: Most of the core labor market survey organizations reported having a formal educational reimbursement plan. The IRS establishes an annual limit of \$5,250 for TY2014 based on qualified job-related plan expenses. Public sector employers typically include tuition, educational fees and books as part of reimbursable expenses. However, the plans typically require that employees have full-time status, an annual limit that equates to \$5,000 or specified amount, since it is possible for the student to be taking classes throughout the year at a private institution. Most survey organizations plan and budget for this expense each year from the department budget or Administrative Services/Human Resources budget. Conference expenses are typically considered separately, including travel, lodging, and meal expenses as part of professional membership expenses. Reimbursement is typically based on satisfactory completion of coursework or certification, either at the equivalent of at least a "C" grade or "B" grade. Employers are increasingly requiring pro-rated re-payment of educational expenses for employees who terminate employment within one year of completion of their educational coursework.

Conclusions/Recommendations: No changes are recommended in the current Education Reimbursement Plan policies.



MWDOC PAY STRUCTURE - EFFECTIVE JULY 2015									
Pay Grade	Dept	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R1	Admin	NE	Office Assistant	Annual	\$31,873	\$34,645	\$37,438	\$40,231	\$43,024
R1				Monthly	\$2,656	\$2,887	\$3,120	\$3,353	\$3,585
R1				Hourly	\$15.32	\$16.66	\$18.00	\$19.34	\$20.68
R2		NE	Open	Annual	\$38,227	\$41,574	\$44,921	\$48,268	\$51,616
R2				Monthly	\$3,186	\$3,465	\$3,743	\$4,022	\$4,301
R2				Hourly	\$18.38	\$19.99	\$21.60	\$23.21	\$24.82
R3	Admin	NE	Office Specialist	Annual	\$41,105	\$44,708	\$48,290	\$51,893	\$55,496
R3				Monthly	\$3,425	\$3,726	\$4,024	\$4,324	\$4,625
R3				Hourly	\$19.76	\$21.49	\$23.22	\$24.95	\$26.68
R4	Finance	NE	Accounting Technician	Annual	\$44,196	\$48,055	\$51,914	\$55,794	\$59,653
R4				Monthly	\$3,683	\$4,005	\$4,326	\$4,650	\$4,971
R4				Hourly	\$21.25	\$23.10	\$24.96	\$26.82	\$28.68
R5	Admin	NE	Administrative Assistant	Annual	\$47,501	\$51,658	\$55,816	\$59,973	\$64,131
R5		NE		Monthly	\$3,958	\$4,305	\$4,651	\$4,998	\$5,344
R5				Hourly	\$22.84	\$24.84	\$26.83	\$28.83	\$30.83
R6	Admin	NE	Sr. Admin Assistant	Annual	\$51,061	\$55,539	\$59,994	\$64,472	\$68,928
R6	PA	NE	Public Affairs Assist	Monthly	\$4,255	\$4,628	\$5,000	\$5,373	\$5,744
R6				Hourly	\$24.55	\$26.70	\$28.84	\$31.00	\$33.14
R7	WEROC	NE	WEROC Programs Coordinator	Annual	\$54,899	\$59,696	\$64,493	\$69,311	\$74,108
R7	Admin	NE	Records Coordinator	Monthly	\$4,575	\$4,975	\$5,374	\$5,776	\$6,176
R7				Hourly	\$26.39	\$28.70	\$31.01	\$33.32	\$35.63
R8	PA	NE	Public Affairs Coordinator	Annual	\$59,014	\$64,173	\$69,333	\$74,492	\$79,673
R8	Finance	NE	Accountant	Monthly	\$4,918	\$5,348	\$5,778	\$6,208	\$6,639
R8				Hourly	\$28.37	\$30.85	\$33.33	\$35.81	\$38.30
R9	WUE	NE	WUE Analyst	Annual	\$63,427	\$68,992	\$74,535	\$80,099	\$85,642
R9	Admin	NE	Executive Assistant	Monthly	\$5,286	\$5,749	\$6,211	\$6,675	\$7,137
R9	Eng		Associate Water Resources Analyst	Hourly	\$30.49	\$33.17	\$35.83	\$38.51	\$41.17
R10	PA	NE	Public Affairs Specialist	Annual	\$68,203	\$74,151	\$80,121	\$86,090	\$92,060
R10	Finance	NE	Sr. Accountant	Monthly	\$5,684	\$6,179	\$6,677	\$7,174	\$7,672
R10	WUE	NE	WUE Program Coordinator	Hourly	\$32.79	\$35.65	\$38.52	\$41.39	\$44.26
R10	Admin	NE	Sr. Executive Assistant						
R11	PA	E	Public Affairs Supervisor	Annual	\$73,319	\$79,715	\$86,133	\$92,550	\$98,967
R11	Eng	E	Water Resources Analyst	Monthly	\$6,110	\$6,643	\$7,178	\$7,713	\$8,247
R11				Hourly	\$35.25	\$38.32	\$41.41	\$44.50	\$47.58
R12	Finance	E	Financial Analyst/Database Analyst	Annual	\$78,799	\$85,706	\$92,593	\$99,500	\$106,387
R12	Finance	NE	Network Systems Engineer	Monthly	\$6,567	\$7,142	\$7,716	\$8,292	\$8,866
R12	WUE	NE	WUE Program Specialist	Hourly	\$37.88	\$41.21	\$44.52	\$47.84	\$51.15
R12	Admin	NE	Sr. Exec. Assist to the Board						
R13	Finance	E	Accounting Supervisor	Annual	\$84,726	\$92,124	\$99,543	\$106,962	\$114,360
R13	PA	E	Public Affairs Manager	Monthly	\$7,060	\$7,677	\$8,295	\$8,914	\$9,530
R13	Eng	E	Sr. Water Resources Analyst	Hourly	\$40.73	\$44.29	\$47.86	\$51.42	\$54.98
R14	WUE	E	WUE Program Supervisor	Annual	\$91,079	\$99,031	\$107,005	\$114,979	\$122,952
R14	WEROC	E	WEROC Programs Manager	Monthly	\$7,590	\$8,253	\$8,917	\$9,582	\$10,246
R14	Finance	E	Sr. Financial Analyst/Database Analyst	Hourly	\$43.79	\$47.61	\$51.44	\$55.28	\$59.11
R15	Eng	E	Sr. Engineer	Annual	\$97,901	\$106,472	\$115,043	\$123,592	\$132,163
R15	Finance	E	Accounting Manager	Monthly	\$8,158	\$8,873	\$9,587	\$10,299	\$11,014
R15	GA	E	Governmental Affairs Manager	Hourly	\$47.07	\$51.19	\$55.31	\$59.42	\$63.54
R16	Eng	E	Principal Water Resources Analyst	Annual	\$105,236	\$114,446	\$123,656	\$132,866	\$142,076
R16	Admin	E	Administrative Services Manager	Monthly	\$8,770	\$9,537	\$10,305	\$11,072	\$11,840
R16	WUE	E	WUE Program Manager	Hourly	\$50.59	\$55.02	\$59.45	\$63.88	\$68.31

MWDOC PAY STRUCTURE - EFFECTIVE JULY 2015									
Pay Grade	Dept	Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
R17	Eng	E	Principal Engineer	Annual	\$113,145	\$123,038	\$132,930	\$142,844	\$152,736
R17	Eng	E	Principal Water Resources Planner	Monthly	\$9,429	\$10,253	\$11,078	\$11,904	\$12,728
R17				Hourly	\$54.40	\$59.15	\$63.91	\$68.68	\$73.43
R18	PA	E	Director of Public Affairs	Annual	\$121,631	\$132,269	\$142,908	\$153,547	\$164,185
R18	WUE	E	Director of Water Use Efficiency	Monthly	\$10,136	\$11,022	\$11,909	\$12,796	\$13,682
R18				Hourly	\$58.48	\$63.59	\$68.71	\$73.82	\$78.94
R19	Finance	E	Director of Finance/IS	Annual	\$130,756	\$142,183	\$153,632	\$165,059	\$176,508
R19	Eng	E	Associate General Manager	Monthly	\$10,896	\$11,849	\$12,803	\$13,755	\$14,709
R19				Hourly	\$62.86	\$68.36	\$73.86	\$79.36	\$84.86
R20			Open	Annual	\$140,541	\$152,843	\$165,145	\$177,446	\$189,748
R20				Monthly	\$11,712	\$12,737	\$13,762	\$14,787	\$15,812
R20				Hourly	\$67.57	\$73.48	\$79.40	\$85.31	\$91.23
R21	Eng	E	Assistant General Manager	Annual	\$147,939	\$162,736	\$177,532	\$192,328	\$207,124
R21				Monthly	\$12,328	\$13,561	\$14,794	\$16,027	\$17,260
R21				Hourly	\$71.12	\$78.24	\$85.35	\$92.47	\$99.58
GM	Eng	E	General Manager	Annual	\$237,375				\$237,375
Number of Grades = 22 Range Spread (R1-R20) = 35% Range Spread (R21) = 40% Grade Differential = 7.5% at R3 Annual and Monthly amounts are based on a 40-hour work week									
MWDOC INTERN PAY STRUCTURE - EFFECTIVE JULY 2015									
Pay Grade		Exempt / Non-Exempt	Job Classification	Payment Schedule	Range Minimum	25th Percentile	Range Midpoint	75th Percentile	Range Maximum
INT		NE	Student Intern I (Undergraduate-Freshman/Sophomore)	Hourly	13.23	14.87	16.51	18.15	19.78



Item No. 10-1

ACTION ITEM

May 20, 2015

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

FROM: Robert Hunter, General Manager

SUBJECT: APPROVE CONTRACT WITH BEST, BEST & KRIEGER WITH RATE INCREASE

STAFF RECOMMENDATION

Staff recommends the Board of Directors: Approve rate increase and authorize the General Manager to execute a contract reflecting the new rates, and discuss the "subscription" program to BBK's Public Policy and Ethics Program.

COMMITTEE RECOMMENDATION

Committee recommended the Board approve the increase in fees to BBK. The Committee did not address the "subscription" to BBK's Public Policy and Ethics Program. The Board should consider asking BBK to include the subscription with the rate increase.

DETAILED REPORT

In December 2011, MWDOC's legal counsel Russ Behrens closed McCormick, Kidman & Behrens (MKB), and in January 2012 he joined Best, Best & Krieger (BBK) as a partner. In January 2012, the MWDOC Board authorized the retention of BBK at the same rates and fees that were paid to MKB and MWDOC has utilized the services of BBK as MWDOC's legal counsel since that time. Prior to this date, MWDOC was utilizing the services of BBK on issues pertaining to the District's pension plan (going back to 2007).

BBK has not revised its rate schedule, nor raised its rates for services on MWDOC's behalf since we began using them full-time in January 2012 and these are the same rates MWDOC was paying MKB (which date back to 2008). As such, the District received a request for fee increase by BBK, as well as a proposed new rate structure (both attached). The new rates reflect an increase in legal fees of approximately 17%. It should be noted that BBK first proposed this increase eight months ago.

BBK is also recommending the District purchase a subscription to BBK's Public Policy and Ethics Program at the rate of \$4600 per year (plus discounted costs relative to Form 700 training, Political Reform Act issues, and AB 1234 trainings). An outline of this program is also attached.

The Executive Committee suggested the Administration & Finance Committee discuss this issue.

Budgeted (Y/N): N	Budgeted amount:	Core ____	Choice ____
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted): If the rate increase is approved, the FY 2015/16 budget will need to be revised so that the legal services line item is increased by 17%.			

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BEST BEST & KRIEGER
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Russell G. Behrens
(949) 283-8589
russell.behrens@bbklaw.com
File No. 55398.00001

February 17, 2015

Robert Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92708

Re: Proposed Revisions for Staffing of Legal Services, and Rate Adjustments

Dear Rob:

I enjoyed our recent meeting to talk about upcoming District business and issues. We also discussed proposed staffing changes and rate adjustments for legal services by BBK.

As you know, I have been providing legal advice to MWDOC since 1969. I have had the pleasure of working with MWDOC on all of its major projects including the Irvine Lake Pipeline, Allen McColloch Pipeline, Irvine Reservoir, El Toro Reservoir, South County Pipeline, Sale of the Allen McColloch Pipeline to Met, legislation to change the MWDOC enabling statute, LAFCO issues including securing special district representation, the Settlement Agreement (South County), Allen McColloch Pipeline Flow Augmentation Agreement, and working with Metropolitan and MWDOC Member Agencies to negotiate contracts, assist in litigation including challenges to Metropolitan rates by San Diego County Water Authority, copper pipe pinhole leaks and other matters. I have thoroughly enjoyed working for the District and the Board over the years and I still do.

When I first joined BBK in January 2012 I was assisted by Dan Payne. After Dan left BBK and became general counsel for the City of Anaheim Power Commission, I introduced you to Mal Richardson and Joe Byrne who assisted me in MWDOC's work. Mal and Joe worked on the following MWDOC projects: Mal Richardson; EOCWD DI-08 emergency power installation, Baker Treatment Plant Water transmission in the SCP, the EOCF#2 Joint Powers Agreement with Met and the criteria for selection of the South County Met Director. Joe Byrne worked on the OCWD Consolidation Proposal, Grant Funding Criteria, WEROC, Master Water Conservation Agreements, the Doheny Project and the MWDOC/Met Agreement to Convey IRWD Water.

Recently, BBK was selected as City Attorney of the City of San Clemente. Scott Smith, a senior partner in BBK will fill that position. This has resulted in Mal Richardson taking over as City Attorney for Lake Forest. Mal's time will now be limited because of his extra work load

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BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

Robert Hunter
February 17, 2015
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with the City, but he will be able to continue to work on the projects listed above and additional projects that may be assigned to him in the future as appropriate.

Joe Byrne, as you know, is versed in MWDOC projects and his practice is focused on water law and policy, and general counsel representation of water districts. He is also at the present time the Chairman of the California Water Commission which provides him with a broad perspective on California water issues and related legislation.

This brings me to the point of future BBK legal staffing for MWDOC. I propose that General Counsel staffing now be handled and coordinated by Joe Byrne with my assistance. Joe would be the first point of contact on General Counsel matters and would coordinate with you and your staff on various MWDOC matters in the same manner that I have been providing such service. I would continue to be the first point of contact on projects assigned to me other than the usual General Counsel work. Thus Joe would attend Board and Committee meetings, review agendas, minutes, Brown and Public Records Act, Personnel matters as directed by you. In Joe's absence, I will continue to work as alternate General Counsel. This arrangement will free up my time to focus working on MWDOC transactions, negotiations and projects as you and the Board determine appropriate. I would like to implement this arrangement by July 1, 2015 which will allow four months to complete the transition. After July 1 Joe would provide the primary General Counsel services and I will continue to work on special projects assigned to me and should Joe not be available, to work as the alternate General Counsel. I would provide my services at the General Counsel rates proposed below.

Second, I propose that the BBK rates for legal services to MWDOC be increased from the 2008 rates as follows:

General Counsel; Partners, \$255 per hour (currently \$235 per hour); Associates, \$225 per hour (currently \$200 per hour); Paralegals \$135 per hour (currently \$125 per hour).

Special Counsel: Partners \$295 per hour (currently \$235 per hour); Associates \$265 per hour (currently \$200 per hour); Paralegal \$150 per hour (currently \$125 per hour).

General Counsel Services

Examples of Basic General Counsel Services: (a) Attendance at meeting of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis.

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ATTORNEYS AT LAW

Robert Hunter
February 17, 2015
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Special Counsel Services would only be provided on specific authorization by MWDOC's general manager. We believe Special Counsel Services are reasonable because of the experience and focused knowledge of certain BBK lawyers justifies a higher rate than rates of general counsel services. BBK has invested its resources over many years in these specialized areas of public law for the benefit of its public agency clients. These areas of practice include (a) Environmental, CEQA, NEPA and Endangered Species (b) Real Property – eminent domain, easements, leases and other property interests, (c) Public Works Construction – bidding, contract development, and contractor disputes; (d) Labor Relations and Employment, pension plans and federal tax issues; (e) Water Rights, Water Supply and Water Quality; (f) Taxes, Rates and Charges; (g) Renewable Energy; (h) Litigation and Formal Administrative Hearing Matters/Enforcement of Policies and Contracts. General Counsel has generalized knowledge on all of these subjects, but not to the level that BBK special counsel have due to their involvement in their areas of specialty on a day to day basis, publication of papers and presentation as experts in their fields or historic involvement or participation in the matter. Special Counsel work must be authorized by the General Manager.

In addition I propose that there be annual COLA Adjustments which we believe to be fair and reasonable as follows:

Annual COLA Adjustment; Other Mutual Adjustments. The rates or amounts provided for in Sections 3.7.1 through 3.7.6 and 3.7.11 shall be automatically adjusted as follows: On July 1, 2016 and every July 1st thereafter during the term of this Agreement, they shall be adjusted for the change in the cost of living for the twelve (12) month period published for the month of May, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth for the Los Angeles-Anaheim-Riverside area ("COLA"); provide, however, that such adjustment shall not be lower than zero percent (0%) nor more than five percent (5%). In addition to the COLA rate adjustment, initiation of consideration of a rate increase may occur at any time; but shall not be implemented without the express written consent of the Client.

In closing, we again wish to express our desire to continue to provide our legal services to MWDOC. If this proposal is acceptable I have enclosed an amendment for your signature. A copy of the existing Agreement is also enclosed. If you have any thoughts, questions or comments, please do not hesitate to call me.

BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

Robert Hunter
February 17, 2015
Page 4

Very truly yours,

Russell G. Behrens
of BEST BEST & KRIEGER LLP

Russell G. Behrens, 949-263-6569 (direct)
Joseph P. Byrne, 949-263-2501 (direct)
Matthew E. Richardson, 949-263-6562 (direct)

RGB:sp

cc: Joseph P. Byrne
Matthew E. Richardson

AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

1. Parties to Date:

This Amendment is made and entered into as of the ____ day of ____ 2015, to be effective as of ____, 2015 by and between Municipal Water District of Orange County ("The District") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. Recitals

2.1 This is an Amendment to the Agreement for Legal Services between District and BB&K executed January 1, 2012 ("Services Agreement").

3. Changes to Section 3

3.1 Section 3.3 of the Services Agreement shall be changed by striking "Russell G. Behrens" and inserting "Joseph Byrne", "Dan Payne" shall be struck and "Russell G. Behrens" inserted.

3.2 Section 3.7 of the Services Agreement shall be changed by substituting Exhibit A with "Exhibit A-2015" which is attached hereto and incorporated by reference and made a part hereof.

3.3 Section 3.9 is hereby amended to read as follows:

"3.6 Annual Reviews. The District and BB&K agree that a review of performance of services referenced in this Agreement should occur at least annually."

4. All other provisions of the Services Agreement shall remain in full force and effect.

IN WITNESS WHERE OF, the District and BB&K have executed this Amendment to Agreement for Legal Services as of the date first written above.

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____
Name: ROBERT J. HUNTER
Title: General Manager

BEST BEST & KRIEGER, LLP

By: _____
Name: RUSSELL G. BEHRENS
Title: Partner

EXHIBIT "A-2015"

***FEE SCHEDULE FOR MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Basic General Counsel Services: \$255/hour for partners; \$225/hour for associates; and \$135/hour for paralegals.

Examples of Basic General Counsel Services: (a) Attendance at meetings of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, Public Records Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis.

Special Counsel Services: \$295/hour for partners; \$265/hour for associates; and \$150/hour for paralegals.

Special Counsel Services *Include The Following: (a) Environmental — CEQA, NEPA, and Endangered Species; (b) Real Property — eminent domain, easements, leases, and other property interests; (c) Public Works Construction — bidding, contract development, and contractor disputes; (d) Labor Relations and Employment; (e) Water Rights, Water Supply and Water Quality; (f) Taxes, Rates and Charges; (g) Renewable Energy; and (h) Litigation And Formal Administrative Hearing Matters/Enforcement of Policies and Contracts.

Annual COLA Adjustments: Other Mutual Adjustments. The rates or amounts provided for in Sections 3.7.1 through 3.7.6 and 3.7.11 shall be automatically adjusted as follows: On July 1 2016 and every July 1st thereafter during the term of this Agreement, they shall be adjusted for the change in the cost of living for the twelve (12) month period published for the month of May, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth for the Los Angeles-Anaheim-Riverside area ("COLA"); provided, however, that such adjustment shall not be lower than zero percent (0%) nor more than five percent (5%). In addition to the COLA rate adjustments, initiation of consideration of a rate increase may occur at any time; but shall not be implemented without the express written consent of the Client.

*Special Counsel Services will only be provided on express written (including email) authorization by MWDOC's General Manager.

3/7/2012

**AGREEMENT FOR LEGAL SERVICES
BETWEEN
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
AND
BEST BEST & KRIEGER LLP**

COPY

1. PARTIES AND DATE.

This Agreement is made and entered into as of the 1st day of January, 2012, by and between the Municipal Water District of Orange County ("the District") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. RECITALS.

2.1 The District wishes to engage the services of BB&K as its Attorney to perform all necessary legal services for the District on the terms set forth below.

3. TERMS.

3.1 Term. The term of this Agreement shall commence on January 1, 2012 and shall continue in full force and effect until terminated in accordance with Section 3.12. Any previous agreement between BB&K and the District is hereby terminated as of that date.

3.2 Scope of Services. BB&K shall serve as the District's Attorney and shall perform legal services ("Services") as may be required from time to time by the District as set forth by this Agreement, unless otherwise agreed to by the District and BB&K. As part of the Services to be performed hereunder, BB&K shall be responsible for the following:

3.2.1 Preparation for, and attendance at, regular meetings of the District;

3.2.2 Provision of legal counsel at such other meetings as directed by the District;

3.2.3 Preparation or review of all District ordinances and resolutions, together with such staff reports, orders, agreements, forms, notices, declarations, certificates, deeds, leases and other documents as requested by the District;

3.2.4 Rendering to the officers and employees of the District legal advice and opinions on all legal matters affecting the District, including new legislation and court decisions, as directed by the District;

3.2.5 Researching and interpreting laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the District on legal matters pertaining to District operations, as directed by the District;

3.2.6 Performing legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, as directed by the District;

3.2.7 Responding to inquiries and review for legal sufficiency ordinances, resolutions, contracts, and administrative and personnel matters, as directed by the District;

3.2.8 Representing and assisting on litigation matters, as directed by the District. Such services shall include, but shall not be limited to, the preparation for and making of appearances, including preparing pleadings and petitions, making oral presentations, and preparing answers, briefs or other documents on behalf of the District, and any officer or employee of the District, in all federal and state courts of this State, and before any governmental board or commission, including reviewing, defending or assisting any insurer of the District or its agents or attorneys with respect to any lawsuit filed against the District or any officer or employee thereof, for money or damages, or for any other relief.

3.2.9 Advising the District and representing the District, as directed by the District with respect to groundwater and water quality issues, water service and purchase agreements, drafting legislation and legislative advocacy, desalination water agreements and transactions, real estate matter and such other matters as may arise.

3.3 Designated General Counsel Attorney. Russell G. Behrens shall be designated as District General Counsel, and shall be responsible for the performance of all Services under this Agreement, including the supervision of Services performed by other members of BB&K. Dan Payne shall assist as General Counsel from time to time as needed. No change in this assignment shall be made without the consent of the District.

3.4 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as directed by the District.

3.5 Assistance. The District agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.6 Independent Contractor. BB&K shall perform all legal services required under this Agreement as an independent contractor of the District and shall remain, at all times as to the District, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the District, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The District shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.7 Fees and Costs. BB&K shall render and bill for the Services at rates set forth in Exhibit "A" which is attached hereto and incorporated herein by reference. In addition, the District shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, mileage expenses at the rate allowed by the Internal Revenue Service for travel to and from the District's offices, toll road expenses, long distance telephone and facsimile tolls in excess of \$25.00 per call or fax, research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery),

copying costs, court fees and similar costs relating to the Services that are generally chargeable to a client.

3.8 Billing. BB&K shall submit monthly to the District a detailed statement of account for Services. The District shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.9 Annual Reviews and Rate Adjustments. The District and BB&K agree that a review of performance and the compensation amounts referenced in this Agreement should occur at least annually. In addition, either BB&K or the District may initiate consideration of a rate increase at anytime.

3.10 Risk Transfer Provisions.

3.10.1 Workers' Compensation Insurance. BB&K certifies that it is aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and BB&K will comply with such provisions before commencing the performance of the work of this agreement.

3.10.2 Indemnification. BB&K shall indemnify and hold harmless and defend the District, its directors, officers, and employees, and each of them from and against any claims, liabilities, costs, damages, judgments or causes of action to the extent caused by BB&K's negligent acts or omissions, or its willful acts or omissions, in the course of performance of this contract. In order to defend the District, its directors, officers and employees under this paragraph, BB&K shall retain counsel for the District acceptable to the District, or may defend the District consistent with ethical obligations under California law and conditioned upon the District's agreement. BB&K's obligation under this paragraph shall not apply to any claims, liabilities, costs, damages or causes of action caused solely by the negligent or willful acts or omissions of the District, its directors, officers, and employees.

3.11 Required Insurance.

3.11.1 Liability Insurance. BB&K shall provide and maintain at all times during the performance of the work under this Agreement, the following commercial general liability, professional liability and automobile liability insurance:

3.12 Coverage. Coverage shall be at least as broad as the following:

3.12.1 Coverage for Professional Liability appropriate to BB&K's profession covering BB&K's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.

3.12.2 Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001)

3.12.3 Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (non-owned, and hired automobiles)

3.13 Limits. BB&K shall maintain limits no less than the following:

3.13.1 Professional Liability – Two million dollars (\$2,000,000) per claim and annual aggregate.

3.13.2 General Liability – Two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the District) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.

3.13.3 Automobile Liability – One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.

3.14 Required Provisions. The general liability policy must contain, or be endorsed to contain, the following provisions:

3.14.1 The District, its directors, officers, and employees, are to be given insured status (via ISO endorsement CG 2010, CG 2033, or insurer's equivalent for general liability coverage) as respects: liability arising out of activities performed by or on behalf of BB&K; and premises owned, occupied or used by BB&K. The coverage shall contain no special limitations on the scope of protection afforded to the District, its directors, officers, or employees.

3.14.2 For any claims related to this project, BB&K's insurance shall be primary insurance as respects the District, its directors, officers, or employees. Any insurance, self-insurance, or other coverage maintained by the District, its directors, officers, or employees shall not contribute to it.

3.14.3 Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to the District, its directors, officers, or employees.

3.14.4 BB&K's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.14.5 Such liability insurance shall indemnify BB&K against loss from liability imposed by law upon, or assumed under contract by, BB&K for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.

3.14.6 The automobile liability policy shall cover all owned, non-owned, and hired automobiles.

3.14.7 Each insurance policy required by this Agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or BB&K, except

after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to the District.

3.14.8 All of the insurance shall be provided on policy forms and through companies satisfactory to the District.

3.15 Workers' Compensation and Employer's Liability Insurance. BB&K shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them in carrying out the work contemplated under this contract, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. BB&K shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.

3.16 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the District.

3.17 Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by the District.

BB&K shall, upon demand of the District, deliver to the District such policy or policies of insurance and the receipts for payment of premiums thereon.

3.18 Continuation of Coverage. If any of the required coverage expires during the term of this Agreement, BB&K shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least ten (10) days prior to the expiration date.

3.19 Attorney-Client Privilege. Confidential communication between the District and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the District and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the District is aware, discloses the information to no third persons other than those who are present to further the interests of the District in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.20 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by the District and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the District.

3.21 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3/7/2012

3.22 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.23 Amendment: Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.24 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.25 Invalidity: Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.26 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.27 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose;

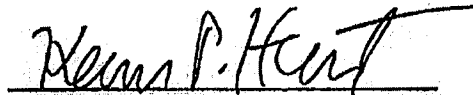
District: Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92728
Attention: General Manager

BB&K: Best Best & Krieger LLP
3750 University Avenue, Suite 400
Riverside, CA 92502
Attention: Managing Partner


3/7/2012

IN WITNESS WHEREOF, the District and BB&K have executed this Agreement for Legal Services as of the date first written above.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: 
Name: Kevin P. Hunt
Title: General Manager

BEST BEST & KRIEGER LLP

By: 
Eric L. Garner
Its Managing Partner

3/7/2012

EXHIBIT "A"
Fee Schedule for Municipal Water District of Orange County

Partners/Of Counsel	\$235/per hour
Senior Associate	\$200/per hour
Junior Associate	\$175/per hour
Paralegal	\$125/per hour



BEST BEST & KRIEGER
ATTORNEYS AT LAW

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(760) 568-2811
Los Angeles
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Ontario
(909) 888-8584
Riverside
(951) 688-1450

18101 Von Karman Avenue, Suite 1000, Irvine, CA 92612
Phone: (949) 263-2800 | Fax: (949) 260-0972 | www.bbklaw.com

Sacramento
(916) 325-4000
San Diego
(619) 525-1300
Walnut Creek
(925) 977-3300
Washington, DC
(202) 785-0800

Russell G. Behrens
(949) 263-8569
russell.behrens@bbklaw.com
File No. 55401.00001

April 6, 2015

Robert Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92708

Re: Proposed Revisions for Staffing of Legal Services, and Rate
Adjustments, Compared to 2014 Billed Time

Dear Rob:

Pursuant to your request attached is a spreadsheet illustrating how the new proposed rates would impact the MWDOC legal costs based on billed time for the year ending December 2014. The time billed by BBK on the new rates includes the time spent by BBK Partners/Of Counsel, Associates and Paralegals (see top of schedule). There are certain MWDOC matters that involve the need for special counsel at the outset which are noted by the asterisks. These special counsel matters would be billed according to the schedule. General Counsel rates will apply to general counsel coordination with you and special counsel.

Other matters that are not listed as special counsel matters will be billed at general counsel rates unless they need to be handled by special counsel. For example, a Public Records Act or Brown Act matter that develops into litigation. As set forth in the proposal, we will discuss the need for special counsel with you in advance for your authorization. We take pride in coordinating with our clients in the delivery of legal services at the competent, efficient and economical levels.

We also recommend that MWDOC subscribe to the BBK PPEG Program. This service is of real value because it is staffed by BBK lawyers and paralegals dedicated to identifying and analyzing important and significant issues for their public agency clients. The cost of this work is shared among other BBK clients and is therefore more cost efficient for the participants because

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BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

Robert Hunter
April 6, 2015
Page 2

of the economies of scale. This service also saves money by relieving general counsel from having to spend time to develop and analyze certain issues solely on behalf of MWDOC. I suggest that a meeting or conference call with Joe and me before the April 16, 2015 Executive Committee meeting would be appropriate to discuss any questions or comments you may have.

Very truly yours,


Russell G. Behrens
of BEST BEST & KRIEGER LLP

RGB:sp

Enclosures

Client Analysis and Projections
Client: 55401 - MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Year: 2014

2014 - All Matters Priced as General Counsel				Hours Wk	Hours Billed	Fee Amount	New Fee Amount
ALL MATTERS - Actuals				1,173	1,133	\$231,445	
Rates:							
Partners & Of Counsel	Current	General Counsel	Special Counsel				
Associates	235	255	285				
Paralegals & Law Clerks	200	225	285				
	125	135	150				

If new rates had been charged this past year:

Total Client	1,173	1,133	\$231,445	\$270,861
55401.00000 - GENERAL	228.3	214.8	\$43,154	\$47,220
55401.00001 - BOARD MEETINGS	87.2	83.2	\$19,562	\$21,216
55401.00002 - FINANCIAL DISCLOSURE - DIRECTORS	2.1	2.1	\$318	\$344
55401.00003 - MET CONSERVATION CREDITS PROGRAM	43.9	43.9	\$10,317	\$11,196
* 55401.00004 - DESALINATION PROJECT	42.3	42.3	\$9,841	\$12,479
55401.00005 - MWDOJOCWD V. NORTHROP	7.2	7.2	\$1,413	\$1,500
55401.00006 - ELECTION - APPOINTMENT OF DIRECTORS	118.1	100.2	\$22,252	\$24,441
55401.00007 - PUBLIC RECORDS	4.4	4.4	\$759	\$822
55401.00008 - FINANCIAL DISCLOSURE - EMPLOYEES/CONSULTANTS	3.9	3.9	\$559	\$611
55401.00009 - WEROC (WATER EMERGENCY RESPONSE FOR ORANGE COUNT	15.3	15.3	\$3,338	\$3,590
* 55401.00010 - PERSONNEL	78.7	78.7	\$18,928	\$21,134
55401.00011 - MINUTES AND AGENDAS	1.4	1.4	\$307	\$333
* 55401.00012 - CLAIMS FOR DAMAGE TO COPPER PIPES	183.1	182.3	\$25,489	\$33,383
55401.00013 - BROWN ACT	4.8	4.8	\$854	\$1,059
55401.00014 - COMPENSATION DIRECTORS	23.3	23.3	\$4,939	\$5,456
55401.00015 - CONFLICT OF INTEREST/INCOMPATIBILITY	12.9	12.9	\$1,808	\$1,982
55401.00016 - CONSULTANTS CONTRACT	1.6	1.6	\$200	\$216
* 55401.00017 - RATES - CHARGES	39.5	39.3	\$9,238	\$11,594
* 55401.00018 - LAFCO ISSUES	2.2	2.2	\$489	\$625
* 55401.00020 - PENSION AND RETIREMENT FUND	6.1	6.1	\$1,434	\$1,800
55401.00023 - MET WATER RATES AND TAXES	9.1	9.1	\$1,832	\$2,144
55401.00028 - MET ISSUES	25.1	24.9	\$5,300	\$5,774
55401.00030 - ALLEN-MCCOLLOCH SAC - GENERAL	94.1	94.1	\$20,528	\$22,619
* 55401.00033 - INTERGOVERNMENTAL COORDINATION	63.9	62.2	\$13,789	\$17,612
* 55401.00034 - DIRECTOR BENEFITS	72.3	72.3	\$16,536	\$20,839

* Denotes matters using special counsel rates

PPEG

Russell Behrens

From: Russell Behrens
Sent: Monday, December 22, 2014 1:53 PM
To: Pat Meszaros (PMeszaros@mwdoc.com)
Cc: Robert Hunter (RHunter@mwdoc.com); Matthew Richardson; Susan Palmer
Subject: FW:
Attachments: Scanned from a Xerox Multifunction Device.pdf
Importance: High

Hi Pat – Attached is the August 19, 2014 letter I sent to Rob concerning the Public Policy and Ethics Program. The Program is staffed by BBK lawyers, paralegals and legal assistants who are dedicated to monitoring all of the recent developments in law and regulations that affect public agencies, directors and staff. Each member of the team regularly monitors the laws and regulatory agencies assigned to them to catch current changes, and new developments that are important to public agencies. This dedicated team is designed to assist to carry out the general counsel function and is more cost efficient because the work is spread over the BBK client base of public agencies. As you can see from the letter, the Program provides written legal advice on each significant change or development in laws, regulations judicial decisions and legislation. As I see it, the value is being able to determine what actions to take in advance rather than discovering there is a problem later that must be corrected. In addition to the foregoing, the Program provides reduced cost of trainings on Form 700, Conflicts of Interest Code requirements, AB 1234 trainings on ethics and a copy of the Brown Act and current updates which are all a very central part of the day to day work of a public agency. Susan provided me a list of some of the items that were included in this year's memorandums to BBK's Program clients. I strongly recommend that the District give the Program a try for a year. I'm sure you will see its value and will want to continue in the future. Russ

From: Susan Palmer
Sent: Monday, December 22, 2014 12:31 PM
To: Russell Behrens
Subject:

- 2014 Brown Act and Memo of Amendments
- New FPPC Travel Regulations
- New FPPC Gift to Agency Regulations
- AB 800: Enhanced Authority of State to Enforce Campaign Contribution and Expenditure Laws
- Rules and Regulations for Public Officials Regarding Meals
- Notice Regarding 2014 Mandatory Review of Conflict of Interest Codes
- FPPC Changes in Real Property Materiality Rules
- FPPC Adopts new Regulations 18706 and 18706.1 - Reasonably Foreseeable
- Conflict of Interest - Materiality Standards for Financial Interests in Business Entities
- Notice Information for Mandatory Ethics Training Under AB 1234 .

