

REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Board Room, Fountain Valley, California  
June 17, 2015, 8:30 a.m.

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**AGENDA**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENTS/PARTICIPATION**

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

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

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

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

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

**NEXT RESOLUTION NO. 2015**

**CONSENT CALENDAR (Items 1 to 6)**

(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. May 4, 2015 Special Board Meeting
- b. May 6, 2015 Adjourned Workshop Board Meeting
- c. May 20, 2015 Regular Board Meeting

*Recommendation: Approve as presented.*

**2. COMMITTEE MEETING REPORTS**

- a. Planning & Operations Committee: May 4, 2015
- b. Administration & Finance Committee: May 13, 2015
- c. Special Public Affairs & Legislation Committee: May 4, 2015
- d. Public Affairs & Legislation Committee: May 18, 2015
- e. Executive Committee Meeting: May 21, 2015

*Recommendation: Receive and file as presented.*

**3. TREASURER'S REPORTS**

- a. MWDOC Revenue/Cash Receipt Register as of May 31, 2015
- b. MWDOC Disbursement Registers (May/June)

*Recommendation: Ratify and approve as presented.*

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of April 30, 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 April 30, 2015

*Recommendation: Receive and file as presented.*

**5. APPROVE COMMEMORATIVE RESOLUTIONS HONORING**

- a. Don Calkins

*Recommendation: Approve an honorary resolution for Don Calkins on his retirement from the City of Anaheim, and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29<sup>th</sup>, 2015*

**6. CONTINUANCE OF PROFESSIONAL SERVICES WITH TUCHMAN COMMUNICATIONS**

*Recommendation: Approve continuance of services with Tuchman Communications and authorize the General Manager to enter into a professional services contract for the period July 1, 2015 to September 4, 2015, for an amount not to exceed \$40,000.*

**– End Consent Calendar –**

**ACTION CALENDAR****7-1 TURF REMOVAL PROGRAM REBATE PROCESSING PLATFORM**

*Recommendation: Authorize the General Manager to enter into annual contracts with Droplet Technologies for the next three years at a total cost not to exceed \$139,642.*

**7-2 METROPOLITAN WATER CONSERVATION FUNDING AGREEMENT AND US BUREAU OF RECLAMATION FIELD SERVICES AGREEMENT**

*Recommendation: Authorize the General Manager to sign (1) amendments to Metropolitan's Water Conservation Funding Agreements extending the terms an additional 10 years, to June 30, 2025; and (2) a Field Services Agreement with the US Bureau of Reclamation for California Friendly Technical Design Assistance Program.*

**7-3 ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE**

*Recommendation: Adopt the Amended and Restated Administrative Code, with changes recommended by the Directors assigned to meet with South County representatives.*

**7-4 ADOPT RESOLUTION NOMINATING LARRY MCKENNEY AS VICE CHAIR OF THE ACWA REGION 10 BOARD OF DIRECTORS****RES. NO. \_\_\_\_\_**

*Recommendation: Adopt Resolution nominating MWDOC MET Director Larry McKenney as Vice Chair of the ACWA Region 10 Board of Directors.*

**7-5 AMENDMENTS TO MONEY PURCHASE PENSION PLAN****RES. NO. \_\_\_\_\_**

*Recommendation: Adopt Resolution approving the proposed amendments to the District's Money Purchase Pension Plan, as presented.*

**7-6 OCWD WILDLIFE EXHIBIT**

*Recommendation: The Public Affairs & Legislation Committee will discuss this item on June 15<sup>th</sup> and make a recommendation to the Board.*

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

**8. GENERAL MANAGER'S REPORT, JUNE 2015 (ORAL AND WRITTEN)**

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

**9. 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****10. 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.

**11. 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.

**12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al.*, former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014 to San Francisco Superior Court, Case No. CPF-14-514004.

**13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**, Consider Initiation of Litigation pursuant to Paragraph (4) of subdivision (d) of Section 54956.9: (Two Cases).**14. 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 SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
May 4, 2015

At 10:20 a.m., President Dick called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors, Conference Room 101, at the District facilities, 18700 Ward Street, Fountain Valley, California.

**MWDOC DIRECTORS**

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

**STAFF PRESENT**

Robert Hunter, General Manager (absent)  
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  
Jessica Ouwerkerk, Public Affairs Manager  
Russ Behrens, Legal Counsel (via teleconference)

**ALSO PRESENT**

Ellin Chariton  
Dawn Curtis  
Sean Fitzgerald  
Ellin Chariton  
Dawn Curtis  
Brett Babos  
Jim Leach  
Damon Micalizzi

O.C. Department of Education  
O.C. Department of Education  
Discovery Science  
OC Dept. of Education  
OC Dept. of Education  
The Ecology Center  
Santa Margarita Water District  
Yorba Linda Water District

**TELECONFERENCE SITE**

President Dick announced that Director Hinman would be participating via telephone conference from Santa Cruz, California. (All agenda requirements pursuant to the Ralph M. Brown Act were complied with.)

**PUBLIC COMMENTS**

Representatives from Inside the Outdoors, Ellin Chariton and Dawn Curtis reiterated their comments from the PAL meeting and encouraged the Board to delay action on the School Program, for a more transparent process.

Mr. Brett Babos from The Ecology Center also commented that he would be happy to present background on The Ecology Center and highlighted several of their accomplishments, and he distributed materials on The Ecology Center.

**ACTION ITEMS****S. 235 & H.R. 167 – THE WILDFIRE DISASTER FUNDING ACT OF 2015**

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board voted to support S. 235 and H.R. 167 – The Wildfire Disaster Funding Act of 2015 and authorized the District send a letter indicating our support. Said vote was conducted by roll call, with Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi, and Thomas voting in favor; Director Finnegan was absent.

**CONSIDER AWARD OF CONTRACT FOR SCHOOL PROGRAM**

President Dick advised that the Public Affairs & Legislation (PAL) Committee discussed the Review Committee's recommendation (to authorize the General Manager enter into contracts with both the Discovery Science Center and The Ecology Center in respective amounts of \$220,000 and \$80,000 for fiscal years 2015-16 through 2017-18, per the details outlined), however PAL recommended the Board authorize the General Manager enter into a contract with Discovery Science Center for the K-5 program (\$220,000), and solicit proposals from The Ecology Center, Inside the Outdoors, and Discovery Science Center for a high school program (\$80,000).

Considerable discussion ensued, with Director Barbre referencing comments from the PAL Committee meeting regarding MWDOC's RFP process and how he believed both Discovery Science Center and The Ecology Center had an unfair advantage. It was noted that Legal Counsel Behrens advised that the District complied with the RFP provisions, which were legal and proper.

Director Barbre stated that he was uncomfortable with the process, and he made a MOTION, which was seconded by Director Osborne, for the Board to extend the current contract the District has with the Discovery Science Center for the 2015-16 school year (under the same terms), and over the next year conduct another RFP process on the school program (for implementation in the 2016-17 school year).

Discussion ensued regarding Director Barbre's MOTION with Directors Dick, Thomas, Tamaribuchi, and Hinman indicating they would prefer moving forward with the PAL Committee recommendation, and could not support Director Barbre's MOTION.

President Dick called for the vote, and the MOTION failed by a vote of 2-4; with Directors Barbre and Osborne voting in favor, and Directors Dick, Thomas, Tamaribuchi, and Hinman opposing. Director Finnegan was absent. Said vote was conducted by roll call.

Following discussion, and upon MOTION by Director Tamaribuchi, seconded by Director Hinman, and carried (5-1), the Board authorized the General Manager to enter into a contract with Discovery Science Center for the K-5 program in the amount of \$220,000, and solicit proposals from The Ecology Center, Inside the Outdoors, and Discovery Science Center for a high school program at a cost not to exceed \$80,000. Directors Dick, Osborne, Thomas, Tamaribuchi, and Hinman voted in favor; Director Barbre opposed. Director Finnegan was absent. Said vote was conducted by roll call.

Mr. Seckel advised that the proposals from The Ecology Center, Inside the Outdoors, and Discovery Science Center would be presented to the next PAL Committee.

**ADJOURNMENT**

There being no further business to come before the Board, President Dick adjourned the meeting at 11:05 a.m.

**Respectfully submitted,**

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Maribeth Goldsby, Secretary

MINUTES OF THE WORKSHOP BOARD MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
May 6, 2015

The Workshop Meeting of the Board of Directors of the Municipal Water District of Orange County (MWDOC) scheduled for Wednesday, May 6, 2015 at 8:30 a.m., at the offices of the District, 18700 Ward Street, Fountain Valley, California, was canceled due to lack of a quorum. A Notice of Cancellation was thereon duly posted.

APPROVED:

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Maribeth Goldsby, District Secretary

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
May 20, 2015**

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

**MWDOC DIRECTORS**

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

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Harvey De La Torre, Prin. Water Res. Planner  
Cathy Harris, Admin. Services Manager  
Leah Frazier, Administrative Assistant

**ALSO PRESENT**

Patty Quilizapa  
Miles Hogan  
Linda Ackerman  
Ken Vecchiarelli  
Doug Reinhart  
Paul Weghorst  
Paul Shoenberger  
Ray Miller  
Saundra Jacobs  
Rick Erkeneff  
Dennis Erdman  
Andy Brunhart  
Gary Melton  
Marc Marcantonio  
Betsy Eglash

Aleshire & Wynder  
Aleshire & Wynder  
MWDOC MET Director  
Golden State Water Company  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water  
City of San Juan Capistrano  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Yorba Linda Water District  
Brady & Associates

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

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

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

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

No items were presented.

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

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

No items were presented.

#### **EMPLOYEE SERVICE AWARD**

Vice President Osborne presented Leah Frazier an award for 10-years of service with the District.

#### **CONSENT CALENDAR**

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

Director Hinman requested Item 7 (Travel to Sacramento to Cover State Initiatives) be pulled from the Consent Calendar for further discussion.

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

#### **MINUTES**

The following minutes were approved.

April 1, 2015 Workshop Board Meeting  
April 15, 2015 Regular Board Meeting  
April 29, 2015 Special Board Meeting

#### **COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: April 6, 2015  
Administration & Finance Committee Meeting: April 8, 2015  
Public Affairs & Legislation Committee Meeting: April 20, 2015  
Executive Committee Meeting: April 22, 2015  
MWDOC/OCWD Joint Planning Committee Meeting: April 22, 2015

## **TREASURER'S REPORTS**

The following items were ratified and approved as presented.

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

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 March 31, 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  
March 31, 2015

## **AWARD OF CONTRACT TO EAGLE COMMUNICATIONS FOR THE PROVISION OF A WEROC RADIO EQUIPMENT ASSESSMENT**

The Board approved 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.

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

The Board received and filed the report.

## **APPROVE COMMEMORATIVE RESOLUTIONS HONORING**

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

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

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

The Board approved the MWDOC Pay Structure as presented.

**END CONSENT CALENDAR****ITEMS PULLED FROM CONSENT CALENDAR****TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**

Director Hinman commented that the staff write-up indicates that the District is projecting to be \$3,000 over budget for this travel. She requested regular written updates on both Sacramento and DC travel at the Public Affairs & Legislation Committee meeting.

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board received and filed the report. Directors Barbre, Finnegan, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor. Director Dick was absent.

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

Vice President Osborne advised that the proposal for a rate increase with Best, Best & Krieger (BBK) was before the Board for consideration. Director Hinman noted that the Administration & Finance (A&F) Committee recommended the Board approve the rate increase, however the A&F Committee did not discuss whether to approve the subscription to BBK's Public Policy and Ethics Program, at an additional cost of \$4600 per year. Following discussion, Director Barbre recommended the subscription be deferred back to the A&F Committee for further discussion; the Board generally concurred.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board approved the rate increase to BBK, and authorized the General Manager to execute a contract reflecting the new rates. The Board referred BBK's Public Policy and Ethics Program subscription back to the A&F Committee for further discussion. Directors Barbre, Finnegan, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor. Director Dick was absent.

**APPROVAL OF MWDOC'S BUDGET FOR 2015-16**

Vice President Osborne reported that the proposed Budget for fiscal year 2015-16 was before the Board for consideration. Director Thomas commented that he received no negative comments relating to the budget and that budget discussions went well.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board adopted budget RESOLUTION NO. 2012, with a budget total of \$188,352,060 and a consolidated general fund budget of \$8,423,954 (Revenue). Said adoption included approval or acknowledgement of (1) 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; (2) 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; (3) funding the Reserves to the levels specified in the Administrative Code; (4) funding 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; (5) establishing 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; (6) funding 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; (7) with respect to the Pension Liability issue, continuing 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%; (8) completing the transition to a 100% fixed rate for retail meters with a FY2015-16 target of 100% fixed revenue for the Core Budget; (9) increasing the total number of full-time MWDOC and WEROC employees from 29 to 30 (includes WEROC staff as being fully counted); (10) 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; (11) 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.

Said RESOLUTION NO. 2012 was adopted by the following roll call vote:

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

Mr. Hunter advised that due to the increase in legal fees (as approved above), he would adjust the budget out of reserves, as appropriate.

### **PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2015-16**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board (1) decreased MWDOC's Incremental rate from \$.50 to \$0 per acre-foot (AF), and increased the MWDOC Retail Meter Charge from \$10.50 to \$10.85 per meter; and (2) adopted RESOLUTION NO. 2013 establishing water rates, which sets 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).

Said RESOLUTION NO. 2014 was adopted by the following roll call vote:

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

**ADOPT CONCURRING RESOLUTION IN SUPPORT OF JO MACKENZIE FOR THE CSDA SOUTHERN NETWORK REGION, SEAT A**

Upon MOTION by Director Finnegan, seconded by Director Hinman, and carried (6-0), the Board adopted RESOLUTION NO. 2014, concurring in the nomination of Jo Mackenzie to the CSDA Board of Directors, by the following roll call vote:

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

**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

Director Barbre advised that the Public Affairs & Legislation Committee recommended the Board defer any action on AB 603 and AB 585 until more information is available and recommended the Board support HR 2028.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board (1) deferred action on AB 603 and AB 585 and recommended these bills be presented to the Public Affairs & Legislation Committee when more information is available, and (2) adopted a "Support" position on HR 2028 and directed staff to send a letter to the Orange County Congressional delegation indicating MWDOC's support. Directors Barbre, Finnegan, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor. Director Dick was absent.

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

Vice President Osborne announced that the proposal to award a contract on the School Program (grades 9-12) was before the Board for consideration.

Director Hinman made a MOTION, which was seconded by Director Tamaribuchi, to 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.

Director Barbre expressed concern with The Ecology Center, the financial information outlined in their 2013 tax return, their cost estimates for their “per student” price, and general numbers referenced in their proposal. He also commented that results for the high school program are unknown, and entering into an agreement would bind the District for the entire \$80,000, even if there are few interested. He commented that both Discovery Science Center and Inside the Outdoors were proven entities with proven performance, and expressed further concern with the selection of The Ecology Center.

General Manager Hunter advised that the Review Committee (which consisted of representatives from MWDOC’s member agencies and MWDOC staff) unanimously chose The Ecology Center (for a high school program) during the original RFP process, and also unanimously chose The Ecology Center/Inside the Outdoors proposal during the most recent review of proposals for a high school program. He advised that staff will continue to monitor and update the Board to evaluate the high school program’s effectiveness.

Director Barbre made a SUBSTITUTE MOTION to award the high school program to Discovery Science Center. The SUBSTITUTE MOTION failed for lack of a second.

Director Osborne inquired as to the financial ramifications to MWDOC because this is a Choice Program, with no subscriptions yet; Mr. Hunter advised that the agreement would include conditional language which would protect the District in the event there are no subscriptions to this Choice Program.

Director Hinman expressed support for the staff recommendation, noting that it was innovative.

Director Finnegan made an additional SUBSTITUTE MOTION, which was seconded by Director Barbre, to defer further discussion on this issue back to the Public Affairs & Legislation Committee to allow all 7 Board members to be present and weigh-in. The SUBSTITUTE MOTION failed by a vote of 2-4. Directors Barbre and Finnegan voted in favor; Directors Hinman, Osborne, Tamaribuchi & Thomas opposed. Director Dick was absent.

Vice President Osborne then called for the vote on the original MOTION by Director Hinman, seconded by Director Tamaribuchi, to 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. Said MOTION was approved by a 4-2 vote. Directors Hinman, Osborne, Tamaribuchi & Thomas approved; Directors Finnegan and Barbre opposed. Director Dick was absent.

**INFORMATION CALENDAR****GENERAL MANAGER'S REPORT, MAY 2015**

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

Mr. Hunter also reported that Jessica Ouwerkerk's last day was May 19, and that Michelle Tuchman had been hired on a temporary basis during the recruitment period to fill her position, that WEROC would hold a "Surf Quake" drill on May 21, 2015, and that the Governor's Executive Order goes into effect June 1<sup>st</sup>.