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(760) 568-2811
Irvine
(949) 253-2800
Los Angeles
(213) 617-8100
Ontario
(909) 989-8584

BB&K
BEST BEST & KRIEGER
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San Diego
(619) 525-1300
Walnut Creek
(925) 977-3300
Washington, DC
(202) 785-0800

August 19, 2014

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

Re: Public Policy & Ethics Program

Dear Rob:

This letter explains Best Best & Krieger LLP's (BB&K) new Public Policy & Ethics (PP&E) Program for local government clients. The PP&E Program provides participants with memoranda on laws that directly affect public agencies, such as the Political Reform Act, Fair Political Practices Commission Regulations, the Brown Act, and the Public Records Act. The Program also provides participants with updates on new legislation and judicial decisions affecting local governments. Previously, such memoranda and updates were provided to participants of Projects 1 and 2, however those Projects have been consolidated into the PP&E Program.

By providing our Program updates to a large pool of participants, BB&K is able to divide the overall cost of the products among all participants and charge only a fraction of the total costs to the individual client agencies.

For Municipal Water District of Orange County (MWDOC), BB&K would charge a onetime fee on July 1 of each year for all of the services provided under the Program. Annual costs for this fiscal year are \$4,600.¹ The annual fee covers the following services under the Program:

- Written legal advice concerning matters that affect local government such as new legislation, regulations, court decisions and Attorney General opinions. This service includes monitoring significant developments that may affect the agencies, legal research, and drafting memoranda for those developments.
- Annual updates on the Brown Act, the Public Records Act, the Political Reform Act, and other conflict of interest laws.

¹ The PP&E Program annual fee and discounted fees for training is subject to adjustment each year, depending on the number of participants, BB&K rate increases and other factors.
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BBK
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In addition, clients who participate in the Program are offered the following legal services at a discounted rate in addition of the annual fee:

- Customized, on-site training regarding Statements of Economic Interests (Form 700s). Statements of Economic Interests are building blocks for transparency and good governance. Our Form 700 training covers the different types of reportable interests, avoiding over-disclosure, completing a Form 700, and amending a filed statement. This training is for officials and employee positions listed in the Client's Conflict of Interest Code. This usually costs \$2,500, but is billed to Program participants for \$800, plus costs;
- BBK-hosted presentations related to the Political Reform Act and the client's role as: (1) the Filing Officer and/or Filing Official receiving and filing Statements of Economic Interests (Form 700s); and (2) the creators and enforcers of the Agency's Conflicts of Interest Code. This usually costs \$125 per attendee, but is billed to Program participants for \$75 per attendee.
- Customized, on-site training certifying attendees for compliance with State "general ethics principles and ethics laws" required under AB 1234. This usually costs \$2,000 for 6 attendees, but is billed to Program participants for \$1,200 for 6 attendees and \$75 for each additional attendee.

As new and existing laws develop and become more complex, public scrutiny intensifies, and expectations for the role of legal counsel change. We realize that many of our legal updates are critical, and in some cases, required for our local government clients. However these updates are often done outside the scope of our contracted "general legal services" work. To that extent, we have revised our Professional Services Agreements for all new public agency clients to include the PP&E Program as a standard part of our legal services, and are asking our existing clients to amend their current agreements to add participate in the Program.

Should MWDOC choose to forego the PP&E Program, we respectfully request that you sign the opt-out signature block below to confirm its decision not to participate, and acknowledge that it will not receive the materials and updates provided by the PP&E Program. If MWDOC wishes to participate in the PP&E Program, please sign the opt-in signature block below.



Please let me know if you have any questions. Thank you.

Sincerely,


for BEST BEST & KRIEGER LLP

cc: Matthew E. Richardson

The Municipal Water District of Orange County wishes to participate in the PP&E Program:

By: _____

Dated: _____

The Municipal Water District of Orange County does not wish to participate in the PP&E Program:

By: _____

Dated: _____

BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

Memorandum

To: Robert Hunter, General Manager, Municipal Water District of Orange County
From: Dianna Marie Valdez, Senior Paralegal
Conflicts of Interest & Ethics Coordinator
Date: July 21, 2014
Re: PUBLIC POLICY & ETHICS PROGRAM

This memo is to explain Best Best & Krieger LLP's (BB&K) new Public Policy & Ethics (PP&E) Program for local government clients. The PP&E Program provides participants with memoranda on laws that directly affect public agencies, such as the Political Reform Act, Fair Political Practices Commission Regulations, the Brown Act, and the Public Records Act. The Program also provides participants with information on new legislation and judicial decisions affecting local governments. Previously, such memoranda and updates were provided to participants of Projects 1 and 2, however, those Projects have been consolidated into the PP&E Program.

As new and existing laws develop and become more complex, public scrutiny intensifies, and expectations for the role of legal counsel change. We realize that many of our legal updates are critical, and in some cases, required for our local government clients. However, these updates are often times done outside the scope of our contracted "general legal services" work. To that extent, we have revised our Professional Services Agreement for all new public agency clients to include the PP&E Program as a standard part of our legal services and are asking our existing clients to amend their current agreements to add participation in the Program.

By providing our PP&E updates to a large pool of participants, the firm is able to divide the overall cost of the products among all participants and charge only a fraction of actual total costs to the individual client agencies.

BB&K charges an annual fee on July 1 of each year for all of the services provided under the PP&E Program. There are no further charges under the Program for the entire year for this service.¹

The annual fee covers the following Program services:

Written legal advice concerning matters that affect local government such as new legislation, regulations, court decisions and Attorney General opinions. This service includes the monitoring and reporting of significant developments that may affect the agencies, legal research, and drafting memoranda for said developments; and

¹ The PP&E Program annual fee for subsequent fiscal years is subject to adjustment, depending on the number of participants and other factors.

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Annual updates on the Brown Act, the Public Records Act, the Political Reform Act, and other conflict of interest laws.

In addition, clients who participate in the Program are offered the following legal services at a discounted rate in addition of the annual fee:

Customized, on-site training session regarding Statements of Economic Interests (Form 700s). Statements of Economic Interests are building blocks for transparency and good governance. Our Form 700 training covers the different types of reportable interests, avoiding over-disclosure, completing a Form 700, and amending a filed statement. This training is for elected officials and employee positions listed in the Agency's Conflict of Interest Code. This usually costs \$2,500, but is billed to Program participants for \$800, plus costs;

Attendance at Firm-hosted presentations related to the Political Reform Act and the Agency's role as (1) the Filing Officer and/or Filing Official receiving and filing Statements of Economic Interests (Form 700s); and (2) the creators and enforcers of the Agency's Conflicts of Interest Code. This usually costs \$125 per attendee, but is billed to Program participants for \$75 per attendee.

BB&K feels participation in the PP&E Program is so important that we are respectfully asking existing general counsel clients choosing to forego BB&K's offer of participation in the Program to sign an opt-out clause to confirm its decision not to participate, and acknowledge that it will not receive the materials and updates provided by the PP&E Program.

Please let me know if you have any questions. Thank you.

Russell Behrens

From: Dianna Marie Valdez
Sent: Wednesday, April 08, 2015 11:31 AM
To: All - Education Law; All - Eminent Domain; All - Labor & Employment; All - Municipal & Redevelopment; All - Natural Resources; All - Public Finance; All - Special Districts; Mark Gediman
Cc: PPEG
Subject: PENDING LEG: STATUS

Below is a summary and status of certain legislative bills we are tracking with substantive changes/actions.

AB 1 - Drought: local governments: fines. Would prohibit a city or county from imposing a fine for brown lawn or failure to water a lawn during Governor issued state of emergency due to drought.

Status: ASM Local Gov. Hrg – 4/8/15

Analysis: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/ab_1_cfa_20150407_121943_asm_comm.html

AB 10 - Political Reform Act of 1974: *behested payments and economic interest disclosures.* Originally proposed to increase disqualification thresholds, AB 10 was amended 4/7/15 to require candidates required to file campaign statements and former elected officers for one year after leaving elected office to file behested payments reports, as provided.

Status: Com on E&R – Read 2nd time and amended.

Text: http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_0001-0050/ab_10_bill_20150407_amended_asm_v98.pdf

Please let me know if you have any questions or need any additional information.

DI

Dianna Marie Valdez, Senior Paralegal
Conflicts of Interest & Ethics Coordinator
Public Policy & Ethics Group
Best Best & Krieger LLP
P.O. Box 1028, Riverside, CA 92502-1028
951-826-8252 (Direct) | 951-686-1450 | 951-686-3083 (FAX)
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Memorandum

To: Public Agency Clients
From: Public Policy & Ethics Compliance Group of BB&K
Date: January 12, 2015
Re: Revised FPPC Gift Limits and Disqualification Processes

I.

INTRODUCTION

With the new year, the FPPC has revised upward the gift limit to \$460 for 2015-2016. This memorandum discusses that change. Additionally, we take this opportunity to discuss a recurring issue which arises with our public agency clients, namely, how to properly handle recusal and disqualification once a disabling conflict of interest is identified.

II.

GIFT LIMIT ADJUSTMENT

The so-called "gift limit" serves two functions. First, it sets a ceiling on the value of any gift or accumulated gifts a public official may lawfully receive from a single source in any calendar year. Government Code section 89503 prohibits public officials from accepting gifts from a single source in any calendar year with a total value over the specified limit. The FPPC has adjusted the gift limit to four hundred sixty dollars (\$460) for 2015-2016. (Reg. 18940.2.) This is an increase from the previous limit of four hundred forty dollars (\$440), and affects the receipt, tracking, and reporting of gifts beginning January 1, 2015. (The upward adjustment will also be reflected in Regulation 18730--the provisions affecting agency conflict of interest codes.)

The second role of the "gift limit" is that it establishes the floor for an "economic interest" that could give rise to a conflict of interest under Government Code section 87100. This adjustment is reflected in Regulation 18703.4, defining the source of a gift as an "economic interest" for disqualification purposes, and raising that floor from four hundred forty dollars (\$440) to four hundred sixty dollars (\$460) or more. Disqualification from participating in the making of a governmental decision is required for public officials who received gifts from a single source totaling four hundred sixty dollars (\$460) or more in the twelve (12) months (and not the calendar year) prior to a decision which could directly, and in some circumstances, indirectly, affect the source of the gift. Therefore, the four hundred sixty dollar (\$460) figure could include gifts from both the 2014 and 2015 for the purposes of triggering the public official's "economic interest" for disqualification purposes.



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It is important to note that this revised "gift limit" is approaching the five hundred dollar (\$500) threshold which independently creates a "source of income" "economic interest" with potential disqualification consequences. (Reg. 18703.3.)

Finally, public officials and others who are required to file a Statement of Economic Interest (Form 700) need to keep in mind that the "gift limit" is different from the gift reporting requirement. Any gift or combination of gifts from a single source in a calendar year of fifty dollars (\$50) or more must be reported in the Statement of Economic Interests. (Gov. Code § 87207; Reg. 18730.)

III.
DISQUALIFICATION PROCESSES

A. Conflicts of Interest Under Government Code § 87100

The Political Reform Act prohibits a public official from making, participating in making, or using his or her official position to influence a governmental decision which the public official knows or has reason to know will have a "material financial effect" on an "economic interest" of the official. (Gov. Code § 87100.) This means a public official must disqualify and recuse himself or herself from participating in any governmental decision in which he or she is financially interested.

A public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a "material financial effect" on the official, a member of his or her immediate family, or on any of the public official's "economic interests", such as:

- (1) **Business Investments.** Any for-profit business entity in which the public official or immediate family member has a direct or indirect investment worth two thousand dollars (\$2,000) or more.
- (2) **Real Property.** Any real property in which the public official or immediate family member has a direct or indirect interest worth two thousand dollars (\$2,000) or more.
- (3) **Sources of Income.** Any source of income aggregating five hundred dollars (\$500) or more in value provided or promised to the public official within twelve (12) months prior to the time when the decision is made.
- (4) **Business Employment or Management.** Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management, regardless of compensation.



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(5) **Gifts.** Any gift or gifts aggregating four hundred sixty dollars (\$460) or more in value provided or promised to the public official within twelve (12) months prior to the time when the decision is made.

(6) **Personal Finances.** Personal expenses, income, assets, or liabilities of the public official and his or her immediate family.

(Gov. Code § 87103.)

B. Conflicts of Interest Under Section 1090

Government Code section 1090 prohibits a public official or employee of a public agency from being financially interested in any contract made by him or her in their official capacity, or by any board or body of which they are members. "Making a contract" in this context includes everything leading up to the approval and signing of a contract, including preliminary discussion, reasoning, negotiation and planning. And, "contract" is not used in its technical, legal sense, but includes any kind of agreement, grant, etc. A public official is financially interested if he or she has an economic interest that could be materially affected by the decision.

Thus, Government Code section 1090 prohibits an entire public body or board from making a contract in which any member is financially interested, even if the member abstains. This means that if one member is financially interested in a contract, that conflict of interest cannot be cured by disqualifying and recusing that member. The entire public body is prohibited from making the contract.

The disqualification of the entire body or board applies only if it is a voting member of the body or board who has a conflict of interest. If an employee or other designated person, rather than a board member, is financially interested in the contract, then that employee is disqualified from participating in the making of the contract, but the board is not prohibited from making the contract.

For purposes of this discussion, we will examine financial interests under section 1090 that trigger individual disqualification of officials, employees and others covered by the section. Under section 1090, such individual disqualification is triggered by what are known as "remote interests."

Certain financial interests are considered "remote interests" and do not prevent the public body or board from making a contract, but do require individual disqualification and recusal. "Remote interests" are defined in Government Code section 1091, and include sixteen (16) separate categories, too exhaustive to list here. For example, the interest of an officer or employee of a nonprofit entity is considered a "remote interest." (Gov. Code § 1091, subd. (b)(1).)

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C. Disqualification Processes

Government Code section 87100

The disqualification process, itself, is formal and spelled out in the law. Once it is determined that a public official or other designated person has a disqualifying financial interest in a governmental decision under Government Code section 87100, that person must do the following:

- (1) **Disclose.** Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of an exact street address of a residence is not required.
- (2) **Recuse.** Recuse himself or herself from discussing and voting on the matter, or otherwise acting in violation of Section 87100. The public official should also not use his or her official position to influence others engaged in the decision making process whatsoever.
- (3) **Exclude.** If the official is a voting member, he or she must disqualify from taking part in any discussion or voting on the matter. During a meeting, the disqualified official must leave the meeting room until after the discussion, voting and any other disposition of the matter is concluded (unless the matter has been placed on the portion of the agenda reserved for uncontested matters).

(Gov. Code § 87105, subd. (a).)

1. Exception for Public Participation

A public official or other designated position who has a disqualifying conflict of interest and who has recused and is disqualified himself or herself, may, however, speak on the issue during the time that the general public speaks on the issue. (Gov. Code § 87105, subd. (a)(4).)

The FPPC has construed this "public participation" exception as follows:

"(a) Making or participating in making a governmental decision shall not include:

(2) Appearances by a public official as a member of the general public before an agency in the course of its prescribed governmental function to represent himself or herself on matters related solely to the official's personal interests as defined in Title 2, California Code of Regulations, section 18702.4(b)(1);

(b) Notwithstanding Title 2, California Code of Regulations, section 18702.3(a), an official is not attempting to use his or her official position to influence a governmental decision of an agency covered by that subsection if the official: (1) Appears in the same manner as any

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other member of the general public before an agency in the course of its prescribed governmental function solely to represent himself or herself on a matter which is related to his or her personal interests.

(Reg. 18702.4, in pertinent part)

2. Exception for Legally Required Participation

Section 87100 does not prevent any public official from making or participating in the making of a governmental decision to the extent his participation is legally required for the action or decision to be made. (Gov. Code § 87101.) This is sometimes referred to as the "rule of necessity." The FPPC has provided by regulation that: "A public official who has a financial interest in a decision may establish that he or she is legally required to make or to participate in the making of a governmental decision within the meaning of Government Code section 87101 only if there exists no alternative source of decision consistent with the purposes and terms of the statute authorizing the decision." (Reg. 18708.) For example, a mayor was permitted to participate in a redevelopment decision affecting property he owned, because his participation was necessary for the city charter to function as voters intended. (*Brown v. Fair Political Practices Com.* (2000) 84 Cal.App.4th 137.)

Encompassed in this rule is that an exception for the disqualified official to sit in a meeting during voting if his or her presence is required to constitute a quorum, so a vote can be taken. However, the disqualified official may not vote, even for purposes of breaking a tie. (Gov. Code sec. 87101; 61 Ops.Cal.Atty.Gen. 243 (1978).)

Even in this circumstance, there is a strict procedure which must be followed.

"(b) Whenever a public official who has a financial interest in a decision is legally required to make or to participate in making such a decision, he or she shall state the existence of the potential conflict as follows:

(1) The public official shall disclose the existence of the conflict and describe with particularity the nature of the economic interest. 'Particularity' as used in this regulation shall be satisfied if the official discloses:

(A) whether the conflict involves an investment, business position, interest in real property, or the receipt of income, loans or gifts;

(B) if the interest is an investment, the name of the business entity in which each investment is held; if the interest is a business position, a general description of the business activity in which the business entity is engaged; if the interest is real property, the address or another indication of the location of the property, unless the property is the official's principal or personal residence, in which case the official shall disclose this fact.

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For income, loans or gifts, the official shall disclose the person or entity that is the source.

(2) The public official or another officer or employee of the agency shall give a summary description of the circumstances under which he or she believes the conflict may arise.

(3) Either the public official or another officer or employee of the agency shall disclose the legal basis for concluding that there is no alternative source of decision.

(4) The disclosures required by this regulation shall be made in the following manner:

(A) If the governmental decision is made during an open session of a public meeting, the disclosures shall be made orally before the decision is made, by either the public official or by another officer or employee of the agency. The information contained in the disclosures shall be made part of the official public record either as a part of the minutes of the meeting or as a writing filed with the agency. The writing shall be prepared by the public official and/or any officer or employee and shall be placed in a public file of the agency within 30 days after the meeting; or

(B) If the governmental decision is made during a closed session of a public meeting, the disclosures shall be made orally during the open session either before the body goes into closed session or immediately after the closed session. The information contained in the disclosures shall be made part of the official public record either as a part of the minutes of the meeting or as a writing filed with the agency. The writing shall be prepared by the public official and/or any officer or employee and shall be placed in a public file of the agency within 30 days after the meeting; or

(C) If the government decision is made or participated in other than during the open or closed session of a public meeting, the disclosures shall be made in writing and made part of the official public record, either by the public official and/or by another officer or employee of the agency. The writing shall be filed with the public official's appointing authority or supervisor and shall be placed in a public file within 30 days after the official makes or participates in the decision. Where the public official has no appointing authority or supervisor, the disclosure(s) shall be made in writing and filed with the agency official who maintains the records of the agency's statements of economic interests, or other designated office for the maintenance of such disclosures, within 30 days of the making of or participating in the decision."

(Reg. 18708.)

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Government Code section 1090

The recusal and disqualification process for the existence of a disqualifying "remote" financial interest in a contract under Government Code section 1090 is quite similar to that for disqualification under Government Code section 87100 (the Political Reform Act). That process is as follows:

- (1) The interested official discloses the financial interest to the body or board;
- (2) The interest is noted in the body's or board's official records; and
- (3) The official abstains from any participation in the making of the contract.

(Gov. Code § 1091, subd. (a).)

Thereafter, the body or board may approve the contract in good faith by vote of its membership sufficient for the purpose without counting the vote of the officer or member with the remote interest. (*Id.*)

A public official who intentionally fails to disclose the existence of a remote interest before action is taken on the contract violates section 1090. However, such a violation would not void the contract unless the contracting party knew of the official's remote interest at the time of contracting. (Gov. Code § 1091, subd. (d).)

Exclusion

An issue that occasionally arises in the disqualification context is how to conduct agency business when one of its voting officials is disqualified based on a conflict which arises when an official has brought a claim or lawsuit against the agency or has an "economic interest" in litigation brought by another, and has a "financial interest" arising from that claim or lawsuit. In these circumstances the agency will often go into closed session under the Brown Act with counsel to discuss the claim or litigation (Gov. Code § 54956.9). The question that arises is whether the disqualified official is precluded from attending or having any access to information from the closed session.

There is scant law on this topic, which we refer to here as "exclusion," however, excluding a disqualified official from a closed session flows directly from the fact of disqualification under Government Code section 87100. That is, because the official is disqualified, he or she may not make, participate in making, or use his or her official position to influence a governmental decision. Thus, the disqualified official must be excluded from (and denied access to any information from) any closed session discussion of such a claim or lawsuit. (*Hamilton v. City of Los Gatos* (1999) 213 Cal.App.3d 1050, 1058-1059 (a public official with a conflict may not be present or participate in or receive information from a closed session related



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to a matter in which the official is disqualified due to a financial interest).) This conclusion is consistent with the Attorney General's opinion that a person may not be in a closed session under the Brown Act unless that person has official business to perform. (82 Ops.Cal.Atty.Gen. 29, 33-34 (1999).) Clearly a disqualified official could not have any business to perform in such a closed session. Additionally, under Government Code section 1091(b)(15), a settlement agreement is a "remote interest" which triggers disqualification, thus the disqualified official could not participate in any discussions that might impact on a settlement of a claim or lawsuit.

CONCLUSION

2014 was a dynamic year for the Political Reform Act, with eight (8) new bills signed by the Governor changing the Act, and the FPPC making sixteen (16) amendments to its regulations. More changes are on the horizon for 2015. The Public Policy and Ethics Compliance Group of BB &K is dedicated to keeping its clients informed, up to date, and in compliance with the law as it evolves. Our lawyers are available to assist you with the specifics of any issue which might arise under our laws governing government agency transparency, fairness and integrity.

GARY W. SCHONS
VICTORIA HESTER



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File No. 55401.00000

January 16, 2014

RECEIVED

JAN 17 2014

MWD OF OC

Rob Hunter, General Manager
Metropolitan Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92708

Dear Rob:

I have completed a review of our current billing rates for the Agency and I believe it is time to propose an adjustment. Although the firm annually reviews and adjusts rates for our private entity clients, that is not the case in regard to public agency clients such as the District. We are acutely aware of the financial pressures that public agencies face. As a result, there has not been a rate adjustment for the District since 2008.

We are honored to have had the opportunity to serve as legal counsel for the District for many years and do not address this issue lightly. Taking into account the apportionment of work between partners and associates, and the need to adequately price the services of our specialists, we would propose that the rates be adjusted as follows:

Current rates: \$235/hour for partners; \$200/hour for senior associates; \$175/hour for junior associates; and \$125/hour for paralegals

Proposed rates, with an annual COLA adjustment:

Basic General Counsel Services: \$255/hour for partners; \$225/hour for associates; and \$135/hour for paralegals.

Examples of Basic General Counsel Services: (a) Attendance at meetings of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, Public Records Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis.

Special Counsel Services: \$295/hour for partners; \$265/hour for associates; and \$150/hour for paralegals.

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January 16, 2014
Page 2

Special Counsel Services Include The Following: (a) Environmental – CEQA, NEPA, and Endangered Species; (b) Real Property – eminent domain, easements, leases, and other property interests; (c) Public Works Construction – bidding, contract development, and contractor disputes; (d) Labor Relations and Employment; (e) Water Rights, Water Supply and Water Quality; (f) Taxes, Rates and Charges; (g) Renewable Energy; and (h) Litigation And Formal Administrative Hearing Matters/Enforcement of Policies and Contracts.

It is proposed that these rates go into effect as of January 1, 2014. The COLA adjustment would be implemented as of July 1 of each year.

We respectfully request that you sign this letter as indicated below and return to our offices via email, fax or mail. If you have any questions, please let me know. We are very honored to be general counsel for the District and look forward to working with you for many years to come.

Do not hesitate to call me with any questions or comments.

Very truly yours,

Russell G. Behrens
of BEST BEST & KRIEGER LLP

ACCEPTED AND AGREED:

By: _____

Name: _____

Title: _____

RGB:SP

55401.00000\8541864.1

AMENDMENT TO AGREEMENT FOR LEGAL SERVICES

1. Parties to Date:

This Amendment is made and entered into as of the ____ day of ____ 2014, to be effective as of January 1, 2014 by and between Municipal Water District of Orange County ("The District") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. Recitals

- 2.1 This is an Amendment to the Agreement for Legal Services between District and BB&K executed January 1, 2012 ("Services Agreement").

3. Changes to Section 3

- 3.1 Section 3.3 of the Services Agreement shall be changed by striking "Dan Payne" and inserting "Matthew Richardson."
- 3.2 Section 3.7 of the Services Agreement shall be changed by substituting Exhibit A with "Exhibit A-2014" which is attached hereto and incorporated by reference and made a part hereof.
- 3.3 Section 3.9 is hereby amended to read as follows:

"3.9 Annual Reviews. The District and BB&K agree that a review of performance of services referenced in this Agreement should occur at least annually."

4. All other provisions of the Services Agreement shall remain in full force and effect.

IN WITNESS WHERE OF, the District and BB&K have executed this Amendment to Agreement for Legal Services as of the date first written above.

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____
Name: ROBERT J. HUNTER
Title: General Manager

BEST BEST & KRIEGER, LLP

By: _____
Name: RUSSELL G. BEHRENS
Title: Partner

EXHIBIT "A-2014"

***FEE SCHEDULE FOR MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Basic General Counsel Services: \$255/hour for partners; \$225/hour for associates; and \$135/hour for paralegals.

Examples of Basic General Counsel Services: (a) Attendance at meetings of the Board or Staff; (b) Advice to the Board and Staff on matters including, but not limited to, the Water Code, Government Code, Brown Act, Public Records Act, and conflict of interest issues; (c) Preparation of ordinances, resolutions and contracts; and (d) phone calls, emails and other correspondence on a day-to-day basis.

Special Counsel Services Include The Following: (a) Environmental – CEQA, NEPA, and Endangered Species; (b) Real Property – eminent domain, easements, leases, and other property interests; (c) Public Works Construction – bidding, contract development, and contractor disputes; (d) Labor Relations and Employment; (e) Water Rights, Water Supply and Water Quality; (f) Taxes, Rates and Charges; (g) Renewable Energy; and (h) Litigation And Formal Administrative Hearing Matters/Enforcement of Policies and Contracts.

Annual COLA Adjustments; Other Mutual Adjustments. The rates or amounts provided for in Sections 3.7.1 through 3.7.6 and 3.7.11 shall be automatically adjusted as follows: On July 1 2014 and every July 1st thereafter during the term of this Agreement, they shall be adjusted for the change in the cost of living for the twelve (12) month period published for the month of May, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth for the Los Angeles-Anaheim-Riverside area ("COLA"): provided, however, that such adjustment shall not be lower than zero percent (0%) nor more than five percent (5%). In addition to the COLA rate adjustments, initiation of consideration of a rate increase may occur at any time; but shall not be implemented without the express written consent of the Client.

COLA INCREASE CALCULATION FOR MWDOC
Jan 2014

WITH CPI INCREASE		3.5%	0%	1.2%	2.7%	2.0%	1.1%
		2009	2010	2011	2012	2013	2014
PARTNER/ OF COUNSEL	235	243	243	246	253	258	261
ASSOCIATE	200	207	207	209	215	219	222
ASSOCIATE 2	175	181	181	183	188	192	194
PARALEGAL	125	129	129	131	134	137	139

Area: LOS ANGELES-RIVERSIDE-ORANGE COUNTY, LA
Item: All items
Base Period: 1982-84=100

Download: [\[XLS\]](#) .xls

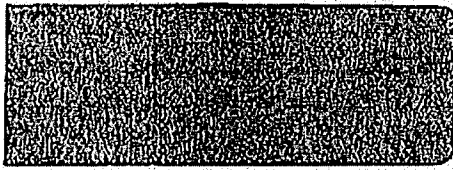
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1992	3.1	3.6	4.2	3.6	3.7	3.8	3.7	3.7	3.4	3.8	3.3	3.6	3.6	3.7	3.5
1993	3.4	3.5	3.0	2.8	2.8	2.4	2.1	2.0	1.9	1.7	2.3	2.5	2.6	3.0	2.1
1994	2.0	1.5	1.8	1.4	0.9	1.1	1.3	1.4	1.7	1.7	0.9	1.0	1.3	1.4	1.3
1995	1.4	1.5	1.4	1.8	2.4	2.3	1.8	1.6	1.2	1.2	1.0	0.8	1.5	1.8	1.2
1996	0.9	1.1	1.7	1.9	1.5	1.2	2.0	1.9	2.3	2.3	2.6	2.4	1.9	1.4	2.3
1997	2.2	1.9	1.6	1.4	1.3	1.7	1.2	1.5	1.5	1.4	1.5	1.8	1.6	1.7	1.5
1998	1.2	1.2	1.0	1.2	1.8	1.8	1.6	1.8	1.3	1.3	1.7	1.4	1.4	1.3	1.5
1999	2.0	2.2	2.2	3.0	2.4	2.0	2.3	2.3	2.8	2.5	2.3	2.3	2.3	2.3	2.4
2000	2.3	2.9	3.5	2.4	2.9	3.4	3.6	3.5	3.6	3.9	3.8	3.7	3.3	2.9	3.7
2001	3.8	3.6	3.2	3.5	3.7	4.5	3.8	3.6	3.2	2.6	2.7	2.1	3.3	3.8	3.0
2002	2.7	2.7	2.8	3.2	2.9	1.7	2.2	2.6	2.6	3.0	3.3	3.7	2.8	2.6	2.9
2003	3.5	3.6	3.9	3.6	2.1	2.4	2.3	2.1	2.6	2.2	1.7	1.8	2.6	3.1	2.1
2004	1.8	1.9	1.8	2.3	3.7	4.0	3.8	3.3	3.3	4.5	5.2	4.4	3.3	2.6	4.1
2005	3.7	3.8	4.0	4.8	4.2	3.6	4.1	5.2	5.8	5.4	4.4	4.5	4.3	4.0	4.9
2006	5.4	5.1	4.7	4.7	5.4	5.2	5.0	4.3	3.4	2.2	2.7	3.3	4.3	5.1	3.5
2007	3.2	3.5	3.8	3.5	2.9	2.9	2.9	2.6	2.3	3.5	4.2	4.2	3.3	3.3	3.2
2008	3.9	3.1	3.3	3.1	3.7	5.4	5.7	5.1	4.5	3.4	1.0	0.1	3.5	3.8	3.3
2009	-0.1	0.0	-1.0	-1.3	-1.8	-2.2	-2.6	-1.7	-1.0	-0.4	0.9	1.8	-0.8	-1.1	-0.5
2010	1.8	1.4	1.9	1.9	1.8	0.9	0.9	0.8	0.4	0.7	0.7	1.3	1.2	1.6	0.8
2011	1.8	2.3	3.0	3.3	3.1	2.9	2.4	2.4	3.1	2.8	3.0	2.2	2.7	2.7	2.6
2012	2.1	2.1	2.0	1.5	1.6	1.6	1.9	2.3	2.2	3.0	2.1	1.9	2.0	1.8	2.3
2013	2.0														

Base Period: 1982-84=100

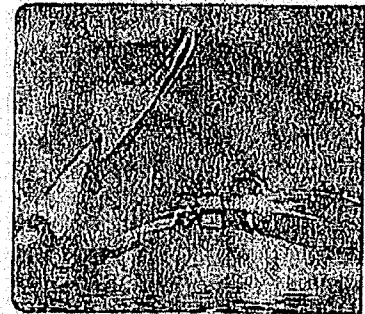
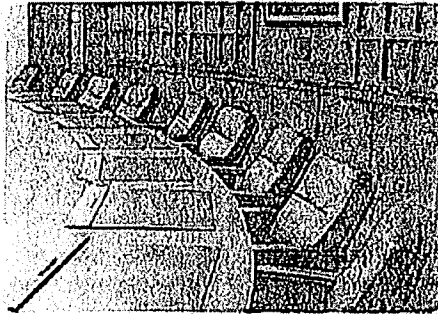
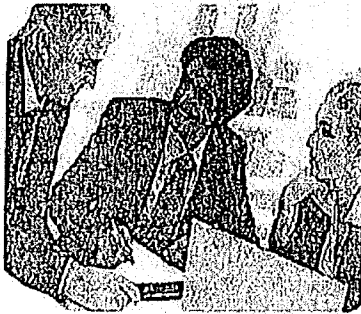
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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	1.8	2.3	3.0	3.3	3.1	2.9	2.4	2.4	3.1	2.8	3.0	2.2	2.7	2.7	2.6
2012	2.1	2.1	2.0	1.5	1.6	1.6	1.9	2.3	2.2	3.0	2.1	1.9	2.0	1.8	2.3
2013	2.0	2.2	1.3	0.9	1.0	1.4	1.3	0.8	0.6	-0.1	0.4	1.1	1.1	1.5	0.7

ATTACHMENT A



About BB&K



Best Best & Krieger LLP is a full-service law firm with more than 200 attorneys in California and Washington, D.C. delivering effective, timely and service-oriented solutions to complex legal issues facing public agencies, businesses and individuals. The firm has been helping businesses, from local to international, achieve their goals for more than 100 years. BB&K lawyers serve as city attorney to 30 California cities and as general and special counsel to water districts and other special districts, school districts, cities, counties and other public agencies. BB&K also has attorneys who specialize in complex areas including environmental and natural resources law; taxes, rates and charges; eminent domain; and litigation.

- Municipal Law
- Public Finance
- Real Estate
- Sustainable Communities
- Taxes, Rates & Charges
- Telecommunications
- Trust & Estate Planning, Administration & Litigation
- Public Works Construction
- Water Districts and Other Special Districts
- Water Rights, Supply & Quality

Broad Practice Scope

- Bankruptcy
- Business Services
- Education Law
- Eminent Domain
- Environmental Law & Natural Resources
- Health Care
- Labor & Employment
- Land Use
- Litigation

Many Resources – One Point of Contact

BB&K provides each client with a relationship partner who is the client's primary contact. The relationship partner is responsible for intimately understanding the client's business and coordinating the services of any other firm attorneys on the client service team. This ensures that the client's goals are met in the most efficient manner while having access to the full range of firm expertise and resources. Effective communication is the cornerstone of our legal services.

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ATTACHMENT B

2/14

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File No. 55401.00001

February 13, 2014

Robert J. Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92708

Re: Proposed Rate Adjustments, Legal Services

Dear Rob :

In response to your questions last week about our proposed rate adjustment I have the following information to offer:

1. COLA is an acronym for cost of living adjustment. The standard to be used would be the U.S. Department of Labor, all Urban Consumers Index for the Los Angeles, Anaheim, Riverside area. It is suggested the index would be representative and fair to both MWDOC and our firm (Attachment A).
2. The COLA would only be adjusted by no less than 0% and no more than 5%.
3. The proposed rate adjustment for general counsel services is less than the total of COLA since our last adjustment in 2008. Our proposal rate of \$255 per hour is a \$20 per hour increase. If COLA were applied to our rate of \$235 since 2008, the increase would be \$26 per hour. The proposed rate of \$255 per hour is about 23% below COLA. We submit the increase is fair and reasonable.
4. Breaking out special counsel rates separately is a change from the present rate schedule. It is believed this change is fair and reasonable because the experience and focused knowledge of certain BBK lawyers justifies a higher rate than rates for general counsel services. BBK has invested its resources over many years in these specialized areas of public law practice for the benefit of its public agency clients. The proposed rate for these specialized services is \$295 per hour or \$40 an hour more than the proposed general counsel rates. In light of the significance and importance of the issues calling for specialized services this proposed rate is very competitive. Enclosed is a description of our firm's dedicated specialties, including those applying to water districts (Attachment B).

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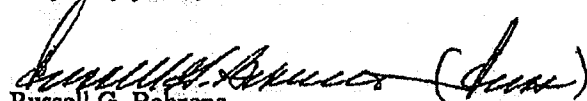
BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Robert J. Hunter
February 13, 2014
Page 2

5. The differences between general and special counsel rates are governed not by who is performing the service but by whether the issue is a fundamental matter which is within the knowledge of general counsel or is a matter involving unique knowledge requiring dedicated focus and recognized experience in the field. (Thus, if a BBK lawyer is a known expert in a particular field of law and their services are required, the special counsel rates would apply.) It is important to note that discussion with MWDOC management will take place and MWDOC's consent would be required before special counsel services are engaged.

In closing, we again wish to express our desire to continue to provide our legal services to MWDOC. If this proposal is acceptable I have enclosed an amendment for your signature. If you have any thoughts, questions, or comments, please do not hesitate to call us.

Very truly yours,


Russell G. Behrens
of BEST BEST & KRIEGER LLP

RGB:SP

Enclosures



ACTION ITEM

May 20, 2015

TO: Board of Directors

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

Rob Hunter
General Manager

SUBJECT: APPROVAL OF MWDOC'S BUDGET for 2015-16

STAFF RECOMMENDATION

Staff recommends the A&F Committee, Board, Member Agencies and the public review and provide input and comments in the FINAL DRAFT of MWDOC's budget for 2015-16. The form of findings for the FINAL DRAFT budget includes the following:

1. Adopt the budget Resolution as attached, with a budget total of \$188,352,060 and a consolidated general fund budget of \$8,423,954 (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 \$3.7 million to a proposed budget of almost \$23 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 \$38.2 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 by the end of FY14-15 as outlined in the discussion below and maintain the Building Reserve Fund at the target level of \$350,000 from then on.
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 29 to 30 (includes WEROC staff as being fully counted).
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 Control 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 concurred with staff recommendation.

CHANGES FROM THE FIRST DRAFT TO THE FINAL DRAFT

Changes from the First Draft to the FINAL DRAFT of the Budget includes:

1. Increased the total Salaries & Wages budget based on the results of the Salary Survey by approximately \$33,600 with an associated increase in the Benefits of approximately \$8,800.
2. Modified the budget treatment of the 1% PERS charge that resulted in a decrease in Salaries & Wages plus Benefits of \$19,000.
3. Increased the Consultant Fees for the Public Affairs cost center by \$68,000 to manage the short-term personnel issues. This will be partially offset by salary savings.
4. Made several modifications to the WUE Choice budget to adjust for the anticipated rebate volume
5. Adjusted the FY15-16 water sales to reflect reductions from the Governor's Executive Order.

DETAILED REPORT

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 budget schedule is outlined below.

December 2014
<ul style="list-style-type: none"> • Notification to Member Agencies of start of budget process and solicitation of input.
January 2015
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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. No additional comments were received at the April 29 Elected Officials Meeting.

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 year increasing the rebate levels from about \$4 million to over \$23 million in the coming year. 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. At the time of printing of the budget, WEROC is in the process of securing grants for both fuel trailers and for generator connection cables to allow added flexibility when sharing generators from agency to agency.

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 \$4 million this year, with funding reaching as high as \$23 million this coming year. 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 was expecting to provide a similar menu of options for our agencies which will also consider message points relative to the drought and allocation situation, but with larger media purchases. Given the severity of the drought situation and the need to meet the Governor's cutbacks, the program activities may be parked or converted into drought messaging. MWDOC will continue working with its agencies on this issue.

- 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 for grades 1-6. MWDOC has negotiated with Discovery Science Center to secure the keypad program for all of the assembly programs in these grades. MWDOC is still involved in seeking to add a High School component for grades 9-12, however, the details of this program have not yet been approved.
- 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 was first anticipated that this implementation phase of the communication plan will continue as a Choice Budget at a level consistent with last year. The effort may be parked or converted into drought messaging for this coming year. Work remains in working out the details.
- 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.
- 2015 Water Loss Control Audits - A NEW UWMP requirement for this coming year is the completion of reporting for Water Loss Control 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 requested 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 \$250,000 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 \$157,046,715 which is less than the adopted FY2014-15 budget number of \$181,545,560 and the projected FY2014-15 actual of \$198,166,020. This is due to the Governor of California asking for a 25% reduction in potable water use throughout the state.

For FY 2015-16 the proposed Retail Meter Charge is \$10.85.

Attachments:

Attached hereto is the detailed, draft budget for this coming year.

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

**APPROVING AND ESTABLISHING THE MWDOC BUDGET FOR
FISCAL YEAR 2015-2016 INCLUDING THE RESERVE FUND, GENERAL FUND,
WATER FUND, WATER USE EFFICIENCY FUND, WEROC FUND, AMP FUND, AND
DEBT SERVICE FUND**

BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that the Budget for financing the District's operations for Fiscal Year 2015-2016, as recommended, be and the same is hereby adopted as follows:

General Fund Budget (Inclusive of Expenses funded by Reserves).....	\$8,168,723
Water Purchases Budget.....	157,043,815
Water Use Efficiency Budget.....	22,766,204
WEROC Budget.....	283,613
AMP Budget.....	17,558
AMP Sales Proceeds Distribution Budget.....	4,823
 Total Budget Resolution	 \$188,284,736

Upon Board approval and the adoption of the Budget and rate resolutions, the General Manager will expend, under District policy, such budgeted amounts as necessary for the purposes identified in the Budget for the Municipal Water District of Orange County.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

I hereby certify the foregoing is a full, true and correct copy of Resolution No. , adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on _____.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County



Annual Budget for Fiscal Year 2015-16

Final 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
OPERATING EXPENSES:						
Salaries & Wages	\$ 2,609,584	\$ 2,418,754	\$ (190,830)	\$ 2,811,451 ¹	\$ 392,698	\$ 201,867
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	831,154	724,025	(107,129)	738,389 ²	14,364	(92,765)
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)	(177,093)	(37,853)	(223,770)	(46,677)	(84,530)
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	19,450	4,337	5,525
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	97,055	6,618	103,961	6,906	13,524
CDR Participation	39,961	39,961	-	39,740	(221)	(221)
Miscellaneous Expense	71,150	62,307	(8,843)	104,170	41,863	33,020
Postage / Mail Delivery	11,100	10,100	(1,000)	11,285	1,185	185
Professional Fees	463,700	365,495	(98,205)	785,278	419,783	321,578
Rents & Leases	16,708	11,780	(4,928)	19,000	7,220	2,292
Outside Printing, Subscription & Books	51,725	34,568	(17,157)	48,620	14,052	(3,105)
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)	52,500	8,777	(1,884)
Computers and Equipment	9,300	9,000	(300)	21,150	12,150	11,850
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
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	38,300	36,898	(1,402)	56,510	19,612	18,210
Travel & Accommodations - Directors	29,600	31,087	1,487	27,600	(3,487)	(2,000)
MWDOC's Contribution to WEROC	128,508	128,508	-	141,807	13,299	13,299
Capital Acquisition (excluding building)	-	-	-	6,000	6,000	6,000
NORMAL OPERATING EXPENSES	\$ 5,988,722	\$ 5,526,265	\$ (462,457)	\$ 6,343,573	\$ 817,309	\$ 354,851
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)
TOTAL EXPENSES	\$ 6,600,722	\$ 5,815,802	\$ (784,920)	\$ 6,743,573	\$ 927,772	\$ 142,851

REVENUES:						
Retail Meter Charge	\$ 6,440,532	\$ 6,440,532	\$ -	\$ 6,687,322	\$ 246,790	\$ 246,790
Water Increment Charge	103,564	108,979	5,415	-	(108,979)	(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
TOTAL REVENUES	\$ 6,685,096	\$ 6,672,152	\$ (12,945)	\$ 6,807,997	\$ 135,845	\$ 122,901

EFFECT ON RESERVES:						
Reserves Contribution (Draw) to cover for Operating expenses for Operations	\$ 84,374	\$ 856,350	\$ 771,976	\$ 64,423	\$ (791,927)	
Increment Refund Due to OC-88 Error	\$ -	\$ (72,809)	\$ (72,809)	\$ -	\$ 72,809	
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ 84,374	\$ 783,541	\$ 699,167	\$ 64,423	\$ (719,118)	\$ (19,951)

1 Total Salaries & Wages includes \$62,604 for intern support

2 Total Benefits includes \$7,349 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
OPERATING EXPENSES:						
Salaries & Wages	\$ 386,271	\$ 431,039	\$ 44,768	\$ 498,498 ¹	\$ 67,459	\$ 112,227
less for Recovery from Grants	\$ (16,437)	\$ (20,080)	\$ (3,643)	\$ (23,500) ¹	(3,420)	(7,063)
Employee Benefits	130,762	124,204	(6,558)	124,680 ²	477	(6,082)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	139,240	177,093	37,853	223,770	46,677	84,530
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	642,000	(53,500)	756,559	114,559	61,059
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
OPERATING EXPENSES: continued	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition (excluding building)	-	-		-	-	-
TOTAL EXPENSES	\$ 1,425,086	\$ 1,404,256	\$ (20,830)	\$ 1,615,957	\$ 211,701	\$ 190,871

REVENUES:						
Choice Revenue	1,425,086	1,404,256	(20,830)	1,615,957	211,701	190,871
TOTAL REVENUES	\$ 1,425,086	\$ 1,404,256	\$ (20,830)	\$ 1,615,957	\$ 211,701	\$ 190,871

1 Total Salaries & Wages includes \$52,246 for intern support

2 Total Benefits includes \$5,600 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
OPERATING EXPENSES:						
Salaries & Wages	\$ 2,995,855	\$ 2,849,793	\$ (146,062)	\$ 3,309,949 ¹	\$ 460,156	\$ 314,094
less for Recovery from Grants	\$ (16,437)	\$ (20,080)	\$ (3,643)	\$ (23,500)	(3,420)	(7,063)
Employee Benefits	961,916	848,229	(113,687)	863,069 ²	14,841	(98,847)
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	19,450	4,337	5,525
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	97,055	6,618	103,961	6,906	13,524
CDR Participation	39,961	39,961	-	39,740	(221)	(221)
Miscellaneous Expense	120,400	82,307	(38,093)	116,670	34,363	(3,730)
Postage / Mail Delivery	11,100	10,100	(1,000)	11,285	1,185	185
Professional Fees	1,159,200	1,007,495	(151,705)	1,541,837	534,342	382,637
Rents & Leases	16,708	11,780	(4,928)	19,000	7,220	2,292
Outside Printing, Subscription & Books	92,225	64,568	(27,657)	72,070	7,502	(20,155)
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)	52,500	8,777	(1,884)
Computers and Equipment	9,300	9,000	(300)	21,150	12,150	11,850
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
OPERATING EXPENSES: continued	-	-		-		
Travel & Accommodations - Staff	38,300	36,898	(1,402)	56,510	19,612	18,210
Travel & Accommodations - Directors	29,600	31,087	1,487	27,600	(3,487)	(2,000)
MWDOC's Contribution to WEROC	128,508	128,508	-	141,807	13,299	13,299
MWDOC's Contribution to Desalination	-	-	-	-	-	-
Expenses billed to AMP, WFC	-	-	-	-	-	-
Election Expense	-	-	-	-	-	-
Capital Acquisition (excluding building)	-	-	-	6,000	6,000	6,000
NORMAL OPERATING EXPENSES	\$ 7,413,808	\$ 6,930,520	\$ (483,288)	\$ 7,959,530	\$ 1,029,010	\$ 545,722
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)
TOTAL EXPENSES	\$ 8,025,808	\$ 7,220,057	\$ (805,751)	\$ 8,359,530	\$ 1,139,473	\$ 333,722

REVENUES:						
Retail Meter Charge	\$ 6,440,532	\$ 6,440,532	\$ -	\$ 6,687,322	\$ 246,790	\$ 246,790
Water Increment Charge	103,564	108,979	5,415	-	(108,979)	(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	1,404,256	(20,830)	1,615,957	211,701	190,871
TOTAL REVENUES	\$ 8,110,182	\$ 8,076,407	\$ (33,775)	\$ 8,423,954	\$ 347,546	\$ 313,772

EFFECT ON RESERVES:						
Reserves Contribution (Draw) to cover for Operating expenses for Operations	\$ 84,374	\$ 856,350	\$ 771,976	\$ 64,423	\$ (791,927)	
Increment Refund Due to OC-88 Error	\$ -	\$ (72,809)	\$ (72,809)	\$ -	\$ 72,809	
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ 84,374	\$ 783,541	\$ 699,167	\$ 64,423	\$ (719,118)	\$ (19,951)

① Total Salaries & Wages includes \$114,850 for intern support

② Total Benefits includes \$12,948 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 12% 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
Water Revenues						
Water Sales	\$ 179,976,734	\$ 192,637,559	\$ 12,660,825	\$ 154,475,665	\$ (38,161,894)	\$ (25,501,069)
Local Resource Program Incentives	(16,102,631)	(12,171,036)	3,931,595	(15,450,587)	(3,279,551)	652,044
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
TOTAL WATER REVENUES	\$ 181,845,560	\$ 198,166,020	\$ 16,320,459	\$ 157,046,715	\$ (41,119,305)	\$ (24,798,845)
Water Expenses						
Water Purchases	\$ 179,976,734	\$ 192,637,559	\$ 12,660,825	\$ 154,475,665	\$ (38,161,894)	\$ (25,501,069)
Local Resource Program Incentives	(16,102,631)	(12,171,036)	3,931,595	(15,450,587)	(3,279,551)	652,044
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
TOTAL WATER EXPENSES	\$ 181,841,285	\$ 198,163,320	\$ 16,322,034	\$ 157,043,815	\$ (41,119,505)	\$ (24,797,470)
Changes to Fund Balance:						
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
Funding						
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
TOTAL OUTSIDE FUNDING	\$ 3,730,332	\$ 22,838,855	\$ 19,108,524	\$ 22,766,204	\$ (72,651)	\$ 19,035,873
Program Expenses Funded from Outside Sources						
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)
TOTAL PROGRAMS EXPENSES	\$ 3,730,331	\$ 22,838,855	\$ 19,108,524	\$ 22,766,204	\$ (72,651)	\$ 19,035,873

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	\$ 1,010,494	\$ 1,131,747
12	Administrative - General	3.04	2.92	376,942	407,426	471,461
13	Personnel / Staff Development	1.30	1.48	265,991	274,149	304,655
19	Overhead	3.33	3.64	844,239	809,160	779,267
21	Planning & Resource Development	2.72	3.71	675,164	689,781	743,370
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	787,018	751,674
31	Governmental Affairs	1.37	0.84	499,389	367,470	418,009
35	Policy Development	0.26	0.39	58,313	93,595	145,864
32	Public Affairs	2.28	3.40	357,037	351,765	629,110
41	Finance	3.73	3.23	566,654	384,795	563,041
45	Information Technology	0.99	1.06	179,417	182,142	223,827
25	MWDOC's Contribution to WEROC ¹	2.00	2.00	128,508	128,508	141,807
CORE TOTAL		27.74	28.50	\$ 5,988,722	\$ 5,526,265	\$ 6,343,573
62	Water Use Efficiency Program	4.75	6.23	785,805	822,221	899,925
63	School Programs	0.13	0.07	275,109	276,618	295,049
67	Value of Water	0.00	0.55	148,250	175,784	177,645
64	Foundational Action - Doheny Desal	0.14	0.10	37,922	60,988	136,983
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
CHOICE TOTAL		5.02	7.00	\$ 1,425,086	\$ 1,404,256	\$ 1,615,957
CORE & CHOICE TOTAL		32.76	35.50	\$ 7,413,808	\$ 6,930,520	\$ 7,959,530
Includes:	Full-time employees	27.00	28.00			
	WEROC Full-time employee	2.00	2.00			
	Part-time employees	1.22	2.22			
	Interns	2.54	3.28			

¹ 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	\$ 4,328	\$ 4,418	\$ 4,109	\$ 4,395	\$ 4,234	\$ 4,465
OPEB Contribution above the ARC	37	62	87	111	135	158	182
Adjusted Reserve Balance	3,483	4,266	4,331	3,998	4,260	4,076	4,283
Revenues							
Water Rate Revenues:							
Retail Meter Fees	6,441	6,687	6,854	6,990	7,125	7,225	7,342
Water Rate Increment	109	-	-	-	-	-	-
Subtotal	6,550	6,687	6,854	6,990	7,125	7,225	7,342
Other Revenues:							
Choice Revenues	1,404	1,616	1,656	1,698	1,740	1,784	1,828
Interest Earnings	120	118	125	121	149	172	201
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,527	1,737	1,784	1,822	1,893	1,958	2,032
Total Revenues	8,076	8,424	8,638	8,812	9,017	9,183	9,374
Expenses							
Core Expenses	5,526	6,338	6,552	6,772	6,997	7,172	7,351
Choice Expenses	1,404	1,616	1,656	1,698	1,740	1,784	1,828
Capital Acquisitions (not including building)	-	6	20	20	20	20	20
Total Expenses w/o Building & Election	6,931	7,960	8,228	8,490	8,757	8,976	9,200
Revenue Over Expenses w/o Building & Election	1,146	464	409	322	260	207	174
ELECTION Reserve Beginning Balance	228						
Annual Election Reserve Contribution	260	260	260	260	260	207	174
Annual Election Expense	273	-	592		444		592
Election Reserve Ending Balance	215	475	143	403	219	426	9
BUILDING Reserve Beginning Balance	111						
Annual Building Reserve Contribution	406	250	150	59	-	-	-
Annual Building Expense	17	400	150	60	-		
Building Reserve Ending Balance	500	350	350	350	350	350	350
CASH FLOW Reserve Beginning Balance	1,000						
Annual Cash Flow Reserve Contribution	480	(46)	(1)	3	-	-	-
Cash Flow Reserve Ending Balance	1,480	1,434	1,433	1,436	1,436	1,436	1,436
Adjustments to the General Fund Reserve							
Increment Refund Due to OC-88 Meter Error	(73)						
Ending General Fund & Cash Flow Reserves	\$ 3,551	\$ 3,505	\$ 3,504	\$ 3,507	\$ 3,507	\$ 3,507	\$ 3,507
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Water Sales in Acre Feet	217,957	184,643	219,374	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%
Increment Rate	\$ 0.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 10.50	\$ 10.85	\$ 11.10	\$ 11.25	\$ 11.40	\$ 11.55	\$ 11.70
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	2,418,754	2,811,451
	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	724,025	738,389
	OPEB Annual Contribution	133,331	180,456	105,188
	Overhead Reimbursement	(139,240)	(177,093)	(223,770)
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	785,278
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	13,925	15,113	19,450
7115	Conference - Directors	8,650	10,745	9,800
7150	Travel & Accommodations - Employee	38,300	36,898	56,510
7155	Travel & Accommodations - Director	29,600	31,087	27,600
7210	Membership / Sponsorship	90,437	97,055	103,961
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	2,060
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	34,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	9,300	9,000	21,150
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	17,900
7670	Miscellaneous Expenses	60,450	53,307	86,270
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	-	-	6,000
	Total Expenditure	5,860,214	5,397,757	6,201,766

MWDOC's Contribution to WEROC	128,508	128,508	141,807
MWDOC's Election Expense	444,000	272,537	-
MWDOC's Building Expense	168,000	17,000	400,000
	<u>6,600,722</u>	<u>5,815,802</u>	<u>6,743,573</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	1,302,618
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry Over	94,000	94,000	243,290
		-	-	-
	Choice billing over/under	-	(207,580)	49
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,425,086	1,404,256	1,615,957

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	386,271	431,039	498,498
	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	124,204	124,680
	Overhead Reimbursement	139,240	177,093	223,770
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	408,000	499,159
	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	-	-	-
	Total Expenditure	1,425,086	1,404,256	1,615,957

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	2,849,793	3,309,949
	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	848,229	863,069
	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	773,495	1,284,437
	Other Professional Fees - DSC	234,000	234,000	257,400
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	13,925	15,113	19,450
7115	Conference - Directors	8,650	10,745	9,800
7150	Travel & Accommodations - Employee	38,300	36,898	56,510
7155	Travel & Accommodations - Director	29,600	31,087	27,600
7210	Membership / Sponsorship	90,437	97,055	103,961
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	2,060
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	34,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	9,300	9,000	21,150
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	17,900
7670	Miscellaneous Expenses	109,700	73,307	98,770
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	-	-	6,000
	Total Expenditure	7,285,300	6,802,012	7,817,723

MWDOC's Contribution to WEROC	128,508	128,508	141,807
MWDOC's Election Expense	444,000	272,537	-
MWDOC's Building Expense	168,000	17,000	400,000
	<u>8,025,808</u>	<u>7,220,057</u>	<u>8,359,530</u>

Administrative - Board

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		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	242,249	238,288	259,175	
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	62,607	62,720	
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				
	Total Expenditure	1,169,584	1,010,494	1,131,747	

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	1,283,031
	1,131,747

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	260,773	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	54,593	60,119	56,852	
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	19,450	1
7115	Conference - Directors				
7150	Travel & Accommodations - Employee	38,300	36,898	56,510	1
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship	51,377	59,814	62,791	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	2,060	
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				
	Total Expenditure	376,942	407,426	471,461	

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	163,771	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	45,924	45,545	46,134	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				
	Total Expenditure	265,991	274,149	304,655	

Overhead
19

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	359,881	358,327	404,418
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	115,544	95,357	105,189
6109	OPEB Annual Contribution	133,331	180,456	105,188
6111	Overhead Reimbursement from Choice	(139,240)	(177,093)	(223,770)
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	17,900
7670	Miscellaneous Expenses	6,500	7,900	8,400
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	844,239	809,160	779,267

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	826,160	1,179,267

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	481,564
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	133,102	110,218	114,806
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			
	Total Expenditure	675,164	689,781	743,370

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			
	Total Expenditure	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	466,513
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	149,832	118,256	125,162
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			
	Total Expenditure	827,523	787,018	751,674

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	86,110
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	46,317	26,825	29,159
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	23,320
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	499,389	367,470	418,009

1	• Townsend	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 2,000
	• Lewis Consulting	\$ 34,000
	• Ackerman	\$ 25,000
		<u>\$ 247,000</u>

2	• Townsend	\$ 96,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 3,000
	• Lewis Consulting	\$ 48,000
	• Ackerman	\$ 36,000
		<u>\$ 279,000</u>

3	• State & Federal Legislative Tracking	\$ 3,500
	• Legislative Outreach & Briefings	\$ 7,000
	• Legislative Staff Trip Travel Costs	\$ 10,000
	• WACO	\$ 2,820
		<u>\$ 23,320</u>

Public Affairs
32

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	167,213	196,814	268,678	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	51,234	60,972	70,965	
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	220,478	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				
	Total Expenditure	357,037	351,765	629,110	

1 Public Affairs Activities:

• PA Consultant 1	\$ 40,000
• PA Consultant 2	\$ 28,800
• 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
Subtotal	157,978

Communications Plan Activities:

• Outreach	\$ 7,500
• Marketing Materials	\$ 15,000
• Survey - Phone	\$ 20,000
• IPSO Survey	\$ 20,000
Subtotal	\$ 62,500
	<u>\$220,478</u>

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	50,567
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	9,534	24,514	14,168
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			
	Total Expenditure	58,313	93,595	145,864

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	270,180
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	115,391	82,213	78,860
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			
	Total Expenditure	566,654	384,795	563,041

1 • Custodial Bank fees	\$ 3,000
• Financial Consulting	\$ 112,000
• Rate Study	\$ 75,000
	<u>\$ 190,000</u>

1

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	37,399	34,374
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			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint	6,000	6,000	7,100
7430	Software Purchase	10,000	9,000	18,500
7440	Software Support	24,569	24,569	34,000
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment	9,300	9,000	21,150
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	3,200	1,600	3,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			6,000
	Total Expenditure	179,417	182,142	223,827

1 • Misc repairs, maint & components

2 • Misc software upgrades and License

3 • Investment software usage cost \$ 2,340
 • Financial Management System \$ 22,286
 • Cisco Smartnet support \$ 790
 • Misc NAV development \$ 2,000
 • Jet Reports support \$ 1,277
 • B:ythco ABRA \$ 750
 • ECS Laserfiche \$ 3,557
 • Anti-Malware Protection \$ 1,000
 \$ 34,000

4 • 2 Laptop computers \$ 2,000
 • 13 desktop computers \$ 10,400
 • 13 Monitors \$ 2,600
 • Miscellaneous hardware \$ 6,150
 \$ 21,150

5 • Misc supplies \$ 1,800
 • MWDOC Website \$ 1,200

6 • HP Z5400 Plotter \$ 6,000

**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	899,925
4705	Prior Year Carry over			
	Choice billing over/under		36,416	
	Total Revenue	785,805	822,221	899,925

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	392,761	432,740
6012	Salaries & Wages - Recovery from Grants	(16,437)	(20,080)	(23,500)
6090	Directors Compensation - MWD			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	120,651	115,580	113,126
	Overhead Reimbursement	127,122	158,960	189,359
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	183,200
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	5,000	5,000	5,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	785,805	822,221	899,925

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
	\$ 183,200

**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	225,049
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry over			
	Choice billing over/under		1,509	
	Total Revenue	275,109	276,618	295,049

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	6,415
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	2,989	3,192	1,652
	Overhead Reimbursement	3,638	4,056	2,832
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			
	Total Expenditure	275,109	276,618	295,049

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	-
4705	Prior Year Carry over			136,934
	Choice billing over/under		(136,934)	49
	Total Revenue	37,922	60,988	136,983

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	8,822	17,059
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	7,122	2,052	3,393
	Overhead Reimbursement	8,480	4,114	8,531
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		46,000	108,000
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			
	Total Expenditure	37,922	60,988	136,983

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)	
	Total Revenue	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			
	Total Expenditure	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	177,645
	Choice billing over/under		(2,216)	
	Total Revenue	148,250	175,784	177,645

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	34,988
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		1,660	4,973
	Overhead Reimbursement		6,479	19,483
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 & Accomodations - Employee			
7155	Travel & Accomodations - 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			
	Total Expenditure	148,250	175,784	177,645

- | | |
|-------------------------------|-------------------|
| 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)	
	Total Revenue	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			
	Total Expenditure	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)		
	Total Revenue	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		922	1,537
	Overhead Reimbursement		1,878	3,563
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			
	Total Expenditure	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	141,807
4210	WEROC Contracts	126,973	126,973	141,807
4705	Prior Years Carryover	(1,859)	(17,478)	(0)
4205				
4230	Reimbursements		4,933	
4240				
4410				
4805				
	Total Revenue	253,622	242,937	283,613

6 • OCSD	\$ 27,795
• SOCWA	\$ 10,777
• OCWD	\$ 70,904
• 3 Cities -- \$10,777 ea	\$ 32,331
	<u>\$ 141,807</u>

		FY 2014-2015 BUDGET	FY 2014-2015 PROJECTED ACTUALS	FY 2015-2016 PROPOSED BUDGET
6010	Salaries & Wages - Admin	139,368	134,228	159,880
6012	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	55,648	48,046	55,489
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			
	Total Expenditure	248,621	237,937	278,613

- 1 Catalina Repeater (6% increase)
- 2 'In Case of Crisis' Software
- 3 Janitorial services for 2 EOCs.
- 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>242,937</u>	<u>283,613</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	17,558
4680	Miscellaneous Income	-		-
	Billing over/under		3,150	
	Total Revenue	20,000	23,150	17,558

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		263	460
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			
	Total Expenditure	20,000	23,150	17,558

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		
Required Participation or Service				
Colorado River Water Users Association	\$ -	\$ 40	\$ 40	✓
LAFCO	25,000	23,141	25,000	✓
Subtotal Cost Center 11	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			
Subtotal Cost Center 12	23,437	20,749	18,200	
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	✓
Subtotal Cost Center 35	14,060	14,060	16,130	
Subtotal - Required Participation or Service	\$ 62,497	\$ 57,990	\$ 62,870	
Elective Participation				
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)		12,000	16,004	✓
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	5,000	✓
Orange County Employment 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	✓
Subtotal Cost Center 12	27,940	39,065	44,591	
Subtotal - Elective Participation	\$ 27,940	\$ 39,065	\$ 44,591	

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		
(Exhibit D Continued..)				
International Association of Emergency Managers	-	-	\$ 185	New
InfraGard	\$ 55	\$ -	\$ 55	✓
California Emergency Services Association	150	225	180	✓
WEROC Program Total	205	225	420	
GRAND TOTAL	\$ 90,642	\$ 97,280	\$ 107,881	

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		
Orange County Business Council (OC Chamber)	\$ 1,500	\$ 1,500	\$ 5,000	✓
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	✓
Total of New or Increased Memberships	\$ 21,034	\$ 21,436	\$ 27,815	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2015-2016

Conference / Meeting	Registration	Travel ⁽¹⁾	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	300	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)		5,000	✓
Urban Water Institute (2x)	300	300	✓
Washington Legislative Advocacy (6 trips)	-	11,000	✓
Water Smart Innovations (1 Staff)	400	900	✓
Miscellaneous*	1,800	2,500	✓
General Fund Total **	\$ 19,450	\$ 56,510	
AWWA Security Congress (1 WEROC staff)	600	1,500	✓
California Emergency Services Association (2 WEROC staff)	1,200	2,000	✓
WEROC Program Total	\$ 1,800	\$ 3,500	
PROPOSED GENERAL FUND BUDGET	\$ 19,450	\$ 56,510	

* 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

Conference	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
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	√
TOTAL**	\$ 9,800	\$ 27,600	
 PROPOSED GENERAL FUND BUDGET	 <u>\$ 9,800</u>	 <u>\$ 27,600</u>	

* 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

	Proposed Budget	Approval included in <u>Budget Approval</u>
Computer Equipment - 45-8810:		
HP Z5400 Plotter	6,000	New
Subtotal Cost Center 45	6,000	
Total Capital Expenditures	\$ 6,000	

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 14-15	Budget FY 15-16	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Various Engineering/Technical Services	140,000	140,000	
Met Issues & Special Projects (23)	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	
Total Engineering Expenses			355,000	300,000	
Legal Expenses					
Administration (11 & 13)	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	√
Total Legal Expenses			329,000	355,000	
Audit Expenses					
Finance (41)	Vavrinek, Trine, Day & Co., LLP	Annual Financial Audit and Federal Single Audit	23,000	23,000	√
Training					
Administration (13)	TBD/Cal State University Fullerton Leadership	Staff Development/Training/indiv. Employee training	18,000	18,000	√
Professional Fees					
Administration (12 & 13 & 19)	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		
Governmental Affairs (31)	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	
Public Affairs (32)	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	
	Michelle Tuckman	Temp PA consultant in lieu of PA director		40,000	
	Jessica Ouwerkerk	Temp PA consultant in lieu of PA director		28,800	
Finance & IT (41 & 45)	(To be determined)	Website updates and Maintenance/New Website	7,500	35,000	
	(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		
Total Professional Fees			463,700	720,278	

Exhibit J
Professional / Special Services Authorized
Trustee Activities

Department	Consultant	Service	Budget FY 14-15	Budget FY 15-16	* Approval included in Budget Approval
Legal Expenses					
AMP Administration (61)	Best, Best & Krieger	AMP Administration, 1996 COPS	17,000	15,000	√
Audit Expenses					
AMP Administration (61)	(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
Professional Fees					
Water Use Efficiency (62)	*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	
Value of Water (67)	(To be determined)	Landscape Ordinance Plan Review	25,000		
	(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	
Poseidon Desal	(To be determined)	(To be determined)	54,000	45,162	
2008 Fund Doheny Desal	(To be determined)	(To be determined)	94,000	18,797	
2014 Fund Doheny Desal	(To be determined)	(To be determined)	30,000	30,000	
School Program (63)	Discovery Science Center	Assemblies	234,000	257,400	√
Foundational Action Doheny Desal	(To be determined)	(To be determined)		108,000	
Total Professional Fees			695,500	756,559	

* 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 ^[1]	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ^[2]	Consolidated Budget Total
Revenues:									
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
Total Revenues	8,110,182	181,845,560	3,730,332	253,622	20,000	4,921	193,964,617	(177,508)	193,787,109
Expenses:									
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
Others:									
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	-						-		-
Total Expenses	8,025,809	181,841,285	3,730,332	253,622	20,000	4,921	193,875,969	(177,508)	193,698,461
EFFECT ON RESERVES / FUND BALANCE	\$ 84,373	\$ 4,275^[3]	\$ -	\$ -	\$ -	\$ -	\$ 88,648	\$ -	\$ 88,648

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 ¹	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ²	Consolidated Budget Total
Revenues:									
Water Sales		\$ 172,494,402					\$ 172,494,402		\$ 172,494,402
Local Resource Program Incentives		(15,450,587)					(15,450,587)		(15,450,587)
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	141,807			190,807	(190,807)	-
Outside Fundings	-		22,717,204	141,807	17,558	4,823	22,881,392		22,881,392
Carryover Funds				(0)			(0)		(0)
Choice Revenue	1,615,957						1,615,957		1,615,957
Miscellaneous Income	3,000						3,000		3,000
Total Revenues	8,423,954	157,046,715	22,766,204	283,613	17,558	4,823	188,542,867	(190,807)	188,352,060
Expenses:									
Water Purchases	-	157,043,815					157,043,815		157,043,815
Salaries & Wages	3,309,949			159,880	2,098		3,471,927		3,471,927
less S & W Reimb. DSC or Recov from Grants	(23,500)						(23,500)		(23,500)
Employee Benefits	968,257			55,489	460		1,024,207		1,024,207
Engineering Expense	300,000						300,000		300,000
Professional Fees	1,541,837		22,766,204	3,000			24,311,041	(49,000)	24,262,041
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	103,961			420			104,381		104,381
Director Compensation	220,588						220,588		220,588
MWDOC Contribution to WEROC	141,807						141,807	(141,807)	-
MWDOC Contribution to Desalination							-		-
RPOI Distribution to Member Agencies						4,823	4,823		4,823
Others:									
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	19,450			1,800			21,250		21,250
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	116,670			6,000	-		122,670		122,670
Postage / Mail Delivery	11,285						11,285		11,285
Rents & Leases	19,000			19,092			38,092		38,092
Outside Printing, Subscription & Books	72,070			200			72,270		72,270
Office Supplies	29,400			1,000			30,400		30,400
Computer Maintenance	7,100			4,207			11,307		11,307
Software Support & Expense	52,500			6,750			59,250		59,250
Computers and Equipment	21,150			-			21,150		21,150
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	56,510			3,500			60,010		60,010
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
All Other Expenses	1,207,961	-	-	58,474	-	-	1,266,435	-	1,266,435
Total Expenses	8,359,530	157,043,815	22,766,204	283,613	17,558	4,823	188,475,543	(190,807)	188,284,737
EFFECT ON RESERVES / FUND BALANCE	\$ 64,424	\$ 2,900³	\$ -	\$ -	\$ -	\$ -	\$ 67,324	\$ -	\$ 67,323

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.