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 Planning & Operations, Public Affairs & Legislation (PAL), and Administration & Finance Committee meetings, and participated via teleconference in MWDOC's Planning & Operations Committee and the Special PAL and Board meeting. She also attended a meeting with representatives from South County regarding the Administrative Code, the San Clemente Rotary Club meeting regarding water, the ACWA conference (along with the Local Government Committee), the South County Watershed Stakeholders meeting, the OC Water Summit, as well as a joint meeting of the San Juan Capistrano Utilities Commission and the San Juan Capistrano City Council.

Director Thomas advised that he attended MWDOC's Administration & Finance Committee, the regular PAL and the Special PAL meetings, the OC Water Summit, the ISDOC luncheon, a meeting with a representative from WaterSmart, a meeting with East Orange County Water District, the Palmia Senior Group (in South County), a meeting with the City of Tustin, and meetings with representatives from South County regarding the Administrative Code.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings, the California Drought Conference at UCI, the Southern California Water Committee Board meeting, meetings with representatives from South County regarding the Administrative Code, the Elected Officials Forum, the ACWA Conference, the OC Water Summit, and a meeting with staff to discuss legislative strategy in Sacramento.

Director Finnegan reported on her attendance at the ISDOC Executive Committee meeting, and the PAL, Administration & Finance, and Planning & Operations Committee meetings. She announced that Mr. David Drake was elected to the ACWA/JPIA Board of Directors.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a legislative trip to Washington, DC, the Yorba Linda City Council meeting, a tour of the South West Regional Carpenter's Union in Buena Park, the Buena Park City Council meeting, the Elected Officials Forum, the ISDOC luncheon, the La Habra Water Forum, the Yorba Linda Water District rate workshop, and the WACO meeting. He also advised that he attended a meeting with Ken Khachigian regarding the Cadiz Project, a legislative trip to Sacramento, a meeting with Pat Scanlon (GSWC) regarding regional issues, a PBS interview with David Nazar, and a tour of the Cadiz Project with Ken Khachigian and Linda Ackerman.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, the Elected Officials Forum, the OC Water Summit, the ISDOC luncheon, and the WACO meeting.

## **CLOSED SESSION**

At 9:42 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 no closed session was needed on the final two matters regarding a conference with legal counsel on anticipated litigation.

### **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.

### **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 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.

### **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 10:20 a.m., Legal Counsel Quilizapa departed from the closed session, and announced that no reportable action was taken in closed session.

**ADJOURNMENT**

There being no further business to come before the Board, Vice President Osborne adjourned the meeting at 10:21 a.m.

Respectfully submitted,

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Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Jointly with the  
**PLANNING & OPERATIONS (P&O) COMMITTEE**  
May 4, 2015 - 8:30 a.m. to 8:50 a.m.  
MWDOC Conference Room 101

**P&O Committee:**

Director Wayne Osborne, Chair  
Director Brett Barbre  
Director Susan Hinman (via teleconf)

**Staff:**

Karl Seckel, Joe Berg, Heather Baez,  
Harvey DeLaTorre, Katie Davanaugh,  
Kevin Hostert, Brandon Stock, Kelly Hubbard

**Also Present:**

Director Larry Dick  
Director Sat Tamaribuchi  
Director Jeff Thomas (arrived at 8:45 a.m.)  
Paul Weghorst, Irvine Ranch Water District  
Sean Fitzgerald, Discovery Science Center

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Director Osborne called the meeting to order at 8:30 a.m. Director Hinman participated via telephone conference call from Santa Cruz, California. All noticing requirements pursuant to the Ralph M. Brown Act were complied with.

**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.

**ACTION ITEM**

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

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (3-0), the Committee recommended approval of the Contract to Eagle Communications for the Provision of a WEROC Radio Equipment Assessment. Directors Barbre, Osborne, and Hinman voted in favor.

Director Barbre inquired whether this equipment is compatible with the MET system with Ms. Hubbard responding that unfortunately, each agency has different equipment. Mr. Seckel noted that a complete overhaul of the system will be needed at some time in the future as the original system was put in place in 1987 but the low band radio repeater system is highly reliable. It was noted that the funds for the radio assessment will come from WEROC's reserves and will be split 60% (MWDOC) and 40% (member agencies). Eagle Communications will be assessing and photographing all equipment that is operated by WEROC as well as all of the WEROC participating agencies (35).

### **INFORMATION ITEMS**

#### **STATUS UPDATE ON THE OC WATER RELIABILITY STUDY – MARCH 2015**

Mr. Seckel reported that MWDOC has been working with its member agencies in developing a water supply model to determine supply reliability issues.

#### **DRAFT ALERT OC APRIL 7, 2015 REGIONAL TEST EXERCISE AFTER ACTION REPORT**

Director Barbre inquired why Golden State Water Company, IRWD and the City of Fullerton did not participate in the exercise with Mr. Weghorst reporting that IRWD has their own system, and Ms. Hubbard reported that Golden State also has their own system, and the City of Fullerton had a staffing issue.

Ms. Hubbard encouraged participation in Alert OC which is a county-wide reverse notification system which can be accessed at [www.alertoc.com](http://www.alertoc.com) for land and cell phones which will send a notification in case of emergent or urgent situations.

### **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

No comments were received.

#### **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**

No items were presented.

### **ADJOURNMENT**

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



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

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

May 13, 2015 – 8:30 a.m. to 10:30 a.m.  
MWDOC Conference Room 101

**Committee Members:**

Director Jeff Thomas, Chair  
Director Joan Finnegan  
Director Wayne Osborne

**Staff:**

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

**Also Present:**

Director Susan Hinman  
Director Sat Tamaribuchi  
Director Brett Barbre  
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  
Paul Weghorst, Irvine Ranch Water District  
Russ Behrens, Legal Counsel  
Mitch Barker, PARS  
Jennifer Mesa, PARS  
Keith Stribling, Highmark Capital

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

General Manager Hunter stated that the item regarding the compensation study would be taken prior to the budget item.

**PUBLIC COMMENTS**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No comments were received.

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

No comments were received.

**PRESENTATION**

**PRESENTATION BY KEITH STRIBLING OF HIGHMARK PORTFOLIO  
MANAGEMENT REGARDING PARS**

Keith Stribling, Highmark Capital, provided a Client overview of the OPEB Pre-funding Trust Program, which included a summary of the plan activity and actuarial results, noting that the District participates in the small pool program. Jennifer Mesa noted that the current plan balance is over \$1.147 million as of March 31, 2015. Ms. Mesa reviewed the District's plan performance and asset allocations, noting that the District is currently close to 70% of being funded.

Mr. Stribling went on to review the District's investment returns and the plans performance and the impact that the economy has had on returns, noting that this account was opened in November 2011. The District's approach on funding this liability was to participate in an investment with moderate liability as well as growth.

The Committee thanked the presenters for the informative review.

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

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

- a. Revenue/Cash Receipt Report – April 2015
- b. Disbursement Approval Report for the month of May 2015
- c. Disbursement Ratification Report for the month of April 2015
- d. GM Approved Disbursement Report for the month of April 2015
- e. Water Use Efficiency Projects Cash Flow – April 30, 2015
- f. Consolidated Summary of Cash and Investment – March 2015
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the May 20, 2015 Board meeting. Directors Finnegan, Thomas and Osborne all voted in favor.

#### **FINANCIAL REPORT**

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

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Financial Report for approval at the May 20, 2015 Board meeting. Directors Finnegan, Thomas and Osborne all voted in favor.

### **ACTION ITEMS**

#### **ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE**

Director Thomas invited comments from the member agencies, noting that this item has been under review for many, many months, both by District staff as well as member agencies. No additional written comments were received from member agencies since the April meeting.

Mr. Hunter noted that the South county member agencies had sent a comment letter to the District on March 31<sup>st</sup> outlining proposed revisions that they would like to see in the Administrative Code. The March 31<sup>st</sup> letter (presented in the staff report) listed proposed revisions, including MWDOC Core and Choice Budget, MET Representation Selection Process, Tier 2 Contingency Fund and MWDOC Selling Water Outside the Service Area. Directors Barbre and Osborne expressed opposition to the revisions presented in that letter pertaining to Section 1500 (Appointment of MET Directors). The Committee and member agency participants held discussion on which provisions best serve the District and its goals, as well as the county as a whole.

Directors Barbre, Osborne and McKinney expressed support for a policy that is less constrictive and all agreed that they are interested in selecting a MET Director who is best suited for to the serve the county as a whole. The Committee also held discussion on how the existing south county agreement presents complications, noting that the agreement will expire in one year. Mr. Behrens stated that the settlement agreement interprets the administrative code and that both documents entail separate processes, and that it is a very involved process to get both documents to match. Mr. Hunter stated that recent discussions were held with south county member agencies which would allow the settlement agreement to expire in one year and that is still the intention.

Director Hinman reiterated her concerns with the proposed language in the MET Director appointment process. Varied opinions exist among the Directors on this item and considerable discussion was held. Mr. Hunter suggested that staff, the Ad Hoc review Committee (Directors Hinman, Thomas and Tamaribuchi) and member agencies work together to create substitute language that is agreeable to all and the Committee agreed to defer this item until June or July, depending on the availability of President Dick. The Directors were urged to submit their comments to the District Secretary, Maribeth Goldsby, or Mr. Hunter for inclusion in the new revisions.

#### **DISTRICT BENCHMARK COMPENSATION STUDY AND APPROVAL OF MWDOC PAY STRUCTURE**

Mr. Hunter expressed displeasure with consultant's performance on this project and thanked staff for their thorough efforts in making the appropriate changes to the report and noted the significant amount of staff time that was required to complete the study work. He noted that 17 reclassifications were recommended which will result in an increase of approximately \$34,000 in salary and benefits.

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the Compensation Study and 2015 Pay Structure, noting that an increase was not made to the ranges. Directors Finnegan, Thomas and Osborne all voted in favor.

#### **APPROVAL OF MWDOC's BUDGET FOR 2015-16**

Mr. Hunter reviewed the form of findings for the final draft 2015-16 budget, noting a 20% reduction in water purchases due to the Governor's call to action to reduce water consumption due to the drought. Additional impacts to the budget include an increase in participation to the turf removal program and associated rebates, establishing a building

improvement fund, a significant note that outside funding will increase revenue that is more than 4.6 times the consolidated operating budget, funding the OPEB liability, and others, as outlined in the staff report.

Discussion turned to the topic of the turf removal program and considerable discussion was held on the potential water savings, the large amount of funds that Metropolitan has budgeted for this program, and the increased impact to staff time.

Andrew Hamilton expressed support for the MWDOC WEROC and conservation programs as well as the budget as proposed.

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the Budget for 2015-16 the Financial Report at the May 20, 2015 Board meeting. Directors Finnegan, Thomas and Osborne all voted in favor.

#### **PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2015-16**

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (3-0), the Committee recommended approval of the MWDOC Water Rate Resolution for 2015-16 at the May 20, 2015 Board meeting. Directors Finnegan, Thomas and Osborne all voted in favor.

#### **DISCUSSION ITEM**

##### **DISCUSSION REGARDING LEGAL COUNSEL SERVICES**

Director Osborne stated the 17% increase (over a 3 year period) is high, although he is pleased with the services of Best, Best & Krieger. Directors Thomas and Finnegan also expressed support.

##### **DISCUSSION RE ACWA/JPIA REFUND AND APPROPRIATE PLACEMENT OF FUNDS**

Director Barbre expressed support for applying any excess funds to the OPEB liability. Mr. Hunter noted that approximately \$73,000 was received from ACWA/JPIA and that those funds will be placed in the reserve account to assist with the turf rebate program.

#### **INFORMATION ITEMS**

##### **SOLE SOURCE PROFESSIONAL SERVICES CONTRACT WITH MICHELLE TUCHMAN**

##### **SOLE SOURCE PROFESSIONAL SERVICES CONTRACT WITH JESSICA OUWERKERK**

Mr. Hunter noted that 2 sole sources agreements have been secured to assist with recent staff departures and the transition to hiring a new Director of Public Affairs. Approximately 60 applications have been received which are being reviewed by the consultant.

**INTERNAL REVENUE SERVICE PAYROLL AUDIT (oral report)**

Mr. Hunter noted that no new information has been received at this time.

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

The report was received and filed.

**DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

The report was received and filed.

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

Jointly with the

**PUBLIC AFFAIRS AND LEGISLATION COMMITTEE**

May 4, 2015 9:00 a.m. to 10:20 a.m.

MWDOC Conference Room 101

**Committee:**

Director Brett Barbre, Chair

Director Sat Tamaribuchi

Director Susan Hinman

**Staff:**

Karl Seckel, Kelly Hubbard,

Katie Davanaugh, Maribeth Goldsby,

Harvey DeLaTorre, Heather Baez

**Also Present:**

Director Wayne Osborne

Director Jeff Thomas

Sean Fitzgerald, Discovery Science

Ellin Chariton, OC Dept. of Education

Dawn Curtis, OC Dept. of Education

Brett Babos, The Ecology Center

Russ Behrens, Legal Counsel (9:30 a.m.)

Jim Leach, Santa Margarita Water District

Damon Micalizzi, Yorba Linda Water District

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

**TELECONFERENCE SITE**

Director Barbre announced that Director Hinman would be participating via telephone conference and that all agenda requirements pursuant to the Ralph M. Brown Act were complied with.

**PUBLIC PARTICIPATION**

Director Barbre requested that public comments be held until the item is presented.

**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.

**ACTION ITEMS**

**S. 235 & H.R. 167 – THE WILDFIRE DISASTER FUNDING ACT OF 2015**

Upon MOTION by Director Tamaribuchi, seconded by Director Hinman, and carried (3-0), the Committee referred a support position on S. 235 and H.R. 167 to the May 20, 2015 Board meeting for approval. Directors Barbre, Hinman and Tamaribuchi all voted in favor.

### **CONSIDER AWARD OF CONTRACT FOR SCHOOL PROGRAM**

Ellin Chariton, OC Department of Education, requested reconsideration of RFP 0415, and expressed concern with the public procurement process, specifically by inviting only 2 of the 3 finalists to amend their original proposals. Director Barbre noted that he had requested review of each of the proposals submitted and stated that he was not comfortable with the process. Mr. Seckel stated that proposals were received by six entities and that interviews were conducted. He also noted that a summary of the proposals and ranking process was included in the staff report. Adjusted proposals were received by two of the three entities which were proposing different programs, which was intended to reach a wider range of grades, better technology and included high school students, which the existing program does not reach.

Mr. Seckel stated that the school program is a choice program which is offered on a subscription basis by MWDOC member agencies. The member agencies' comments and input were considered during the review process as there was strong support for education at the high school level. The Ecology Center proposed their program towards grades 9-12 and is completely separate and different from the current program.

Director Dick noted support for the high school program and inquired whether Discovery Science Center was given the opportunity to respond to a program that would reach high school students. Mr. Seckel responded that DSC's focus was proposed at grades 1-6. Mrs. Ouwerkerk noted that staff has worked with DSC very closely over the past 10 years to reach the 80,000 students per year and anticipates that the current goal will be achieved for the current program.

Directors Dick and Barbre inquired whether Legal Counsel Behrens could be telephoned to determine whether the RFP process was valid (9:30 a.m.) and the committee recessed momentarily so that legal counsel could be reached via telephone. Director Barbre expressed his concerns to Mr. Behrens which were based on allowing revised proposals from only 2 of the 3 proposers. Mr. Behrens noted that if the Board is not comfortable with "the process", they may address that, but District staff had complied with the RFP provisions and that they may negotiate with the proposers.

Director Tamaribuchi inquired why the 7<sup>th</sup> and 8<sup>th</sup> grade students had not be previously included and indicated that his preference was to reach all students K-12. He noted that the current school year is coming to a close and that it appears that a decision will need to be made rather quickly so as to not adversely impact the fall 2015 school year.

Director Hinman noted support for the inclusion of high school and junior high students and the expanded program which was proposed by staff, and in the interest of the member agencies that expressed support for the expansion of the education program.

Considerable discussion was held on which proposers have credentialed teachers and current staffing levels and it was noted that none of the proposers have credentialed

teachers in a teaching position. Discussion also occurred regarding which grade levels of students were most effective in reaching out to.

Director Hinman made a MOTION, which was seconded by Director Tamaribuchi, in support of staff recommendation which was to authorize the General Manager to enter into contracts with both the Discovery Science Center and The Ecology Center in respective amounts of \$220,000 and \$80,000 for fiscal years 2015-16 through 2017-18 per the details provided, but requested a caveat that staff develop performance guidelines with member agencies and report quarterly to this committee meeting.

Discussion ensued, with Mrs. Ouwerkerk stating that MWDOC and member agency staff spent considerable, deliberate time reviewing and discussing the RFP and responses. Mr. Leach noted that Santa Margarita Water District participated in the review process and Damon Micalizzi, Yorba Linda Water District, expressed support for the school program with Discovery Science Center.

Following discussion, Director Tamaribuchi made a SUBSTITUTE MOTION, which was seconded by Director Barbre, and carried (3-0) to proceed with the DSC portion of the proposal for grades 1-6 and allow the Ecology Center, Discovery Center and Inside the Outdoors to propose on the high school portion of the program and respond to this committee within 30 days. . Directors Hinman, Barbre and Tamaribuchi voted in favor.