ACTION ITEM
May 20, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Karl Seckel, Harvey De La Torre

SUBJECT: Proposed MWDOC Water Rate Resolution for Fiscal Year 2015-16

STAFF RECOMMENDATION

Staff recommends the Board of Directors:

1. Decrease MWDOC's Incremental rate from \$0.50 to \$0 per AF, increase the MWDOC Retail Meter Charge from \$10.50 to \$10.85 per meter, and
2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2015 and January 1, 2016 as identified in the Water Rate Resolution for Fiscal Year 2015-16.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

REPORT

MWDOC adopts a Water Rate Resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A is a markup copy of the new Water Rate Resolution showing the proposed changes from the prior resolution.

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

Summary of Changes in rates and Charges

Below is a summary of the Proposed Rates and Charges for FY2015-16:

Proposed Rates	Proposed Rates July 1, 2015	Proposed Rates January 1, 2016
MWDOC Increment Rate	\$0	\$0
MWDOC Retail Meter Charge	\$10.85	\$10.85
System Access Rate	\$257.00	\$259.00
System Power Rate	\$126.00	\$138.00
Water Stewardship Rate	\$41.00	\$41.00
MWDOC Melded Supply Rate	\$158.00	\$156.00
Treatment Surcharge	\$341.00	\$348.00
Treated Full Service Rate	\$923.00	\$942.00
Untreated Full Service Rate	\$582.00	\$594.00

Attachment A – Proposed MWDOC Water Rate Resolution for Fiscal Year 2015-16

RESOLUTION NO . ,
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING WATER RATES

Deleted: 1981

WHEREAS, Municipal Water District of Orange County ("MWDOC") is authorized and directed by Section 71616 of the Water Code of the State of California to establish water rates and charges for water which will result in revenues sufficient to meet the operating expenses of the District, 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; and,

WHEREAS, on March 12, 2002, Metropolitan Water District of Southern California ("Metropolitan"), adopted a revised rate structure which became effective January 1, 2003, which eliminated or changed the method of calculation of various existing charges and added new charges, necessitating an amendment to MWDOC's water rate structure and schedule of rates and charges; and,

WHEREAS, pursuant to Ordinance 52, the Board of Directors of MWDOC has established classes of water service, terms and conditions of such service, and to provide for fixing the rates and charges for said classes of water service (including Choice services) by Resolution; and

WHEREAS, the Board of Directors has reviewed the cost of water and other charges imposed on MWDOC by Metropolitan, and with respect to the projected MWDOC operating expenses and financial needs, and has determined that it is necessary and appropriate to establish new rates and charges for water service and programs provided by MWDOC; and

WHEREAS, the Board of Directors has reviewed the water supply, water demand and replenishment conditions in the Orange County Water District (OCWD) Basin area and the impact these conditions will have on MWDOC imported water purchases from Metropolitan; and

WHEREAS, MWDOC's Administration and Finance Committee and Board reviewed the

issue of Tiered or Melded Water Rates for Tier-1 and Tier-2 purchases from Metropolitan in November 2004, and retained the Melded Rate, with a provision for further review should the OCWD's Basin Pumping Percentage fall below 60% in the future; and

WHEREAS, Metropolitan continues to levy its Standby Charge within the MWDOC service area, which will be credited against Metropolitan's Readiness to Serve Charge and will provide an equivalent offset on the Metropolitan charges imposed on MWDOC; and

WHEREAS, Metropolitan assesses the Capacity Charge to MWDOC based on MWDOC's highest cumulative peak day delivery rate in cubic feet per second (CFS) between May 1 and September 30 in the three preceding calendar years ending on the year prior to the year of the charge being imposed; and

WHEREAS, beginning with the budget year commencing July 1, 2011 through June 30, 2012, the MWDOC Board approved changing the format of the budget and how certain "CHOICE" services (as distinguished from "Core Services") are to be funded by those MWDOC member agencies and the cities of Anaheim, Fullerton and Santa Ana (3 Cities) electing to receive such services; and

WHEREAS, the MWDOC Board has approved the "CHOICE" services, the associated budgets and the methods for allocating such costs to the member agencies, and has directed staff to bill for those costs pursuant to Section 10 of this Resolution as part of MWDOC's water rate charges; and

WHEREAS, there is a need to charge for costs associated with the transfer or wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that, subject to the terms and conditions set forth herein, the rates and charges for the classes of water service provided by MWDOC to MWDOC's member

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agencies shall be as follows:

SECTION 1. MWDOC'S INCREMENTAL RATE.

MWDOC's Incremental Rate, which is added to MWDOC's cost of acquisition of water, shall be \$0.00 per acre foot from July 1, 2015 through June 30, 2016, and thereafter until amended by the Board of Directors, on water sold or delivered by MWDOC in those classes of water service to which MWDOC's Incremental Rate applies.

SECTION 2. AMP SURCHARGE.

The surcharge on water delivered through the Allen-McColloch Pipeline, in accordance with the Diemer Agreements (the "AMP Surcharge") shall continue to be suspended and shall not apply to water delivered through the Allen-McColloch Pipeline pending Metropolitan's completion of its performance under the Agreement for Sale and Purchase of the Allen-McColloch Pipeline as long as Metropolitan is not in default thereunder.

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SECTION 4. RATES FOR CLASSES OF WATER SERVICE.

The rates per acre-foot of Metropolitan water sold or delivered by MWDOC to its member agencies shall be as follows:

(a) **For Full Service, including water delivered for seawater barrier and groundwater replenishment purposes and for agricultural purposes.**

Rate Component	July 1 through December 31, 20 <u>15</u>	Beginning January 1, 20 <u>16</u>
Untreated Full Service	<u>\$582.00</u>	<u>\$594.00</u>
Treated Full Service	<u>\$923.00</u>	<u>\$942.00</u>

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Unbundled Rate By Component:		
System Access Rate	\$257.00	\$259.00
System Power Rate	\$126.00	\$138.00
Water Stewardship Rate	\$41.00	\$41.00
MWDOC Melded Supply Rate*	\$158.00	\$156.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
MWDOC Incremental Rate**	\$0.00	\$0.00
Subtotal Untreated Full Service:	\$582.00	\$594.00
Treatment Surcharge	\$341.00	\$348.00
Total Treated Full Service:	\$923.00	\$942.00

* Any unused revenue will be applied to the Tier 2 Contingency Fund as described in MWDOC's Administrative Code. As a result of MWDOC not applying the Tier 2 Contingency Fund rate, the MWDOC Melded Supply Rate is equal to MET's Tier-1 Supply Rate at this time.

** OCWD will be charged the MWDOC Incremental rate multiplied by the Eight-Year Average deliveries calculated according to Ordinance No. 52. Therefore, the rate for purchases of Full service water by OCWD shall not include MWDOC's Incremental rate on MWDOC's monthly water invoices.

(b) **For Emergency Service**

(Rates to be established by Board action in accordance with the Water Supply Allocation Plan (WSAP), as required.)

(c) **For Replenishment Service**

Effective January 1, 2013, Metropolitan discontinued the Replenishment Service Program and rate.

(d) **For Recycled Water**

As defined in Metropolitan's Administrative Code.

SECTION 5. MWDOC Water Supply Allocation Plan (WSAP)

In the event that a regional water shortage is declared, the MWDOC Board can implement, adjust, or adopt an updated Water Supply Allocation Plan. This Plan, as adopted

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Deleted: **SECTION 5. CHOICE Services to the MWDOC Member Agencies 2014-1515-16**

¶ The CHOICE services to the member agencies shall be provided and charged for as follows for 2014-1515-16.¶
<#>Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received (incentive payments from Metropolitan and other sources of funding from the program in the most recent calendar year - 201314 is the most recent year data is available and will be used for 2014-1515-16 charges). There may be other costs allocated over and above these costs for participation in certain of the Water Use Efficiency program efforts in various parts of the County and under the Integrated Regional Water Management Plans that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or MOU. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.¶

<#>School Education Program – Each participating member agency can set a target number of students for which the School Education assembly program for grades 1-6 to will be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of \$3.6520 per student. The School Education Program in FY2014-1515-16 offers other additional services to the member agencies that can be contracted through MWDOC under a separate fee structure. A program will also be offered for grades 9-12 [THE COST BASIS NEEDS TO BE DESCRIBED]. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.¶

<#>2014 Doheny Desalination Program – During FY14/15, 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 (Sou... [1])

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in 2009, updated in 2014, and as amended from time to time, established procedures allowing MWDOC to assess penalties to its member agencies in the event MWDOC is assessed penalties under Metropolitan's own "Water Supply Allocation Plan." Under MWDOC's Plan, penalties may be assessed according to a particular member agency's prorated share of its over usage relative to the MWDOC penalty amount assessed by Metropolitan. However, the rates set forth in this Resolution do not include or otherwise account for potential penalties that may be assessed by MWDOC under its Plan.↓

SECTION 6. MWDOC'S RETAIL METER CHARGE.

The annual charge for each retail water meter in MWDOC served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be \$10.85. MWDOC's Retail Meter Charge shall be collected in accordance with Section 12 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC also is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 7. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that, for fiscal year 2015-16, Metropolitan estimates that the amount of Metropolitan's Readiness to Serve Charge ("RTS") applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is \$12,939,661. The Net RTS charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS on a monthly installment basis. The MWDOC Net RTS charge will be invoiced to the MWDOC member agencies on a monthly basis.

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(b) Apportionment of Net Metropolitan RTS Charge to MWDOC's Member Agencies

The MWDOC method of apportioning the Net RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year firm purchases of water ending one year prior to the year of the charge being imposed (i.e., for 20~~15-16~~ charges, the four-year average shall be based on 20~~10-11~~ through 20~~13-14~~). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of firm sales, which would include wheeled and transferred water.

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(c) Fiscal Year 20~~15-16~~ MWDOC Readiness to Serve Charge Rate

For fiscal year 20~~15-16~~, MWDOC will charge the MWDOC member agencies total Net RTS charges of \$~~12,939,661~~. **Exhibit A** shows the amount of the Net RTS charge to be apportioned to each of the MWDOC member agencies.

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(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The expected Net Standby Charge Revenue for MWDOC in fiscal year 20~~15-16~~ is displayed in **Exhibit A**. Once actual net standby charge revenue is known, Metropolitan may adjust the amount of Net RTS for the prior year through an additional charge or credit. Any adjustment necessary to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

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SECTION 8. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 20~~16~~, the amount of the

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Metropolitan Capacity Charge applicable to MWDOC will be ~~\$4,829,790~~. The Capacity Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

(b) Apportionment of Metropolitan's Capacity Charge to MWDOC's Member Agencies

The MWDOC Method of apportioning the Capacity Charge to the MWDOC member agencies uses each agency's highest peak day flow for delivery of full service water, which would include wheeled and transferred water, during the period of May 1 through September 30 of each year for the three year period ending one year prior to the year of the charge being imposed (i.e., for ~~2016~~ charges, the highest peak day flow shall be based on ~~2012~~, ~~2013~~ and ~~2014~~). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all agencies' highest peak day flows. **Exhibit B** shows the amount of the ~~2016~~ Capacity Charge apportioned to each member agency.

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**SECTION 9. RATES AND CHARGES FOR WHEELED, EXCHANGED OR
TRANSFERRED WATER**

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the member agencies for water wheeled, exchanged or transferred through exchanges with Metropolitan into the MWDOC service area in accordance with the provisions below. Wheeled, exchanged or transferred water will also be assessed, unless otherwise specified by written agreement, the then-applicable rates for Wheeling Service set by Metropolitan's Board of Directors from time to time pursuant to its Administrative Code for the use of Metropolitan's facilities to transport water not owned or controlled by Metropolitan to Metropolitan's member agencies. Metropolitan's rates for Wheeling Service are defined in the Metropolitan Administrative Code. Metropolitan's rate for Wheeling Service does not include power utilized for delivery, which the wheeling party must provide or pay directly at its own cost (if power can be scheduled by Metropolitan) or pay to Metropolitan at Metropolitan's actual (not system average) cost.

In addition to these charges, MWDOC shall assess the following charges related to costs, pursuant to applicable law:

- (a) A one-time administrative charge, based on actual time spent to account for the staff time and legal counsel time required for preparation of an agreement or agreements to establish the legal and administrative framework for water to be wheeled or transferred through exchanges with Metropolitan.
- (b) Unless otherwise specified by written agreement with MWDOC, an annual charge will be assessed, based on actual time spent in any year

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in which water is wheeled or transferred through exchanges with Metropolitan, to cover staff time to account for and bill for the water.

- (c) Other charges established by written agreement between MWDOC and a Member Agency.

SECTION 10. CHOICE Services to the MWDOC Member Agencies 2015-16

The CHOICE services to the member agencies shall be provided and charged for as follows for 2015-16.

- (a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received (incentive payments from Metropolitan and other sources of funding from the program in the most recent calendar year - 2014 is the most recent year data is available and will be used for 2015-16 charges. There may be other costs allocated over and above these costs for participation in certain Water Use Efficiency program efforts in various parts of the County and under the Integrated Regional Water Management Plans that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or MOU. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.
- (b) School Education Program – Each participating member agency can set a target number of students for which the School Education assembly program for grades 1-6 be made available in their service area. The basic program will be charged based on the actual number of students to which the program is

provided, at a cost of \$3.80 per student. The School Education Program in FY2015-16 offers other additional services to the member agencies that can be contracted through MWDOC under a separate fee structure. A program will also be offered for grades 9-12 [THE COST BASIS NEEDS TO BE DESCRIBED]. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.

- (c) 2014 Doheny Desalination Program – During FY14/15, 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 WD, Laguna Beach CWD and San Clemente). Therefore, \$30,000 remains in this fund. For FY15/16, the \$30,000 from FY14/15 will be retained for use by these agencies for activities to be decided by the group.
- (d) Doheny Desal 2015 - This would include any NEW activities initiated in this coming year in the event two or more Participants want to continue on with the project. MWDOC's involvement might include the formation of a Joint Power Authority (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.
- (e) 2008 Fund for Doheny Desal (Phase 3 efforts) – The label 2008 is used to signify the year the efforts began. Funding for this Project has involved five Participating Agencies, MWDOC and Grants brought into the program such that the total revenue for the effort is \$6.2M. MWDOC's latest accounting indicates that approximately \$31,194 of available revenue remains, plus the \$356,000 reserved to remove the facilities at such time it is appropriate to do so. The following should be noted:

A number of discussions were held in an attempt to close-out or wrap up these efforts and, to date, an agreement has not been reached among the five Participating agencies.

The funds on hand have continued to be used to pay the annual lease to the State Parks (\$24,000 per year) and the electrical bills (about \$2,000 per year) to keep the power switched on at the facilities. MWDOC's intention is to continue to make the annual lease payment out of these funds and continue to pay the electricity bills on a monthly basis as they arrive.

In addition, MWDOC will charge any staff time associated with these facilities. Participants Meetings and/or development of a wrap-up agreement or subsequent negotiations out of these funds, until such time as the issues have been resolved.

In the event additional funds are needed at some point, MWDOC will invoice all five participating agencies, until such time as a close-out arrangement has been completed.

- (f) Poseidon Huntington Beach Ocean Desalination Program – The Poseidon Ocean Desalination project CHOICE activities for FY2015-16 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. During FY14/15, 17 Member Agencies participated in the Poseidon CHOICE program. MWDOC will not charge the agencies during FY15/16, and instead will maintain the existing accumulation of funds that will be made available for such uses as decided by the Poseidon Workgroup. Approximately \$45,162 remains in the fund.

- (g) Value of Water Communications Program – The charge for the Value of Water

Communications Program CHOICE activities for FY2015-16 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. The Core development phase of the program initiated in FY2013-14. The first phase of implementation occurred in FY2014-15. Additional media buys and refinements of messaging and use of the PSA and other materials will be carried out by a combination of MWDOC and the member agencies. However, given the Drought discussions occurring as the budget is being approved, the actual activities anticipated under the Value of Water have become uncertain this coming year. The actual work to be completed will have to be worked out between MWDOC and the participating agencies. Staff has developed and provided to the MWDOC member agencies a conceptual forecast of the CHOICE costs for the Value of Water Communications Plan for FY2015-16. It was noted that these dollar estimates are placeholders for determining the initial CHOICE selections for FY2015-16 and will not be billed with the other CHOICE selections. Instead, final decisions on the level of the CHOICE participation by the various agencies will be made later in the year. The charge for services will occur at that time.

(h) Urban Water Management Plans: MWDOC anticipates being ready to award a consultant contract prior to July 15, 2015 for preparation of the 2015 Urban Water Management Plans, and will ask for Member Agency commitments towards participation at that time. It is estimated that the cost for the completion of each UWMP would be approximately \$55,000; however, this estimate will change according to the consultant's fees and pricing, agency's additional services, and the number of participating agencies.

(i) Water Loss Control Program: The 2015 UWMP requires a Water Loss Control

effort to be included as a new component. MWDOC anticipates being ready to award a consultant contract prior to July 1, 2015 for the Water Loss Control effort, and will ask for Member Agency commitments towards participation at that time. It is estimated that the cost for the completion of this effort would be approximately \$15,000 for each participating agency, however this estimate may change according to the consultant's fees and pricing and the number of participating agencies.

- (j) South Coast WD & 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 projects 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 MWDOC staff time (Richard Bell) and assistance was specifically requested 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 staff time (Richard Bell) between last fiscal year and this coming fiscal year) serves as the basis for the CHOICE Program, paid by the two agencies.
- (k) South Coast WD Baseline Environmental Monitoring Work – Requires the staff time (Richard Bell). As South Coast WD 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 WD in the management of this work (about \$153,000 in consulting work and about \$6,000 of staff time (Richard Bell). That is why this is listed as a CHOICE option.

The details on these CHOICE options and charges to the agencies are included in Section 12 and Exhibit C.

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SECTION 11. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 20~~15~~ or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

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SECTION 12. BILLING AND PAYMENT.

Billing Schedule. MWDOC member agencies shall be billed for water delivered and for other charges as follows: (a) MWDOC's cost of acquisition of the water, MWDOC's Incremental Rate (if applicable) and the AMP Surcharge (if applicable) shall be billed in the month following delivery of the water; (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency which is within MWDOC; (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B** and (d) the MWDOC CHOICE services shall be billed once annually on or after July 1st of each year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the CHOICE Program participants. The fixed annual charge to OCWD for water deliveries, as set forth in

MWDOC's Water Rate Ordinance No. 52 and referred to in Section 4 hereof, shall be billed to OCWD annually in advance on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

SECTION 13. EXEMPTION FROM CEQA.

The Board of Directors finds that the adoption of the water rate schedule as set forth in this Resolution is exempt from the California Environmental Quality Act under Section 21080(b)(8) of the Public Resources Code in that the water rates established herein are for the purpose of meeting operating expenses of MWDOC, including employee wages and fringe benefits, purchasing or leasing of supplies, equipment and materials, meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas.

SECTION 14. REASONABLE COST.

The Board of Directors finds that the water rates established herein are in accordance with the adopted Fiscal Year 20~~15-16~~ budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

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SECTION 15. SUPERSEDES PRIOR RESOLUTIONS.

All resolutions or administrative actions by the Board or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

SECTION 16. RATES SUBJECT TO ORDINANCE.

The rates for water service established herein are subject to Ordinance No. 52 as it may be amended from time to time.

SECTION 17. **IMPLEMENTATION.**

The General Manager is directed to establish procedures to implement this Resolution.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to each of
MWDOC's member agencies.

Said Resolution No. was adopted this by the following roll call vote:

AYES: Directors
NOES: None
ABSENT: None
ABSTAIN: None

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

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EXHIBIT A
Readiness-to-serve Charge for MWDOC Client Agencies for FY 2015-16

Expected Standby Revenue Less Met Administrative Charge Plus Delinquencies & Uncollectables FY 2015/16 = \$		19,979,244
Metropolitan Readiness-to-serve (RTS) Charge to MWDOC for FY 2015/16 = \$		(7,039,583)
Net RTS Charge = \$		12,939,661

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Agency	RTS Eligible Purchases					AF Share (%)	Net RTS	2015	2016
	2010-11 [1]	2011-12	2012-13	2013-14	4-Yr Ave			Monthly Charge July - December	Monthly Charge January - June
Brea	3,186	2,812	3,163	3,459	3,155	1.51%	\$ 195,361.75	\$ 16,614	\$ 15,946
Buena Park	5,277	4,998	5,252	4,571	5,025	2.40%	\$ 311,111.04	\$ 26,458	\$ 25,394
East Orange County Water District	3,329	4,108	3,512	4,765	3,928	1.88%	\$ 243,238.21	\$ 20,686	\$ 19,854
El Toro Water District	8,376	9,005	9,420	10,165	9,241	4.42%	\$ 572,209.47	\$ 48,663	\$ 46,705
Fountain Valley	3,574	3,373	3,201	3,081	3,307	1.58%	\$ 204,779.46	\$ 17,415	\$ 16,715
Garden Grove	9,380	8,775	6,893	5,183	7,558	3.62%	\$ 467,962.97	\$ 39,797	\$ 38,197
Golden State Water Company	9,583	9,285	8,793	8,209	8,967	4.29%	\$ 555,228.49	\$ 47,219	\$ 45,319
Huntington Beach	10,680	10,431	9,545	9,342	10,000	4.78%	\$ 619,158.70	\$ 52,656	\$ 50,538
Irvine Ranch Water District	18,551	17,633	23,516	21,127	20,207	9.67%	\$ 1,251,152.98	\$ 106,403	\$ 102,123
La Habra	1,447	1,976	938	42	1,101	0.53%	\$ 68,171.59	\$ 5,798	\$ 5,564
La Palma	868	756	505	663	698	0.33%	\$ 43,217.13	\$ 3,675	\$ 3,528
Laguna Beach County Water District	3,792	3,556	3,637	3,926	3,728	1.78%	\$ 230,814.39	\$ 19,629	\$ 18,840
Mesa Water	4,480	6,169	2,900	0	3,387	1.62%	\$ 209,718.96	\$ 17,835	\$ 17,118
Moulton Niguel Water District	26,858	27,551	28,361	28,869	27,910	13.36%	\$ 1,728,109.52	\$ 146,965	\$ 141,054
Newport Beach	5,882	5,536	4,651	6,045	5,529	2.65%	\$ 342,317.66	\$ 29,112	\$ 27,941
Orange	9,732	9,065	8,583	7,796	8,794	4.21%	\$ 544,493.48	\$ 46,306	\$ 44,443
Orange County Water District	1,855	2	24,360	54,777	20,248	9.69%	\$ 1,253,742.70	\$ 106,623	\$ 102,334
San Clemente	7,346	9,118	9,014	9,654	8,783	4.20%	\$ 543,821.67	\$ 46,249	\$ 44,388
San Juan Capistrano	6,026	3,876	4,731	5,189	4,956	2.37%	\$ 306,834.07	\$ 26,094	\$ 25,045
Santa Margarita Water District	25,458	26,532	27,929	28,779	27,174	13.00%	\$ 1,682,572.02	\$ 143,092	\$ 137,337
Seal Beach	1,295	1,287	1,188	1,164	1,233	0.59%	\$ 76,371.06	\$ 6,495	\$ 6,234
Serrano Water District	0	0	501	4,034	1,134	0.54%	\$ 70,200.95	\$ 5,970	\$ 5,730
South Coast Water District	4,896	5,558	5,625	6,030	5,527	2.64%	\$ 342,230.97	\$ 29,105	\$ 27,934
Trabuco Canyon Water District	2,031	2,187	2,832	3,183	2,558	1.22%	\$ 158,399.87	\$ 13,471	\$ 12,929
Westminster	4,479	4,179	3,980	3,760	4,099	1.96%	\$ 253,807.59	\$ 21,585	\$ 20,717
Yorba Linda Water District	10,429	10,807	10,820	10,881	10,734	5.14%	\$ 664,634.29	\$ 56,523	\$ 54,249
Sum of MWDOC Agencies	188,806	188,574	213,850	244,694	208,981	100.00%	\$ 12,939,661	\$ 1,100,436	\$ 1,056,174

EXHIBIT B
Capacity Charge for MWDOC Member Agencies for CY 2016

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	2012	2013	2014	Peak
MWDOC's Peak to MWD (cfs)	398.6	379.4	443.1	443.1
Date	8/9/12	8/30/13	7/25/14	7/25/14

A few shared connections not yet allocated

Metropolitan Capacity Charge to MWDOC for CY 2016 **\$ 4,829,790** *

Agency	Capacity Charge Eligible Flows (CFS)				CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2012	2013	2014	3-Yr Peak			
City of Brea	11.3	12.1	12.4	12.4	2.07%	\$ 99,937	\$ 8,328
City of Buena Park	8.9	8.7	4.9	8.9	1.49%	\$ 71,833	5,986
City of San Juan Capistrano	15.2	18.8	21.1	21.1	3.52%	\$ 170,081	14,173
East Orange County Water District	15.6	21.2	18.9	21.2	3.54%	\$ 171,181	14,265
El Toro Water District	20.9	18.1	20.2	20.9	3.49%	\$ 168,734	14,061
City of Fountain Valley	3.3	3.3	0.0	3.3	0.55%	\$ 26,721	2,227
City of Garden Grove	35.1	14.1	14.2	35.1	5.86%	\$ 282,896	23,575
City of Huntington Beach	35.4	29.2	31.8	35.4	5.92%	\$ 286,023	23,835
Irvine Ranch Water District	45.5	41.6	43.3	45.5	7.60%	\$ 367,225	30,602
City of La Habra	8.4	8.5	0.0	8.5	1.42%	\$ 68,714	5,726
City of La Palma	2.2	3.4	0.0	3.4	0.56%	\$ 27,151	2,263
Laguna Beach County Water District	7.5	7.3	7.5	7.5	1.26%	\$ 60,871	5,073
Mesa Consolidated Water District	18.8	0.0	0.0	18.8	3.14%	\$ 151,641	12,637
Moulton Niguel Water District	57.1	56.4	57.7	57.7	9.64%	\$ 465,460	38,788
City of Newport Beach	11.0	13.4	11.8	13.4	2.23%	\$ 107,745	8,979
Orange County Water District	0.6	0.6	101.4	101.4	16.94%	\$ 818,360	68,197
City of Orange	20.5	18.0	18.5	20.5	3.42%	\$ 165,120	13,760
City of San Clemente	20.0	20.0	20.0	20.0	3.34%	\$ 161,393	13,449
Santa Margarita Water District	63.3	60.5	59.6	63.3	10.58%	\$ 510,809	42,567
City of Seal Beach	5.8	5.4	5.5	5.8	0.96%	\$ 46,597	3,883
Serrano Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	-
Golden State Water Company	19.1	14.8	14.1	19.1	3.19%	\$ 153,837	12,820
South Coast Water District	10.6	11.4	11.6	11.6	1.94%	\$ 93,661	7,805
Trabuco Canyon Water District	5.9	6.3	6.5	6.5	1.09%	\$ 52,619	4,385
City of Westminster	5.1	5.2	4.8	5.2	0.87%	\$ 41,955	3,496
Yorba Linda Water District	32.1	31.4	15.1	32.1	5.37%	\$ 259,228	21,602
Total			598.5		100%	\$ 4,829,790	\$ 402,483
MWDOC Capacity Charge Per CFS:						\$ 8,070	

* Based on MWDOC's aggregate peak flow of 443.1 cfs on 7/25/2014 charge at MET's rate of \$10,900 per cfs
2012 & 2013 peak flows adjusted for MET OC-88 metering error.

MWDOC Member Agency Choice Services Program Summary
Cost Allocations by Agencies for FY 2015-16

DRAFT

Program Budget	Water Use Efficiency	School Education	Value of Water Communications	No contributions needed this year				Urban Water Management Plan (\$55,000 each) [7]	Water Loss Control Program (\$15,000 each) [8]	AMP Administration	Total Choice Allocation
				Poseldon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 [5]	Doheny Foundational Action [6]				
Draft Budget (3/6/2015) [1]	\$ 864,576	\$ 312,000	\$ 178,033	\$ -	\$ -	\$ -	\$ -	\$ 1,595,000	\$ 420,000	\$ 17,098	\$ 3,386,707
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)	\$ 1,595,000	\$ 420,000	\$ 20,249	\$ 3,144,303
Retail Agency											
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
Invine 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	\$ 316,288
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Orange County Total	\$ 864,576	\$ 312,000	\$ 178,000	\$ -	\$ -	\$ -	\$ -	\$ 1,595,000	\$ 420,000	\$ 20,249	\$ 3,389,825

Note: Totals may not foot due to rounding.

These numbers are draft and subject to change

These numbers are from the MWDOC Draft Budget dated 3/6/2015

The adjustment amounts reflect prior year revenue overage or (shortfall) to be reconciled with participating member agencies

The activity for Poseldon 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

The activity for Doheny 2008 is utilizing existing remaining funds to pay the state lease and the power costs at the pilot plant site

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

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

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



ACTION ITEM

May 20, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Maribeth Goldsby

**SUBJECT: ADOPT CONCURRING RESOLUTION IN SUPPORT OF JO MACKENZIE FOR THE
CSDA SOUTHERN NETWORK REGION, SEAT A**

STAFF RECOMMENDATION

Staff recommends that the Board of Directors discuss whether to nominate a member of the MWDOC Board to the CSDA Board of Directors, or to support incumbent, Jo MacKenzie (Vista Irrigation District) for the CSDA Board of Directors election (Southern Network Region Seat A).

COMMITTEE RECOMMENDATION

The Committee recommended the Board adopt a concurring Resolution in support of Jo MacKenzie (Vista Irrigation District).

SUMMARY

CSDA is seeking independent special district candidates for the 2015 election for Seat A for the 2016-2018 term. The leadership of CSDA is elected from its six geographical networks and each of the six networks has three seats on the Board (with staggered 3-year terms). Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic network they seek; MWDOC is in the Southern Network Region. MWDOC is eligible to nominate one person, a Board member or management employee, for this election. The commitment and expectations for Board members is attached. *Nominations and supporting documents are due by May 22nd.*

Alternatively, the Board may choose to support incumbent Jo MacKenzie (Vista Irrigation District), who is running for re-election. Attached is background information on Ms. MacKenzie.

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



**California Special
Districts Association**
Districts Stronger Together

DATE: February 20, 2015

TO: CSDA Voting Member Presidents and General Managers

FROM: CSDA Elections and Bylaws Committee

**SUBJECT: CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT A**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2016 - 2018 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA regular member located within the geographic network that they seek to represent. (See attached Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, held every other month at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend CSDA's two annual events: Special District Legislative Days (held in the spring) and the CSDA Annual Conference (held in the fall).
- **Complete all four modules of CSDA's Special District Leadership Academy within 2 years.**
(CSDA does not reimburse for expenses for the two conferences or the Academy classes even if a Board or committee meeting is held in conjunction with the events).

Nomination Procedures: Any Regular Member is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations is May 22, 2015.** Nominations and supporting documentation may be mailed or faxed.

Nominees will receive a Candidate's Packet in the mail. The packet will include campaign guidelines.

CSDA will mail ballots on June 5th. The ballots must be received by CSDA no later than 5:00 p.m. August 7, 2015 and must be the original ballot (no faxes or e-mails). The successful candidates will be notified no later than August 10th. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in September.

Expiring Terms

(See enclosed map for regional breakdown)

Northern Network	Seat A John Woolley, Manila Community Services District
Sierra Network	Seat A Noelle Mattock, El Dorado Hills Community Services District*
Bay Area Network	Seat A <i>Currently vacant</i>
Central Network	Seat A Joel Bauer, West Side Cemetery District*
Coastal Network	Seat A Elaine Freeman, Rancho Simi Recreation & Park District
Southern Network	Seat A Jo MacKenzie, Vista Irrigation District*

(* = Incumbent is running for re-election)

If you have any questions, please contact Charlotte Lowe at 877-924-CSDA or charlottel@cstda.net.



**California Special
Districts Association**
Districts Stronger Together

BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map on back)

Telephone: _____
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form and a Board resolution/minute action supporting the candidate
and Candidate Information Sheet by fax or mail to:

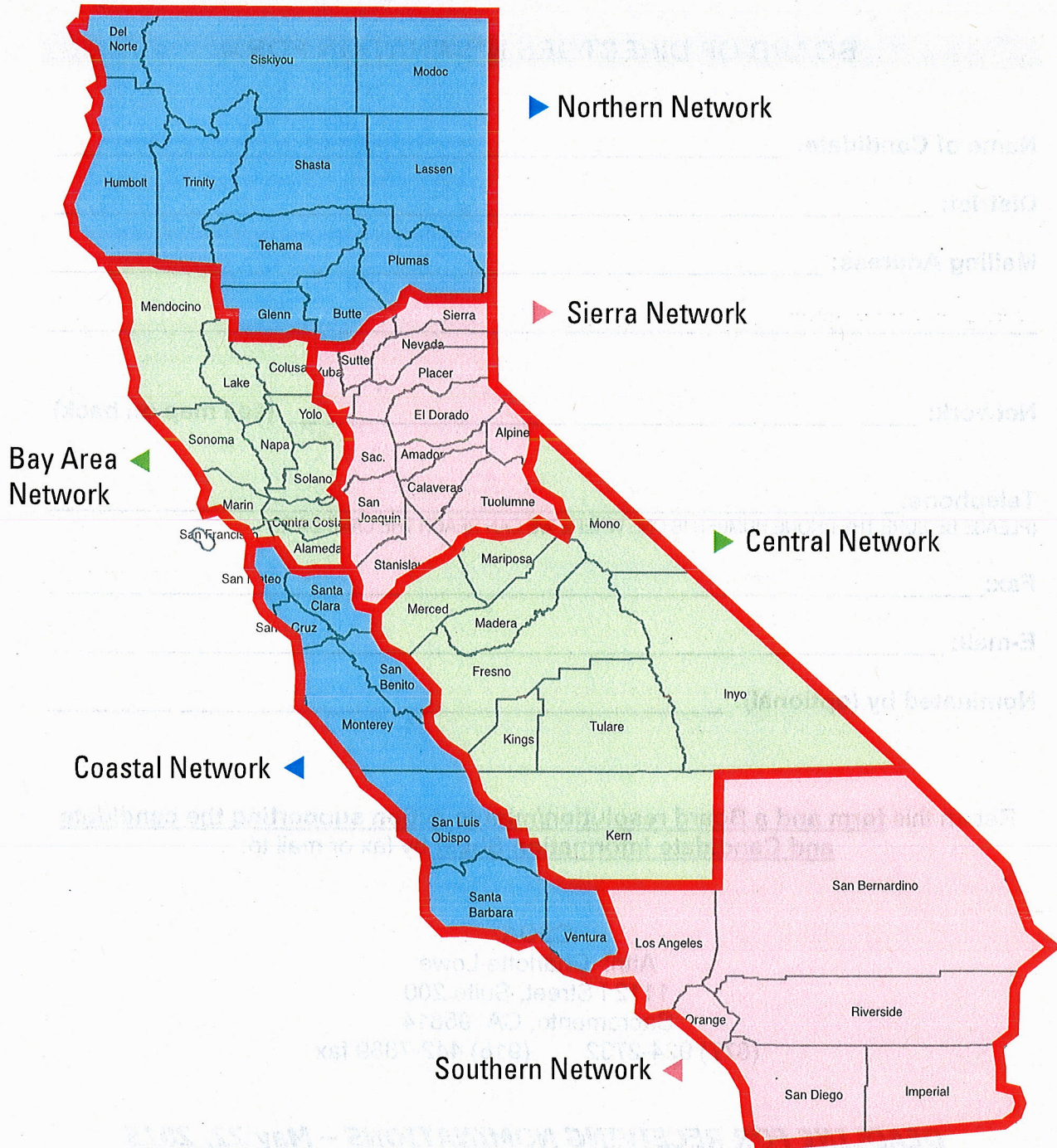
CSDA
Attn: Charlotte Lowe
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732 (916) 442-7889 fax

DEADLINE FOR RECEIVING NOMINATIONS – May 22, 2015



California Special Districts Association

DISTRICT NETWORKS





California Special
Districts Association
Districts Stronger Together

CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 4, 2015 will not be included with the ballot mailing.**

NOMINATION RESOLUTION SAMPLE

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

NOMINATING _____

**TO THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION
BOARD OF DIRECTORS
SOUTHERN NETWORK, SEAT A**

WHEREAS, this district is a member district of the California Special Districts Association (CSDA); and

WHEREAS, the Elections and Bylaws Committee is seeking candidates for the CSDA Board of Directors Southern Network, Seat A for the 2016-2018 term; and

WHEREAS, MWDOC Director _____ has indicated an interest in running for this seat; and;

WHEREAS, the MWDOC Board believes Director _____ has the proper background and experience to fulfill this position and offers their support.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that Director _____ is hereby nominated to serve as Board Member on the CSDA Board of Directors, Southern Network, Seat A for the 2016-2018 term.

BE IT FURTHER RESOLVED the District Secretary is hereby directed to transmit a certified copy of this resolution to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814, forthwith.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

I hereby certify the foregoing is a true and correct copy of Resolution No. _____ adopted by the Board of Directors of _____ at its meeting held on _____, 2015.

ATTEST:

District Secretary

(CONCURRING RESOLUTION SAMPLE)

RESOLUTION NO. ***

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE Agency Name
CONCURRING IN THE NOMINATION OF JO MACKENZIE
TO THE CSDA BOARD OF DIRECTORS

WHEREAS, the California Special Districts Association (CSDA) is holding an election for its Board of Directors for the Southern Network (Region 6), Seat A for the 2016-19 term; and

WHEREAS, the Agency Name is a voting member of CSDA and a voting member for the Southern Network (Region 6), Seat A; and

WHEREAS, the incumbent, Jo MacKenzie, of the Vista Irrigation District is seeking re-election for this position; and

WHEREAS, Jo MacKenzie has been involved with the CSDA Board since 2003 and has served in a wide variety of roles including Board President in 2011, Vice President in 2010, and Treasurer in 2008 and 2009; and

WHEREAS, the Board of Directors of the Agency Name believes that Jo MacKenzie is an effective member of the CSDA Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Agency Name does concur in the nomination of Jo MacKenzie to represent the Southern Network (Region 6), Seat A, on the CSDA Board of Directors; and

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the attention of the Board Secretary of the Vista Irrigation District at 1391 Engineer Street, Vista, CA 92081, forthwith.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Agency Name this ** day of **, 2015.

AYES:

NOES:

ABSTAIN:

ABSENT:

Name, President

ATTEST:

Name, Secretary
Agency Name



JO MACKENZIE

PROVEN EXPERIENCE LEADING SPECIAL DISTRICTS

- **DEDICATED**
 - **FISCALLY RESPONSIBLE**
 - **COMMITTED TO SPECIAL DISTRICTS**

It would be an honor to continue serving special districts on the CSDA Board of Directors. I am committed to building on the present foundation of CSDA's educational programs and legislative and public outreach, so that CSDA continues to be recognized as the voice of all special districts. My enthusiasm, commitment, and comprehensive knowledge of special districts and LAFCO, along with my years of experience, will help me to serve as a member of the CSDA Board representing the Southern Network (Region 6).

CSDA EXPERIENCE:

- ❖ President 2011
- ❖ Vice President, 2010
- ❖ Treasurer, 2008 and 2009
- ❖ CSDA Finance Corporation, 2007-2012, President 2012, 2013 and 2015
- ❖ Fiscal Committee Chair, 2008 and 2009
- ❖ Audit Committee Chair, 2008
- ❖ Legislative Committee, 2004-2015; Chair, 2006-2010 and 2012
- ❖ Membership Committee Member, 2011 to present

DISTRICT EXPERIENCE:

- ❖ Elected in 1992, Board of Directors, Vista Irrigation District (CSDA District of Distinction)
- ❖ Served on and chaired District Committees
- ❖ One of the principal negotiators for the San Luis Rey Water Rights Settlement Agreement between VID, five Indian Bands, the City of Escondido, and the Federal Government

OTHER LEADERSHIP POSITIONS:

- ❖ ACWA Board of Directors, 2014-2015
- ❖ ACWA Local Government Committee, 2012 to present; Chair 2014-2015
- ❖ ACWA Region 10 Board, Vice Chair, Alternate Chair, Director, 1997-2010
- ❖ San Diego LAFCO, Regular Special Districts Member, 2015
- ❖ San Diego LAFCO, Alternate LAFCO Commissioner, 2008 to 2014
- ❖ San Diego LAFCO Special District Advisory Committee, 1994-2008, Chair 2005-2008
- ❖ CSDA San Diego Chapter, Board Member 1993 to present, President 1998-2000
- ❖ Special District Leadership Foundation Board of Directors, Treasurer 2014 and 2015

COMMUNITY INVOLVEMENT:

- ❖ San Marcos Planning Commissioner, 1979-1986
- ❖ San Marcos Traffic Commission, 1999-2004
- ❖ San Marcos Budget Review Committee, 1980-1982 and 1995-2006, Chair 1996-2006
- ❖ San Marcos Chamber of Commerce, Lifetime Ambassador

RECOGNITIONS:

- ❖ Special District Official of the Year by PublicCeo, 2011
- ❖ CSDA Legislative Advocate of the Year, 2010
- ❖ Graduate CSDA Leadership Academy
- ❖ Graduate Leadership 2000, Cal State San Marcos



ACTION ITEM

May 20, 2015

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 603 (Salas) – Income taxes: turf removal tax credit

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to support AB 603 (Salas) and send a letter to the author indicating our support position.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

SUMMARY

Assembly Bill 603 would, under both the Personal Income Tax Law and the Corporation Tax Law, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program in an amount equal to \$2 per square foot of conventional lawn removed from the taxpayer's property.

At the April 8, 2015 MWDOC Administration & Finance Committee, the Board voted 2-2 on staff's recommendation to support AB 603. Staff was directed to bring the measure back to the Board with an update or when the bill is amended with more detail. At this time, the bill is still in its original form with no official amendments.

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

UPDATE FOR MAY 2015

On April 10, 2015, AB 603 was heard in the Assembly Revenue and Taxation Committee. No vote was taken and the bill was moved to the Suspense File as expected by the author's office. (Any legislation with a tax incentive or tax increase is automatically sent to suspense.) The committee will have its customary suspense file hearing at the end of this month. For any bill to get off suspense and out of committee will require a lot of support.

MWDOC and the author's office have been in contact regarding AB 603 a number of times over the past month. According to staff in Assemblymember Salas' office, they intend to amend the bill while it is on suspense and hope to have amendments that meet the Franchise Tax Board's concerns within the next two weeks so that the bill is eligible for a suspense hearing.

**ACTION ITEM**

May 20, 2015

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman & Tamaribuchi)Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 585 (Melendez) – Outdoor Water Efficiency Act of 2015**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to support AB 585 (Melendez) and send a letter to the author indicating our support position.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

SUMMARY

The intent of AB 585 is to help local water municipalities and special districts achieve and surpass the 20% reduction goal set by SBX7-7.

AB 585 would, for taxable years beginning on or after January 1, 2015, allow a tax credit equal to \$2,500, or 25%, of the amount paid or incurred by a qualified taxpayer for installing drought-friendly landscaping in their yard.

The individual would be refunded from the state portion of the net tax, not the county or local portion.

Drought-friendly landscaping is chosen by local landscaping ordinances already established by the local water municipalities or special districts.

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice __
Fiscal Impact (explain if unbudgeted):			

In addition, AB 585 has two built in repeal triggers should the following occur:

- 1) The drought emergency is revoked by the Governor.
- 2) The tax credit expires on January 1, 2021.

At the April 20, 2015 MWDOC Public Affairs & Legislation Committee, the Board directed staff to bring the measure back to the Board with an update or when the bill is amended with more detail. At this time, the bill has not been amended to reflect the Franchise Tax Board's recommendations.

UPDATE FOR MAY 2015

On May 4, 2015, AB 585 was heard in the Assembly Revenue and Taxation Committee. No vote was taken and the bill was moved to the Suspense File as expected by the author's office. (Any legislation with a tax incentive or tax increase is automatically sent to suspense.) The committee will have its customary suspense file hearing at the end of this month. For any bill to get off suspense and out of committee will require a lot of support.

**ACTION ITEM**

May 20, 2015

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter
General Manager

Staff Contact: Heather Baez

**SUBJECT: H.R. 2028 (Simpson, R-ID-2) Energy & Water Development
Appropriations Bill 2016****STAFF RECOMMENDATION**

Staff recommends the Board support H.R. 2028 (Simpson, R-ID) and send a letter to the Orange County Congressional Delegation indicating our support position.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will meet on May 18, 2015 and make a recommendation to the Board.

SUMMARY

H.R. 2028 is a \$35.5 billion water and energy appropriations bill, one of a series of bills to fund the federal government, which includes the U.S. Army Corps of Engineers (USACE), the Department of Interior, Department of Energy (DOE) and independent agencies. It also includes a provision to block the proposed Waters of the United States (WOTUS) rule. This is an increase of \$1.2 billion from 2015.

Under the legislation, DOE nuclear weapons programs would receive the single largest chunk of spending, at \$12.3 billion, nearly \$1 billion more than 2015. Other DOE energy programs are slated to receive about \$10.3 billion, \$64 million up from the previous year, with funding for fossil fuel and nuclear programs increased, while renewable energy

Budgeted (Y/N): n/a	Budgeted amount:	Core x	Choice ____
Fiscal Impact (explain if unbudgeted):			

programs will receive a funding cut. Scientific energy research would get \$5.1 billion, a small increase.

The Army Corps of Engineers would get \$5.6 billion for carrying out public works projects, about \$140 million up from the previous year, with \$5.9 billion to be set aside for federal environmental cleanup, most of which is intended to go toward remediating former Pentagon facilities.

The Bureau of Reclamation would get \$1.1 billion, \$35 million down from 2015, for water development and protection programs in Western states.

In addition to setting out funding levels, the legislation also includes several policy clauses, such as restrictions on making changes to the extent of federal jurisdiction and the definition of “fill material” under the Clean Water Act.

ARGUMENTS IN SUPPORT

H.R. 2028 includes many important water and flood protection projects that will directly benefit California. Appropriations include: California Bay-Delta, San Joaquin River Restoration Fund, Central Valley Project, WaterSMART Program, and Kesterson Reservoir in Merced County.

ARGUMENTS IN OPPOSITION

H.R. 2028 has been threatened with a veto, with the Obama Administration arguing that the bill would underfund “critical” investments in renewable energy and other emerging energy technologies, harm national nuclear strategy and promote wasteful spending on unnecessary civil works projects, as well as containing a number of “highly problematic” ideological riders, including some that could threaten access to clean water.

“As a result, it would put at risk U.S. competitiveness in new markets for clean energy industries such as advanced vehicles, advanced manufacturing, energy efficiency for homes and businesses, and domestic renewable energy such as wind, solar, and biomass,” the administration said.

COMMENTS

H.R. 2028 was approved by the House on 5/1/15 by a vote of 240-177 and will next go to the Senate where lawmakers have introduced a separate bill, S. 1140, directing the USACE and the U.S. Environmental Protection Agency (EPA) to revisit its plans for classifying the nation's waterways under WOTUS. S. 1140 was introduced on April 30, 2015 and no action has yet been taken.

The WOTUS rule to define the extent of streams, ponds, ditches and other features is now under final review at the Office of Management and Budget. Administration officials have promised lawmakers that a number of unspecified revisions have been made to address concerns raised about definitions in the rule.

Congressman David Valadao (R-CA) amended H.R. 2028 with language that sets specific deadlines for federal officials to complete water storage project feasibility studies. This would fast track the studies of a Shasta Dam expansion in Northern California and Temperance Flat dam construction east of Fresno. These studies would be due by Dec. 31, 2015. The studies of expanding Los Vaqueros Reservoir in Contra Costa County and constructing Sites Reservoir in the Sacramento Valley will be due Nov. 30, 2016. Finally a study of expanding San Luis Reservoir near Los Banos must be finished by Dec. 31, 2017.

Congressman Valadao argued that all of the studies were ordered more than ten years ago and if the studies had been completed in a timely manner, perhaps some construction could have been accomplished--thereby easing some of the issues related to the current drought.

H.R. 2028 also includes an amendment sponsored by Rep. Tom McClintock, (R-CA) that would block funding for the Bureau of Reclamation to buy water in order to meet California instream river water flow requirements. McClintock said that at a time of severe drought in the state, "squandering water" by dumping it into rivers in order to help young steelhead trout and other fish reach the Pacific Ocean would waste millions of dollars and make a mockery of California's water conservation efforts.

DETAILED REPORT

See bill language attached as a separate document.

114TH CONGRESS
1ST SESSION

H. R. 2028

IN THE SENATE OF THE UNITED STATES

MAY 5, 2015

Received; read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for energy and water development
and related agencies for the fiscal year ending September
30, 2016, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

1 That the following sums are appropriated, out of any
2 money in the Treasury not otherwise appropriated, for en-
3 ergy and water development and related agencies for the
4 fiscal year ending September 30, 2016, and for other pur-
5 poses, namely:

6 TITLE I—CORPS OF ENGINEERS—CIVIL
7 DEPARTMENT OF THE ARMY
8 CORPS OF ENGINEERS—CIVIL

9 The following appropriations shall be expended under
10 the direction of the Secretary of the Army and the super-
11 vision of the Chief of Engineers for authorized civil func-
12 tions of the Department of the Army pertaining to river
13 and harbor, flood and storm damage reduction, shore pro-
14 tection, aquatic ecosystem restoration, and related efforts.

15 INVESTIGATIONS

16 For expenses necessary where authorized by law for
17 the collection and study of basic information pertaining
18 to river and harbor, flood and storm damage reduction,
19 shore protection, aquatic ecosystem restoration, and re-
20 lated needs; for surveys and detailed studies, and plans
21 and specifications of proposed river and harbor, flood and
22 storm damage reduction, shore protection, and aquatic
23 ecosystem restoration projects, and related efforts prior to
24 construction; for restudy of authorized projects; and for
25 miscellaneous investigations, and, when authorized by law,

1 surveys and detailed studies, and plans and specifications
2 of projects prior to construction, \$110,000,000 (increased
3 by \$1,000,000), to remain available until expended.

4 CONSTRUCTION

5 For expenses necessary for the construction of river
6 and harbor, flood and storm damage reduction, shore pro-
7 tection, aquatic ecosystem restoration, and related
8 projects authorized by law; for conducting detailed studies,
9 and plans and specifications, of such projects (including
10 those involving participation by States, local governments,
11 or private groups) authorized or made eligible for selection
12 by law (but such detailed studies, and plans and specifica-
13 tions, shall not constitute a commitment of the Govern-
14 ment to construction); \$1,631,000,000 (increased by
15 \$3,000,000) (increased by \$1,000,000) (reduced by
16 \$10,000,000) (increased by \$10,000,000), to remain avail-
17 able until expended; of which such sums as are necessary
18 to cover the Federal share of construction costs for facili-
19 ties under the Dredged Material Disposal Facilities pro-
20 gram shall be derived from the Harbor Maintenance Trust
21 Fund as authorized by Public Law 104–303; and of which
22 such sums as are necessary to cover one-half of the costs
23 of construction, replacement, rehabilitation, and expansion
24 of inland waterways projects shall be derived from the In-

1 land Waterways Trust Fund, except as otherwise specifi-
2 cally provided for in law.

3 MISSISSIPPI RIVER AND TRIBUTARIES

4 For expenses necessary for flood damage reduction
5 projects and related efforts in the Mississippi River allu-
6 vial valley below Cape Girardeau, Missouri, as authorized
7 by law, \$275,000,000, to remain available until expended,
8 of which such sums as are necessary to cover the Federal
9 share of eligible operation and maintenance costs for in-
10 land harbors shall be derived from the Harbor Mainte-
11 nance Trust Fund.

12 OPERATION AND MAINTENANCE

13 For expenses necessary for the operation, mainte-
14 nance, and care of existing river and harbor, flood and
15 storm damage reduction, aquatic ecosystem restoration,
16 and related projects authorized by law; providing security
17 for infrastructure owned or operated by the Corps, includ-
18 ing administrative buildings and laboratories; maintaining
19 harbor channels provided by a State, municipality, or
20 other public agency that serve essential navigation needs
21 of general commerce, where authorized by law; surveying
22 and charting northern and northwestern lakes and con-
23 necting waters; clearing and straightening channels; and
24 removing obstructions to navigation, \$3,058,000,000 (in-
25 creased by \$36,306,000), to remain available until ex-

1 pended, of which such sums as are necessary to cover the
2 Federal share of eligible operation and maintenance costs
3 for coastal harbors and channels, and for inland harbors
4 shall be derived from the Harbor Maintenance Trust
5 Fund; of which such sums as become available from the
6 special account for the Corps of Engineers established by
7 the Land and Water Conservation Fund Act of 1965 shall
8 be derived from that account for resource protection, re-
9 search, interpretation, and maintenance activities related
10 to resource protection in the areas at which outdoor recre-
11 ation is available; and of which such sums as become avail-
12 able from fees collected under section 217 of Public Law
13 104–303 shall be used to cover the cost of operation and
14 maintenance of the dredged material disposal facilities for
15 which such fees have been collected: Provided, That 1 per-
16 cent of the total amount of funds provided for each of the
17 programs, projects, or activities funded under this heading
18 shall not be allocated to a field operating activity prior
19 to the beginning of the fourth quarter of the fiscal year
20 and shall be available for use by the Chief of Engineers
21 to fund such emergency activities as the Chief of Engi-
22 neers determines to be necessary and appropriate, and
23 that the Chief of Engineers shall allocate during the
24 fourth quarter any remaining funds which have not been
25 used for emergency activities proportionally in accordance

1 with the amounts provided for the programs, projects, or
2 activities.

3 REGULATORY PROGRAM

4 For expenses necessary for administration of laws
5 pertaining to regulation of navigable waters and wetlands,
6 \$200,000,000 (reduced by \$424,000), to remain available
7 until September 30, 2017.

8 FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

9 For expenses necessary to clean up contamination
10 from sites in the United States resulting from work per-
11 formed as part of the Nation's early atomic energy pro-
12 gram, \$104,000,000, to remain available until expended.

13 FLOOD CONTROL AND COASTAL EMERGENCIES

14 For expenses necessary to prepare for flood, hurri-
15 cane, and other natural disasters and support emergency
16 operations, repairs, and other activities in response to
17 such disasters as authorized by law, \$34,000,000, to re-
18 main available until expended.

19 EXPENSES

20 For expenses necessary for the supervision and gen-
21 eral administration of the civil works program in the head-
22 quarters of the Corps of Engineers and the offices of the
23 Division Engineers; and for costs of management and op-
24 eration of the Humphreys Engineer Center Support Activ-
25 ity, the Institute for Water Resources, the United States

1 Army Engineer Research and Development Center, and
2 the United States Army Corps of Engineers Finance Cen-
3 ter allocable to the civil works program, \$180,000,000 (re-
4 duced by \$1,000,000), to remain available until September
5 30, 2017, of which not to exceed \$5,000 may be used for
6 official reception and representation purposes and only
7 during the current fiscal year: Provided, That no part of
8 any other appropriation provided in this title shall be
9 available to fund the civil works activities of the Office
10 of the Chief of Engineers or the civil works executive di-
11 rection and management activities of the division offices:
12 Provided further, That any Flood Control and Coastal
13 Emergencies appropriation may be used to fund the super-
14 vision and general administration of emergency oper-
15 ations, repairs, and other activities in response to any
16 flood, hurricane, or other natural disaster.

17 OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
18 FOR CIVIL WORKS

19 For the Office of the Assistant Secretary of the Army
20 for Civil Works as authorized by 10 U.S.C. 3016(b)(3),
21 \$4,750,000 (increased by \$30,000,000) (reduced by
22 \$30,000,000), to remain available until September 30,
23 2017: Provided, That not more than 25 percent of such
24 amount may be obligated or expended until the Assistant
25 Secretary submits to the Committees on Appropriations

1 of both Houses of Congress a work plan that allocates at
2 least 95 percent of the additional funding provided under
3 each heading in this title (as designated under such head-
4 ing in the report of the Committee on Appropriations ac-
5 companying this Act) to specific programs, projects, or ac-
6 tivities.

7 GENERAL PROVISIONS—CORPS OF
8 ENGINEERS—CIVIL

9 (INCLUDING TRANSFER OF FUNDS)

10 SEC. 101. (a) None of the funds provided in this title
11 shall be available for obligation or expenditure through a
12 reprogramming of funds that—

13 (1) creates or initiates a new program, project,
14 or activity;

15 (2) eliminates a program, project, or activity;

16 (3) increases funds or personnel for any pro-
17 gram, project, or activity for which funds have been
18 denied or restricted by this Act;

19 (4) reduces funds that are directed to be used
20 for a specific program, project, or activity by this
21 Act;

22 (5) increases funds for any program, project, or
23 activity by more than \$2,000,000 or 10 percent,
24 whichever is less; or

1 (6) reduces funds for any program, project, or
2 activity by more than \$2,000,000 or 10 percent,
3 whichever is less.

4 (b) Subsection (a)(1) shall not apply to any project
5 or activity authorized under section 205 of the Flood Con-
6 trol Act of 1948, section 14 of the Flood Control Act of
7 1946, section 208 of the Flood Control Act of 1954, sec-
8 tion 107 of the River and Harbor Act of 1960, section
9 103 of the River and Harbor Act of 1962, section 111
10 of the River and Harbor Act of 1968, section 1135 of the
11 Water Resources Development Act of 1986, section 206
12 of the Water Resources Development Act of 1996, or sec-
13 tion 204 of the Water Resources Development Act of
14 1992.

15 (c) The Corps of Engineers shall submit reports on
16 a quarterly basis to the Committees on Appropriations of
17 both Houses of Congress detailing all the funds repro-
18 grammed between programs, projects, activities, or cat-
19 egories of funding. The first quarterly report shall be sub-
20 mitted not later than 60 days after the date of enactment
21 of this Act.

22 SEC. 102. None of the funds made available in this
23 title may be used to award or modify any contract that
24 commits funds beyond the amounts appropriated for that
25 program, project, or activity that remain unobligated, ex-

1 cept that such amounts may include any funds that have
2 been made available through reprogramming pursuant to
3 section 101.

4 SEC. 103. The Secretary of the Army may transfer
5 to the Fish and Wildlife Service, and the Fish and Wildlife
6 Service may accept and expend, up to \$4,700,000 of funds
7 provided in this title under the heading “Operation and
8 Maintenance” to mitigate for fisheries lost due to Corps
9 of Engineers projects.

10 SEC. 104. None of the funds made available in this
11 or any other Act making appropriations for Energy and
12 Water Development for any fiscal year may be used by
13 the Corps of Engineers to develop, adopt, implement, ad-
14 minister, or enforce any change to the regulations in effect
15 on October 1, 2012, pertaining to the definitions of the
16 terms “fill material” or “discharge of fill material” for the
17 purposes of the Federal Water Pollution Control Act (33
18 U.S.C. 1251 et seq.).

19 SEC. 105. None of the funds made available in this
20 or any other Act making appropriations for Energy and
21 Water Development for any fiscal year may be used by
22 the Corps of Engineers to develop, adopt, implement, ad-
23 minister, or enforce any change to the regulations and
24 guidance in effect on October 1, 2012, pertaining to the
25 definition of waters under the jurisdiction of the Federal

1 Water Pollution Control Act (33 U.S.C. 1251 et seq.), in-
2 cluding the provisions of the rules dated November 13,
3 1986, and August 25, 1993, relating to such jurisdiction,
4 and the guidance documents dated January 15, 2003, and
5 December 2, 2008, relating to such jurisdiction.

6 SEC. 106. None of the funds made available by this
7 Act may be used to require a permit for the discharge
8 of dredged or fill material under the Federal Water Pollu-
9 tion Control Act (33 U.S.C. 1251, et seq.) for the activi-
10 ties identified in subparagraphs (A) and (C) of section
11 404(f)(1) of the Act (33 U.S.C. 1344(f)(1)(A), (C)).

12 SEC. 107. As of the date of enactment of this Act
13 and each fiscal year thereafter, the Secretary of the Army
14 shall not promulgate or enforce any regulation that pro-
15 hibits an individual from possessing a firearm, including
16 an assembled or functional firearm, at a water resources
17 development project covered under section 327.0 of title
18 36, Code of Federal Regulations (as in effect on the date
19 of enactment of this Act), if—

20 (1) the individual is not otherwise prohibited by
21 law from possessing the firearm; and

22 (2) the possession of the firearm is in compli-
23 ance with the law of the State in which the water
24 resources development project is located.

1 SEC. 108. No funds in this Act shall be used for an
2 open lake placement alternative of dredged material, after
3 evaluating the least costly, environmentally acceptable
4 manner for the disposal or management of dredged mate-
5 rial originating from Lake Erie or tributaries thereto, un-
6 less it is approved under a State water quality certification
7 pursuant to 33 U.S.C. 1341.

8 TITLE II—DEPARTMENT OF THE INTERIOR

9 CENTRAL UTAH PROJECT

10 CENTRAL UTAH PROJECT COMPLETION ACCOUNT

11 For carrying out activities authorized by the Central
12 Utah Project Completion Act, \$9,874,000, to remain
13 available until expended, of which \$1,000,000 shall be de-
14 posited into the Utah Reclamation Mitigation and Con-
15 servation Account for use by the Utah Reclamation Miti-
16 gation and Conservation Commission: Provided, That of
17 the amount provided under this heading, \$1,300,000 shall
18 be available until September 30, 2017, for expenses nec-
19 essary in carrying out related responsibilities of the Sec-
20 retary of the Interior: Provided further, That for fiscal
21 year 2016, of the amount made available to the Commis-
22 sion under this Act or any other Act, the Commission may
23 use an amount not to exceed \$1,500,000 for administra-
24 tive expenses.

1 BUREAU OF RECLAMATION

2 The following appropriations shall be expended to
3 execute authorized functions of the Bureau of Reclama-
4 tion:

5 WATER AND RELATED RESOURCES

6 (INCLUDING TRANSFERS OF FUNDS)

7 For management, development, and restoration of
8 water and related natural resources and for related activi-
9 ties, including the operation, maintenance, and rehabilita-
10 tion of reclamation and other facilities, participation in
11 fulfilling related Federal responsibilities to Native Ameri-
12 cans, and related grants to, and cooperative and other
13 agreements with, State and local governments, federally
14 recognized Indian tribes, and others, \$948,640,000 (in-
15 creased by \$2,000,000), to remain available until ex-
16 pended, of which \$22,000 shall be available for transfer
17 to the Upper Colorado River Basin Fund and \$5,899,000
18 shall be available for transfer to the Lower Colorado River
19 Basin Development Fund; of which such amounts as may
20 be necessary may be advanced to the Colorado River Dam
21 Fund: Provided, That such transfers may be increased or
22 decreased within the overall appropriation under this
23 heading: Provided further, That of the total appropriated,
24 the amount for program activities that can be financed
25 by the Reclamation Fund or the Bureau of Reclamation

1 special fee account established by 16 U.S.C. 6806 shall
2 be derived from that Fund or account: Provided further,
3 That funds contributed under 43 U.S.C. 395 are available
4 until expended for the purposes for which the funds were
5 contributed: Provided further, That funds advanced under
6 43 U.S.C. 397a shall be credited to this account and are
7 available until expended for the same purposes as the
8 sums appropriated under this heading: Provided further,
9 That of the amounts provided herein, funds may be used
10 for high-priority projects which shall be carried out by the
11 Youth Conservation Corps, as authorized by 16 U.S.C.
12 1706.

13 CENTRAL VALLEY PROJECT RESTORATION FUND

14 For carrying out the programs, projects, plans, habi-
15 tat restoration, improvement, and acquisition provisions of
16 the Central Valley Project Improvement Act, \$49,528,000,
17 to be derived from such sums as may be collected in the
18 Central Valley Project Restoration Fund pursuant to sec-
19 tions 3407(d), 3404(c)(3), and 3405(f) of Public Law
20 102–575, to remain available until expended: Provided,
21 That the Bureau of Reclamation is directed to assess and
22 collect the full amount of the additional mitigation and
23 restoration payments authorized by section 3407(d) of
24 Public Law 102–575: Provided further, That none of the
25 funds made available under this heading may be used for

1 the acquisition or leasing of water for in-stream purposes
2 if the water is already committed to in-stream purposes
3 by a court adopted decree or order.

4 CALIFORNIA BAY-DELTA RESTORATION
5 (INCLUDING TRANSFERS OF FUNDS)

6 For carrying out activities authorized by the Water
7 Supply, Reliability, and Environmental Improvement Act,
8 consistent with plans to be approved by the Secretary of
9 the Interior, \$37,000,000, to remain available until ex-
10 pended, of which such amounts as may be necessary to
11 carry out such activities may be transferred to appropriate
12 accounts of other participating Federal agencies to carry
13 out authorized purposes: Provided, That funds appro-
14 priated herein may be used for the Federal share of the
15 costs of CALFED Program management: Provided fur-
16 ther, That CALFED implementation shall be carried out
17 in a balanced manner with clear performance measures
18 demonstrating concurrent progress in achieving the goals
19 and objectives of the Program.