It was noted that the contract with DSC was for a 3-year period, with two one-year optional extensions.

### **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:20 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**

May 18, 2015 8:30 a.m. to 10:05 a.m.  
MWDOC Conference Room 101

**Committee:**

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

**Staff:**

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

**Also Present:**

MWDOC Director Wayne Osborne  
MWDOC Director Jeff Thomas  
Linda Ackerman, MWDOC MET Director  
Larry McKenney, MWDOC MET Director  
Dick Ackerman  
Steve LaMar, Irvine Ranch Water District  
John Lewis, Lewis Consulting  
Matt Holder, Lewis Consulting  
Casey Elliott, Townsend Public Affairs(TPA)  
Christopher Townsend, TPA  
Heather Stratman, TPA  
Stacy Taylor, Mesa Water District  
Lori Kiesser, Inside the Outdoors  
Evan Marks, The Ecology Center  
Allyson Chen, student

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

Chairman Barbre advised that the Committee would include Director Osborne today due to Director Tamaribuchi absence.

**PUBLIC PARTICIPATION**

No items were presented.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

No items were presented.

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

No items were presented.

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

The report was received and filed.

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

Via phone, Mr. Casey Elliott reported that the Governor moved from legislative mode into budget mode and will release the May revise. The upcoming budget proposal is expected to have nearly \$1 billion in additional funding and is required to be passed by June 15. One of the big areas of increase is to address the drought—groundwater clean-up, desalination, water recycling, etc. which will be available over the next 3 years; 2 years for desalination. There will be budget hearings every day for the next couple of weeks.

Director Hinman inquired as to areas where groundwater cleanup funds will be directed to which Mr. Elliott responded that it didn't get that specific. Director Barbre inquired whether most would go to Los Angeles to which Mr. Elliott responded that a large portion of it will go to disadvantaged communities.

**c. County Legislative Report**

Mr. Matt Holder reported that Frank Kim was sworn in as Orange County's new Chief Executive Officer on May 12, 2015, replacing Mike Giancola who retired, and that his appointment has drawn a positive reaction from Giancola, Supervisors, labor groups and employees. He also reported that it is looking more likely that Congresswoman Loretta Sanchez will enter the Senate race in an effort to succeed Barbara Boxer.

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

Mr. Ackerman stated that Candlestick Park is being torn down and in an effort to reduce dust and debris from demolition, water was being used to spray it down. The contractors were using regular water and were being criticized so they used recycled water and were stopped by San Francisco PUC for polluting the ground.

**e. MWD OC Legislative Matrix****f. Metropolitan Legislative Matrix**

The reports were received and filed.

**ACTION ITEMS**

**AB 603 (SALAS) – INCOME TAXES – TURF REMOVAL TAX CREDIT**

**AB 585 (MELENDEZ) – OUTDOOR WATER EFFICIENCY ACT OF 2015**

Director Osborne made a MOTION, which was seconded by Director Hinman, to support AB 603 and AB 585, however, following discussion, Director Hinman made an amended MOTION, seconded by Director Osborne, and carried (3-0), to defer action on these two bills until next month's Committee meeting. Directors Barbre, Osborne and Hinman voted in favor. Director Tamaribuchi was absent.

**H.R. 2028 (SIMPSON, R-ID-2) ENERGY & WATER DEVELOPMENT  
APPROPRIATIONS BILL 2016**

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (2-1), the Committee referred a support position on HR 2028 to the May 20, 2015 Board meeting for approval. Directors Barbre and Osborne voted in favor; Director Hinman voted in opposition. Director Tamaribuchi was absent.

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

**RESOLUTION HONORING TOM EVANS METROPOLITAN DIRECTOR  
FROM WESTERN MUNICIPAL WATER DISTRICT**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee referred approval of the resolutions to the Board at its May 20, 2015 meeting. Directors Barbre, Osborne and Hinman voted in favor. Director Tamaribuchi was absent.

The Committee also referred approval of an honorary resolution for Don Calkins, Metropolitan Director from the City of Anaheim, to the Board at its June 17, 2015 Board meeting and directed staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29, 2015.

**AWARD SCHOOL PROGRAM CONTRACT FOR HIGH SCHOOL STUDENTS**

Director Barbre introduced this item and reported that we have two proposals, one is an arrangement formed by The Ecology Center and Inside the Outdoors, and the second, Discovery Science Center. Mr. Hunter apologized for not being here at the last committee meeting when this item came before the Board and assured the Board that the process that was followed was open, transparent, and followed the RFP. Further, that at the Board's direction, a new procurement was opened up for the three entities who had been shortlisted and we received two proposals which were evaluated by the Review Committee. The Review Committee was unanimous in its support of The Ecology Center and Inside the Outdoors.

Miss Allyson Chen, a senior at Mission Viejo High School, spoke in support of Inside the Outdoors. Mr. Sean Fitzgerald of Discovery Science Center spoke in support of Discovery Science Center (DSC) whose focus is on teaching the teachers. Besides the quality of the teacher workshop, he emphasized DSC's Water Lab which is opening on June 11 and the fact that all elementary students receive come-back-free tickets. Ms. Lori Kiesser, OC Dept. of Education/Inside the Outdoors, spoke about their great teacher development program,

changing schools' campuses, and their digital platform. Mr. Evan Marks, who runs The Ecology Center, talked about targeting and inspiring teenagers with the tools they most often use--digital, hand-held devices. Mr. Marks stated further that theirs is a very holistic, teen-oriented approach and is award-winning programming. Inside the Outdoors is a 40 year old institution with their partnership with OC Dept. of Education.

Director Osborne inquired that because of the limited funds and the fact that this is a choice item, how will applications be submitted to which Mr. Seckel responded that typically we offer our services on a first come first served basis, and then a waiting list for subsequent years. Mr. Hunter reported that we will spread the program around the county.

Director Hinman stated that The Ecology Center and Inside the Outdoors proposal is more accessible and she is encouraged by the design app and the potential to reach a greater number of students. Further, she put her confidence in the Review Committee, who are customers of ours, to study the proposals and give recommendations to the Board.

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (2-1), the Committee referred approval of the arrangement formed by The Ecology Center and Inside the Outdoors proposal to the May 20, 2015 Board meeting for approval. Directors Hinman and Osborne voted in favor; Director Barbre voted in opposition. Director Tamaribuchi was absent.

### **INFORMATION ITEMS**

#### **STATE WATER RESOURCES CONTROL BOARD DRINKING WATER PROGRAM FEES**

The report was received and filed.

#### **STATUS REPORTS**

##### **O.C. Water Summit Recap (May 15, 2015) Value of Water Communications Plan Poster and Slogan Contest Drought Outreach**

Director Thomas reported that he thought the O.C. Water Summit was the best yet and he expressed his thanks to staff.

The reports were received and filed.

#### **SCHOOL PROGRAM PARTICIPATION REPORT**

The report was received and filed.

#### **PUBLIC AFFAIRS ACTIVITIES REPORT**

The report was received and filed.

## **OTHER ITEMS**

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

Mr. Hunter announced that this was Jessica's last meeting and the audience applauded her.

## **ADJOURNMENT**

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

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
jointly with the  
**EXECUTIVE COMMITTEE**  
May 21, 2015, 8:30 a.m. to 10:15 a.m.  
Conference Room 102

**Committee:**

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

**Staff:**

R. Hunter, M. Goldsby

**Also Present:**

Director Hinman  
Director Tamaribuchi

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At 8:30 a.m., Vice President Osborne called the meeting to order; due to the absence of both President Dick and Director Finnegan, Directors Hinman and Tamaribuchi acted as Committee members.

**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 June Committee meetings.

**EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS**

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

a. Planning & Operations Committee

No new items were added to the agenda, however discussion was held regarding the Turf Removal Program and whether it will continue, with staff noting that MET will hold a special meeting on May 26, 2015 to address this issue.

The Committee referenced a report that was written a few years ago, regarding recycling, and requested staff update the report to provide an overview of each MWDOC member agency.

b. Workshop Board Meeting

Considerable discussion ensued regarding the Governor's Executive Order, how it conflicts to MET's Allocation Plan, and how each agency will do with implementing watering restrictions.

Discussion was also held regarding the need for new sources of water, MET's role in desalination, and East Orange County Feeder No. 2 (EOCF2). Committee requested EOCF2 be added to the matrix of items "MET Items Critical to Orange County."

c. Administration & Finance Committee

No new items were added to the agenda.

d. Public Affairs & Legislation (PAL) Committee

Director Tamaribuchi commented on the new School Program for high school students, noting that if it does well, MWDOC should consider adding a segment for middle schools. Discussion ensued regarding the School Program and MWDOC's procurement process and bidding requirements.

e. MWDOC/OCWD Joint Planning Committee

No information was added; the next meeting will be held in July.

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

a. Discussion re OC Water Summit

The Committee discussed the recently held OC Water Summit, requesting that the Public Affairs & Legislation Committee hold a discussion regarding the Summit, which should include: what is MWDOC trying to accomplish, and ways to broaden attendance to include those outside the water industry. It was suggested staff prepare a breakdown of attendance from the last Summit.

## **MEMBER AGENCY RELATIONS**

Staff reported that positive feedback was received with respect to MWDOC's efforts on drought messaging and the Governor's Executive Order. Considerable discussion ensued regarding drought messaging, and the critical need for immediate action. The Committee discussed various ideas to get the message out which included freeway signs, and newspaper ads. It was suggested that perhaps MWDOC partner with Coastkeepers for messaging.

## **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 10:15 a.m.



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

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
05/01/15	City of San Clemente	March 2015 Water deliveries	719,168.15
05/04/15	Santa Margarita Water District	March 2015 Water deliveries	2,077,022.27
05/04/15	City of La Palma	March 2015 Water deliveries	6,309.81
05/04/15	City of San Juan Capistrano	March 2015 Water deliveries	265,628.41
05/08/15	City of Fountain Valley	March 2015 Water deliveries	23,522.83
05/08/15	City of Seal Beach	March 2015 Water deliveries	11,228.99
05/11/15	El Toro Water District	March 2015 Water deliveries	681,179.15
05/12/15	Serrano Water District	March 2015 Water deliveries	508,239.30
05/12/15	City of Newport Beach	March 2015 Water deliveries	653,691.06
05/13/15	South Coast Water District	March 2015 Water deliveries	463,369.70
05/13/15	City of Garden Grove	March 2015 Water deliveries	528,560.91
05/14/15	Laguna Beach County Water District	March 2015 Water deliveries	300,958.56
05/14/15	East Orange County Water District	March 2015 Water deliveries	391,698.69
05/14/15	City of Orange	March 2015 Water deliveries	504,994.34
05/15/15	Orange County Water District	March 2015 Water deliveries	835,403.24
05/15/15	Irvine Ranch Water District	March 2015 Water deliveries	1,375,313.50
05/15/15	Moulton Niguel Water District	March 2015 Water deliveries	2,067,999.01
05/15/15	Yorba Linda Water District	March 2015 Water deliveries	445,273.17
05/15/15	Golden State Water Company	March 2015 Water deliveries	338,034.61
05/15/15	Santiago Aqueduct Commission	March 2015 Water deliveries	125,820.00
05/15/15	City of Westminster	March 2015 Water deliveries	310,777.72
05/28/15	Serrano Water District	April 2015 Water deliveries	454,824.05
05/29/15	City of Fountain Valley	April 2015 Water deliveries	23,522.83
05/29/15	City of Buena Park	April 2015 Water deliveries	211,965.87
05/29/15	City of Huntington Beach	April 2015 Water deliveries	538,093.03
05/29/15	City of Brea	April 2015 Water deliveries	255,620.30
05/29/15	City of San Clemente	April 2015 Water deliveries	802,336.05

TOTAL REVENUES **\$ 14,920,555.55**


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

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
05/28/15	Paypal	2/5/15 Water policy dinner	87.09
05/28/15	Paypal	ISDOC registrations	38.24
05/22/15	Santa Margarita Water District	5/15/15 OC Water Summit sponsorship	1,600.00
05/08/15	Judy Pfister	Apr-Jun 2015 Retiree medical premium	104.13
05/22/15	Stan Sprague	June 2015 Retiree medical premium	212.59
05/08/15	Joan Finnegan	Jan-Mar 2015 Director's Insurance contribution	320.73
05/01/15	Christina Fuller	Movie tickets	32.00
05/15/15	Catherine Green	Movie tickets	80.00
05/08/15	City of Fountain Valley	Late payment penalty for February 2015 water deliveries	235.35
05/22/15	Jessica Ouwerkerk	Tuition payback	1,864.31
05/26/15	Eastern Municipal Water District	Reimbursement for 25% of cost for 2/25/15 DC Briefing luncheon	944.00
05/22/15	Serrano Water District	March 2015 Smart Timer rebate program	75.00
05/26/15	Mesa Water	March 2015 Smart Timer rebate program	219.00
05/29/15	City of Fullerton	March 2015 Smart Timer rebate program	219.00
05/01/15	City of San Clemente	February 2015 Turf Removal rebate program	2,158.00
05/04/15	City of San Juan Capistrano	February 2015 Turf Removal rebate program	2,491.26
05/11/15	City of La Habra	February 2015 Turf Removal rebate program	420.00
05/29/15	City of San Clemente	March 2015 Turf Removal rebate program	2,519.00
05/29/15	Laguna Beach County Water District	March 2015 Turf Removal rebate program	1,338.00
05/26/15	Golden State Water Company	March 2015 Smart Timer & Turf Removal rebate program	4,929.35
05/22/15	Trabuco Canyon Water District	March 2015 So Cal Watersmart Residential rebate program	400.00
05/26/15	Golden State Water Company	March 2015 So Cal Watersmart Residential rebate program	3,121.55
05/04/15	Irvine Ranch Water District	February 2015 Landscape Performance Certification program	750.00
05/26/15	Irvine Ranch Water District	March 2015 Landscape Performance Certification program	750.00
05/01/15	County of Orange	Jul-Sep 2013 South OC Water Smart Landscape project	4,808.10
05/12/15	Bureau of Reclamation	Oct 14-Mar 15 CII Performance Based Water Use Efficiency	15,697.58
05/12/15	Bureau of Reclamation	Oct 14-Mar 15 Hotel Water Smart program	70,104.40
05/12/15	Bureau of Reclamation	Oct 14-Mar 15 Industrial Process Water Use Phase II	7,920.00
05/12/15	Bureau of Reclamation	Oct 14-Mar 15 Spray to Drip Conversion Pilot project	7,612.63
05/12/15	Bureau of Reclamation	Oct 14-Mar 15 Water Efficient Site Certification & Smart Timer program	26,414.81

TOTAL MISCELLANEOUS REVENUES \$ **157,466.12**

TOTAL REVENUES \$ **15,078,021.67**

  
 Robert J. Hunter, General Manager

  
 Hilary Chumpitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
	<b><i>Aleshire &amp; Wynder LLP</i></b>	
32856	April 2015 Legal services	11,546.50
	*** Total ***	11,546.50
	<b><i>Alliance Resource Consulting</i></b>	
MWDOC-03-03	May 2015 Services to recruit for the Director of Public Affairs position	9,343.04
	*** Total ***	9,343.04
	<b><i>Alliant Insurance Services, Inc.</i></b>	
342833	July 2015-June 2016 Worker's compensation insurance	16,421.69
	*** Total ***	16,421.69
	<b><i>ALTA FoodCraft</i></b>	
515051002	5/8/15 Coffee & tea supplies	230.39
	*** Total ***	230.39
	<b><i>Awards &amp; Trophies Co., Inc.</i></b>	
12663	30 Trophies for Poster/Slogan Contest winners	213.84
	*** Total ***	213.84
	<b><i>Best Best and Krieger LLP</i></b>	
55401-APR15	April 2015 Legal services	19,577.35
	*** Total ***	19,577.35
	<b><i>Carl Markham Signs &amp; Graphics</i></b>	
14-140	Nameplates for Legal Counsel	41.12
	*** Total ***	41.12
	<b><i>CDM Smith</i></b>	
80522982/5	April 2015 Engineering services for Water Reliability Investigation	27,365.44
	*** Total ***	27,365.44
	<b><i>CDW Government</i></b>	
VL01118	1 Black drum unit for Ricoh color printer	150.12
VN67678	1 Color drum unit for Ricoh color printer	452.52
	*** Total ***	602.64
	<b><i>CSU Fullerton ASC</i></b>	
AR164236	4th Quarter F/Y 14/15 CDR Support	9,990.25
AR164257	CDR Services to create 2 maps with MWDOC's Director divisions	71.88
AR164258	CDR Services to create 5 maps with overlays of elected official's districts	148.75
	*** Total ***	10,210.88