20 POLICY AND ADMINISTRATION

21 For expenses necessary for policy, administration,
22 and related functions in the Office of the Commissioner,
23 the Denver office, and offices in the five regions of the
24 Bureau of Reclamation, to remain available until Sep-
25 tember 30, 2017, \$59,500,000, to be derived from the

1 Reclamation Fund and be nonreimbursable as provided in
 2 43 U.S.C. 377: Provided, That not more than 25 percent
 3 of such amount may be obligated or expended until Rec-
 4 lamation complies with congressional and statutory direc-
 5 tion related to Technical Memorandum 8140–CC–2004–
 6 1 (“Corrosion Considerations for Buried Metallic Water
 7 Pipe”) and the associated pipeline reliability study: Pro-
 8 vided further, That no part of any other appropriation in
 9 this Act shall be available for activities or functions budg-
 10 eted as policy and administration expenses.

11 ADMINISTRATIVE PROVISION

12 Appropriations for the Bureau of Reclamation shall
 13 be available for purchase of not to exceed five passenger
 14 motor vehicles, which are for replacement only.

15 GENERAL PROVISIONS—DEPARTMENT OF THE 16 INTERIOR

17 SEC. 201. (a) None of the funds provided in this title
 18 shall be available for obligation or expenditure through a
 19 reprogramming of funds that—

20 (1) creates or initiates a new program, project,
 21 or activity;

22 (2) eliminates a program, project, or activity;

23 (3) increases funds for any program, project, or
 24 activity for which funds have been denied or re-
 25 stricted by this Act;

1 (4) restarts or resumes any program, project or
2 activity for which funds are not provided in this Act,
3 unless prior approval is received from the Commit-
4 tees on Appropriations of both Houses of Congress;

5 (5) transfers funds in excess of the following
6 limits—

7 (A) 15 percent for any program, project or
8 activity for which \$2,000,000 or more is avail-
9 able at the beginning of the fiscal year; or

10 (B) \$300,000 for any program, project or
11 activity for which less than \$2,000,000 is avail-
12 able at the beginning of the fiscal year;

13 (6) transfers more than \$500,000 from either
14 the Facilities Operation, Maintenance, and Rehabili-
15 tation category or the Resources Management and
16 Development category to any program, project, or
17 activity in the other category; or

18 (7) transfers, when necessary to discharge legal
19 obligations of the Bureau of Reclamation, more than
20 \$5,000,000 to provide adequate funds for settled
21 contractor claims, increased contractor earnings due
22 to accelerated rates of operations, and real estate de-
23 ficiency judgments.

1 (b) Subsection (a)(5) shall not apply to any transfer
2 of funds within the Facilities Operation, Maintenance, and
3 Rehabilitation category.

4 (c) For purposes of this section, the term “transfer”
5 means any movement of funds into or out of a program,
6 project, or activity.

7 (d) The Bureau of Reclamation shall submit reports
8 on a quarterly basis to the Committees on Appropriations
9 of both Houses of Congress detailing all the funds repro-
10 grammed between programs, projects, activities, or cat-
11 egories of funding. The first quarterly report shall be sub-
12 mitted not later than 60 days after the date of enactment
13 of this Act.

14 SEC. 202. (a) None of the funds appropriated or oth-
15 erwise made available by this Act may be used to deter-
16 mine the final point of discharge for the interceptor drain
17 for the San Luis Unit until development by the Secretary
18 of the Interior and the State of California of a plan, which
19 shall conform to the water quality standards of the State
20 of California as approved by the Administrator of the En-
21 vironmental Protection Agency, to minimize any detri-
22 mental effect of the San Luis drainage waters.

23 (b) The costs of the Kesterson Reservoir Cleanup
24 Program and the costs of the San Joaquin Valley Drain-
25 age Program shall be classified by the Secretary of the

1 Interior as reimbursable or nonreimbursable and collected
2 until fully repaid pursuant to the “Cleanup Program—
3 Alternative Repayment Plan” and the “SJVDP—Alter-
4 native Repayment Plan” described in the report entitled
5 “Repayment Report, Kesterson Reservoir Cleanup Pro-
6 gram and San Joaquin Valley Drainage Program, Feb-
7 ruary 1995”, prepared by the Department of the Interior,
8 Bureau of Reclamation. Any future obligations of funds
9 by the United States relating to, or providing for, drainage
10 service or drainage studies for the San Luis Unit shall
11 be fully reimbursable by San Luis Unit beneficiaries of
12 such service or studies pursuant to Federal reclamation
13 law.

14 SEC. 203. The Secretary of the Interior, acting
15 through the Commissioner of Reclamation, shall—

16 (1) complete the feasibility studies described in
17 clauses (i)(I) and (ii)(II) of section 103(d)(1)(A) of
18 Public Law 108–361 (118 Stat. 1684) and submit
19 such studies to the appropriate committees of the
20 House of Representatives and the Senate not later
21 than December 31, 2015;

22 (2) complete the feasibility studies described in
23 clauses (i)(II) and (ii)(I) of section 103(d)(1)(A) of
24 Public Law 108–361 and submit such studies to the
25 appropriate committees of the House of Representa-

1 tives and the Senate not later than November 30,
2 2016;

3 (3) complete the feasibility study described in
4 section 103(f)(1)(A) of Public Law 108–361 (118
5 Stat. 1694) and submit such study to the appro-
6 priate committees of the House of Representatives
7 and the Senate not later than December 31, 2017;
8 and

9 (4) provide a progress report on the status of
10 the feasibility studies referred to in paragraphs (1)
11 through (3) to the appropriate committees of the
12 House of Representatives and the Senate not later
13 than 90 days after the date of the enactment of this
14 Act and each 180 days thereafter until December
15 31, 2017, as applicable. The report shall include
16 timelines for study completion, draft environmental
17 impact statements, final environmental impact state-
18 ments, and Records of Decision.

19 TITLE III—DEPARTMENT OF ENERGY

20 ENERGY PROGRAMS

21 ENERGY EFFICIENCY AND RENEWABLE ENERGY

22 For Department of Energy expenses including the
23 purchase, construction, and acquisition of plant and cap-
24 ital equipment, and other expenses necessary for energy
25 efficiency and renewable energy activities in carrying out

1 the purposes of the Department of Energy Organization
2 Act (42 U.S.C. 7101 et seq.), including the acquisition or
3 condemnation of any real property or any facility or for
4 plant or facility acquisition, construction, or expansion,
5 \$1,657,774,000 (reduced by \$4,000,000) (increased by
6 \$4,000,000) (increased by \$9,000,000) (increased by
7 \$2,000,000), to remain available until expended: Provided,
8 That of such amount, \$150,000,000 shall be available
9 until September 30, 2017, for program direction.

10 ELECTRICITY DELIVERY AND ENERGY RELIABILITY

11 For Department of Energy expenses including the
12 purchase, construction, and acquisition of plant and cap-
13 ital equipment, and other expenses necessary for elec-
14 tricity delivery and energy reliability activities in carrying
15 out the purposes of the Department of Energy Organiza-
16 tion Act (42 U.S.C. 7101 et seq.), including the acqui-
17 sition or condemnation of any real property or any facility
18 or for plant or facility acquisition, construction, or expan-
19 sion, \$187,500,000, to remain available until expended:
20 Provided, That of such amount, \$27,000,000 shall be
21 available until September 30, 2017, for program direction.

22 NUCLEAR ENERGY

23 For Department of Energy expenses including the
24 purchase, construction, and acquisition of plant and cap-
25 ital equipment, and other expenses necessary for nuclear

1 energy activities in carrying out the purposes of the De-
2 partment of Energy Organization Act (42 U.S.C. 7101 et
3 seq.), including the acquisition or condemnation of any
4 real property or any facility or for plant or facility acquisi-
5 tion, construction, or expansion, \$936,161,000, to remain
6 available until expended: Provided, That of such amount,
7 \$80,000,000 shall be available until September 30, 2017,
8 for program direction including official reception and rep-
9 resentation expenses not to exceed \$10,000.

10 **FOSSIL ENERGY RESEARCH AND DEVELOPMENT**

11 For Department of Energy expenses necessary in car-
12 rying out fossil energy research and development activi-
13 ties, under the authority of the Department of Energy Or-
14 ganization Act (42 U.S.C. 7101 et seq.), including the ac-
15 quisition of interest, including defeasible and equitable in-
16 terests in any real property or any facility or for plant
17 or facility acquisition or expansion, and for conducting in-
18 quiries, technological investigations and research con-
19 cerning the extraction, processing, use, and disposal of
20 mineral substances without objectionable social and envi-
21 ronmental costs (30 U.S.C. 3, 1602, and 1603),
22 \$605,000,000, to remain available until expended: Pro-
23 vided, That of such amount \$120,000,000 shall be avail-
24 able until September 30, 2017, for program direction.

1 NAVAL PETROLEUM AND OIL SHALE RESERVES

2 For Department of Energy expenses necessary to
3 carry out naval petroleum and oil shale reserve activities,
4 \$17,500,000, to remain available until expended: Pro-
5 vided, That, notwithstanding any other provision of law,
6 unobligated funds remaining from prior years shall be
7 available for all naval petroleum and oil shale reserve ac-
8 tivities.

9 STRATEGIC PETROLEUM RESERVE

10 For Department of Energy expenses necessary for
11 Strategic Petroleum Reserve facility development and op-
12 erations and program management activities pursuant to
13 the Energy Policy and Conservation Act (42 U.S.C. 6201
14 et seq.), \$212,030,000, to remain available until expended.

15 NORTHEAST HOME HEATING OIL RESERVE

16 For Department of Energy expenses necessary for
17 Northeast Home Heating Oil Reserve storage, operation,
18 and management activities pursuant to the Energy Policy
19 and Conservation Act (42 U.S.C. 6201 et seq.),
20 \$7,600,000, to remain available until expended.

21 ENERGY INFORMATION ADMINISTRATION

22 For Department of Energy expenses necessary in car-
23 rying out the activities of the Energy Information Admin-
24 istration, \$117,000,000, to remain available until ex-
25 pended.

1 NON-DEFENSE ENVIRONMENTAL CLEANUP

2 For Department of Energy expenses, including the
3 purchase, construction, and acquisition of plant and cap-
4 ital equipment and other expenses necessary for non-de-
5 fense environmental cleanup activities in carrying out the
6 purposes of the Department of Energy Organization Act
7 (42 U.S.C. 7101 et seq.), including the acquisition or con-
8 demnation of any real property or any facility or for plant
9 or facility acquisition, construction, or expansion,
10 \$229,193,000, to remain available until expended.

11 URANIUM ENRICHMENT DECONTAMINATION AND
12 DECOMMISSIONING FUND

13 For Department of Energy expenses necessary in car-
14 rying out uranium enrichment facility decontamination
15 and decommissioning, remedial actions, and other activi-
16 ties of title II of the Atomic Energy Act of 1954, and
17 title X, subtitle A, of the Energy Policy Act of 1992,
18 \$625,000,000, to be derived from the Uranium Enrich-
19 ment Decontamination and Decommissioning Fund, to re-
20 main available until expended, of which \$32,959,000 shall
21 be available in accordance with title X, subtitle A, of the
22 Energy Policy Act of 1992.

23 SCIENCE

24 For Department of Energy expenses including the
25 purchase, construction, and acquisition of plant and cap-

1 ital equipment, and other expenses necessary for science
2 activities in carrying out the purposes of the Department
3 of Energy Organization Act (42 U.S.C. 7101 et seq.), in-
4 cluding the acquisition or condemnation of any real prop-
5 erty or facility or for plant or facility acquisition, construc-
6 tion, or expansion, and purchase of not more than 17 pas-
7 senger motor vehicles for replacement only, including one
8 ambulance and one bus, \$5,100,000,000, to remain avail-
9 able until expended: Provided, That of such amount,
10 \$181,000,000 shall be available until September 30, 2017,
11 for program direction.

12 NUCLEAR WASTE DISPOSAL

13 For nuclear waste disposal activities to carry out the
14 purposes of the Nuclear Waste Policy Act of 1982 (Public
15 Law 97-425), including the acquisition of real property
16 or facility construction or expansion, \$150,000,000, to re-
17 main available until expended, and to be derived from the
18 Nuclear Waste Fund: Provided, That of the amount pro-
19 vided under this heading, \$5,000,000 shall be made avail-
20 able to affected units of local government, as defined in
21 section 2(31) of the Nuclear Waste Policy Act of 1982
22 (42 U.S.C. 10101(31)), to support the Yucca Mountain
23 geologic repository, as authorized by such Act.

1 ADVANCED RESEARCH PROJECTS AGENCY—ENERGY

2 For Department of Energy expenses necessary in car-
3 rying out the activities authorized by section 5012 of the
4 America COMPETES Act (Public Law 110–69),
5 \$280,000,000, to remain available until expended: Pro-
6 vided, That of such amount \$28,000,000 shall be available
7 until September 30, 2017, for program direction.

8 TITLE 17 INNOVATIVE TECHNOLOGY LOAN GUARANTEE

9 PROGRAM

10 Such sums as are derived from amounts received
11 from borrowers pursuant to section 1702(b) of the Energy
12 Policy Act of 2005 under this heading in prior Acts, shall
13 be collected in accordance with section 502(7) of the Con-
14 gressional Budget Act of 1974: Provided, That, for nec-
15 essary administrative expenses to carry out this Loan
16 Guarantee program, \$42,000,000 is appropriated, to re-
17 main available until September 30, 2017: Provided further,
18 That \$25,000,000 of the fees collected pursuant to section
19 1702(h) of the Energy Policy Act of 2005 shall be credited
20 as offsetting collections to this account to cover adminis-
21 trative expenses and shall remain available until expended,
22 so as to result in a final fiscal year 2016 appropriation
23 from the general fund estimated at not more than
24 \$17,000,000: Provided further, That fees collected under
25 section 1702(h) in excess of the amount appropriated for

10 For Department of Energy administrative expenses
11 necessary in carrying out the Advanced Technology Vehi-
12 cles Manufacturing Loan Program, \$6,000,000, to remain
13 available until September 30, 2017.

15 For salaries and expenses of the Department of En-
16 ergy necessary for departmental administration in car-
17 rying out the purposes of the Department of Energy Orga-
18 nization Act (42 U.S.C. 7101 et seq.), \$247,420,000 (re-
19 duced by \$1,000,000) (reduced by \$3,000,000) (reduced
20 by \$36,720,000) (reduced by \$2,000,000) (reduced by
21 \$9,000,000) (reduced by \$2,000,000) (reduced by
22 \$1,000,000) (increased by \$1,000,000), to remain avail-
23 able until September 30, 2017, including the hire of pas-
24 senger motor vehicles and official reception and represen-
25 tation expenses not to exceed \$30,000, plus such addi-

1 tional amounts as necessary to cover increases in the esti-
2 mated amount of cost of work for others notwithstanding
3 the provisions of the Anti-Deficiency Act (31 U.S.C. 1511
4 et seq.): Provided, That such increases in cost of work are
5 offset by revenue increases of the same or greater amount:
6 Provided further, That moneys received by the Department
7 for miscellaneous revenues estimated to total
8 \$117,171,000 in fiscal year 2016 may be retained and
9 used for operating expenses within this account, as au-
10 thorized by section 201 of Public Law 95–238, notwith-
11 standing the provisions of 31 U.S.C. 3302: Provided fur-
12 ther, That the sum herein appropriated shall be reduced
13 as collections are received during the fiscal year so as to
14 result in a final fiscal year 2016 appropriation from the
15 general fund estimated at not more than \$130,249,000:
16 Provided further, That of the total amount made available
17 under this heading, \$31,297,000 is for Energy Policy and
18 Systems Analysis.

19 OFFICE OF THE INSPECTOR GENERAL

20 For expenses necessary for the Office of the Inspector
21 General in carrying out the provisions of the Inspector
22 General Act of 1978, \$46,000,000 (increased by
23 \$424,000), to remain available until September 30, 2017.

1 ATOMIC ENERGY DEFENSE ACTIVITIES

2 NATIONAL NUCLEAR SECURITY

3 ADMINISTRATION

4 WEAPONS ACTIVITIES

5 For Department of Energy expenses, including the
6 purchase, construction, and acquisition of plant and cap-
7 ital equipment and other incidental expenses necessary for
8 atomic energy defense weapons activities in carrying out
9 the purposes of the Department of Energy Organization
10 Act (42 U.S.C. 7101 et seq.), including the acquisition or
11 condemnation of any real property or any facility or for
12 plant or facility acquisition, construction, or expansion,
13 \$8,713,000,000, to remain available until expended: Pro-
14 vided, That \$92,000,000 shall be available until Sep-
15 tember 30, 2017, for program direction.

16 DEFENSE NUCLEAR NONPROLIFERATION

17 (INCLUDING RESCISSION OF FUNDS)

18 For Department of Energy expenses, including the
19 purchase, construction, and acquisition of plant and cap-
20 ital equipment and other incidental expenses necessary for
21 defense nuclear nonproliferation activities, in carrying out
22 the purposes of the Department of Energy Organization
23 Act (42 U.S.C. 7101 et seq.), including the acquisition or
24 condemnation of any real property or any facility or for
25 plant or facility acquisition, construction, or expansion,

1 \$1,918,000,000 (reduced by \$13,802,000) (increased by
2 \$10,000,000) (increased by \$3,802,000), to remain avail-
3 able until expended: Provided, That funds provided by this
4 Act for Project 99–D–143, Mixed Oxide Fuel Fabrication
5 Facility, and by prior Acts that remain unobligated for
6 such Project, may be made available only for construction
7 and program support activities for such Project. Provided
8 further, That of the unobligated balances from prior year
9 appropriations available under this heading, \$10,394,000
10 is hereby rescinded: Provided further, That no amounts
11 may be rescinded from amounts that were designated by
12 the Congress as an emergency requirement pursuant to
13 a concurrent resolution on the budget or the Balanced
14 Budget and Emergency Deficit Control Act of 1985.

15 NAVAL REACTORS

16 For Department of Energy expenses necessary for
17 naval reactors activities to carry out the Department of
18 Energy Organization Act (42 U.S.C. 7101 et seq.), includ-
19 ing the acquisition (by purchase, condemnation, construc-
20 tion, or otherwise) of real property, plant, and capital
21 equipment, facilities, and facility expansion,
22 \$1,320,394,000 (increased by \$2,426,400), to remain
23 available until expended: Provided, That \$43,500,000
24 shall be available until September 30, 2017, for program
25 direction.

1 FEDERAL SALARIES AND EXPENSES

2 For expenses necessary for Federal Salaries and Ex-
3 penses in the National Nuclear Security Administration,
4 \$388,000,000 (reduced by \$2,500,000), to remain avail-
5 able until September 30, 2017, including official reception
6 and representation expenses not to exceed \$12,000.

7 ENVIRONMENTAL AND OTHER DEFENSE
8 ACTIVITIES

9 DEFENSE ENVIRONMENTAL CLEANUP

10 For Department of Energy expenses, including the
11 purchase, construction, and acquisition of plant and cap-
12 ital equipment and other expenses necessary for atomic
13 energy defense environmental cleanup activities in car-
14 rying out the purposes of the Department of Energy Orga-
15 nization Act (42 U.S.C. 7101 et seq.), including the acqui-
16 sition or condemnation of any real property or any facility
17 or for plant or facility acquisition, construction, or expan-
18 sion, and the purchase of not to exceed one fire apparatus
19 pumper truck and one armored vehicle for replacement
20 only, \$5,055,550,000, to remain available until expended:
21 Provided, That of such amount \$281,951,000 shall be
22 available until September 30, 2017, for program direction.

1 DEFENSE URANIUM ENRICHMENT DECONTAMINATION
2 AND DECOMMISSIONING
3 (INCLUDING TRANSFER OF FUNDS)

4 For an additional amount for atomic energy defense
5 environmental cleanup activities for Department of En-
6 ergy contributions for uranium enrichment decontamina-
7 tion and decommissioning activities, \$471,797,000, to be
8 deposited into the Defense Environmental Cleanup ac-
9 count which shall be transferred to the “Uranium Enrich-
10 ment Decontamination and Decommissioning Fund”.

11 OTHER DEFENSE ACTIVITIES

12 For Department of Energy expenses, including the
13 purchase, construction, and acquisition of plant and cap-
14 ital equipment and other expenses, necessary for atomic
15 energy defense, other defense activities, and classified ac-
16 tivities, in carrying out the purposes of the Department
17 of Energy Organization Act (42 U.S.C. 7101 et seq.), in-
18 cluding the acquisition or condemnation of any real prop-
19 erty or any facility or for plant or facility acquisition, con-
20 struction, or expansion, \$767,570,000, to remain available
21 until expended: Provided, That of such amount,
22 \$253,729,000 shall be available until September 30, 2017,
23 for program direction.

1 POWER MARKETING ADMINISTRATIONS

2 BONNEVILLE POWER ADMINISTRATION FUND

3 Expenditures from the Bonneville Power Administra-
4 tion Fund, established pursuant to Public Law 93-454,
5 are approved for the Shoshone Paiute Trout Hatchery, the
6 Spokane Tribal Hatchery, the Snake River Sockeye Weirs
7 and, in addition, for official reception and representation
8 expenses in an amount not to exceed \$5,000: Provided,
9 That during fiscal year 2016, no new direct loan obliga-
10 tions may be made.

11 OPERATION AND MAINTENANCE, SOUTHEASTERN POWER
12 ADMINISTRATION

13 For expenses necessary for operation and mainte-
14 nance of power transmission facilities and for marketing
15 electric power and energy, including transmission wheeling
16 and ancillary services, pursuant to section 5 of the Flood
17 Control Act of 1944 (16 U.S.C. 825s), as applied to the
18 southeastern power area, \$6,900,000, including official re-
19 ception and representation expenses in an amount not to
20 exceed \$1,500, to remain available until expended: Pro-
21 vided, That notwithstanding 31 U.S.C. 3302 and section
22 5 of the Flood Control Act of 1944, up to \$6,900,000 col-
23 lected by the Southeastern Power Administration from the
24 sale of power and related services shall be credited to this
25 account as discretionary offsetting collections, to remain

1 available until expended for the sole purpose of funding
2 the annual expenses of the Southeastern Power Adminis-
3 tration: Provided further, That the sum herein appro-
4 priated for annual expenses shall be reduced as collections
5 are received during the fiscal year so as to result in a final
6 fiscal year 2016 appropriation estimated at not more than
7 \$0: Provided further, That, notwithstanding 31 U.S.C.
8 3302, up to \$66,500,000 collected by the Southeastern
9 Power Administration pursuant to the Flood Control Act
10 of 1944 to recover purchase power and wheeling expenses
11 shall be credited to this account as offsetting collections,
12 to remain available until expended for the sole purpose
13 of making purchase power and wheeling expenditures:
14 Provided further, That for purposes of this appropriation,
15 annual expenses means expenditures that are generally re-
16 covered in the same year that they are incurred (excluding
17 purchase power and wheeling expenses).

18 OPERATION AND MAINTENANCE, SOUTHWESTERN
19 POWER ADMINISTRATION

20 For expenses necessary for operation and mainte-
21 nance of power transmission facilities and for marketing
22 electric power and energy, for construction and acquisition
23 of transmission lines, substations and appurtenant facili-
24 ties, and for administrative expenses, including official re-
25 ception and representation expenses in an amount not to

1 exceed \$1,500 in carrying out section 5 of the Flood Con-
2 trol Act of 1944 (16 U.S.C. 825s), as applied to the
3 Southwestern Power Administration, \$47,361,000, to re-
4 main available until expended: Provided, That notwith-
5 standing 31 U.S.C. 3302 and section 5 of the Flood Con-
6 trol Act of 1944 (16 U.S.C. 825s), up to \$35,961,000 col-
7 lected by the Southwestern Power Administration from
8 the sale of power and related services shall be credited to
9 this account as discretionary offsetting collections, to re-
10 main available until expended, for the sole purpose of
11 funding the annual expenses of the Southwestern Power
12 Administration: Provided further, That the sum herein ap-
13 propriated for annual expenses shall be reduced as collec-
14 tions are received during the fiscal year so as to result
15 in a final fiscal year 2016 appropriation estimated at not
16 more than \$11,400,000: Provided further, That, notwith-
17 standing 31 U.S.C. 3302, up to \$63,000,000 collected by
18 the Southwestern Power Administration pursuant to the
19 Flood Control Act of 1944 to recover purchase power and
20 wheeling expenses shall be credited to this account as off-
21 setting collections, to remain available until expended for
22 the sole purpose of making purchase power and wheeling
23 expenditures: Provided further, That, for purposes of this
24 appropriation, annual expenses means expenditures that

1 are generally recovered in the same year that they are in-
2 curred (excluding purchase power and wheeling expenses).

3 CONSTRUCTION, REHABILITATION, OPERATION AND
4 MAINTENANCE, WESTERN AREA POWER ADMINIS-
5 TRATION

6 For carrying out the functions authorized by title III,
7 section 302(a)(1)(E) of the Act of August 4, 1977 (42
8 U.S.C. 7152), and other related activities including con-
9 servation and renewable resources programs as author-
10 ized, \$307,714,000, including official reception and rep-
11 resentation expenses in an amount not to exceed \$1,500,
12 to remain available until expended, of which \$302,000,000
13 shall be derived from the Department of the Interior Rec-
14 lamation Fund: Provided, That notwithstanding 31 U.S.C.
15 3302, section 5 of the Flood Control Act of 1944 (16
16 U.S.C. 825s), and section 1 of the Interior Department
17 Appropriation Act, 1939 (43 U.S.C. 392a), up to
18 \$214,342,000 collected by the Western Area Power Ad-
19 ministration from the sale of power and related services
20 shall be credited to this account as discretionary offsetting
21 collections, to remain available until expended, for the sole
22 purpose of funding the annual expenses of the Western
23 Area Power Administration: Provided further, That the
24 sum herein appropriated for annual expenses shall be re-
25 duced as collections are received during the fiscal year so

1 as to result in a final fiscal year 2016 appropriation esti-
2 mated at not more than \$93,372,000, of which
3 \$87,658,000 is derived from the Reclamation Fund: Pro-
4 vided further, That, notwithstanding 31 U.S.C. 3302, up
5 to \$352,813,000 collected by the Western Area Power Ad-
6 ministration pursuant to the Flood Control Act of 1944
7 and the Reclamation Project Act of 1939 to recover pur-
8 chase power and wheeling expenses shall be credited to
9 this account as offsetting collections, to remain available
10 until expended for the sole purpose of making purchase
11 power and wheeling expenditures: Provided further, That,
12 for purposes of this appropriation, annual expenses means
13 expenditures that are generally recovered in the same year
14 that they are incurred (excluding purchase power and
15 wheeling expenses).

16 FALCON AND AMISTAD OPERATING AND MAINTENANCE
17 FUND

18 For operation, maintenance, and emergency costs for
19 the hydroelectric facilities at the Falcon and Amistad
20 Dams, \$4,490,000, to remain available until expended,
21 and to be derived from the Falcon and Amistad Operating
22 and Maintenance Fund of the Western Area Power Ad-
23 ministration, as provided in section 2 of the Act of June
24 18, 1954 (68 Stat. 255): Provided, That notwithstanding
25 the provisions of that Act and of 31 U.S.C. 3302, up to

1 \$4,262,000 collected by the Western Area Power Adminis-
2 tration from the sale of power and related services from
3 the Falcon and Amistad Dams shall be credited to this
4 account as discretionary offsetting collections, to remain
5 available until expended for the sole purpose of funding
6 the annual expenses of the hydroelectric facilities of these
7 Dams and associated Western Area Power Administration
8 activities: Provided further, That the sum herein appro-
9 priated for annual expenses shall be reduced as collections
10 are received during the fiscal year so as to result in a final
11 fiscal year 2016 appropriation estimated at not more than
12 \$228,000: Provided further, That for purposes of this ap-
13 propriation, annual expenses means expenditures that are
14 generally recovered in the same year that they are in-
15 curred: Provided further, That for fiscal year 2016, the
16 Administrator of the Western Area Power Administration
17 may accept up to \$460,000 in funds contributed by United
18 States power customers of the Falcon and Amistad Dams
19 for deposit into the Falcon and Amistad Operating and
20 Maintenance Fund, and such funds shall be available for
21 the purpose for which contributed in like manner as if said
22 sums had been specifically appropriated for such purpose:
23 Provided further, That any such funds shall be available
24 without further appropriation and without fiscal year limi-
25 tation for use by the Commissioner of the United States

1 Section of the International Boundary and Water Com-
2 mission for the sole purpose of operating, maintaining, re-
3 pairing, rehabilitating, replacing, or upgrading the hydro-
4 electric facilities at these Dams in accordance with agree-
5 ments reached between the Administrator, Commissioner,
6 and the power customers.

7 FEDERAL ENERGY REGULATORY COMMISSION

8 SALARIES AND EXPENSES

9 For expenses necessary for the Federal Energy Regu-
10 latory Commission to carry out the provisions of the De-
11 partment of Energy Organization Act (42 U.S.C. 7101 et
12 seq.), including services as authorized by 5 U.S.C. 3109,
13 official reception and representation expenses not to ex-
14 ceed \$3,000, and the hire of passenger motor vehicles,
15 \$319,800,000, to remain available until expended: Pro-
16 vided, That notwithstanding any other provision of law,
17 not to exceed \$319,800,000 of revenues from fees and an-
18 nual charges, and other services and collections in fiscal
19 year 2016 shall be retained and used for expenses nec-
20 essary in this account, and shall remain available until ex-
21 pended: Provided further, That the sum herein appro-
22 priated from the general fund shall be reduced as revenues
23 are received during fiscal year 2016 so as to result in a
24 final fiscal year 2016 appropriation from the general fund
25 estimated at not more than \$0.

SEC. 301. (a) No appropriation, funds, or authority made available by this title for the Department of Energy shall be used to initiate or resume any program, project, or activity or to prepare or initiate Requests For Proposals or similar arrangements (including Requests for Quotations, Requests for Information, and Funding Opportunity Announcements) for a program, project, or activity if the program, project, or activity has not been funded by Congress.

17 (A) make a grant allocation or discretionary
18 grant award totaling \$1,000,000 or more;

(C) issue a letter of intent to make an allocation, award, or Agreement in excess of the limits in subparagraph (A) or (B); or

1 (D) announce publicly the intention to make an
2 allocation, award, or Agreement in excess of the lim-
3 its in subparagraph (A) or (B).

4 (2) The Secretary of Energy shall submit to the Com-
5 mittees on Appropriations of both Houses of Congress
6 within 15 days of the conclusion of each quarter a report
7 detailing each grant allocation or discretionary grant
8 award totaling less than \$1,000,000 provided during the
9 previous quarter.

10 (3) The notification required by paragraph (1) and
11 the report required by paragraph (2) shall include the re-
12 cipient of the award, the amount of the award, the fiscal
13 year for which the funds for the award were appropriated,
14 the account and program, project, or activity from which
15 the funds are being drawn, the title of the award, and
16 a brief description of the activity for which the award is
17 made.

18 (c) The Department of Energy may not, with respect
19 to any program, project, or activity that uses budget au-
20 thority made available in this title under the heading “De-
21 partment of Energy—Energy Programs”, enter into a
22 multiyear contract, award a multiyear grant, or enter into
23 a multiyear cooperative agreement unless—

1 (1) the contract, grant, or cooperative agree-
2 ment is funded for the full period of performance as
3 anticipated at the time of award; or

4 (2) the contract, grant, or cooperative agree-
5 ment includes a clause conditioning the Federal Gov-
6 ernment's obligation on the availability of future
7 year budget authority and the Secretary notifies the
8 Committees on Appropriations of both Houses of
9 Congress at least 3 days in advance.

10 (d) Except as provided in subsections (e), (f), and (g),
11 the amounts made available by this title shall be expended
12 as authorized by law for the programs, projects, and ac-
13 tivities specified in the "Bill" column in the "Department
14 of Energy" table included under the heading "Title III—
15 Department of Energy" in the report of the Committee
16 on Appropriations accompanying this Act.

17 (e) The amounts made available by this title may be
18 reprogrammed for any program, project, or activity, and
19 the Department shall notify the Committees on Appropria-
20 tions of both Houses of Congress at least 30 days prior
21 to the use of any proposed reprogramming that would
22 cause any program, project, or activity funding level to
23 increase or decrease by more than \$5,000,000 or 10 per-
24 cent, whichever is less, during the time period covered by
25 this Act.

1 (f) None of the funds provided in this title shall be
2 available for obligation or expenditure through a re-
3 programming of funds that—

4 (1) creates, initiates, or eliminates a program,
5 project, or activity;

6 (2) increases funds or personnel for any pro-
7 gram, project, or activity for which funds are denied
8 or restricted by this Act; or

9 (3) reduces funds that are directed to be used
10 for a specific program, project, or activity by this
11 Act.

12 (g)(1) The Secretary of Energy may waive any re-
13 quirement or restriction in this section that applies to the
14 use of funds made available for the Department of Energy
15 if compliance with such requirement or restriction would
16 pose a substantial risk to human health, the environment,
17 welfare, or national security.

18 (2) The Secretary of Energy shall notify the Commit-
19 tees on Appropriations of both Houses of Congress of any
20 waiver under paragraph (1) as soon as practicable, but
21 not later than 3 days after the date of the activity to which
22 a requirement or restriction would otherwise have applied.
23 Such notice shall include an explanation of the substantial
24 risk under paragraph (1) that permitted such waiver.

1 SEC. 302. The unexpended balances of prior appro-
2 priations provided for activities in this Act may be avail-
3 able to the same appropriation accounts for such activities
4 established pursuant to this title. Available balances may
5 be merged with funds in the applicable established ac-
6 counts and thereafter may be accounted for as one fund
7 for the same time period as originally enacted.

8 SEC. 303. Funds appropriated by this or any other
9 Act, or made available by the transfer of funds in this
10 Act, for intelligence activities are deemed to be specifically
11 authorized by the Congress for purposes of section 504
12 of the National Security Act of 1947 (50 U.S.C. 414) dur-
13 ing fiscal year 2016 until the enactment of the Intelligence
14 Authorization Act for fiscal year 2016.

15 SEC. 304. None of the funds made available in this
16 title shall be used for the construction of facilities classi-
17 fied as high-hazard nuclear facilities under 10 CFR Part
18 830 unless independent oversight is conducted by the Of-
19 fice of Independent Enterprise Assessments to ensure the
20 project is in compliance with nuclear safety requirements.

21 SEC. 305. None of the funds made available in this
22 title may be used to approve critical decision-2 or critical
23 decision-3 under Department of Energy Order 413.3B, or
24 any successive departmental guidance, for construction
25 projects where the total project cost exceeds

1 \$100,000,000, until a separate independent cost estimate
2 has been developed for the project for that critical deci-
3 sion.