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Dissinger Associates</i></b>	
AP-MWD-MAY15	May 2015 Pension plan distribution processing fee	50.00
	*** Total ***	50.00
	<b><i>Eastern Municipal Water District</i></b>	
23051	Flash drives for 2/25/15 Legislative briefing (25% of cost)	484.95
	*** Total ***	484.95
	<b><i>Fry's Electronics</i></b>	
20826868	5/14/15 Computer supplies	106.92
	*** Total ***	106.92
	<b><i>Ronald R. Gastelum</i></b>	
APR2015	April 2015 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	<b><i>GeoPentech, Inc.</i></b>	
2641	4/1/15-5/15/15 Services for the Orange County Seismic Vulnerability, Mitigation and Recovery Planning study	29,865.00
	*** Total ***	29,865.00
	<b><i>GovConnection, Inc.</i></b>	
52645045	Replacement battery for uninterruptible power supply	320.20
	*** Total ***	320.20
	<b><i>Independent Special Dist. of OC</i></b>	
ISDOC043015	4/30/15 Meeting registrations for Directors Barbre, Osborne & Thomas	51.00
043015-MAY15	May 2015 PayPal receipts for 4/30/15 meeting	38.24
	*** Total ***	89.24
	<b><i>James C. Barker, P.C.</i></b>	
105-0515	May 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b><i>Karen's Detail Custom Frames</i></b>	
2646	Framing for 30 Poster/Slogan Contest winners	704.70
	*** Total ***	704.70
	<b><i>Lewis Consulting Group, LLC</i></b>	
1415	May 2015 Consulting services	4,312.50
	*** Total ***	4,312.50
	<b><i>Los Angeles Times</i></b>	
10010337289-2015	6/16/15-6/13/16 Annual subscription	137.80
	*** Total ***	137.80

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b>Edward G. Means III</b>	
MWDOC-1029	May 2015 Support on MET issues & strategic guidance to Engineering department	1,250.00
	*** Total ***	1,250.00
	<b>Office Solutions</b>	
I-00776387	5/15/15 Office supplies	304.46
I-00781031	5/28/15 Office supplies	40.06
I-00781987	5/29/15 Office supplies	565.54
I-00782017	5/29/15 Office supplies	43.08
I-00782764	6/2/15 Office supplies	161.98
	*** Total ***	1,115.12
	<b>Orange County Transit Authority</b>	
R06847	Sponsorship for Every Drop Counts Water Conservation campaign	2,500.00
	*** Total ***	2,500.00
	<b>Orange County Water District</b>	
15010	April 2015 50% of WACO expenses	227.98
15037	April 2015 Postage, shared office & maintenance expense	10,062.54
	*** Total ***	10,290.52
	<b>Patricia Kennedy Inc.</b>	
20309	May 2015 Plant maintenance	214.00
20352	June 2015 Plant maintenance	214.00
	*** Total ***	428.00
	<b>Petty Cash</b>	
05/31/15	March-May 2015 Petty Cash reimbursement	172.67
	*** Total ***	172.67
	<b>Top Hat Productions</b>	
89980	2/6/15 Lunch for offsite management staff meeting	158.76
90429	5/28/15 Lunch for Managers' meeting	370.98
	*** Total ***	529.74
	<b>Townsend Public Affairs, Inc.</b>	
10834	May 2015 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	<b>Michelle Tuchman</b>	
052515	April-May 2015 Services for guidance to the Public Affairs department	12,690.00
	*** Total ***	12,690.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>U.S. Bank N.A.</i></b>	
FY 14/15	Annual OPEB contribution	115,686.66
FY 14/15	Additional OPEB contribution	28,000.00
	*** Total ***	143,686.66
	<b><i>U. S. HealthWorks Medical Group</i></b>	
2711801-CA	5/22/15 New hire pre-employment exam	160.00
	*** Total ***	160.00
	<b><i>Total Core Expenditures</i></b>	<b>327,446.91</b>

***Choice Expenditures:***

	<b><i>Discovery Science Center</i></b>	
043015MWDOC	April 2015 School program	24,294.22
	*** Total ***	24,294.22
	<b><i>Fraser Communications</i></b>	
15712	April 2015 Implementation of Value of Water plan	13,030.50
15730	May 2015 Implementation of Value of Water plan	20,000.00
	*** Total ***	33,030.50
	<b><i>Top Hat Productions</i></b>	
90356	5/7/15 Lunch for Water Use Efficiency Workgroup meeting	496.26
	*** Total ***	496.26
	<b><i>Ultimate Image Printing</i></b>	
101460	Bill inserts for Water Use Efficiency programs	1,694.52
	*** Total ***	1,694.52
	<b><i>Total Choice Expenditures</i></b>	<b>59,515.50</b>

***Other Funds Expenditures:***

	<b><i>AquaFicient Consulting</i></b>	
02-072	April 2015 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	1,500.00
	<b><i>ConserVision Consulting, LLC</i></b>	
LPCP-230	April 2015 Consulting services for Landscape Performance Certification program	6,930.00
	*** Total ***	6,930.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>The Ecology Center</i></b>	
ECOL-2	2/16/15-3/31/15 Rain Barrel Distribution program-182 Rain barrels distributed	13,650.00
	*** Total ***	13,650.00
	<b><i>El Toro Water District</i></b>	
ETWD 002	2/1/15-2/28/15 United Mutual-Laguna Woods Toilet replacement program for 107 HETs installed	9,303.52
	*** Total ***	9,303.52
	<b><i>Golden State Water Company</i></b>	
LWC-002	March 2015 Residential Ultra-HET Home Delivery program for 313 HETs installed	31,300.00
	*** Total ***	31,300.00
	<b><i>Hotel Program</i></b>	
Y618548	Laguna Cliffs Resort program rebate for 378 HETs installed	18,900.00
Y619387	Hyatt Regency Newport program rebate for 22 Smart Timers with 312 stations	7,800.00
	*** Total ***	26,700.00
	<b><i>Laguna Beach County Water District</i></b>	
LBCWD003	9/22/14-3/25/15 SmartScape Expo 2014 Incentive program	17,936.00
	*** Total ***	17,936.00
	<b><i>Mega Maids</i></b>	
7018	5/22/15 Cleaning services for WEROC S. EOC	113.00
	*** Total ***	113.00
	<b><i>Mission RCD</i></b>	
1766	April 2015 Field verifications for Water Use Efficiency rebate programs	33,862.28
	*** Total ***	33,862.28
	<b><i>Mouse Graphics</i></b>	
42442	WEROC Organizational chart	262.44
	*** Total ***	262.44
	<b><i>South Coast Water District</i></b>	
SCWD-14/15-1R	10/1/14-10/31/14 Residential Targeted Water Conservation program-MET Funded	1,700.00
SCWD-14/15-2R	11/1/14-11/30/14 Residential Targeted Water Conservation program-MET Funded	2,508.00
SCWD-14/15-7R	4/1/15-4/16/15 Residential Targeted Water Conservation program-MET Funded	10,955.00
SCWD-14/15-8R	4/17/15-4/30/15 Residential Targeted Water Conservation program-MET Funded	19,424.00
SCWD-14/15-2C	4/1/15-4/16/15 Commercial Targeted Water Conservation program-MET Funded	15,937.00
SCWD-14/15-3C	4/17/15-4/30/15 Commercial Targeted Water Conservation program-MET Funded	13,988.00
5	4/1/15-4/16/15 Residential Targeted Water Conservation program-Grant Funded	2,550.00
6	4/17/15-4/30/15 Residential Targeted Water Conservation program-Grant Funded	1,950.00
	*** Total ***	69,012.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b><i>Spray to Drip Program</i></b>		
S2DC-ETWD-1003	Aliso Park HOA	1,229.80
S2DC-IRWD-1002	Northwood Horizon HOA	855.00
S2D-IRWD-3042	W. Wang	350.00
S2D-MESA-1035	S. Huey	525.00
S2D-SCWD-1050	A. Fagan	175.00
S2D-SMWD-3501	C. Cerone	350.00
S2D-TSTN-3038	R. Berg	525.00
S2D-MMWD-1043	M. Fabarez	437.36
S2D-MMWD-1048	L. Brandon	159.46
S2D-YLWD-3011	M. Rodriguez	259.79
	*** Total ***	4,866.41
<b><i>Turf Removal Program</i></b>		
TR5W-BP-2577	Lakeside Master HOA (Buena Park)	3,252.00
TR5W-BP-2740	I. Mattair	2,338.00
TR5W-BP-3744	S. Bush	2,492.00
TR5W-BREA-3114	M. Martin	2,218.00
TR5W-BREA-3312	C. Wood	690.00
TR5W-ETWD-3173	T. Snow	1,152.00
TR5W-ETWD-3231	C. Bergamo	1,154.00
TR5W-ETWD-3446	J. Harris	1,602.00
TR5-FV-022	J. Anders	1,850.00
TR5-GG-026	R. Brown	1,382.62
TR5-GG-032	B. Andrew	1,714.00
TR5-GG-037	A. Nguyen	2,164.00
TR5W-GG-2612	J. Young	7,406.00
TR5W-GG-2624	SEBCO, Inc. (Garden Grove)	10,108.95
TR5W-GG-2728	Sunset Cove HOA (Garden Grove)	2,040.00
TR5W-GG-3580	A. Huhta	1,914.00
TR5-GSWC-085Diff	A. Simpson	400.00
TR5-GSWC-103	M. Rogerson	560.00
TR5-GSWC-108	J. Schwantes	212.00
TR5W-GSWC-1293Diff	H. McNichols	460.23
TR5W-GSWC-2599	K. Ellingsen	1,305.70
TR5W-GSWC-3079	P. Ruan	584.00
TR5W-GSWC-3081	D. Workman	452.00
TR5W-GSWC-3105	M. Cedeno-Aoki	1,202.00
TR5W-GSWC-3118	P. Harford	1,044.00
TR5W-GSWC-3238	E. Diaz	720.00
TR5W-GSWC-3323	S. Taylor	1,554.00
TR5W-GSWC-3498	V. Reyna	3,200.00
TR5-HB-091	Seaward Cove HOA (Huntington Beach)	2,678.00
TR5-HB-114	K. Ludden	974.00
TR5-HB-117	M. Krenzke	756.00
TR5-HB-121	K. Shidler	2,118.00
TR5W-HB-3076	A. Baker	1,594.00



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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-HB-3236	J. Hogarth	2,730.00
TR5W-HB-3504	S. Gonzalez	504.00
TR5W-HB-3533	J. Tamura	786.00
TR5W-HB-3550	M. Jones	3,226.00
TR5W-HB-3826	K. or W. Pulcini	1,182.00
TR5-IRWD-325	J. Semier	790.00
TR5-IRWD-328	D. Watson	1,330.00
TR5-IRWD-335	R. Nied	612.00
TR5W-IRWD-1188	C. Ujiye	1,852.00
TR5W-IRWD-1776	R. Stein	1,098.00
TR5W-IRWD-2134	E. Chiang	1,348.00
TR5W-IRWD-2462	T. Bennett	996.00
TR5W-IRWD-2659	S. Stewart	886.00
TR5W-IRWD-2663Diff	R. Mulnard	118.00
TR5W-IRWD-2972027	K. Sood	1,560.40
TR5W-IRWD-3136	R. Hammond	1,208.00
TR5W-IRWD-3172	J. Leitner	1,194.00
TR5W-IRWD-3211	G. Russell	1,254.00
TR5W-IRWD-3245	W. Sargenti	678.00
TR5W-IRWD-3417	J. Yost	1,504.00
TR5W-IRWD-3457	San Remo HOA (Lake Forest)	7,400.00
TR5W-IRWD-3459	San Remo HOA (Lake Forest)	6,800.00
TR5W-IRWD-3460	San Remo HOA (Lake Forest)	6,422.00
TR5W-IRWD-3484	San Remo HOA (Lake Forest)	16,894.00
TR5W-IRWD-3493	B. Smith	3,246.00
TR5W-IRWD-3509	J. Slots	348.00
TR5W-IRWD-3651	M. Hewitt	1,102.00
TR5W-IRWD-3844	M. Eisenrod	536.00
TR5-LB-020	S. Rosen	1,542.00
TR5W-LB-2441	J. Mestre	672.00
TR5W-LH-2982042	La Plaza HOA (La Habra)	3,636.00
TR5-MESA-061	R. Uliana	3,532.00
TR5-MESA-064	L. Ellis	2,754.00
TR5-MESA-070	F. Feller	636.00
TR5W-MESA-2241	J. Crumly	1,830.00
TR5W-MESA-2505	Mesa Verde Villas HOA (Costa Mesa)	512.00
TR5W-MESA-2506	Mesa Verde Villas HOA (Costa Mesa)	798.00
TR5W-MESA-2507	Mesa Verde Villas HOA (Costa Mesa)	798.00
TR5W-MESA-2508	Mesa Verde Villas HOA (Costa Mesa)	660.00
TR5W-MESA-3174	Mesa Verde Villas HOA (Costa Mesa)	506.00
TR5W-MESA-3175	Mesa Verde Villas HOA (Costa Mesa)	440.00
TR5W-MESA-3176	Mesa Verde Villas HOA (Costa Mesa)	822.00
TR5W-MESA-3177	Mesa Verde Villas HOA (Costa Mesa)	776.00
TR5W-MESA-3178	Mesa Verde Villas HOA (Costa Mesa)	740.00
TR5W-MESA-3180	Mesa Verde Villas HOA (Costa Mesa)	880.00
TR5W-MESA-3181	Mesa Verde Villas HOA (Costa Mesa)	792.00
TR5W-MESA-3182	Mesa Verde Villas HOA (Costa Mesa)	576.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-MESA-3183	Mesa Verde Villas HOA (Costa Mesa)	508.00
TR5W-MESA-3184	Mesa Verde Villas HOA (Costa Mesa)	518.00
TR5W-MESA-3185	Mesa Verde Villas HOA (Costa Mesa)	658.00
TR5W-MESA-3205	M. Meissenburg	1,016.00
TR5-MNT-121	P. Vogelgesang	4,740.66
TR5-MNT-200	J. Rawlins	2,642.50
TR5-MNT-202	T. & D. Bennett	2,639.00
TR5-MNT-211	J. Plescia	3,139.50
TR5-MNT-212	D. Di Angelo	3,570.00
TR5-MNT-216	C. Subar	4,064.00
TR5W-MNT-1312	K. Cornella	525.00
TR5W-MNT-1896	Village Niguel Gardens HOA (Laguna Niguel)	11,398.00
TR5W-MNT-1898	Village Niguel Gardens HOA (Laguna Niguel)	8,400.00
TR5W-MNT-2389	C. Patience	3,295.00
TR5W-MNT-2557	R. Okane	1,677.50
TR5W-MNT-2631	R. Watts	3,170.50
TR5W-MNT-2681	B. May	3,548.69
TR5W-MNT-2701	M. Ballard	2,297.50
TR5W-MNT-3110	D. Wyson	1,585.00
TR5W-MNT-3120	Y. Song	6,395.00
TR5W-MNT-3140Diff	D. Nguyen	352.02
TR5W-MNT-3229	Y. Song	4,910.00
TR5W-MNT-3306	S. Dickson	896.00
TR5W-MNT-3309	S. Jackson	642.10
TR5W-MNT-3342	M. Mancinelli	2,660.00
TR5W-MNT-3375	B. Brunner	1,250.00
TR5W-MNT-3429	B. Ngo	1,669.50
TR5W-MNT-3441	S. Farivar	835.00
TR5W-MNT-3458	C. & L. Herron	4,725.00
TR5W-MNT-3608	J. Robertson	1,510.00
TR5-NWPT-009	S. Livingston	1,766.00
TR5W-NWPT-2082	Belcourt Master Association (Newport Beach)	116,470.00
TR5W-NWPT-3587	E. Curtis	840.00
TR5W-NWPT-3590	M. Sullivan	2,148.00
TR5-O-058	T. Burnett	765.29
TR5-O-068	Kensington Village HOA (Orange)	2,346.00
TR5-O-069	R. McCartney	1,234.00
TR5-O-071	M. Wedge	3,894.00
TR5-O-077	W. Reinking	938.00
TR5W-O-2373	W. Sellin	1,436.60
TR5W-O-2401	M. McAlary	1,700.00
TR5W-O-2420	L. Gold	2,444.00
TR5W-O-3047	R. Pimentel	8,226.00
TR5W-O-3061	K. Smith	4,106.00
TR5W-O-3156	M. Farzad	5,824.00
TR5W-O-3289	T. Nguyen	696.00
TR5W-SB-3326	R. Strome	1,460.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-SB-3670	R. Rados	600.00
TR5W-SB-4417	J. Mills	420.00
TR5-SC-076	L. Miller	3,628.00
TR5-SC-104	Marquita HOA (San Clemente)	2,274.00
TR5W-SC-3308	M. Spinelli	462.00
TR5W-SC-3644	K. Kramer	984.00
TR5W-SC-3669	P. Belhumeur	2,040.00
TR5-SJC-055	S. Spille	930.00
TR5-SJC-059	D. Dennis	626.00
TR5W-SJC-2592	H. Snowden	4,558.00
TR5W-SJC-3317	N. Johnson	620.00
TR5W-SJC-3588	W. Drazil	580.00
TR5-SM-105	Ladera Ranch Maintenance Association (Ladera Ranch)	156,669.28
TR5-SM-172	W. Goltman	6,500.00
TR5-SM-193	V. Diab	710.00
TR5W-SM-1908	G. Martin	866.00
TR5W-SM-3343	M. Finlayson	468.00
TR5W-SM-3344	S. Harwood	612.00
TR5W-SM-3491	B. Buck	4,488.00
TR5W-SM-3530	W. Gorski	882.00
TR5W-SM-3571	D. Basson	1,012.00
TR5W-SM-3700	M. Crisel	1,356.00
TR5W-SM-3711	P. Levin	2,316.00
TR5W-SM-3909	K. Taylor	1,140.00
TR5-SOCO-075	M. Spalding	1,090.00
TR5-SOCO-081	M. Sedillo	1,820.00
TR5-SOCO-087	E. Ackermann	1,230.00
TR5W-SOCO-2597	J. Bradshaw	862.00
TR5W-SOCO-3190	B. Wegner	500.00
TR5W-SOCO-3411	W. Jay	3,024.00
TR5W-SOCO-4026	S. Andler	460.00
TR5-SWD-009	J. Anderson	3,405.20
TR5W-TC-2405	J. Orsini	731.25
TR5-TUST-017	D. Cox	2,654.00
TR5W-TUST-1377	G. Pinson	1,242.00
TR5W-TUST-2483	S. Conlisk	3,900.00
TR5W-TUST-2520	J. Scheller	5,672.00
TR5W-TUST-3167	C. Suh	3,920.00
TR5W-TUST-3189	M. or S. Nathan	3,698.00
TR5W-TUST-3328	J. Arrington	5,328.00
TR5W-TUST-4148	J. Nguyen	954.00
TR5W-WEST-2294	J. Opalski	3,954.00
TR5W-WEST-3255	B. Perry	2,360.00
TR5W-WEST-3261	B. Hoang	600.00
TR5W-YLWD-1514	E. Grear	2,114.00
TR5W-YLWD-3056	T. McCormick	2,798.00
TR5W-YLWD-3160	D. Moore	1,948.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-YLWD-3332	D. Binder	1,474.00
TR5W-YLWD-3347	T. Elenbaas	1,248.00
TR5W-YLWD-3350	J. Klenha	2,444.00
TR5-YLWD-053	J. Carver	3,602.00
	*** Total ***	653,102.99
	<b>Total Other Funds Expenditures</b>	<hr/> 868,538.64
	<b>Total Expenditures</b>	<hr/> <hr/> 1,255,501.05

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

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>Core Expenditures:</b>				
<b>128552</b>	<b>5/7/15</b>	<b>TIMEWA</b>	<b>Time Warner Cable</b>	
		5210-MAY15	May 2015 Telephone and internet expense	952.79
			***Total ***	952.79
<b>128557</b>	<b>5/7/15</b>	<b>VERIZO</b>	<b>Verizon Wireless</b>	
		9744517211	April 2015 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
<b>EFT-150511</b>	<b>5/11/15</b>	<b>CALPER</b>	<b>CALPERS</b>	
		1-14528106	Services to provide actuarial for CalPERS pension plan	850.00
			***Total ***	850.00
<b>128561</b>	<b>5/15/15</b>	<b>C3OFFI</b>	<b>C3 Office Solutions LLC</b>	
		INV37912	May 2015 Canon copier maintenance	238.39
			***Total ***	238.39
<b>128565</b>	<b>5/15/15</b>	<b>DELAG</b>	<b>De Lage Landen Public Finance</b>	
		45196072	May 2015 Canon copier lease	509.00
			***Total ***	509.00
<b>128566</b>	<b>5/15/15</b>	<b>DINHPA</b>	<b>Patrick Dinh</b>	
		043015	April 2015 Business expense	51.75
			***Total ***	51.75
<b>128571</b>	<b>5/15/15</b>	<b>HOMED1</b>	<b>Home Depot Credit Services</b>	
		042715	Picture hanging kit	8.62
			***Total ***	8.62
<b>128573</b>	<b>5/15/15</b>	<b>IRONMO</b>	<b>Iron Mountain</b>	
		LKL8945	May 2015 Storage/retrieval of archived documents	446.18
			***Total ***	446.18
<b>128577</b>	<b>5/15/15</b>	<b>LYONKE</b>	<b>Keith Lyon</b>	
		043015	March-April 2015 Business expense	33.82
			***Total ***	33.82
<b>128583</b>	<b>5/15/15</b>	<b>FRANCI</b>	<b>Pari Francisco</b>	
		043015	April 2015 Business expense	26.45
			***Total ***	26.45
<b>128585</b>	<b>5/15/15</b>	<b>TIMEWA</b>	<b>Time Warner Cable</b>	
		3564-MAY15	May 2015 Telephone expense for 4 analog fax lines	139.99
			***Total ***	139.99

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

<b>128587</b>	<b>5/15/15</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783/6533-APR15	3/23/15-4/22/15 Cal Card charges	7,234.39
			***Total ***	7,234.39
			(See attached sheet for details)	
	<b>5/15/15</b>	<b>BARBCO/BARBRE</b>	<b>Brett Barbre</b>	
<b>ACH001451</b>		APR2015	April 2015 MET Director's compensation	2,565.50
<b>ACH001452</b>		043015	April 2015 Business expense	116.33
			***Total ***	2,681.83
	<b>5/15/15</b>	<b>BAUMHA</b>	<b>Melissa Baum-Haley</b>	
<b>ACH001453</b>		043015	March-April 2015 Business expense	633.74
			***Total ***	633.74
	<b>5/15/15</b>	<b>DICKCO</b>	<b>Larry Dick</b>	
<b>ACH001458</b>		APR2015	April 2015 MET Director's Compensation	2,565.50
<b>ACH001459</b>		043015	April 2015 Business expense	181.17
			***Total ***	2,746.67
	<b>5/15/15</b>	<b>FAHLBE</b>	<b>Beth Fahl</b>	
<b>ACH001462</b>		043015	April 2015 Business expense	26.45
			***Total ***	26.45
	<b>5/15/15</b>	<b>CHUMPI</b>	<b>Hilary Chumpitazi</b>	
<b>ACH001466</b>		043015	April 2015 Business expense	135.28
			***Total ***	135.28
	<b>5/15/15</b>	<b>HINMAN</b>	<b>Susan Hinman</b>	
<b>ACH001467</b>		043015	April 2015 Business expense	387.47
			***Total ***	387.47
	<b>5/15/15</b>	<b>THOMAS</b>	<b>Jeffery Thomas</b>	
<b>ACH001481</b>		043015	April 2015 Business expense	182.85
			***Total ***	182.85
<b>128588</b>	<b>5/19/15</b>	<b>OUWERK</b>	<b>Jessica H. Ouwerkerk</b>	
		050715	March-May 2015 Business expense	358.67
			***Total ***	358.67
	<b>5/29/15</b>	<b>MCKECO</b>	<b>Larry B. McKenney</b>	
<b>ACH001487</b>		APR2015	April 2015 MET Director's compensation	2,565.50
			***Total ***	2,565.50
	<b>5/29/15</b>	<b>GUTIER</b>	<b>Marey Gutierrez</b>	
<b>ACH001488</b>		043015	April 2015 Business expense	54.39
			***Total ***	54.39
			<b>Total Core Disbursements</b>	<b>20,302.24</b>

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

**Choice Expenditures:**

**Total Choice Disbursements**

0.00

**Other Funds Expenditures:**

<b>128560</b>	<b>5/15/15</b>	<b>ATTUVEOC</b>	<b>AT&amp;T</b>	
		8599-MAY15	May 2015 U-verse internet service for WEROC N. EOC	45.00
			***Total ***	45.00
<b>128578</b>	<b>5/15/15</b>	<b>MESAWA</b>	<b>Mesa Water</b>	
		8492	March 2015 Water deliveries Local Resources Program credit	10,860.01
			***Total ***	10,860.01
<b>128587</b>	<b>5/15/15</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783-APR15	3/23/15-4/22/15 Cal Card charges	1,176.00
			***Total ***	1,176.00
			(See attached sheet for details)	
<b>ACH001455</b>	<b>5/15/15</b>	<b>STOCKB</b>	<b>Brandon Stock</b>	
		043015	April 2015 Business expense	506.47
<b>ACH001456</b>		043015A	April 2015 Business expense	104.79
			***Total ***	611.26
<b>128589</b>	<b>5/20/15</b>	<b>MESAWA</b>	<b>Mesa Water</b>	
		8380	November 2014 Water deliveries balance of Local Resources Program credit	26,236.20
			***Total ***	26,236.20
<b>128763</b>	<b>5/29/15</b>	<b>ATTEOC</b>	<b>AT&amp;T</b>	
		4492-MAY15	May 2015 WEROC S. EOC telephone expense	227.88
		8200-MAY15	May 2015 WEROC N. EOC telephone expense	166.18
			***Total ***	394.06
<b>128764</b>	<b>5/29/15</b>	<b>CATALI</b>	<b>Catalina Island Conservancy</b>	
		11408	May 2015 WEROC radio repeater site lease	1,558.54
			***Total ***	1,558.54
<b>ACH001489</b>	<b>5/29/15</b>	<b>SANTAM</b>	<b>Santa Margarita Water District</b>	
		MAR2015	March 2015 SCP Operation Surcharge	19,216.09
			***Total ***	19,216.09
<b>ACH001490</b>	<b>5/29/15</b>	<b>SPRINT</b>	<b>Sprint</b>	
		320982721-129	April 2015 WEROC cell phone expense	42.23
			***Total ***	42.23

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

**WIRE-150529    5/29/15    METWAT**  
8316

**Metropolitan Water District**  
March 2015 Water deliveries  
\*\*\*Total\*\*\*

11,245,518.92  
11,245,518.92

**Total Other Funds Disbursements**

11,305,658.31

**Total Disbursements**

11,325,960.55

  
\_\_\_\_\_  
Robert J. Hunter, General Manager  
\_\_\_\_\_  
Hilary Chumbitazi, Treasurer



**Cal Card Statement Detail**  
**Statement Date: April 22, 2015**  
**Payment Date: May 15, 2015**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
03/23/15	ACWA Spring conference in Sacramento, CA from May 5-8, 2015 - Registration for H. Baez	\$ 695.00
03/23/15	Lunch for WEROC staff training	181.80
03/24/15	The Bond Buyer's Annual conference workshop in San Francisco, CA from Oct. 21-23, 2015 - Registration for Director Barbre	95.00
03/24/15	UPS delivery charges for Board & Committee packets on Mar. 12, 2015 & delivery from California T's Screen-printing on Mar. 17, 2015	69.24
03/26/15	FedEx delivery charges for Board of Supervisors on Mar. 24, 2015	14.94
03/26/15	Lunch for Legislative Aides' meeting	234.80
03/26/15	Refrigerator repair	105.00
03/28/15	FedEx delivery charges for Board of Supervisors on Mar. 25, 2015	14.94
03/30/15	American Geophysical Union conference on California Drought in Irvine, CA from Apr. 20-22, 2015 - Registration for S. Tamaribuchi	525.00
03/31/15	Southern California Water Committee Quarterly meeting in Rancho Santa Margarita, CA on Apr. 24, 2015 - Registration for S. Tamaribuchi	70.00
03/31/15	Lunch for WEROC staff training	185.80
03/31/15	UPS delivery charges for Board & Committee packets on Mar. 27, 2015	5.96
03/31/15	Office supplies from Costco	384.19
03/31/15	1 Canon Pixma wireless mobile printer and ink cartridge	252.49
04/01/15	1 HP 24" Monitor	119.99
04/04/15	FedEx delivery charges for Board of Supervisors on Apr. 2, 2015	14.94
04/03/15	Lunch for Local Resources Program meeting	175.66
04/07/15	UPS delivery charges for Board & Committee packets on Mar. 26, 2015 & Apr. 2, 2015	118.02
04/07/15	Lunch for WEROC staff training	192.40
04/07/15	California Urban Water Conservation Council meeting in Sacramento, CA on May 7, 2015 - Airfare for J. Berg	500.00
04/07/15	California Urban Water Conservation Stakeholder's meeting in Sacramento, CA on Apr. 15, 2015 - Airfare for M. Baum-Haley	442.00
04/06/15	1 Toner cartridge returned	(37.80)
04/10/15	Annual maintenance for Water Use Efficiency statistical evaluation software	616.00
04/09/15	Monthly license fee for Adobe Creative Cloud software	119.97
04/13/15	OneStop! employment advertising for Water Use Efficiency Student Intern position	165.00
04/14/15	UPS delivery charges for Board & Committee packets on Apr. 6, 2015	55.89
04/15/15	Refrigerator repair	718.02
04/17/15	Legislative activities in Washington, DC from Apr. 15-17, 2015 - Accommodations for Director Barbre	639.64 <span style="border: 1px solid black; padding: 0 2px;">1</span>
04/17/15	3 Toner cartridges for Ricoh color printer	227.94
04/18/15	Legislative activities in Sacramento, CA from Apr. 20-21, 2015 - Accommodations for Director Barbre	217.86 <span style="border: 1px solid black; padding: 0 2px;">2</span>
04/17/15	Cinemark movie tickets for employee purchase	650.00

**Cal Card Statement Detail**  
**Statement Date: April 22, 2015**  
**Payment Date: May 15, 2015**

Date	Description	Amount
04/21/15	UPS delivery charges for Board & Committee packets on Apr. 9, 2015	79.03
	<b>Total</b>	<b><u>\$ 7,848.72</u></b>

- 1 Director Barbre reimbursed MWDOC \$172.10
- 2 Hotel reservation cancelled same day, too late to avoid charge

**R. Hunter Card**

03/23/15-04/22/15	Meals for R. Hunter's meetings on various dates	\$ 561.67
	<b>Total</b>	<b><u>\$ 561.67</u></b>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Expenditures:</b>				
128550	5/7/15	OCLCV 051515 DINNER	<b>Orange County League of Conservation Voters</b> 5/15/15 Awards dinner registration for Director Tamaribuchi ***Total ***	75.00 75.00
128551	5/7/15	AYALAS 042515	<b>Sam Ayala</b> April 2015 Atrium landscape maintenance ***Total ***	95.00 95.00
128570	5/15/15	GOVERJ INV14179	<b>GovernmentJobs.com, Inc.</b> Job posting for Public Affairs Manager position ***Total ***	175.00 175.00
128767	5/29/15	COOKHU 040115	<b>Hunter T. Cook</b> February 2015-April 2015 Coastal retiree health benefit ***Total ***	1,364.76 1,364.76
<b>Total Core Disbursements</b>				<u>1,709.76</u>
<b>Choice Expenditures:</b>				
128765	5/29/15	CHAMBE 29743	<b>Chambers Group Inc.</b> April 2015 Baseline environmental monitoring for Doheny Ocean Desal project ***Total ***	10,707.00 10,707.00
<b>Total Choice Disbursements</b>				<u>10,707.00</u>
<b>Other Funds Expenditures:</b>				
<b>Total Other Funds Disbursements</b>				<u>0.00</u>
<b>Total Disbursements</b>				<u><u>12,416.76</u></u>



Robert J. Hunter, General Manager



Hilary Chumipitazi, 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

April 30, 2015

*Street Address:*

18700 Ward Street  
Fountain Valley, California 92708

*Mailing Address:*

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

(714) 963-3058

Fax: (714) 964-9389

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

Larry D. Dick

*President*

Wayne S. Osborne

*Vice President*

Brett R. Barbre

*Director*

Sat Tamaribuchi

*Director*

Joan C. Finnegan

*Director*

Susan Hinman

*Director*

Jeffery M. Thomas

*Director*

Robert J. Hunter

*General Manager*

## MEMBER AGENCIES

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,243,422	34.03%
Grant & Project Cash Flow	1,000,000	15.17%
Building Repair	239,491	3.63%
Total Designated Reserves	3,482,913	52.83%
General Fund	3,585,411	54.39%
Water Fund	4,595,275	69.71%
Conservation Fund	(5,403,694)	-81.97%
Desalination Feasibility Study Fund	222,385	3.37%
WEROC Fund	109,758	1.66%
Trustee Activities	562	0.01%
<b>Total</b>	<b>\$6,592,610</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	8.23%	\$129,999	\$129,999
Short-term investment			
• LAIF	0.14%	\$105,044	\$105,044
• OCIP	46.92%	3,256,529	3,256,529
Long-term investment			
• Misc. Securities	21.64%	1,501,038	1,519,107
• Certificates of Deposit	15.86%	1,100,000	1,106,410
• Federal Agency Issues	7.21%	500,000	500,060
<b>Total</b>	<b>100.00%</b>	<b>\$6,592,610</b>	<b>\$6,617,149</b>

The average number of days to maturity/call as of April 30, 2015 equaled 227 and the average yield to maturity is 1.264%. During the month, the District's average daily balance was \$12,251,173.32. 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 April 2015.