4 SEC. 306. Notwithstanding section 301(c) of this Act,
5 none of the funds made available under the heading “De-
6 partment of Energy—Energy Programs—Science” may
7 be used for a multiyear contract, grant, cooperative agree-
8 ment, or Other Transaction Agreement of \$1,000,000 or
9 less unless the contract, grant, cooperative agreement, or
10 Other Transaction Agreement is funded for the full period
11 of performance as anticipated at the time of award.

12 SEC. 307. (a) None of the funds made available in
13 this or any prior Act under the heading “Defense Nuclear
14 Nonproliferation” may be made available to enter into new
15 contracts with, or new agreements for Federal assistance
16 to, the Russian Federation.

17 (b) The Secretary of Energy may waive the prohibi-
18 tion in subsection (a) if the Secretary determines that
19 such activity is in the national security interests of the
20 United States. This waiver authority may not be dele-
21 gated.

22 (c) A waiver under subsection (b) shall not be effec-
23 tive until 15 days after the date on which the Secretary
24 submits to the Committees on Appropriations of both

1 Houses of Congress, in classified form if necessary, a re-
2 port on the justification for the waiver.

3 SEC. 308. (a) NOTIFICATION OF STRATEGIC PETRO-
4 LEUM RESERVE DRAWDOWN.—None of the funds made
5 available by this Act or any prior Act, or funds made avail-
6 able in the SPR Petroleum Account, may be used to con-
7 duct a drawdown (including a test drawdown) and sale
8 or exchange of petroleum products from the Strategic Pe-
9 troleum Reserve unless the Secretary of Energy provides
10 notice, in accordance with subsection (b), of such ex-
11 change, or drawdown (including a test drawdown) to the
12 Committees on Appropriations of both Houses of Con-
13 gress.

14 (b)(1) CONTENT OF NOTIFICATION.—The notifica-
15 tion required under subsection (a) shall include at a min-
16 imum—

17 (A) the justification for the drawdown or ex-
18 change, including—

19 (i) a specific description of any obligation
20 under international energy agreements; and

21 (ii) in the case of a test drawdown, the
22 specific aspects of the Strategic Petroleum Re-
23 serve to be tested;

24 (B) the provisions of law (including regulations)
25 authorizing the drawdown or exchange;

1 (C) the number of barrels of petroleum prod-
2 ucts proposed to be withdrawn or exchanged;

3 (D) the location of the Strategic Petroleum Re-
4 serve site or sites from which the petroleum products
5 are proposed to be withdrawn;

6 (E) a good faith estimate of the expected pro-
7 ceeds from the sale of the petroleum products;

8 (F) an estimate of the total inventories of pe-
9 troleum products in the Strategic Petroleum Reserve
10 after the anticipated drawdown;

11 (G) a detailed plan for disposition of the pro-
12 ceeds after deposit into the SPR Petroleum Account;
13 and

14 (H) a plan for refilling the Strategic Petroleum
15 Reserve, including whether the acquisition will be of
16 the same or a different petroleum product.

17 (2) TIMING OF NOTIFICATION.—The Secretary
18 shall provide the notification required under sub-
19 section (a)—

20 (A) in the case of an exchange or a draw-
21 down, as soon as practicable after the exchange
22 or drawdown has occurred; and

23 (B) in the case of a test drawdown, not
24 later than 30 days prior to the test drawdown.

1 (c) POST-SALE NOTIFICATION.—In addition to re-
2 porting requirements under other provisions of law, the
3 Secretary shall, upon the execution of all contract awards
4 associated with a competitive sale of petroleum products,
5 notify the Committees on Appropriations of both Houses
6 of Congress of the actual value of the proceeds from the
7 sale.

8 (d)(1) NEW REGIONAL RESERVES.—The Secretary
9 may not establish any new regional petroleum product re-
10 serve unless funding for the proposed regional petroleum
11 product reserve is explicitly requested in advance in an an-
12 nual budget submission and approved by the Congress in
13 an appropriations Act.

14 (2) The budget request or notification shall in-
15 clude—

16 (A) the justification for the new reserve;

17 (B) a cost estimate for the establishment,
18 operation, and maintenance of the reserve, in-
19 cluding funding sources;

20 (C) a detailed plan for operation of the re-
21 serve, including the conditions upon which the
22 products may be released;

23 (D) the location of the reserve; and

24 (E) the estimate of the total inventory of
25 the reserve.

1 SEC. 309. Of the amounts made available by this Act
2 for “National Nuclear Security Administration—Weapons
3 Activities”, up to \$50,000,000 may be reprogrammed
4 within such account for Domestic Uranium Enrichment,
5 subject to the notice requirement in section 301(e).

6 SEC. 310. (a) Unobligated balances available from
7 appropriations for fiscal years 2005 through 2010 are
8 hereby permanently rescinded from the following accounts
9 of the Department of Energy in the specified amounts:

10 (1) “Energy Programs—Energy Efficiency and
11 Renewable Energy”, \$16,677,000.

12 (2) “Energy Programs—Electricity Delivery
13 and Energy Reliability”, \$900,000.

14 (3) “Energy Programs—Nuclear Energy”,
15 \$1,665,000.

16 (4) “Energy Programs—Fossil Energy Re-
17 search and Development”, \$12,064,000.

18 (5) “Energy Programs—Science”, \$4,717,000.

19 (6) “Power Marketing Administrations—Con-
20 struction, Rehabilitation, Operation and Mainte-
21 nance, Western Area Power Administration”,
22 \$4,832,000.

23 (b) No amounts may be rescinded by this section
24 from amounts that were designated by the Congress as
25 an emergency requirement pursuant to a concurrent reso-

1 lution on the budget or the Balanced Budget and Emer-
2 gency Deficit Control Act of 1985.

3 TITLE IV—INDEPENDENT AGENCIES

4 APPALACHIAN REGIONAL COMMISSION

5 For expenses necessary to carry out the programs au-
6 thorized by the Appalachian Regional Development Act of
7 1965, notwithstanding 40 U.S.C. 14704, and for expenses
8 necessary for the Federal Co-Chairman and the Alternate
9 on the Appalachian Regional Commission, for payment of
10 the Federal share of the administrative expenses of the
11 Commission, including services as authorized by 5 U.S.C.
12 3109, and hire of passenger motor vehicles, \$95,000,000,
13 to remain available until expended.

14 DEFENSE NUCLEAR FACILITIES SAFETY BOARD

15 SALARIES AND EXPENSES

16 For expenses necessary for the Defense Nuclear Fa-
17 cilities Safety Board in carrying out activities authorized
18 by the Atomic Energy Act of 1954, as amended by Public
19 Law 100–456, section 1441, \$29,900,000, to remain
20 available until September 30, 2017.

21 DELTA REGIONAL AUTHORITY

22 SALARIES AND EXPENSES

23 For expenses necessary for the Delta Regional Au-
24 thority and to carry out its activities, as authorized by
25 the Delta Regional Authority Act of 2000, notwith-

1 standing sections 382C(b)(2), 382F(d), 382M, and 382N
2 of said Act, \$12,000,000, to remain available until ex-
3 pended.

4 DENALI COMMISSION

5 For expenses necessary for the Denali Commission
6 including the purchase, construction, and acquisition of
7 plant and capital equipment as necessary and other ex-
8 penses, \$10,000,000, to remain available until expended,
9 notwithstanding the limitations contained in section
10 306(g) of the Denali Commission Act of 1998: Provided,
11 That funds shall be available for construction projects in
12 an amount not to exceed 80 percent of total project cost
13 for distressed communities, as defined by section 307 of
14 the Denali Commission Act of 1998 (division C, title III,
15 Public Law 105–277), as amended by section 701 of ap-
16 pendix D, title VII, Public Law 106–113 (113 Stat.
17 1501A–280), and an amount not to exceed 50 percent for
18 non-distressed communities.

19 NORTHERN BORDER REGIONAL COMMISSION

20 For expenses necessary for the Northern Border Re-
21 gional Commission in carrying out activities authorized by
22 subtitle V of title 40, United States Code, \$3,000,000, to
23 remain available until expended: Provided, That such
24 amounts shall be available for administrative expenses,

1 notwithstanding section 15751(b) of title 40, United
2 States Code.

3 SOUTHEAST CRESCENT REGIONAL COMMISSION

4 For expenses necessary for the Southeast Crescent
5 Regional Commission in carrying out activities authorized
6 by subtitle V of title 40, United States Code, \$250,000,
7 to remain available until expended.

8 NUCLEAR REGULATORY COMMISSION

9 SALARIES AND EXPENSES

10 For expenses necessary for the Commission in car-
11 rying out the purposes of the Energy Reorganization Act
12 of 1974 and the Atomic Energy Act of 1954,
13 \$1,003,233,000, including official representation expenses
14 not to exceed \$25,000, to remain available until expended,
15 of which \$25,000,000 shall be derived from the Nuclear
16 Waste Fund: Provided, That of the amount appropriated
17 herein, not more than \$9,500,000 may be made available
18 for salaries, travel, and other support costs for the Office
19 of the Commission, to remain available until September
20 30, 2017, of which, notwithstanding section 201(a)(2)(c)
21 of the Energy Reorganization Act of 1974 (42 U.S.C.
22 5841(a)(2)(c)), the use and expenditure shall only be ap-
23 proved by a majority vote of the Commission: Provided
24 further, That revenues from licensing fees, inspection serv-
25 ices, and other services and collections estimated at

1 \$862,274,000 in fiscal year 2016 shall be retained and
2 used for necessary salaries and expenses in this account,
3 notwithstanding 31 U.S.C. 3302, and shall remain avail-
4 able until expended: Provided further, That the sum herein
5 appropriated shall be reduced by the amount of revenues
6 received during fiscal year 2016 so as to result in a final
7 fiscal year 2016 appropriation estimated at not more than
8 \$140,959,000: Provided further, That of the amounts ap-
9 propriated under this heading, \$10,000,000 shall be for
10 university research and development in areas relevant to
11 their respective organization's mission, and \$5,000,000
12 shall be for a Nuclear Science and Engineering Grant Pro-
13 gram that will support multiyear projects that do not align
14 with programmatic missions but are critical to maintain-
15 ing the discipline of nuclear science and engineering.

16 OFFICE OF INSPECTOR GENERAL

17 For expenses necessary for the Office of Inspector
18 General in carrying out the provisions of the Inspector
19 General Act of 1978, \$12,136,000, to remain available
20 until September 30, 2017: Provided, That revenues from
21 licensing fees, inspection services, and other services and
22 collections estimated at \$10,060,000 in fiscal year 2016
23 shall be retained and be available until September 30,
24 2017, for necessary salaries and expenses in this account,
25 notwithstanding section 3302 of title 31, United States

1 Code: Provided further, That the sum herein appropriated
 2 shall be reduced by the amount of revenues received dur-
 3 ing fiscal year 2016 so as to result in a final fiscal year
 4 2016 appropriation estimated at not more than
 5 \$2,076,000: Provided further, That of the amounts appro-
 6 priated under this heading, \$958,000 shall be for Inspec-
 7 tor General services for the Defense Nuclear Facilities
 8 Safety Board, which shall not be available from fee reve-
 9 nues.

10 NUCLEAR WASTE TECHNICAL REVIEW BOARD

11 SALARIES AND EXPENSES

12 For expenses necessary for the Nuclear Waste Tech-
 13 nical Review Board, as authorized by Public Law 100-
 14 203, section 5051, \$3,600,000, to be derived from the Nu-
 15 clear Waste Fund, to remain available until September 30,
 16 2017.

17 OFFICE OF THE FEDERAL COORDINATOR FOR ALASKA

18 NATURAL GAS TRANSPORTATION PROJECTS

19 For expenses necessary for the Office of the Federal
 20 Coordinator for Alaska Natural Gas Transportation
 21 Projects pursuant to the Alaska Natural Gas Pipeline Act,
 22 \$1,000,000, to remain available until September 30, 2017:
 23 Provided, That any fees, charges, or commissions received
 24 pursuant to section 106(h) of the Alaska Natural Gas
 25 Pipeline Act (15 U.S.C. 720d(h)) in fiscal year 2016 in

5 SEC. 401. The Nuclear Regulatory Commission shall
6 comply with the July 5, 2011, version of Chapter VI of
7 its Internal Commission Procedures when responding to
8 Congressional requests for information.

10 SEC. 501. None of the funds appropriated by this Act
11 may be used in any way, directly or indirectly, to influence
12 congressional action on any legislation or appropriation
13 matters pending before Congress, other than to commu-
14 nicate to Members of Congress as described in 18 U.S.C.
15 1913.

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1 ment may provide goods or services to another depart-
2 ment, agency, or instrumentality.

3 (b) None of the funds made available for any depart-
4 ment, agency, or instrumentality of the United States
5 Government may be transferred to accounts funded in title
6 III of this Act, except pursuant to a transfer made by or
7 transfer authority provided in this Act or any other appro-
8 priations Act for any fiscal year, transfer authority ref-
9 erenced in the report of the Committee on Appropriations
10 accompanying this Act, or any authority whereby a de-
11 partment, agency, or instrumentality of the United States
12 Government may provide goods or services to another de-
13 partment, agency, or instrumentality.

14 (c) The head of any relevant department or agency
15 funded in this Act utilizing any transfer authority shall
16 submit to the Committees on Appropriations of both
17 Houses of Congress a semiannual report detailing the
18 transfer authorities, except for any authority whereby a
19 department, agency, or instrumentality of the United
20 States Government may provide goods or services to an-
21 other department, agency, or instrumentality, used in the
22 previous 6 months and in the year-to-date. This report
23 shall include the amounts transferred and the purposes
24 for which they were transferred, and shall not replace or

1 modify existing notification requirements for each author-
2 ity.

3 SEC. 503. None of the funds made available by this
4 Act may be used in contravention of Executive Order No.
5 12898 of February 11, 1994 (Federal Actions to Address
6 Environmental Justice in Minority Populations and Low-
7 Income Populations).

8 SEC. 504. None of the funds made available by this
9 Act may be used to conduct closure of adjudicatory func-
10 tions, technical review, or support activities associated
11 with the Yucca Mountain geologic repository license appli-
12 cation, or for actions that irrevocably remove the possi-
13 bility that Yucca Mountain may be a repository option in
14 the future.

15 SEC. 505. None of the funds made available by this
16 Act may be used to further implementation of the coastal
17 and marine spatial planning and ecosystem-based manage-
18 ment components of the National Ocean Policy developed
19 under Executive Order No. 13547 of July 19, 2010.

20 SPENDING REDUCTION ACCOUNT

21 SEC. 506. The amount by which the applicable alloca-
22 tion of new budget authority made by the Committee on
23 Appropriations of the House of Representatives under sec-
24 tion 302(b) of the Congressional Budget Act of 1974 ex-
25 ceeds the amount of proposed new budget authority is \$0.

1 SEC. 507. None of the funds made available by this
2 Act may be used to transform the National Energy Tech-
3 nology Laboratory into a government-owned, contractor-
4 operated laboratory, or to consolidate or close the National
5 Energy Technology Laboratory.

6 SEC. 508. None of the funds made available in this
7 Act under the heading “Defense Nuclear Nonprolifera-
8 tion” may be made available to enter into new contracts
9 with, or new agreements for Federal assistance to the Is-
10 lamic Republic of Iran except for contracts or agreements
11 that require the Islamic Republic of Iran to cease the pur-
12 suit, acquisition, and development of nuclear weapons
13 technology.

14 SEC. 509. None of the funds made available by this
15 Act may be used by the Department of Energy, the De-
16 partment of the Interior, or any other Federal agency to
17 lease or purchase new light duty vehicles for any executive
18 fleet, or for an agency’s fleet inventory, except in accord-
19 ance with Presidential Memorandum—Federal Fleet Per-
20 formance, dated May 24, 2011.

21 SEC. 510. None of the funds made available by this
22 Act may be used by the Department of Energy to finalize,
23 implement, or enforce the proposed rule entitled “Stand-
24 ards Ceiling Fans and Ceiling Fan Light Kits” and identi-
25 fied by regulation identification number 1904–AC87.

1 SEC. 511. None of the funds made available in this
2 Act may be used in contravention of section 2101 of the
3 Water Resources Reform and Development Act of 2014
4 (33 U.S.C. 2238b) or section 210 of the Water Resources
5 Development Act of 1986 (33 U.S.C. 2238).

6 SEC. 512. None of the funds made available by this
7 Act may be used for the Cape Wind Energy Project on
8 the Outer Continental Shelf off Massachusetts, Nantucket
9 Sound.

10 SEC. 513. None of the funds made available in this
11 Act may be used—

12 (1) to implement or enforce section 430.32(x)
13 of title 10, Code of Federal Regulations; or

14 (2) to implement or enforce the standards es-
15 tablished by the tables contained in section
16 325(i)(1)(B) of the Energy Policy and Conservation
17 Act (42 U.S.C. 6295(i)(1)(B)) with respect to
18 BPAR incandescent reflector lamps, BR incandes-
19 cent reflector lamps, and ER incandescent reflector
20 lamps.

21 SEC. 514. None of the funds made available by this
22 Act may be used to implement, administer, carry out,
23 modify, revise, or enforce Executive Order No. 13690 (en-
24 titled “Establishing a Federal Flood Risk Management

1 Standard and a Process for Further Soliciting and Consid-
2 ering Stakeholder Input’’).

3 SEC. 515. None of the funds made available by this
4 Act for “Department of Energy—Energy Programs—
5 Science” may be used in contravention of the Department
6 of Energy Organization Act (42 U.S.C. 7101 et seq.).

7 SEC. 516. None of the funds in this Act may be avail-
8 able for the purchase by the Department of Defense (and
9 its departments and agencies) of welded shipboard anchor
10 and mooring chain 4 inches in diameter and under unless
11 the anchor and mooring chain are procured from a manu-
12 facturer that is part of the national technology and indus-
13 trial base.

14 SEC. 517. None of the funds made available by this
15 Act may be used for the removal of any federally owned
16 or operated dam.

17 SEC. 518. None of the funds made available by this
18 Act may be used to enter into a contract with any offeror
19 or any of its principals if the offeror certifies, as required
20 by Federal Acquisition Regulation, that the offeror or any
21 of its principals—

22 (1) within a 3-year period preceding this offer
23 has been convicted of or had a civil judgment ren-
24 dered against it for: commission of fraud or a crimi-
25 nal offense in connection with obtaining, attempting

1 to obtain, or performing a public (Federal, State, or
2 local) contract or subcontract; violation of Federal or
3 State antitrust statutes relating to the submission of
4 offers; or commission of embezzlement, theft, for-
5 gery, bribery, falsification or destruction of records,
6 making false statements, tax evasion, violating Fed-
7 eral criminal tax laws, or receiving stolen property;

8 (2) are presently indicted for, or otherwise
9 criminally or civilly charged by a governmental enti-
10 ty with, commission of any of the offenses enumer-
11 ated above in paragraph (1); or

12 (3) within a 3-year period preceding this offer,
13 has been notified of any delinquent Federal taxes in
14 an amount that exceeds \$3,000 for which the liabil-
15 ity remains unsatisfied.

16 SEC. 519. None of the funds made available by this
17 Act may be used to finalize, promulgate, or enforce the
18 Department of Energy's proposed rule entitled "Energy
19 Conservation Program for Consumer Products: Energy
20 Conservation Standards for Residential Furnaces" (80
21 Fed. Reg. 48: March 12, 2015).

22 SEC. 520. None of the funds made available by this
23 Act may be used to continue the study conducted by the
24 Army Corps of Engineers pursuant to section 5018(a)(1)

1 of the Water Resources Development Act of 2007 (Public
2 Law 110–114).

3 SEC. 521. For an additional amount for “Corps of
4 Engineers—Civil—Department of the Army—Investiga-
5 tions”, there is hereby appropriated, and the amount oth-
6 erwise provided by this Act for “Department of Energy—
7 Energy Programs—Departmental Administration” is
8 hereby reduced by \$2,500,000.

9 SEC. 522. None of the funds made available by this
10 Act may be used by the Department of Energy to apply
11 the report entitled “Life Cycle Greenhouse Gas Perspec-
12 tive on Exporting Liquefied Natural Gas from the United
13 States”, published in the Federal Register on June 4,
14 2014 (79 Fed. Reg. 32260), in any public interest deter-
15 mination under section 3 of the Natural Gas Act (15
16 U.S.C. 717b).

17 SEC. 523. None of the funds made available by this
18 Act may be used for the Department of Energy’s Climate
19 Model Development and Validation program.

20 SEC. 524. None of the funds made available by this
21 Act may be used to purchase water to supplement or en-
22 hance the instream flow requirements in the State of Cali-
23 fornia that are mandated under the Endangered Species
24 Act of 1973, the Central Valley Project Improvement Act,
25 or the National Environmental Policy Act of 1969.

1 SEC. 525. None of the funds made available by this
2 Act may be used to implement, administer, or enforce the
3 requirement in section 323.4(a)(1)(ii) of title 33, Code of
4 Federal Regulations, or section 232.3(c)(1)(ii)(A) of title
5 40, Code of Federal Regulations, that activities identified
6 in paragraph (1)(A) of subsection (f) of section 404 of
7 the Federal Water Pollution Control Act (33 U.S.C.
8 1344(f)(1)(A)) must be established or ongoing in order to
9 receive an exemption under such subsection.

10 SEC. 526. None of the funds made available by this
11 Act may be used to deliver water to the Trinity River
12 above the minimum requirements of the Trinity Record
13 of Decision or to supplement flows in the Klamath River.

14 This Act may be cited as the “Energy and Water De-
15 velopment and Related Agencies Appropriations Act,
16 2016”.

Passed the House of Representatives May 1, 2015.

Attest:

KAREN L. HAAS,
Clerk.

**ACTION ITEM**

May 20, 2015

TO: Board of Directors**FROM:** **Public Affairs & Legislation Committee**
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter
General ManagerStaff Contact: Jessica Ouwerkerk
Karl Seckel**SUBJECT: Recommendation for MWDOC School Program Grades 9-12 Beginning 2015-16****STAFF RECOMMENDATION**

Staff recommends the Board of Directors authorizes the General Manager to enter into an agreement with the arrangement formed by The Ecology Center and Inside the Outdoors in response to MWDOC's Request for Proposal (RFP) for the School Program for Grades 9-12 beginning in fiscal year 2015-16 and continuing for a three-year period, with the option of two 1-year extensions, in an amount not to exceed \$80,000 in Year 1.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on May 18, 2015 and make a recommendation to the Board.

SUMMARY

Per the Board direction provided on May 4, 2015, MWDOC staff distributed a revised Request for Proposal (RFP) to seek proposals from the Discovery Science Center, Inside the Outdoors and The Ecology Center for services to develop, market, administer and implement a regional water education program for grades 9-12 on behalf of MWDOC and 30 local water agencies in Orange County, California. A limitation of \$80,000 per year was placed on the first year cost to MWDOC. The proposed program was requested to "attract, engage and educate groups of High School students in public and private schools

Budgeted (Y/N): Y	Budgeted amount: \$80,000	Core __	Choice ✓
Action item amount: \$80,000		Line item: 63-7040	
Fiscal Impact (explain if unbudgeted):			

throughout MWDOC's service area as well as the cities of Santa Ana, Fullerton, and Anaheim." In response to the RFP, MWDOC received two well thought-out proposals for implementation of a High School Program beginning in 2015-16. Staff and an evaluation committee comprised of representatives from our member agencies and City of Anaheim participated in a proposal review and evaluation process.

The two proposals were from:

1. Combined proposal from The Ecology Center (TEC) and Inside the Outdoors (ITO)
2. Discovery Science Center (DSC)

Summaries of each proposal are included as **Attachments A & B**.

Based on their review and evaluation of the proposals, the Evaluation Committee recommends entering into an agreement with The Ecology Center and Inside the Outdoors in accordance with the combined proposal submitted.

DETAILED REPORT

Staff developed and distributed the School Program RFP for grades 9-12 to three vendors on May 5, 2015 and requested submittals back by 5:00 pm on May 11, 2015. MWDOC received two proposals:

- A combined proposal from The Ecology Center & Inside the Outdoors
- Discovery Science Center

Proposal Overviews

The proposals were reviewed and ranked by a combination of MWDOC staff and volunteer representatives from our member agencies as well as City of Anaheim. The Evaluation Committee was impressed with quality and focus of the proposals received and the opportunities afforded to MWDOC and its member agencies included in the proposals. The proposals approached the high school education process in the following manner:

- **Combined proposal from The Ecology Center (TEC) and Inside the Outdoors (ITO)** – The program focuses on teacher training for 100 teachers per year and the subsequent influence the teachers will have on students year after year. The program also involves a digital platform to reach students directly in the program as well as other high school students. The program outreach to schools involves a number of opportunities for student involvement via clubs, classes, expos and other "calls to action" that will be promoted by both TEC and ITO. Heavy emphasis is placed on "doing" and "activating individuals and groups" to become active in water related activities. The program involves MWDOC's \$80,000 as well as \$59,000 of funding provided by TEC & ITO. The program proposes to reach 25,000 students via the education, outreach and training processes and to match or augment the count via the digital program. The program promotes collaborative learning between both students and teachers that have been exposed to training and educational opportunities. Teachers are also trained directly by TEC/ITO staff and teachers.

- **Discovery Science Center** – The program focuses on development and implementation of a detailed teacher training program, for 100 teachers per year, which involves four hours of instruction and the subsequent influence the teachers will have on students year after year. The teaching is augmented with visits to the DSC and their new Water Lab. DSC's proposal includes logo identification of MWDOC and its member agencies at the Water Lab and will include a graphic display of Orange County's water conveyance system, highlighting from where Orange County's water comes. The proposal envisions using the experiment area of the Water Lab as a venue to run a focused high school water quality program; it also provides an opportunity to integrate lessons associated with current water issues focused on community needs both locally and globally, including drought and smart/appropriate outdoor water usage. The program involves MWDOC's \$80,000 as well as \$186,500 of value (10,000 tickets to DSC, partial cost of curriculum development and signage costs) provided by DSC at no additional costs to MWDOC. The program proposes to reach 10,000 students via the education and training processes in Year 1.

Detailed summaries of the proposals are included as **Attachments A & B**.

Evaluation Committee Recommendation

The Evaluation Committee was impressed by the offerings included in both proposals, although the decision was unanimous in recommending the combined proposal by The Ecology Center and Inside the Outdoors. The following comments regarding the proposals were made by the Evaluation Committee members:

- The TEC/ITO partnership concept between the two organizations (and other partnerships they have), including the additional resources being offered of \$59,000, resulted in a very strong proposal, blending the strengths of both entities, resulting in a high level of confidence in reaching the target numbers.
- The TEC/ITO approach was deemed more appropriate to reach high school aged youth in a way that captures and engages them in water-related activities. The digital platform was especially exciting in helping to establish a water ethic as a “cool thing” that will result in long-term engagement and actions resulting in becoming good water stewards.
- The TEC/ITO approach will ensure actions and activities by the students and involves an innovative collaboration between teachers, TEC/ITO staff and students all working together. The activities will result in inspiring action versus simply educating students on various concepts, will result in long-term engagement and is a good use of technology to reach beyond the direct contacts and allow on-going conversations.
- Both proposals acknowledged meeting curriculum standards including the Next Generation Science Standards. Both proposals offered MWDOC extra exposure in a variety of manners.
- The total value of the DSC proposal, including all of the extras, was \$266,500, but when the DSC admission amount was not included (tickets may not be utilized, it is a

soft cost), the total proposal added \$17,000 to MWDOC's investment whereas the TEC/ITO proposal added \$59,000 to MWDOC's investment.

- The DSC proposal had heavy emphasis in water quality and requires visits to DSC for the complete student exposure, which may not fully resonate with today's high school students.

Summaries of each proposal are included as **Attachments A & B** that follow below.

Attachment A

Summary of The Ecology Center & Inside the Outdoors Grades 9-12 Proposal

The cost summary and program summary are provided below:

The Ecology Center & Inside the Outdoors Grades 9-12 Proposal Cost Summary			
Program	Total Cost	Students Served	MWDOC Cost Per Student
Teacher Trainings (100 teachers)	\$2,500	10,000	\$0.25
Digital Water Education Platform	\$70,000	25,000 ⁺	\$1.83
Call to Action Kick-off Workshops	\$3,750	150	\$25.00
Campus Call to Action Student	\$56,555	25,000	\$1.10
Follow-up Activities	\$6,250	25,000	\$0.25
Subtotal	\$139,055		
Total MWDOC Cost	\$80,000	25,000	\$3.20
Costs Supported by TEC & ITO	\$59,055		
Total	\$139,055	25,000	

A description of each component is provided below:

Teacher Trainings (100 teachers per year): Training teachers in water curriculum is an effective way to sustain long-term water education and awareness. TEC will partner with OCDE's Office of STEM (Science, Technology, Engineering, and Math) Education to provide training that will include educational material about water conservation, watersheds, and ecological solutions for the benefit of their current and future students. Teachers will learn a variety of water conservation methods such as rainwater harvesting, water recycling, and water foot-printing through a tour at the TEC facility. These trainings allow teachers to support student-led conservation efforts.

Student Programs (25,000 students per year): Educating students about California's water issues and ecological solutions is the foundation for creating youth water conservation ambassadors. TEC will:

- Create an engaging Online Platform that will allow youth to take action by providing them with digital assets that are relevant and meaningful. Up to 10 students will be selected to provide input on the design of the platform. Resources, including a toolkit, curriculum,

and how-to's, will assist youth as they form campus-based water conservation initiatives. Youth will be able to hear from their peers and experts on how they can change water conservation attitudes and behaviors.

- Host a student Call-to-Action Workshop at TEC. Schools throughout Orange County will be invited to send two youth representatives to a kick-off event where youth will be inspired as they interact with TEC and ITO staff, community organizing and public awareness campaign experts, and other youth from throughout Orange County. Students will learn how to start an environmental club at their school, engage their classmates and community in a behavior-changing water conservation campaign.
- Train student educators and presenters. Workshops will include training on the classroom-to-classroom educational campaign roll-out that students will implement with assistance from ITO staff. ITO staff will participate in classroom education as necessary.
- Work with school clubs to develop a campus-wide water conservation call to action. ITO will meet with clubs to mentor students on campus outreach techniques. Students will design and implement call to action public awareness water conservation campaigns, designed to engage their classmates in the digital platform. Once the campaign is designed, students will engage classmates through classroom-to-classroom campaign kick-off presentations, public service announcements to the entire school, promotion of the campaign during school assemblies, and common area water education exhibits. Clubs will conduct school water usage audits and develop other data to share at a campus-wide water conservation expo. Pre-and post-visit assessments will measure program impacts.
- ITO staff will work with clubs to design an expo. At the expo, there will be up to six interactive water education exhibits for the students to visit. Student-led activities will be the central focus of the expo, with additional activities led by ITO and TEC. All expo activities will promote the digital platform to further engage students and expand the impact to families and communities. Participation in the expo will be measured by the number of student water conservation pledges. In partnership with Hurley, we will supply schools with re-usable water bottles as educational and fundraising mechanisms to share good water solutions. The goal is to activate good water stewardship throughout the entire school campus and develop future activists who will lead their own water retrofitting projects.

Beyond the Schools. The digital component will impact current and future students beyond those who participate directly in the program at the time of implementation. The platform will facilitate and help evaluate continued student participation, networking, and story-sharing between students and schools long after the grant period has ended. Several strategically placed water retrofit projects will be installed at participating school communities with the collaboration of partners such as Hurley's Hydration Nation. This will bring water saving into the physical presence of thousands of community members each day and also help facilitate water conservation and awareness long after the program's completion. This includes installing reusable water bottle filling stations (currently at six high schools initiated by TEC), along with rainbarrels, rain gardens, and educational signage.

Based on ITO's successful Youth Stewardship Council program and TEC/Hurley's Hydration Nation leadership model, TEC/ITO will work with the clubs to develop long-standing campus-wide water conservation calls to action. The goal is to activate good water stewardship throughout entire school campuses and develop the future activists of our generation who will lead their own water retrofitting projects.

Pre-and post-visit assessments are provided to teachers with registration packets. Previsit assessments establish a baseline and post-visit assessments measure changes in knowledge, awareness, and behavior. Following participation in the program, assessment results are analyzed to evaluate areas of academic growth, increased water conservation practices, and behavior change. Staff are trained to check for student understanding as they teach. This is done using a variety of techniques, such as "every person responds." As part of the digital platform, participants will reconnect with the digital hub which will allow tabulation and reporting to MWDOC regarding water savings, school feedback, number of student participants, etc.

Attachment B**Summary of the Discovery Science Center Grades 9-12 Proposal**

The cost summary and program summary are provided below:

Discovery Science Center Grades 9-12 Proposal			
Program	Total Cost	Students Served	MWDOC Cost Per Student
Professional Development Instruction (100 teachers @ 5 workshops each)	\$30,000	10,000	\$3.00
Water Quality Kits/Supplies (100 @ \$250 each)	\$25,000	10,000	\$2.50
Supplies for Student Water Lab Activities	\$9,000	na	na
Water Lab Instruction	\$15,500	na	na
Incentives for Teacher Data Collection	\$500	10,000	\$0.05
Totals	\$80,000	10,000	\$8.00
No Charges for the Following:			
• DSC Admission Ticket \$16.95 each	\$169,500	10,000	
• Curriculum Development	\$7,500	10,000	
• Graphic Design & Signage Production (branding in the water	\$9,500	na	
• Follow-up Evaluations			
• Online survey (same as for grades 1-6)			
DSC Add-ons	\$186,500		
Total Program Provided	\$266,500		
Program without DSC Admission Tickets	\$97,000		

DSC is proposing a multilayered approach to the water education program. A key component is a Professional Development (PD) program for high school teachers that involves four hours of instruction for 100 teachers per year. The educational focus will be specifically on the natural scarcity, sources, and usage of water in Orange County and will include interactive lessons associated with water use efficiency, groundwater, recycled water, and droughts. In addition, DSC will build an educational platform that will consist of water quality testing, water conveyance, and water treatment, along with human impact on our water, including distinguishing between one's positive and negative impacts, such as picking up pet waste and avoiding overwatering (positive impacts) and over-fertilization in the garden and facilitating urban runoff (negative impacts). Teachers will receive water quality test kits for nitrates, phosphates, dissolved oxygen, turbidity, biochemical oxygen demand, and coliform bacteria, in order to test "control" water samples and artificially "tainted" water samples, as well as other water source samples. Teachers will be trained on these and associated concepts during the PD classes and receive a classroom set of these kits for their student's use. Each teacher will receive sets of the chemical test kits, along with materials to teach about macroinvertebrates and how to perform a Pollution Tolerance Index. In addition, teachers will learn and present interactive lessons on the processes of filtration in order to best understand (a) groundwater and percolation, (b) water treatment and reclamation processes, (c) recycled water uses, (d) etc.