The \$24,539 difference between the book value and the market value on April 30, 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 April 30, 2015

4/30/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,106,410.00	1,100,000.00	17.02	1050	1.459
Federal Agency Issues - Step Up	500,000.00	500,060.00	500,000.00	7.74	92	1.737
Local Agency Investment Funds	105,043.78	105,043.78	105,043.78	1.63	1	0.283
Miscellaneous Securities - Coupon	1,500,000.00	1,519,107.50	1,501,038.50	23.21	177	3.122
Orange County Investment Pool	3,256,528.74	3,256,528.74	3,256,528.74	50.40	1	0.301
<b>Total Investments</b>	<b>6,461,572.52</b>	<b>6,487,150.02</b>	<b>6,462,611.02</b>	<b>100.00%</b>	<b>227</b>	<b>1.264</b>
<b>Cash</b>						
Passbook Checking	129,998.94	129,998.94	129,998.94		1	0.00
<b>Total Cash and Investments</b>	<b>6,591,571.46</b>	<b>6,617,148.96</b>	<b>6,592,609.96</b>		<b>227</b>	<b>1.264</b>

**Total Earnings** Month Ending April Fiscal Year to Date

**Current Year** 7,264.68 99,827.84

**Average Daily Balance** 12,251,173.32

**Effective Rate of Return** 1.264%

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



Robert J. Hunter, General Manager

Date

6-3-15



Hilary Chumitazi, Treasurer

Date

6/3/2015

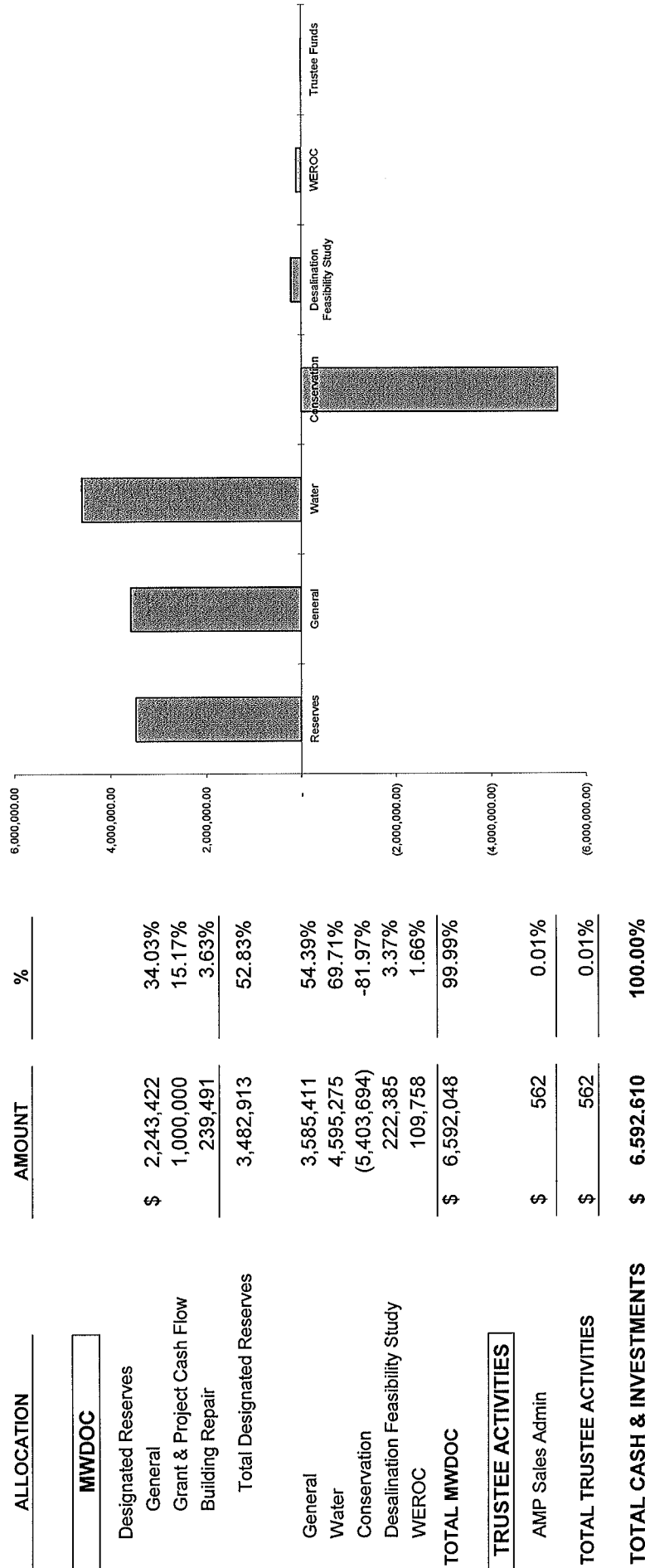
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**April 30, 2015**

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Certificate of Deposit - Bank</b>									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,507.50	250,000.00	1.150	1.150	816	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	251,705.00	250,000.00	1.600	1.600	1180	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	250,500.00	250,000.00	1.200	1.200	817	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,480.00	100,000.00	1.050	1.050	634	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	253,217.50	250,000.00	2.050	2.050	1552	7/30/2019
<b>Sub Total</b>			<b>1,100,000.00</b>	<b>1,106,410.00</b>	<b>1,100,000.00</b>	<b>1.459</b>	<b>1.459</b>	<b>1050</b>	
<b>Miscellaneous Securities - Coupon</b>									
Bank of America	06051GED7	10/14/2010	250,000.00	252,490.00	250,548.02	3.700	3.000	124	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	251,072.50	250,246.42	3.400	2.700	55	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	508,755.00	500,380.91	3.125	3.007	256	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	506,790.00	499,863.15	3.450	3.508	186	11/2/2015
<b>Sub Total</b>			<b>1,500,000.00</b>	<b>1,519,107.50</b>	<b>1,501,038.50</b>	<b>3.375</b>	<b>3.122</b>	<b>177</b>	
<b>Federal Agency Issues - Step Up</b>									
Federal Home Ln Mtg Corp	3134G5XZ3	1/30/2015	500,000.00	500,060.00	500,000.00	0.500	1.737	92	1/30/2018
<b>Sub Total</b>			<b>500,000.00</b>	<b>500,060.00</b>	<b>500,000.00</b>	<b>0.50</b>	<b>1.737</b>	<b>92</b>	
<b>Total Investments</b>			<b>3,100,000.00</b>	<b>3,125,577.50</b>	<b>3,101,038.50</b>	<b>2.231</b>	<b>2.308</b>	<b>473</b>	
<b>Total Earnings</b>									
Current Year			5,316.07		63,109.94				

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**April 30, 2015**

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Local Agency Investment Funds</b>									
LAIF LGIP	LAIF	6/30/2010	105,043.78	105,043.78	105,043.78	0.283	0.283	1	N/A
<b>Sub Total</b>			<b>105,043.78</b>	<b>105,043.78</b>	<b>105,043.78</b>	<b>0.283</b>	<b>0.283</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	3,256,528.74	3,256,528.74	3,256,528.74	0.301	0.301	1	N/A
<b>Sub Total</b>			<b>3,256,528.74</b>	<b>3,256,528.74</b>	<b>3,256,528.74</b>	<b>0.301</b>	<b>0.301</b>	<b>1</b>	
<b>Total Investments</b>			<b>3,361,572.52</b>	<b>3,361,572.52</b>	<b>3,361,572.52</b>	<b>0.300</b>	<b>0.300</b>		
<b>Passbook Checking</b>									
Bank of America Cash	CASH0547	7/1/2011	129,498.94	129,498.94	129,498.94	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
<b>Total Cash</b>			<b>129,998.94</b>	<b>129,998.94</b>	<b>129,998.94</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>3,491,571.46</b>	<b>3,491,571.46</b>	<b>3,491,571.46</b>	<b>0.300</b>	<b>0.300</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year			1,948.61		36,717.90				

**Municipal Water District of Orange County**  
**Cash and Investments at April 30, 2015**





**MUNICIPAL WATER DIST OF ORANGE COUNTY**  
**PARS OPEB Trust Program****Monthly Account Report for the Period**  
**4/1/2015 to 4/30/2015**Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 4/1/2015	Contributions	Earnings	Expenses*	Distributions	Transfers	Ending Balance as of 4/30/2015
Employer Contribution	\$1,147,068.37	\$0.00	\$5,180.97	\$557.42	\$0.00	\$0.00	\$1,151,691.92
<b>Totals</b>	<b>\$1,147,068.37</b>	<b>\$0.00</b>	<b>\$5,180.97</b>	<b>\$557.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,151,691.92</b>

**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	
0.45%	2.89%	6.54%	8.43%	-	-	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 5/31/15**

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
<b>Cash - Beginning Balance</b>	\$ 219,315.71	\$ 149,503.52	\$ 117,166.51	\$ (72,752.89)	\$ (515,992.26)	\$ (1,608,905.27)	\$ (1,749,480.08)	\$ (2,229,756.57)	\$ (4,865,760.81)	\$ (5,320,257.77)	\$ (5,403,693.95)	\$ (3,713,460.62)	
<b>REVENUES:</b>													
BUREC					160,398.14					23,882.08	127,749.42		\$ 312,029.64
City of Brea	3,448.00	328.00	69.00	2,812.00	1,164.00	663.00		10,742.69	8,892.00				\$ 28,118.69
City of Buena Park						810.00		105.00	1,188.52	315.00			\$ 2,418.52
City of Fountain Valley				75.00			399.00						\$ 474.00
City of Fullerton	75.00	75.00	346.30	955.93	468.30	150.00		303.10	75.00	1,575.00	219.00		\$ 2,667.63
City of Garden Grove	255.00	255.00	810.00	292.68	1,755.00	2,715.26	630.00	2,205.00	1,338.46				\$ 11,576.40
City of Huntington Beach				433.85	75.00	279.09		144.00					\$ 931.94
City of La Habra		105.00		105.00		840.00	744.00	528.18			420.00		\$ 2,742.18
City of San Clemente	600.00	1,965.00	2,145.00	1,449.98	3,575.29	4,695.00	1,845.00	3,150.00	2,385.00		4,677.00		\$ 26,487.27
City of San Juan Capistrano	105.00	735.00		1,470.00		4,140.00	1,785.00	2,636.35		1,474.40	2,491.26		\$ 14,837.01
City of Santa Ana		157.68			369.00				75.00				\$ 526.68
City of Tustin				225.00			300.00						\$ 600.00
City of Newport Beach					300.00	189.00		144.00					\$ 633.00
City of Orange	630.00	1,050.00	1,020.00	1,655.49	3,228.00	2,615.48	2,254.34	2,843.66	2,720.40		4,808.10		\$ 18,017.37
County of Orange													\$ 4,808.10
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		14,477.39	4,230.00	5,993.77	8,050.90		\$ 55,479.77
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19	47,252.20	47,503.28	87,209.17	6,462.00	1,500.00	22,328.95	62,075.17	1,500.00		\$ 411,461.48
Laguna Beach County Water District	328.00	1,130.00		885.00	225.00	3,237.00	210.00	642.00	3,097.98	838.00	1,338.00		\$ 11,705.98
Mesa Water District		225.00	75.00	225.00		84.98	75.00		55.08		219.00		\$ 1,259.06
Metropolitan Water District				11,158.91		241,505.68		54,391.59	1,177,019.97	626,336.64	2,727,328.15		\$ 4,981,115.50
Moulton Niguel Water District		142,191.56		144.00		19,737.78	88,537.25	49,215.05	55,000.00	32,295.27			\$ 214,430.12
MWD/OC													\$ 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	75.00		\$ 58,467.04
Serrano Water District													\$ 75.00
South Coast Water District	75.00	225.00		150.00	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	400.00		\$ 3,217.50
Yorba Linda Water District			213.00	351.00	645.00		516.10	894.00		114.43			\$ 2,733.53
<b>Miscellaneous Revenues</b>													
Miscellaneous	5,950.50			1,861.01									7,811.51
Interest Revenue	171.77			81.72									253.49
<b>Total Revenues</b>	\$ 83,233.51	\$ 188,359.81	\$ 52,917.47	\$ 81,070.78	\$ 234,624.86	\$ 414,965.85	\$ 107,721.71	\$ 150,383.34	\$ 1,314,830.05	\$ 758,877.41	\$ 2,879,275.83	\$ -	\$ 6,265,800.62
<b>EXPENDITURES:</b>													
Aquaticent	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	1,500.00		16,500.00
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	7,760.25	7,760.25	6,654.00		77,508.75
City of Newport Beach	2,988.00												2,988.00
El Toro WID										11,493.00			11,493.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92	27,674.40			12,050.00	27,870.00		1,550.00	8,350.00		82,646.32
Innovative Media					839.99								839.99
Industrial Program						94,197.34							94,197.34
Irvine Ranch Water District	16,250.00												16,250.00
Laguna Beach CWD													24,450.00
Metropolitan Water District	7,988.20				56,442.29		61,593.48				24,450.00		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	30,983.55	19,203.82	26,098.08	22,540.27	21,674.09	27,748.81		249,761.13
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		64,131.83		67,731.83
Spray to Drop 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	7,219.77		102,582.62
Survey Gleno				675.00									675.00
The Ecology											1,425.00		1,425.00
Turf Removal	108,189.95	183,408.30	197,345.22	442,202.65	1,218,032.82	416,787.48	477,044.53	2,066,891.06	2,324,248.13	696,006.37	1,046,947.09		9,177,103.50
US Bank											616.00		616.00
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
<b>Miscellaneous Expenses</b>													
Interest Expense													3,145.09
Salary & Benefit			14,983.31			589.88	696.44	1,712.72	1,761.99	2,448.65			28,484.75
<b>Total Expenditures</b>	\$ 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	\$ 842,313.59	\$ 1,189,042.50	\$ -	\$ 10,198,576.95
<b>Cash - Ending Balance</b>	\$ 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)	\$ (5,403,693.95)	\$ (3,713,460.62)	\$ (3,713,460.62)	

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**COMBINED FINANCIAL STATEMENTS**  
**AND**  
**BUDGET COMPARATIVE**  
**JULY 1, 2014 THRU APRIL 30, 2015**

**Municipal Water District of Orange County  
Combined Balance Sheet  
As of April 30, 2015**

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	129,998.94
Investments	6,462,611.02
Accounts Receivable	30,010,621.69
Accounts Receivable - Other	1,165,377.32
Accrued Interest Receivable	24,829.94
Prepays/Deposits	524,942.60
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,507,538.36)
Net OPEB Asset	37,041.00
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$39,398,394.05</b>
	<hr/>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	25,328,094.96
Accounts Payable - Other	836.26
Accrued Salaries and Benefits Payable	254,913.05
Other Liabilities	2,783,465.20
Unearned Revenue	1,095,020.32
Total Liabilities	<hr/> 29,462,329.79
<b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	956,428.21
Total Restricted Fund Balances	<hr/> 956,428.21
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
GENERAL FUND	1,441,435.43
WEROC	55,774.88
Total Unrestricted Fund Balances	<hr/> 5,017,163.97
Excess Revenue over Expenditures	
Operating Fund	2,695,800.71
Other Funds	1,266,671.37
Total Fund Balance	<hr/> 9,936,064.26
	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$39,398,394.05</b>
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>REVENUES</u></b>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	<u>7,009.40</u>	<u>94,697.93</u>	<u>103,564.00</u>	<u>91.44%</u>	<u>0.00</u>	<u>8,866.07</u>
Water rate revenues	7,009.40	6,535,229.93	6,544,096.00	99.86%	0.00	8,866.07
Interest Revenue	<u>8,385.99</u>	<u>101,928.21</u>	<u>138,000.00</u>	<u>73.86%</u>	<u>0.00</u>	<u>36,071.79</u>
Subtotal	<u>15,395.39</u>	<u>6,637,158.14</u>	<u>6,682,096.00</u>	<u>99.33%</u>	<u>0.00</u>	<u>44,937.86</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	73,624.84	94,378.08	3,000.00	3145.94%	0.00	(91,378.08)
School Contracts	850.88	72,275.64	70,000.00	103.25%	0.00	(2,275.64)
Delinquent Payment Penalty	235.35	401.96	0.00	0.00%	0.00	(401.96)
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>74,711.07</u>	<u>1,552,098.02</u>	<u>1,343,712.00</u>	<u>115.51%</u>	<u>0.00</u>	<u>(208,386.02)</u>
<b>TOTAL REVENUES</b>	<u>90,106.46</u>	<u>8,189,256.16</u>	<u>8,025,808.00</u>	<u>102.04%</u>	<u>0.00</u>	<u>(163,448.16)</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	254,365.42	2,421,182.03	2,995,855.00	80.82%	15,900.00	558,772.97
Salaries & Wages - Grant Recovery	(7,292.28)	(21,698.61)	(16,437.00)	132.01%	0.00	5,261.61
Directors' Compensation	15,136.45	145,658.18	210,342.00	69.25%	0.00	64,683.82
MWD Representation	10,262.00	86,945.38	120,197.00	72.34%	0.00	33,251.62
Employee Benefits	85,727.37	725,749.85	961,916.00	75.45%	0.00	236,166.15
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	(2,144.57)	(5,956.50)	0.00	0.00%	0.00	5,956.50
Director's Benefits	4,852.29	60,554.81	119,356.00	50.73%	0.00	58,801.19
Health Ins \$'s for Retirees	4,883.09	34,544.58	50,244.00	68.75%	0.00	15,699.42
Training Expense	0.00	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	365,789.77	3,449,883.24	4,598,804.00	75.02%	15,900.00	1,123,001.56
Engineering Expense	29,427.94	99,199.34	355,000.00	27.94%	189,693.43	66,107.23
Legal Expense	31,123.85	206,925.65	329,000.00	62.90%	154,574.35	(32,500.00)
Audit Expense	0.00	21,125.00	23,000.00	91.85%	0.00	1,875.00
Professional Services	91,692.86	731,562.72	1,133,200.00	64.56%	437,989.10	(36,351.82)
Professional Fees	152,244.65	1,058,812.71	1,840,200.00	57.54%	782,256.88	(869.59)
Conference-Staff	720.00	12,516.00	13,925.00	89.88%	0.00	1,409.00
Conference-Directors	816.00	8,673.00	8,650.00	100.27%	0.00	(23.00)
Travel & Accom.-Staff	1,449.85	28,878.51	38,300.00	75.40%	0.00	9,421.49
Travel & Accom.-Directors	851.12	17,544.10	29,600.00	59.27%	0.00	12,055.90
Travel & Conference	3,836.97	67,611.61	90,475.00	74.73%	0.00	22,863.39
Membership/Sponsorship	12,053.30	87,126.73	90,437.00	96.34%	0.00	3,310.27
CDR Support	0.00	29,970.75	39,961.00	75.00%	9,990.25	0.00
Dues & Memberships	12,053.30	117,097.48	130,398.00	89.80%	9,990.25	3,310.27
Business Expense	561.67	4,888.34	7,000.00	69.83%	0.00	2,111.66
Maintenance Office	10,289.81	81,924.79	110,768.00	73.96%	24,533.94	4,309.27
Building Repair & Maintenance	1,096.94	15,295.20	20,800.00	73.53%	5,729.80	(225.00)
Storage Rental & Equipment Lease	955.18	34,930.96	40,708.00	85.81%	6,286.04	(509.00)
Office Supplies	2,043.62	23,104.79	24,288.00	95.13%	743.85	439.36
Postage/Mail Delivery	689.30	8,837.38	11,100.00	79.62%	667.36	1,595.26
Subscriptions & Books	0.00	1,100.17	1,600.00	68.76%	0.00	499.83
Reproduction Expense	82.66	13,702.10	90,625.00	15.12%	3,466.80	73,456.10
Maintenance-Computers	342.54	5,910.90	6,000.00	98.52%	301.52	(212.42)
Software Purchase	119.97	15,167.73	25,515.00	59.45%	240.21	10,107.06
Software Support	991.07	19,416.54	28,869.00	67.26%	0.00	9,452.46
Computers and Equipment	129.59	8,433.27	9,300.00	90.68%	0.00	866.73
Automotive Expense	1,483.87	11,334.64	13,300.00	85.22%	0.00	1,965.36
Toll Road Charges	79.15	768.75	1,250.00	61.50%	0.00	481.25
Insurance Expense	7,908.16	85,664.84	97,000.00	88.31%	0.00	11,335.16
Utilities - Telephone	1,193.87	12,229.40	16,900.00	72.36%	0.00	4,670.60
Bank Fees	733.91	8,673.03	10,700.00	81.06%	0.00	2,026.97
Miscellaneous Expense	3,828.84	44,132.10	109,700.00	40.23%	320.20	65,247.70
MWDOC's Contrb. To WEROC	10,709.00	107,090.00	128,508.00	83.33%	0.00	21,418.00
Depreciation Expense	1,167.04	20,152.96	0.00	0.00%	0.00	(20,152.96)
Other Expenses	44,406.19	522,757.89	753,931.00	69.34%	42,289.72	188,883.39
Election Expense	0.00	272,536.97	444,000.00	61.38%	0.00	171,463.03
MWDOC's Building Expense	0.00	4,755.55	168,000.00	2.83%	0.00	163,244.45
<b>TOTAL EXPENSES</b>	<b>578,330.88</b>	<b>5,493,455.45</b>	<b>8,025,808.00</b>	<b>68.45%</b>	<b>850,436.85</b>	<b>1,681,915.70</b>
<b>NET INCOME (LOSS)</b>	<b>(488,224.42)</b>	<b>2,695,800.71</b>	<b>0.00</b>			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<b><u>WATER REVENUES</u></b>					
Water Sales	12,916,227.40	146,199,930.20	163,874,103.00	89.21%	17,674,172.80
Readiness to Serve Charge	1,100,100.87	11,369,526.48	13,946,682.00	81.52%	2,577,155.52
Capacity Charge CCF	368,705.00	3,304,470.02	3,659,300.00	90.30%	354,829.98
SCP Surcharge	19,439.13	248,085.99	361,200.00	68.68%	113,114.01
Interest	232.00	2,317.50	4,275.00	54.21%	1,957.50
<b>TOTAL WATER REVENUES</b>	<b>14,404,704.40</b>	<b>161,124,330.19</b>	<b>181,845,560.00</b>	<b>88.61%</b>	<b>20,721,229.81</b>
<b><u>WATER PURCHASES</u></b>					
Water Sales	12,916,227.40	146,199,930.20	163,874,103.00	89.21%	17,674,172.80
Readiness to Serve Charge	1,100,100.87	11,369,526.48	13,946,682.00	81.52%	2,577,155.52
Capacity Charge CCF	368,705.00	3,304,470.02	3,659,300.00	90.30%	354,829.98
SCP Surcharge	19,439.13	248,085.99	361,200.00	68.68%	113,114.01
<b>TOTAL WATER PURCHASES</b>	<b>14,404,472.40</b>	<b>161,122,012.69</b>	<b>181,841,285.00</b>	<b>88.61%</b>	<b>20,719,272.31</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>232.00</b>	<b>2,317.50</b>	<b>4,275.00</b>		

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

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	110,493.63	116,000.00	95.25%
Expenses	<u>92,569.75</u>	<u>116,000.00</u>	79.80%
Excess of Revenues over Expenditures	17,923.88	0.00	
<b>SmarTimer Program</b>			
Revenues	86,929.37	50,467.00	172.25%
Expenses	<u>50,614.05</u>	<u>50,467.00</u>	100.29%
Excess of Revenues over Expenditures	36,315.32	0.00	
<b>Industrial Water Use Reduction</b>			
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	
<b>Spray To Drip Conversion</b>			
Revenues	102,137.51	65,342.47	156.31%
Expenses	<u>98,090.84</u>	<u>65,342.47</u>	150.12%
Excess of Revenues over Expenditures	4,046.67	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	152,978.44	1,248,000.00	12.26%
Expenses	<u>86,798.43</u>	<u>1,248,000.00</u>	6.96%
Excess of Revenues over Expenditures	66,180.01	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	225,901.35	27,143.00	832.26%
Expenses	<u>225,901.35</u>	<u>27,143.00</u>	832.26%
Excess of Revenues over Expenditures	0.00	0.00	
<b>ULFT Rebate Program</b>			
Revenues	308,150.13	132,250.00	233.01%
Expenses	<u>311,947.75</u>	<u>132,250.00</u>	235.88%
Excess of Revenues over Expenditures	(3,797.62)	0.00	
<b>HECW Rebate Program</b>			
Revenues	438,230.81	403,000.00	108.74%
Expenses	<u>423,124.36</u>	<u>403,000.00</u>	104.99%
Excess of Revenues over Expenditures	15,106.45	0.00	
<b>CII Rebate Program</b>			
Revenues	11,778.00	159,250.00	7.40%
Expenses	<u>10,878.00</u>	<u>159,250.00</u>	6.83%
Excess of Revenues over Expenditures	900.00	0.00	
<b>Large Landscape Survey</b>			
Revenues	65,141.63	32,000.00	203.57%
Expenses	<u>44,864.62</u>	<u>32,000.00</u>	140.20%
Excess of Revenues over Expenditures	20,277.01	0.00	
<b>Indoor-Outdoor Survey</b>			
Revenues	5,768.48	5,200.00	110.93%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	5,768.48	0.00	
<b>Turf Removal Program</b>			
Revenues	8,243,431.53	725,000.00	1137.03%
Expenses	<u>8,270,933.09</u>	<u>725,000.00</u>	1140.82%
Excess of Revenues over Expenditures	(27,501.56)	0.00	



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

	Year to Date Actual	Annual Budget	% Used
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	722,082.26	258,690.00	279.13%
Expenses	<u>102,293.16</u>	<u>258,690.00</u>	39.54%
Excess of Revenues over Expenditures	619,789.10	0.00	
<b>Home Certification and Rebate</b>			
Revenues	38,418.86	248,050.00	15.49%
Expenses	<u>70,150.94</u>	<u>248,050.00</u>	28.28%
Excess of Revenues over Expenditures	(31,732.08)	0.00	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	511,248.90	145,960.00	350.27%
Expenses	<u>25,245.12</u>	<u>145,960.00</u>	17.30%
Excess of Revenues over Expenditures	486,003.78	0.00	
<b>WEROC</b>			
Revenues	238,996.38	248,622.00	96.13%
Expenses	<u>188,641.86</u>	<u>248,622.00</u>	75.87%
Excess of Revenues over Expenditures	50,354.52	0.00	
<b>WUE Projects</b>			
Revenues	11,126,223.15	3,730,332.47	298.26%
Expenses	<u>9,916,959.70</u>	<u>3,730,332.47</u>	265.85%
Excess of Revenues over Expenditures	1,209,263.45	0.00	
<b>RPOI Distributions</b>			
Revenues	0.00	4,921.00	0.00%
Expenses	<u>0.00</u>	<u>4,921.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
<b>Ocean Desalination</b>			
Revenues	0.00	0.00	0.00%
Expenses	<u>(2,045.46)</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	2,045.46	0.00	



**CONSENT CALENDAR ITEM**

May 17, 2015

**TO: Board of Directors**

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

Staff Contact: Robert Hunter  
General Manager

**SUBJECT: RESOLUTION HONORING DON CALKINS ON HIS RETIREMENT FROM  
THE CITY OF ANAHEIM**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors approve an honorary resolution for Don Calkins on his retirement from the City of Anaheim, and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29<sup>th</sup>, 2015.

**RECOMMENDATION**

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Committee concurred with staff recommendation.

**DETAILED REPORT**

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Don Calkins retired earlier this year from the City of Anaheim after a 19-year career in the Water Services Department where he served as Assistant General Manager. In addition, Mr. Calkins had served as a director on the Metropolitan Water District of Southern California's Board of Directors representing the City of Anaheim. As a token of our thanks for his years of service and his support for water reliability for Anaheim and Orange County, staff has drafted an honorary resolution recognizing his contributions and support. The draft resolution follows and is intended to be presented to Mr. Calkins at MWDOC's upcoming Water Policy Dinner, which will be held on July 29, 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 Don Calkins**  
**On the occasion of his retirement from the**  
**City of Anaheim**

**WHEREAS**, Don Calkins has retired from the City of Anaheim after a 19-year career in the Water Services Department where he served as Assistant General Manager; and

**WHEREAS**, Don, during his tenure, was responsible for managing the City's water operations and maintenance, its water resources and conservation programs, as well as the department's long-range planning, project design and construction; and

**WHEREAS**, Don's efforts resulted in numerous infrastructure improvements throughout the City, including the addition of the Nohl Canyon Tank, which helps improve water quality and service reliability to better meet customer demands, the rehabilitation of the Walnut Canyon Reservoir, which serves Anaheim's hill and canyon areas, and the Linda Vista Complex, which provides one-third of the City's groundwater supply to West, Central and East Anaheim; and

**WHEREAS**, Don oversaw the design and development of the Water Sustainability Campus, the first decentralized small-scale water recycling plant built in an urban environment in Southern California; and

**WHEREAS**, Don spearheaded the procurement of a number of water emergency response tools and related equipment to better prepare the Water Services Department to safely and quickly respond to water outages during emergencies to minimize the impact to residents and businesses; and

**WHEREAS**, Don also oversaw the replacement of the existing Supervisory Control and Data Acquisition System, a vital component of the City's water delivery system, and the development of Water Use Efficiency and Water System Master Plans that serve as roadmaps for Anaheim's water conservation programs and drought response; and

**WHEREAS**, Don has helped ensure cost-effective, long-term water reliability for the City of Anaheim and throughout north and central Orange County through his leadership as Chair of the Orange County Water District Groundwater Producers Committee; and

**WHEREAS**, Don served as a Director on the Metropolitan Water District of Southern California Board representing the City of Anaheim; and

**WHEREAS**, Don was a senior project manager for CH2MHill from 1973-1996; and

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



**CONSENT CALENDAR ITEM**

June 17, 2015

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**SUBJECT: CONTINUANCE OF PROFESSIONAL SERVICES WITH TUCHMAN COMMUNICATIONS**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors approve continuance of services with Tuchman Communications and authorize the General Manager to enter into a professional services contract for the period of July 1, 2015 to September 4, 2015, for an amount not to exceed \$40,000.

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff recommendation.

**DETAILED REPORT**

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Due to the vacancies of two key positions in the Public Affairs Department, in April, the District entered into a professional services contract with Michelle Tuchman of Tuchman Communications to assist with various Public Affairs Department responsibilities. The contract was entered into in accordance with District Policy and within the General Manager's authority.

Staff is currently recruiting to fill the Director of Public Affairs position and anticipates the position to be filled by mid-July. In the interim, to continue with the various projects and to allow for a seamless staffing transition, it is recommended that the Board authorize continuance of professional services with Tuchman Communications and authorize the General Manager to enter into a professional services contract in an amount not to exceed \$40,000.

Budgeted (Y/N): Y	Budgeted amount: \$ 40,000	Core _X_	Choice __
Action item amount: \$40,000		Line item: 2000-32-7040	
Fiscal Impact (explain if unbudgeted):			



**ACTION ITEM**

June 17, 2015

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Joe Berg  
Water Use Efficiency Programs Manger

**SUBJECT: Turf Removal Program Rebate Processing Platform**

**STAFF RECOMMENDATION**

Staff recommends the Board of Directors authorize the General Manager to enter into annual contracts with Droplet Technologies for the next three years at a total cost not to exceed \$139,642.

**COMMITTEE RECOMMENDATION**

Committee concurred with staff recommendation.

**SUMMARY**

On April 6, 2015, staff presented the results of an independent Turf Removal Rebate Program Quality Control and Process Evaluation to the Planning and Operations Committee. The evaluation concluded that MWDOC's Turf Removal Rebate Program has realized high achievement on many fronts. The program is managed with unparalleled quality standards and meticulous oversight. However, with the recent surge in program response, the rebate processes and software systems are now taxed to the limit of the capabilities designed in to the original system. As a result, the optimal solution for the longer term is to buy or build a rebate management system with the modules and capabilities that best meet today's program volume and customer service demands.

After presenting the results of the evaluation to the Planning and Operations Committee, staff released a Request for Proposals (RFP) to begin the process of selecting a new rebate

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: FY 15-16 = \$72,000	Core __	Choice <u>X</u>
<b>Action item amount: \$139,642</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b> The start-up cost and annual license fee for year one are \$59,056 and have been planned for in the FY 15-16 budget. Annual license fees of \$41,514 will be budgeted in FY 16-17, and the annual license fee of \$39,072 will be budgeted in FY 17-18.			

processing platform. The RFP closed on May 8<sup>th</sup>, with one response from Droplet Technologies.

## DETAILED REPORT

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Staff reviewed the Droplet Technologies proposal very carefully. The rebate processing platform is a web-based software system and data warehouse of all program participant data. The platform provides for all application steps we have in our current program including on-line application submittal, application review, pre-inspection work orders, letters to proceed, notices of completion, post inspection work orders, application approval, and rebate check-run. The system is entirely on-line, therefore avoiding our current paper-based system.

The Droplet Technologies system is designed to maximize data input by the program participant, therefore minimizing data input requirements by MWDOC and member agency staff. This will result in significant MWDOC and member agency staff time savings. However, staff will retain quality control over all data before the application can be approved to move on to the next step in the rebate process. Program participants will also have the ability to log on to the system to track the status of their applications. We believe this will improve customer service and also save significant staff time responding to phone calls and e-mails from participants wanting to know the status of their applications. The system will also be set up to require program participants to view videos or PowerPoint-style presentations describing program requirements before the participant can begin completing the on-line rebate application. We believe these required steps will assist in “screening out” participants who are not serious about participating in the program.

Droplet Technologies has been providing rebate processing services for several water agencies throughout California. Some of these agencies are listed in Table 1.

Table 1 Agencies Currently Using Droplet Technologies	
Castaic Lake Water Agency	California Water Service Company
Cal American Water	City of Long Beach
Coachella Valley Water District	Newhall County Water District
Santa Clarita Water District	Western Municipal Water District

Staff has had detailed discussions with staff from the City of Long Beach and Western Municipal Water District regarding Droplet Technologies, Droplet’s customer service, and the functionality of the rebate processing platform. These discussions have revealed a very high degree of customer satisfaction with the company and their products. As one agency requests an upgrade in their platform, it becomes available to all other agencies using that platform. As a result, the functionality of the platform has evolved rapidly.