Following the professional development sessions, high school teachers will conduct the hands-on water education program with their students using the kit of supplies provided through this program. To augment the in-class content, each student of a participating teacher will receive free admission (valued at \$16.95 per student) to Discovery Cube OC in order to continue the water education program and deepen their understanding of the above-mentioned concepts. Students will arrive as individuals or as groups of students, and not as a formal field trip unit. As part of the in-class unit, students will receive a series of activities that they will need to complete while at the center. A series of dates and times will be provided for the students to attend DSC, during which times the Water Lab will be staffed to facilitate learning stations that will include (1) a deeper dive into the concepts learned in the classroom, (2) an interactive session utilizing NOAA's Science on a Sphere datasets that showcase local and global drought risks, (3) the Water Education gallery in Discovery Cube's new expansion, and (4) a graphic display of Orange County's water conveyance system and water resources, (5) the Aquavator, an exhibit designed to teach about the aquifer/protection of our groundwater.

To identify the Water Lab area as the hub of the student activities, DSC will include logo identification of the MWDOC and its member agencies. This area will also include a graphic display of Orange County's water conveyance system, highlighting from where Orange County's water comes. This will serve not only to further strengthen the students' understanding of the roles of the various agencies, but indeed to promote the contributions of the Orange County water community as a whole to 500,000+ annual visitors. Pacific Life provided financial support to DSC to get the Water Lab up and running in OC and it will open on June 11. The proposal envisions using the experiment area as a great venue to run a high school focused water quality program and also provides an opportunity to integrate lessons associated with current water issues focused on community needs both locally and globally, including drought and smart/appropriate outdoor water usage. This lab time also gives us the opportunity to have the students reconnect with what MWDOC and the member agencies do for Orange County to meet the families' water needs.

Follow-up surveys will be conducted by the classroom teachers, facilitated by Discovery Cube, in order to assess the effectiveness of the entire program. In addition, participating teachers will complete evaluation forms concerning the PD and in-class, kit-based program. To integrate the high school program with the other aspects of MWDOC's public education and outreach efforts, DSC proposes an online survey, integrated with the existing MWDOC website, as the focus of follow up activities for the MWDOC Education Program in grades 9-12. This is the same follow-up activity being implemented to accompany DSC's elementary grade programs. Students and families would be directed to the online survey by the student booklet (both print and online versions). The survey would assess household practices and suggest water-saving measures based on user responses, citing (where appropriate) specific resources and rebate programs offered by MWDOC, member agencies or other partners. This approach provides a host of benefits that align well with the goals of MWDOC and its member agencies.

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES MAY 2015

Managers' Meeting	<p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, April 16. In attendance were Andy Brunhart (SCWD); Lisa Ohlund (EOCWD); Betsy Eglash (Brady); Brian Ingallinera and Ron Krause (Brea); Marc Marcantonio (YLWD); Christopher Regan (LBCWD); Bob Hill (ETWD); Paul Cook (IRWD); Steve Conklin (YLWD); Art Valenzuela (Tustin); Cel Pasillas (Garden Grove); Francisco Gutierrez and Mike Grisso (Buena Park); Joone Lopez (MNWD); Steffen Catron (Newport Beach); Mark Sprague (Fountain Valley); Nabil Saba (Santa Ana); Luis Estevez (Seal Beach); Matt Collings (MNWD); Jose Diaz (Orange); Ken Vecchiarelli (GSWC); Hector Ruiz (TCWD); David Rebensdorf and Andrew Kanzler (San Clemente); Dan Ferons (SMWD); Paul Shoenberger and Phil Lauri (Mesa); John Kennedy (OCWD); and Karl Seckel; Harvey De La Torre; Darcy Burke; Jessica Ouwerkerk; Richard Bell; Kevin Hostert; Keith Lyon; and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Governor's E.O. and SWRCB Updated Emergency Regulations 2. MET and MWDOC Drought Allocations 3. Drought Messaging & Talking Points 4. MWDOC's Draft FY 15-16 Budget, Choice & Rates 5. Revised MWDOC Administrative Code 6. Announcement: July 29 Water Policy Dinner featuring Felicia Marcus <p>The next meeting is scheduled for May 28, 2015.</p>
ACWA 2015 Spring Conference	<p>In Sacramento, Directors Susan Hinman and Sat Tamaribuchi and Karl, Heather and I attended the conference. Speaking to an overflowing crowd at the conference luncheon on May 7, Governor Jerry Brown stated that water managers are "on the front lines" of the drought and his administration is "here to back you up." In a wide-ranging, 20-minute address that touched on everything from climate change to threatened species in California, Brown sent the message to water managers that the state is in the midst of changing times in the water arena and stakeholders must rise to the challenge.</p>
Poseidon's Desalination Project	<p>Harvey, Karl and I attended a meeting with MET staff, Poseidon and OCWD staff to discuss planning for Poseidon's Huntington Beach</p>

Poseidon's Desalination Project (Continued)	Desalination project to receive LRP funding and to utilize the EOCF#2 to convey part of the water. Two subsequent meetings on water quality and system operations are being planned with MET staff to further investigate the integration issues.
State Water Resources Control Board Hearing	In Sacramento on May 5, Heather and I attended the SWRCB hearing where I testified on the proposed mandatory conservation regulations.
MET ITEMS CRITICAL TO ORANGE COUNTY	
MET's Water Supply Conditions	<p>The months of March and April provided very little precipitation and snow. Combined, these two months provided approximately 2.3 inches of rains in the Northern Sierra, bringing the accumulative precipitation to 75% of normal. However, most alarming was the snowpack levels for the State. Due to exceeding high temperatures during this winter season, the Northern Sierra snowpack reached a record low of only 5% of normal for the winter period.</p> <p>Based on these conditions, the Governor issued an Executive Order asking for all urban retail water agencies throughout the state to reduce their retail demands to achieve a statewide reduction of 25% over a nine month period, effective June 1. Governor Brown asked the State Water Resource Control Board to determine the reduction levels for each retail water agency based on their 2013 per Capita water usage (GPCD). Earlier this month, the State Control Board issued a nine tier system with mandatory reductions ranging from 8% to 36%.</p> <p>On April 14, the Metropolitan Board declared a Regional Water Shortage and implemented its Water Supply Allocation Plan at a stage level 3 (roughly 15% imported water reduction). This reduction level was determined based on the expected demands, supplies, and estimated usage of storage for this year and next year, assuming water conditions continue to be dry. The effective date of water supply allocations will begin on July 1, 2015 and end on June 30, 2016.</p>
MET Financial Report	At May's MET Finance and Insurance Committee, staff provided a brief financial report. For cumulative water sales through the end of April, MET reported sales of 185,600 Acre-Feet (AF) or 13% higher than budget. This additional water sales will generate approximately \$126 million in revenue. Expenses continue to track under budget, and staff plans to provide further detail next month when they present their last quarterly financial report.

Colorado River Issues	<p><u>Lake Mead Reaches All-time Low Level</u></p> <p>On April 26, Lake Mead broke the record it set last August for the lowest level the reservoir has been since it was initially filled in the 1930s. Measuring 1,080.1 feet above sea level, the largest reservoir in the United States is 39 percent of capacity, and a little more than 5 feet above the level that would trigger shortages along the Lower Colorado River. Lake Mead is forecast to continue to drop through the spring and summer, and reach a low point for the year, around 1,073 feet. The forecasted drop in Lake Mead is not a surprise to water managers, who realized last fall that Lake Mead was likely to drop significantly through the summer of 2015. The question that remains to be answered, however, is how much Lake Mead will recover later this year, and if it will rise above 1,075 feet by the end of the year, when the official determination for shortages is made. On April 1, the Bureau of Reclamation's most probable forecast was for Lake Mead to increase throughout the fall and end the year around 1,080 feet – five feet above the shortage trigger, putting off water supply curtailments for at least another year. However, if dry conditions continue throughout the spring and summer, Lake Mead might not recover enough to avoid a first-ever shortage declaration next year. On April 1, Reclamation estimated that the chance of a shortage declaration for next year is about 33 percent. Reclamation plans on updating the likelihood of a shortage declaration each month between now and August, when the official water year type determination for next year is made. MET staff plans to update the MET Board on the latest water supply and Lake Mead conditions at future committee meetings.</p> <p><u>California Water Agencies Discuss Salton Sea Options</u></p> <p>Following the State Water Resources Control Board's workshop on Salton Sea Restoration options, agencies from the state of California, including the Department of Fish and Wildlife and the California Department of Water Resources, have been meeting with various water agencies to evaluate options for moving forward with a restoration plan for the Salton Sea. Some of the questions being raised by state agencies include restoration governance issues and funding options. The Salton Sea has been on a steady decline over the last decade, and beginning in 2018, the decline will increase until the Salton Sea stabilizes at a level several feet lower than today's elevation.</p>
Bay Delta/State Water Project Issues	<p><u>Update on the State Water Resources Control Board's Order</u></p> <p>The State Water Resources Control Board (SWRCB) considered a</p>

Bay Delta/State Water Project Issues (Continued)	<p>Temporary Urgency Change Petition (TUCP) submitted by the California Department of Water Resources (DWR) and the U.S. Bureau of Reclamation (USBR) in January, requesting temporary changes to the terms of the water rights permits for operation of the State Water Project and Central Valley Project for February and March 2015. After considering public input at a workshop in February 2015, the SWRCB Executive Director issued a revised TUCP order for February and March 2015. The revised TUCP order issued on March 5, 2015, approved temporary modification of water rights requirements to allow management of reservoir releases in a manner that conserves upstream storage for fish and wildlife protection and Delta salinity control while providing critical water supply needs. Specifically, the revised TUCP order approved the request for an intermediate level of export pumping under limited circumstances, approved water transfers between water contractors (with some additional reporting requirements), and removed the provision in the original order that allowed the Executive Director to direct the use of water conserved through the implementation of the TUCP.</p> <p>On March 24, 2015, DWR and USBR submitted a request to modify the TUCP order to be effective from April through the end of September 2015. On April 6, the SWRCB Executive Director issued another revised TUCP order for the April through June 2015 period. The revised order provides additional flexibility for the intermediate pumping level and requires USBR to prepare action plans for the Sacramento and Stanislaus Rivers to protect against temperature and related impacts for the remainder of the water year going into next year. The revised TUCP order does not act on requested changes after June 30, because it is anticipated that a further request will be submitted by DWR and USBR for additional changes starting in mid-June if conditions continue to be historically dry.</p> <p>The SWRCB issued an order to most diverters in the Delta watershed (top 90 percent of riparian and pre-1914 users in the Delta and the remaining top 90 percent of users in the Sacramento and San Joaquin River watersheds) on February 4, 2015 requiring all diverters to report water diverted and by which water right for each month, as well as provide documentation supporting their claimed water right. The SWRCB, reporting a 94 percent compliance rate with the order, compiled and organized the documentation and, as of April 9, is making the information available to the public. Due to file size, some of the information is not being made available online and must be obtained in person at the California Environmental Protection Agency building. MET staff is reviewing all of the documentation that has been made available. The</p>
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Bay Delta/State Water Project Issues (Continued)	<p>SWRCB is also posting curtailment projections on its website and, to date, projections have been made available for some classes of water right holders in the watershed.</p> <p><u>Bay Delta Conservation Plan Expenditures</u></p> <p>There have been requests as to the overall expenditures DWR and MET have spent on the Bay-Delta Conservation Plan. Below is a description of the funds spent as of the end of March:</p> <p>Overall, as of March 31, 2015, DWR has committed \$236.8 million out of the \$239.6 million budget under the Bay Delta Conservation Plan (BDCP) and the associated Delta Habitat Conservation and Conveyance Program (DHCCP) activities. This includes funding under the December 2008 DHCCP Funding Agreement and July 2010 Supplemental Funding Agreement. Prior to these two funding agreements, an additional \$13.5 million* was expended under the November 2006 BDCP Cooperative Cost-Share Agreement for startup costs related to development and review of the BDCP and consulting resources necessary to prepare the BDCP. Additional planning funds totaling \$4.7 million* are anticipated to be made available in May 2015 by the USBR. This will be reported as the additional funds become available.</p> <p>Metropolitan’s Share: Metropolitan’s commitment under this program remains at \$63 million</p> <table><tr><th rowspan="2">Funding Agreements</th><th colspan="3">Total Project (in millions)</th></tr><tr><th>Budget</th><th>Commitment</th><th>Remaining</th></tr><tr><td>Dec 2008 – DHCCP Funding Agreement</td><td>\$139.6</td><td>\$139.6</td><td>\$0</td></tr><tr><td>Jul 2010 – Supplemental Funding Agreement</td><td>\$100.0</td><td>\$ 97.2</td><td>\$2.8</td></tr><tr><td>TOTAL</td><td>\$239.6</td><td>\$236.8</td><td>\$2.8</td></tr></table> <p><small>* November 2006 BDCP Cooperative Cost-Share Agreement totaling \$13.5 million was not included in the above table. * Anticipated funding of \$4.7 million from the USBR is not included in the above table.</small></p>	Funding Agreements	Total Project (in millions)			Budget	Commitment	Remaining	Dec 2008 – DHCCP Funding Agreement	\$139.6	\$139.6	\$0	Jul 2010 – Supplemental Funding Agreement	\$100.0	\$ 97.2	\$2.8	TOTAL	\$239.6	\$236.8	\$2.8
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TOTAL	\$239.6	\$236.8	\$2.8																	
ENGINEERING & PLANNING																				
Baker Treatment Plant	Karl and Kevin Hostert participated in a number of coordination calls and meetings related to the shutdown of the																			

Baker Treatment Plant (Continued)	South County Pipeline and Pump Station to allow for the connection of the Baker Treatment Plant Pipeline to the South County Pipeline. The IRWD Contractor cut into the South County Pipeline and removed a section of 66" pipe and installed a 66" x 36" tee for the tie-in. The work was completed and the pipeline refilled and put back into operation on May 4, 2015.
Doheny Desalination Project	Work continued under the MET Foundational Action Plan and with the baseline monitoring work required for the coastal lagoon and the lower portion of San Juan Creek. The South Coast Water District Board of Directors held a meeting to discuss priorities for the District and determined that progress on the Doheny Desal Project was a high priority for the District.
Poseidon Resources Ocean Desal Project	OCWD staff developed and circulated a revised term sheet for the Poseidon Project that has been the subject of three Citizens' Advisory Meetings and will be considered by the OCWD Board on May 14.
Orange County Water Reliability Study	Karl and Richard Bell hosted the April Workgroup meeting for the OC Water Reliability Study following the Managers' meeting. The bulk of discussions were held regarding Climate Modeling and how climate variability could be incorporated into the modeling work. The discussion was led by Dan Rodrigo from CDM and David Yates from the National Center for Atmospheric Research (NCAR), a research and development center in Boulder, Colorado devoted to the atmosphere. They recommended a technique to apply to both Colorado River and State Water Project supplies to help inform future planning implications. They will also be using the Water Evaluation and Planning Model (WEAP) David Yates developed for the Southwest U.S. to inform scenarios for the Colorado River and State Water Project yields over time.
San Juan Basin Authority	Director Susan Hinman attended the San Juan Basin Authority meeting in April where discussions continued on basin monitoring and management.
City of San Juan Utilities Commission	Director Hinman also attended the City of San Juan Utilities Commission meeting where Cathrene Glick and Dan Ferons discussed the SJBA Groundwater Management Plan and the City of San Juan Capistrano's operating plan for the coming year. Groundwater supplies in the basin remain tight.
City of Brea	Karl and Kevin met with Eric Nicholl, Ron Krause and Brian Ingallinera from Brea to discuss the OC Water Reliability Study and emergency planning for the City of Brea. Discussions also included the SWRCB actions, MET allocations and potential irrigation supplies in Brea to be recovered from oil field recovery water and water from the landfill.
OCWD Quagga Plan	Overcoming the limitations of delivering MET untreated water for recharging the OCWD groundwater basin was the focus of discussion

OCWD Quagga Plan (Continued)	when Keith met with Rick De Leon and Glen Boyd from MET, and 8 staff from OCWD led by Adam Hutchinson. Currently, MET untreated CRA water cannot enter the Santa Ana River due to issues related to Quagga, which limits OCWD's options for receiving water for recharging the basin. OCWD intends to complete a scope of work for a potential pilot program for treating CRA water to remove Quagga, with a focus on using connection OC-11 (Lower Feeder into the SAR). OCWD may partner with MET, and conduct the pilot work at Lake Mathews.
OC Feeder Shutdown	Kevin and Keith were also involved in MET's Orange County Feeder shutdown to relocate a portion of the pipeline in the City of Fullerton.
Urban Water Management Plan	Karl, Harvey, Richard and Joe participated in an Urban Water Management Plan (UWMP) webinar and in interviews with consultants interested in completing our 2015 UWMP. Staff has prepared a Draft RFP to be sent out to our agencies and the consulting community in advance of a mandatory consultant meeting. A final RFP will be sent out, proposals will be secured and evaluated and a contract awarded in June or July.
Seismic Vulnerability Study	Richard and Kevin visited five well sites at five different agencies with our seismic experts John Eidinger, G&E Engineering, and Rambod Hadidi, GeoPentech, to get a feel for typical types of installations in OC. Background information on wells and pipelines in Orange County was collected for the consultants and a phone conference call with MET was held to discuss various aspects of seismic damage and recovery efforts. Our consultants are aiming for a June Draft with the final report to be prepared in July or August. This information is central to the System Reliability Planning for OC.
OCWD Producers' Meeting	The concept of Producers flushing/discharging water into OCSD sewer system; Poseidon update; Review of Draft OCWD GW Management Plan; and GW Remediation Projects were discussed when Karl, Keith and Kevin attended the May Producers meeting. The issue of flushing/discharging to OCSD's sewer system was raised by two Producers in an effort to ensure that water that may be discharged now could be captured for beneficial use to support GWRS. OCSD staff explained operational issues and costs, and that some of the discharges are already being collected into Plant #1 that supports GWRS while other areas flow to Plant 2 and are treated and discharged to the ocean. The issue will be further addressed in the OCWD/OCSD joint study to provide sufficient flows to support the Final Expansion of GWRS. Under the Poseidon update, IRWD distributed copies of their Draft Analysis of Reliability Benefits and Costs from the Proposed Seawater Desalination Plant, which will be discussed during future Producers meetings.
Ocean Waters of California	Richard Bell developed and sent a MWDOC response letter and assisted in the preparation of the CalDesal response letter for the most recent release from the SWRCB for the Draft Substitute Environmental Documentation and Amendment to the Water Quality Control Plan for Ocean Waters of CA

Ocean Waters of California (Continued)	addressing Desalination Facility intakes, brine discharges and incorporation of other non-substantive changes. The SWRCB conducted a hearing on May 6. A few of the MWDOC and CalDesal comments have been incorporated, however, there are a number of suggestions and input still provided.
EMERGENCY PREPAREDNESS	
General Activities	<p>Kelly Hubbard participated in the Value of Water Public Service Announcement (PSA) filming at Doheny Desalination Test Site and at the South Coast Water District Treatment facility.</p> <p>Kelly met with Director Sat Tamaribuchi to provide him with history on the WEROC program and to discuss current planning efforts.</p> <p>In San Diego, Brandon Stock attended the “Strategic Overview of Disaster Management for Water & Wastewater Training.” He also attended the California Emergency Services Association (CESA) Southern Chapter Spring workshop which included presentations on damage assessment lessons learned from the La Habra Earthquake and an informational presentation on a new technology that FEMA is developing to assist the damage assessment process in the future.</p> <p>In Tacoma, Washington, Kelly presented at the Partners in Preparedness Conference on April 14-16. She provided a presentation titled, “Collaboration with Water Utilities - An Essential Service for Response & Recovery” that was well received. She attended sessions on Emergency Manager Preparedness, Building Regional Resilience Through Active Partnerships, Water Response to Napa Earthquake, Seattle Pacific University Shooting Response, Business Recovery After a Disaster, Volcano Hazard Management, and Bakkan Crude Oil Response. She will be providing a lessons learned summary to the WEROC member agencies at their next meeting on May 5.</p> <p>Kelly facilitated the California Emergency Services Association (CESA) Southern Chapter conference call on April 1 as the Chapter President. She also attended the CESA State Board Meeting at the California Office of Emergency Services in Sacramento on April 27, as a Southern Chapter Director and State Treasurer.</p>
Coordination with Member Agencies	WEROC hosted a planning meeting for its member agencies for Surf Quake 2015, the disaster exercise to be held on May 21. The planning meetings are used to assist member agencies in their planning and development of their

Coordination with Member Agencies (Continued)	<p>internal exercises, as well as WEROC's exercise.</p> <p>On April 21, Kelly provided a presentation on WEROC to the City of San Juan Capistrano Utilities Commission. The presentation included how WEROC is structured, as well as the services provided day to day and during disaster response.</p> <p>WEROC hosted an EPA Vulnerability Self-Assessment Tool (VSAT) and Water Health and Economic Analysis Tool (WHEAT) training for Southern California utilities on April 22 and 23. Approximately 30 attendees, many from WEROC agencies, attended the 2 day training. The overall objective of the training was to educate participants in the use of the EPA computer based tools to conduct or update risk assessments on a water or wastewater systems. The training covered how to use these tools, as well as estimating changes in threat, vulnerabilities, and consequences with the application of additional countermeasures.</p>
Coordination with the County of Orange	<p>In Mission Viejo, Kelly attended the April Orange County Emergency Management Organization (OCOMO) meeting. The primary presentation was on Vector Control Response and Communications. She provided a presentation on the Drought and the Governor's Orders. Kelly also attended the county-wide Exercise Planning meeting on the same day.</p> <p>Kelly and Brandon participated in the County Communications Committee meeting on April 13. The meeting included the AlertOC April 7 Drill after-action discussion, as well as a discussion on proposed changes to WebEOC forms.</p> <p>WEROC hosted the Operational Area Exercise Design Training and Surf Quake 2015 Master Scenario Events List (MSEL) Conference on April 9. A training on exercise development was provided by Anna Cave, Emergency Manager of the City of Brea. Then County staff led a discussion on the Surf Quake exercise to further develop the damage concepts that will be used for the May 21 exercise. Approximately 50 attendees had a great discussion regarding what actual disaster impacts should be expected for various sectors of government, utilities and private sector for this disaster exercise scenario based on realistic expectations of system and agency capabilities.</p>
Coordination with Outside Agencies	<p>Kelly participated in the California OES Southern Region Drought Conference Call on April 20. These conference calls are back to being hosted weekly with the expectation that drought response concerns will start to increase due to the higher temperatures already seen this season and with the Governor's Executive Order.</p>

Coordination with Outside Agencies (Continued)	Kelly participated in the California Water/Wastewater Agency Response Network (CalWARN) State Steering Committee Conference Call on April 24. The group discussed ways to use the CalWARN site to engage the traditional first responder community and to facilitate coordination.
WEROC Emergency Operations Center (EOC) Readiness	<p>WEROC successfully participated in the OA Radio test for April. The MARS (MET) radio was tested and is in working order. WEROC facilitated its bi-monthly radio test exercise on March 31 with good participation.</p> <p>Brandon worked with MWDOC and WEROC EOC staff to ensure that all MWDOC staff information is current in Alert OC for staff notifications following a disaster. He also completed an update of all WEROC group contact information within AlertOC. Brandon developed a message to send to WEROC EOC staff, MWDOC staff, and Member Agencies to test WEROCs use of AlertOC for employee and agency notifications. The message included a reminder to all recipients to download the WEROC emergency plan phone application, In Case of Crisis. Following the test exercise, Brandon assisted staff and agencies with downloading the application and how to use it.</p> <p>A Request for Quotes for the WEROC Radio Assessment closed on April 17, 2015. The purpose of this assessment is to understand:</p> <ul style="list-style-type: none"> • How all the member agency radios are programmed; • What type of equipment is being used; • How and where their radios are installed; • And to provide each agency with a short radio training while the contractor is on site. <p>A contract for the work is being considered by the MWDOC Board.</p> <p>Brandon spent a significant amount of time at the WEROC EOC's to implement corrective actions from the last exercise in November and to update all documents in the EOC. Some of the more significant efforts are: updates to all EOC forms and binders utilizing multiple databases, purchase of materials and supplies identified in the last exercise, facilitated site cleanings, installed new equipment on the TV's to allow for internet use through the TV's, and purchased and installed new phones.</p> <p>UPDATE – At both EOC's construction has largely wrapped up. The North EOC site had the IRWD Baker Pump Station construction in process and the South EOC has a communications infrastructure construction project onsite for ETWD. Both sites are still accessible and in working order, but because the North EOC is physically a smaller site with construction traffic, the South EOC will continue as the primary EOC at this time.</p>

WATER USE EFFICIENCY

South Orange County Watershed Management Area	<p>On April 6 and May 4, Joe Berg participated in the South Orange County Watershed Management Area Management Committee meetings. These meetings focused on projects being considered for the last round of Proposition 84 funding. The Management Committee is scheduled to meet again on June 1.</p> <p>On April 28, May 1, and May 4, Joe participated in the Project Scoring Ad Hoc Committee meetings. This committee reviewed the project proposals, validated the project scoring, and presented the updated project list to the Management Committee.</p> <p>On May 12, Melissa Baum-Haley attended the Public Stakeholder Workshop to provide a presentation on MWDOC's proposed project and answer questions during the focused group discussion.</p>
Metropolitan Water Use Efficiency Policy Committee	<p>On April 8, Joe and Heather participated in a Metropolitan Water Use Efficiency Policy Committee conference call hosted by Kathy Cole. Approximately 25 member agency staff participated in the call. This was the first meeting of this group whose purpose was to brainstorm a variety of water use efficiency opportunities to be included in future legislation. Several ideas were suggested and are being considered by MET staff for presentation to legislators.</p>
Emergency Water Conservation Regulations	<p>Over the last month, Joe participated in various meetings focusing on the Emergency Water Conservation Regulations. These included:</p> <ul style="list-style-type: none"> • On April 10, Joe provided a briefing to the Water Advisory Committee of Orange County summarizing the updated Emergency Regulations imposed by the State Water Resources Control Board (SWRCB). • On April 9 and April 21, Joe participated in ACWA meetings to provide input on comment letters and feedback to the SWRCB. • On April 9, April 30, and May 12, Joe participated in meetings of the SWRCB to get clarification on the regulations and to provide input for SWRCB's consideration. • On April 22, April 29, and May 6, Joe attended meetings with several member agencies to provide clarification regarding the regulations and to brainstorm the messages to the public.

San Clemente Rotary Club	On April 29, Joe provided a water supply update, a summary of regulations, and a summary of water use efficiency programs available to consumers throughout Orange County. Director Hinman also attended this meeting and provided informational packets to participants.
California Urban Water Conservation Council	<p>In Sacramento on April 15, Melissa participated in the Sustainable Landscape Stakeholder Workshop whose focus is to collaboratively prioritize implementation strategies as outlined in the market transformation framework plan.</p> <p>On May 7, Joe participated in the Council's Finance and Governance Committee meeting held at the Council's Sacramento office. This was a general business meeting attended by staff and executive board members. Items discussed included:</p> <ul style="list-style-type: none"> • Quarter 1 Financial Report • 2014 Audit Report • Reserve Fund Update • Grants and Contracts Update • Reporting Database, Phase 2 Update • BMP 1.4 Next Steps • Development of the May Board and June Plenary Agendas <p>The next meeting is scheduled for August 2015.</p>
Orange County Water Use Efficiency Coordinators Workgroup	<p>On May 7, Melissa, Steve Hedges, Beth Fahl, Sergio Ramirez, Katherine Rojas, and Jessica Ouwerkerk attended the Orange County Water Use Efficiency Coordinators Workgroup meeting hosted by the City of Santa Ana. Approximately 16 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • MWDOC Updates <ul style="list-style-type: none"> ○ State Water Resources Control Board Action ○ Choice Invoices • Agency Roundtable/Problem Solving Roundtable <ul style="list-style-type: none"> ○ Agency Drought Response Update Days Per Week Watering ○ Street Medians • Public Affairs/Marketing Update <ul style="list-style-type: none"> ○ Post Inspection Lawn Signs ○ OC Garden Friendly ○ Anaheim ARCTIC (Anaheim Regional Transportation Intermodal Center) Event

Orange County Water Use Efficiency Coordinators Workgroup (Continued)	<ul style="list-style-type: none"> ○ OC Water Summit ○ Poster/Slogan Contest Awards Ceremony ○ Smart Irrigation Month Bill Inserts ○ Drought Outreach ○ Long-Term WUE Marketing ● 211 (a free 24-hour referral help line which could provide drought info) Orange County Presentation ● Metropolitan Update <ul style="list-style-type: none"> ○ Outreach Campaign Update ○ May 12th Board Letter ● Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ Turf Removal Program ○ Home Certification Program ○ Public Spaces Program ○ Umbrella Agreement <p>The next meeting is scheduled for June 4 and will be hosted by MWDOC.</p>
PUBLIC/GOVERNMENT AFFAIRS	
Member Agency Relations	<p>On April 22 and 29, Heather, Jessica & Tiffany participated in the member agency meetings to discuss the proposed mandatory conservation regulations and how the agencies can work together on a regional level.</p> <p>Michelle Tuchman, Tiffany, Joe and Kelly led drought messaging development workgroup meetings with member agency PIO's on May 6 and May 13.</p> <p>Tiffany and Jessica participated in MET's PIO meeting on April 23. They also attended MET's new drought campaign focus group sessions on April 29.</p> <p>To submit tour requests for next season, Tiffany has been working with our MWDOC/MET Directors and MET staff.</p> <p>Heather attended MWDOC's bi-annual Elected Officials Forum. Tiffany created the electronic invitation, survey and registration form for the event.</p>

Member Agency Relations (Continued)	<p>Tiffany provided Laguna Beach County Water District and Yorba Linda Water District with customized water use efficiency graphics.</p> <p>Jessica and Kelly assisted City of Fountain Valley with customer notifications regarding their unexpected water service interruption on April 20. Jessica developed a press release, text message, and phone message that were used by City staff.</p>
Community Relations	<p>To discuss the proposed mandatory conservation regulations and how they might be applied to area hospitals, Heather met with Whitney Ayers, Vice President of the Hospital Association of Southern California.</p> <p>Heather attended the South Orange County Economic Coalition and received an update on Poseidon's Huntington Beach project and the Cadiz Project.</p> <p>Congressman Ken Calvert was the guest speaker when Heather attended the Southern California Water Committee's Quarterly Luncheon.</p> <p>At Santa Margarita Water District's Water Awareness Day on May 2, Heather and Bryce staffed the MWDOC booth. 178 people came to the booth for information and to ask questions.</p> <p>Heather attended the joint ACC-OC Water Committee & SAWPA meeting on May 14.</p> <p>Tiffany is working with City of Anaheim staff to coordinate a Water Expo at the new Anaheim Regional Transportation Center on June 6. All MWDOC member agencies have been invited to participate and host a booth.</p> <p>Jessica, Tiffany, Bryce, Tiffany Feliciano and Marey implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest during this period. Jessica and Tiffany updated several pages on the MWDOC website, Open Government site, and WUE microsite.</p> <p>At Mission Viejo's Children's Environmental Fair on April 24, Marey and Bryce worked an information booth where 198 people were reached.</p> <p>Marey and Bryce worked an information booth at Mission Viejo's Earth Day/Arbor Day Celebration on April 25. 131 people came to the booth.</p>

Education	<p>Jessica coordinated a School Program Working Group comprised of MWDOC staff and five member agency representatives. The Working Group evaluated the six proposals received in response to MWDOC's School Program RFP, conducted vendor interviews, and formulated a recommendation to the MWDOC Board. Karl, Jessica, and Tiffany participated in the process.</p> <p>Per direction from the Board, MWDOC staff conducted a second RFP process for a high school program. The Working Group met on May 12 to evaluate, discuss the proposals, and develop a recommendation that will be brought to the MWDOC Board on May 18.</p> <p>Jessica was asked to give a presentation to the Santa Ana City Council and Santa Ana Unified School District on May 4. The program focused on Santa Ana's participation in MWDOC's Water Education School Program.</p> <p>Jessica is developing the draft contract with Discovery Science Center for implementation of the 1st-6th grade School Program in 2015-16 through 2017-18.</p>
Special Projects	<p>Heather participated in the WACO Planning meeting on April 21.</p> <p>Heather organized and staffed the ISDOC Quarterly Luncheon featuring local author and historian, Chris Epting.</p> <p>Heather staffed the ISDOC Executive Committee meeting and began planning for the July 2015 Quarterly Luncheon.</p> <p>Tiffany, Jessica and Michelle met with Fraser Communications on May 5 to discuss a regional drought campaign, including a 30-second PSA.</p> <p>Tiffany created a new drought briefing paper and drought infographic which have been distributed to MWDOC member agency PIOs and water use efficiency staff, posted on the website, and handed out at community events.</p> <p>Tiffany B., Bryce, Tiffany F. and Marey continue to manage the administrative process for the annual Poster Slogan Contest and Digital Arts Contest, and will continue to work on a variety of components of the contest leading up to the Awards Ceremony in June 2015.</p> <p>Tiffany and Marey prepared the May cover image for social media, eCurrents, and the website.</p>

Water-Use Efficiency Marketing	<p>Tiffany is preparing a turf removal PowerPoint presentation for staff use.</p> <p>Jessica participated in the May 7 OC WUE Coordinators Meeting, hosted by City of Santa Ana.</p> <p>Jessica is coordinating bill inserts promoting Smart Irrigation Month and smart timers, rotating nozzles, and turf removal. The inserts will be distributed by MWDOC member agencies during the months of July and August.</p>
Legislative Affairs	<p>Heather participated in the Southern California Water Committee (SCWC) Legislative Task Force conference calls on April 20, April 27, May 4 and May 18.</p> <p>Heather participated in Metropolitan Water District's Legislative Coordinator's Conference Call on April 30 and May 14.</p> <p>In Sacramento on May 1, Heather attended ACWA's State Legislative Committee meeting.</p> <p>Heather attended the ACWA Spring Convention in Sacramento and attended programs related to policy, Prop 1 implementation and urban water conservation.</p>

pat meszaros
05/14/15

INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

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