Droplet Technologies rebate processing platform is a hosted, license fee based tool that includes on-going technical support and upgrades as they become available. Annual license fees includes fees for the web-based hosting, platform development, training, and maintenance. As shown in Table 2, Year 1 costs will include start-up costs to configure the rebate processing platform to meet MWDOC’s rebate program needs and an annual license

fee. The total Year 1 cost is \$59,056 and is budgeted in our Fiscal Year 2015-16 budget. Staff will budget for Year 2 and Year 3 costs in future budget cycles. While staff is requesting Board Authorization to utilize Droplet Technologies for the next three years, we will only make commitments to Droplet Technologies in one-year increments.

Table 2 Droplet Technologies Web-Based Rebate Processing and Database Platform				
	One-Time Start-Up	Annual License Fee	Annual Pre-Paid Discount (1)	Total
Year - 1	\$ 15,100	\$ 48,840	10%	\$ 59,056
Year - 2	\$ -	\$ 48,840	15%	\$ 41,514
Year - 3	\$ -	\$ 48,840	20%	\$ 39,072
Grand Total:				\$ 139,642

(1) The annual license fee is reduced by 10% for an annual pre-paid agreement in the first year, 15% in the second year, and 20% in subsequent years.

The costs incurred by MWDOC for this technology improvement will be funded by the participating agencies in the Choice Water Use Efficiency Program. There may be an opportunity to pull in funding from other grant sources; however, this cannot be confirmed at this time. Having an improved processing system should result in staff time savings at both MWDOC and at our member agencies and should provide enhanced customer satisfaction. It is estimated that with Board approval in June, the platform can be up and running by October



**ACTION ITEM**

June 17, 2015

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Joe Berg  
Water Use Efficiency Programs Manager

**SUBJECT: Metropolitan Water Conservation Funding Agreement and US Bureau of Reclamation Field Services Agreement**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors authorize the General Manager to sign:

1. Amendments to Metropolitan's Water Conservation Funding Agreements extending the terms an additional 10 years to June 30, 2025, and
2. A Field Services Agreement with the US Bureau of Reclamation for California Friendly Technical Design Assistance Program.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**SUMMARY**

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The Metropolitan Water District of Southern California and Bureau of Reclamation have been very supportive of MWDOC's water use efficiency programs for many years. Metropolitan's Conservation Credit Program has been a foundational source of funding for all MWDOC incentive programs. It is time to extend the terms of the Metropolitan Commercial, Industrial and Institutional, and Residential agreements another 10 years to June 30, 2025. Additionally, MWDOC was recently awarded a US Bureau of Reclamation Field Services Grant for a California Friendly Technical Design Assistance Program. Staff requests the Board authorize the General Manager to sign these agreements for continued and expanded program implementation.

Budgeted (Y/N): N/A	Budgeted amount:	Core __	Choice <u>X</u>
Action item amount: N/A	Line item: N/A		
Fiscal Impact (explain if unbudgeted): No direct cost impact to MWDOC is anticipated other than staff time to administer agreements. Staff time reimbursement will be accomplished the Choice Program agreement with member agencies.			



## DETAILED REPORT

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MWDOC's water use efficiency efforts rely heavily on outside funding from a variety of sources including the Metropolitan Water District of Southern California and US Bureau of Reclamation.

### Metropolitan's Water Conservation Funding Agreement

In June 2006, Metropolitan and MWDOC entered into two agreements to allow access to Metropolitan's Conservation Credits Program funding for water use efficiency program implementation. One agreement focuses on Commercial, Industrial and Institutional customers and the other focuses on Residential customers. The terms of these agreements expire June 30, 2015. Metropolitan is requesting the terms of these agreements be extended 10 additional years to June 30, 2025. Amendments to these agreements are provided as Attachment A.

These agreements combine all conservation programs into two agreements and provide incentives to Metropolitan's member agencies for water use efficiency program implementation. Addendums to these agreements are periodically issued for changes involving Board approved items, the addition of grant funding, and changes to incentive programs including funding and incentive levels.

### US Bureau of Reclamation Field Service Program Agreement

This annual program, offered on a competitive basis, provides funding for implementation of local water use efficiency programs. MWDOC was awarded a 2015 Field Services Grant in the amount of \$98,965 for implementation of the California Friendly Landscape Design Assistance Program. This program will provide Turf Removal Rebate Program participants with landscape Design Assistance for their new landscape. This is an important new feature in our Turf Removal Program. Design assistance will help ensure enhanced aesthetics and water savings from program participants.

Staff is requesting Board authorization to sign the Bureau of Reclamation grant agreement, which is provided as Attachment B. Staff will be conducting a Request for Proposals process to hire a consultant who will provide the design assistance. Staff will return to the Board later this summer to request authorization to sign that professional services agreement.

Staff requests the Board authorize the General Manager to sign these agreements for continued and expanded water use efficiency program implementation.

## SECOND AMENDMENT

FY 2015-2025

WATER CONSERVATION FUNDING AGREEMENT NO. 66652

BETWEEN

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

There is now in effect a Water Conservation Funding Agreement between

The Metropolitan Water District of Southern California and Municipal Water District of Orange County effective through December 31, 2015, as amended by the First Amendment, hereinafter referred to as Agreement.

The parties desire to amend the Agreement with this Second Amendment to extend the Agreement Term through June 30, 2025.

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IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to the Agreement.

MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

Jeffrey Kightlinger  
General Manager

By: \_\_\_\_\_  
Robert Hunter  
General Manager

By: \_\_\_\_\_  
Debra C. Man  
Assistant General Manager/COO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Marcia L. Scully  
General Counsel

By: \_\_\_\_\_  
Attorney

By: \_\_\_\_\_  
Setha E. Schlang  
Senior Deputy General Counsel

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## SECOND AMENDMENT

FY 2015-2025

WATER CONSERVATION FUNDING AGREEMENT NO. 70038

BETWEEN

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

There is now in effect a Water Conservation Funding Agreement between  
The Metropolitan Water District of Southern California and Municipal Water District of Orange  
County effective through June 30, 2015, amended by the First Amendment, hereinafter referred to as  
Agreement.

The parties desire to amend the Agreement with this Second Amendment to extend the  
Agreement Term through June 30, 2025.

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IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to the Agreement.

MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA  
Jeffrey Kightlinger  
General Manager

By: \_\_\_\_\_  
Robert Hunter  
General Manager

By: \_\_\_\_\_  
Debra C. Man  
Assistant General Manager/COO

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:  
Marcia L. Scully  
General Counsel

By: \_\_\_\_\_  
Attorney

By: \_\_\_\_\_  
Setha E. Schlang  
Senior Deputy General Counsel

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
ASSISTANCE AGREEMENT**

1A. AGREEMENT NUMBER <b>R15AP00066</b>	1B. MOD NUMBER <b>N/A</b>	2. TYPE OF AGREEMENT <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT	3. CLASS OF RECIPIENT <b>Special District Government</b>								
4. ISSUING OFFICE  Bureau of Reclamation Lower Colorado Region P.O. Box 61470 Boulder City, NV 89006-1460		5. RECIPIENT  Municipal Water District of Orange County 18700 Ward Street Fountain Valley, CA 92728  <table style="width: 100%; border: none;"> <tr> <td style="border: none;">EIN #:</td> <td style="border: none;"><b>95-2650400</b></td> <td style="border: none;">County:</td> <td style="border: none;"><b>Orange</b></td> </tr> <tr> <td style="border: none;">DUNS #:</td> <td style="border: none;"><b>087380721</b></td> <td style="border: none;">Congress. Dist:</td> <td style="border: none;"><b>39</b></td> </tr> </table>		EIN #:	<b>95-2650400</b>	County:	<b>Orange</b>	DUNS #:	<b>087380721</b>	Congress. Dist:	<b>39</b>
EIN #:	<b>95-2650400</b>	County:	<b>Orange</b>								
DUNS #:	<b>087380721</b>	Congress. Dist:	<b>39</b>								
6. GRANTS MANAGEMENT SPECIALIST  Diana Blake Bureau of Reclamation P.O. Box 61470 Boulder City, Nevada 89006-1470 Phone: 702-293-8550; E-Mail: dmlake@usbr.gov		7. RECIPIENT PROJECT MANAGER  Joseph Berg Municipal Water District of Orange County 18700 Ward Street Fountain Valley, CA 92728 Phone: 714-593-5008; E-Mail: jberg@mwdoc.com									
8. GRANTS OFFICER TECHNICAL REPRESENTATIVE  Debra Whitney Bureau of Reclamation 27708 Jefferson Avenue, Suite 202 Temecula, CA 92590 Phone: 951-695-5310; E-Mail: dwhitney@usbr.gov		9A. INITIAL AGREEMENT EFFECTIVE DATE:  See Block 17a	9B. MODIFICATION EFFECTIVE DATE:  N/A								
		10. COMPLETION DATE  June 30, 2016									
11A. PROGRAM STATUTORY AUTHORITY P.L. 111-11 Omnibus Public Lands Management Act of 2009, Sec. 9504 (a)(1)(A)-(H)			11B. CFDA Number <b>15.530</b>								
12. FUNDING INFORMATION	<u>RECIPIENT/OTHER</u>	<u>RECLAMATION</u>	13. REQUISITION NUMBER <b>0020072240</b>								
Total Estimated Amount of Agreement	<b>\$317,307.35</b>	<b>\$98,965.19</b>	14A. ACCOUNTING AND APPROPRIATION DATA  WBS: RY.31736400.3000000 Fund: 15XR0680A1 Cost Center: RR03510000 Commitment Item: 411G00								
This Obligation	<b>\$317,307.35</b>	<b>\$98,965.19</b>									
Previous Obligation	<b>\$0.00</b>	<b>\$0.00</b>									
Total Obligation	<b>\$317,307.35</b>	<b>\$98,965.19</b>									
Cost-Share %	<b>50%</b>	<b>50%</b>	14B. TREASURY ACCOUNT FUNDING SYMBOL  <b>14X0680</b>								
15. PROJECT TITLE <b>California Friendly Technical Design Assistance Program</b>											
16a. Acceptance of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the above-named recipient  BY: _____  DATE: _____		17a. Award of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the United States of America, Department of the Interior, Bureau of Reclamation  BY: _____  DATE: _____									
16b. NAME, TITLE, AND TELEPHONE NUMBER OF SIGNER  Robert J. Hunter General Manager 714-964-9389  <input type="checkbox"/> Additional signatures are attached		17b. NAME OF GRANTS OFFICER  Shawna M. Thompson Grants Officer 702- 293-8570									

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**Grant Agreement  
Between  
Bureau of Reclamation  
And  
Municipal Water District of Orange County  
For  
California Technical Design Assistance Program**

**I. OVERVIEW AND SCHEDULE**

**1. AUTHORITY**

This Grant Agreement (Agreement) is entered into between the United States of America, acting through the Department of the Interior, Bureau of Reclamation, hereinafter referred to as "Reclamation," and Municipal Water District of Orange County, hereinafter referred to as the "Recipient" or "Grantee," pursuant to P.L. 111-11 Omnibus Public Lands Management Act of 2009, Sec. 9504 (a)(1)(a)-(h). The following section, provided in full text, authorizes Reclamation to award this financial assistance agreement:

**SEC. 9504. WATER MANAGEMENT IMPROVEMENT.**

(a) Authorization of Grants and Cooperative Agreements –

(1) **AUTHORITY OF SECRETARY** – The Secretary may provide any grant to, or enter into an agreement with, any eligible applicant to assist the eligible applicant in planning, designing, or constructing any improvement - -

(A) to conserve water;

(B) to increase water use efficiency;

(C) to facilitate water markets;

(D) to enhance water management, including increasing the use of renewable energy in the management and delivery of water;

(E) to accelerate the adoption and use of advanced water treatment technologies to increase water supply;

(F) to prevent the decline of species that the United States Fish and Wildlife Service and National Marine Fisheries Service have proposed for listing under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) (or candidate species that are being considered by those agencies for such listing but are not yet the subject of a proposed rule);

- (G) to accelerate the recovery of threatened species, endangered species, and designated critical habitats that are adversely affected by Federal reclamation projects or are subject to a recovery plan or conservation plan under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) under which the Commissioner of Reclamation has implementation responsibilities; or
- (H) to carry out any other activity
- (i) to address any climate-related impact to the water supply of the United States that increases ecological resiliency to the impacts of climate change; or
- (ii) to prevent any water-related crisis or conflict at any watershed that has a nexus to a Federal reclamation project located in a service area and;

## **2. PUBLIC PURPOSE OF SUPPORT OR STIMULATION**

Municipal Water District of Orange County (MWDOC) is working to implement a Technical Design Assistance Project aimed at optimizing landscape conversion benefits to reduce outdoor water consumption and irrigation runoff. MWDOC will administer this Project as lead agency on behalf of the retail water agencies within Orange County. The proposed Program will target the removal of 250,000 square feet (ft<sup>2</sup>) of non-functional turfgrass and installation of California Friendly landscapes with climate appropriate greenscape and permeable hardscape. The landscape improvements will yield 34 AFY (336 lifetime-AF) of water savings.

The Program also meets the objectives of Reclamation's Water Conservation Field Services Program and helps meet the Secretary's High Priority Water Conservation Goal.

## **3. BACKGROUND AND OBJECTIVES**

MWDOC service area serves approximately 2.3 million people and is comprised of the 28 retail water agencies (districts and cities) of Orange County. Comprehensive Orange County has a population of 3.2 million with a 948 square-mile area and is located on the California coast between Los Angeles and San Diego Counties. This Project will be initially implemented within all of Orange County (including Anaheim, Santa Ana, and Fullerton). The five year average water demand in the MWDOC service area is 589,853 acre-feet (AF). Imported sources account for 42% (241,000 AF), groundwater accounts for 51% (303,000 AF), recycled water accounts for 6% (37,000 AF), and surface water accounts for 2% (8,000 AF). Approximately 99% of MWDOC's demand is for municipal and industrial purposes, and 1% is for agricultural purposes. Municipal and industrial water use in Orange County is comprised of single- and multi-family residential, commercial, industrial, and institutional users.

MWDOC proposes to implement a California Friendly Technical Design Assistance Program (Project) to enhance MWDOC's Turf Removal Program aimed at reducing landscape water consumption and irrigation runoff. MWDOC will administer this Project as lead agency on behalf of the retail water agencies within Orange County. The technical assistance will be offered as a pilot to 125 residential and commercial sites as a means to promote landscape renovations yielding optimum benefits.

Based on past participant follow-up, the predominant barrier to project completion by the participant attrition/mortality population (sites interested in participation, but unable to complete the project) was the need for technical assistance.

Upon further investigation, technical assistance at the onset of the project is most highly requested. The turfgrass removal component of the Project will be available to both residential and commercial properties. Landscape water use accounts for 50% of Orange County water use and is a critical component to ensure domestic water use efficiency. Providing technical assistance will ensure the comprehensive Californian Friendly landscape includes selecting a climate appropriate plant palette, encouraging onsite infiltration, and implementing efficient irrigation design and management. California Friendly plantings require less than half the irrigation required by turfgrass. Turfgrass requires more irrigation than any other ornamental plant and is often over-irrigated. The proposed Project will target the voluntary removal of 250,000 square feet (ft<sup>2</sup>) of non-functional turfgrass and installation of California Friendly landscapes with climate appropriate greenscape and permeable hardscape.

#### **4. PERIOD OF PERFORMANCE AND FUNDS AVAILABILITY**

This Agreement becomes effective on the date shown in Block 17a of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. The Agreement shall remain in effect until the date shown in Block 10 of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. The period of performance for this Agreement may only be modified through written modification of the Agreement by a Reclamation Grants Officer (GO).

No legal liability on the part of the Government for any payment may arise until funds are made available, in writing, to the Recipient by the Grants Officer. The total estimated amount of federal funding for this agreement is \$98,965.19 of which the initial amount of federal funds available is limited to \$98,965.19 as indicated by "this obligation" within Block 12 of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. Subject to the availability of Congressional appropriations, subsequent funds will be made available for payment through written modifications to this agreement by a Reclamation Grants Officer.

#### **5. SCOPE OF WORK AND MILESTONES**

Through this Agreement the MWDOC will implement a California Friendly Technical Design Assistance aimed at optimizing landscape conversion benefits to reduce outdoor water consumption and irrigation runoff. The technical assistance component will initially be offered as a pilot to 125 residential and commercial sites as a means to promote landscape renovations by providing turf removal sessions and detailed site design template resources. The proposed Program will also target the removal of 250,000 square feet (ft<sup>2</sup>) of non-functional turfgrass and installation of California Friendly landscapes with climate appropriate greenscape and permeable hardscape. The landscape improvements will yield 34 AFY (336 lifetime-AF) of water savings.

This Project will include seven tasks, as described below:

### **Task 1 – Program Administration**

Program administration, Task 1, is the staff hours needed for the day-to-day operations of the Project and constitutes the salaries/wages and fringe benefits associated with the comprehensive Program administration. As part of the Program reporting (Task 5), MWDOC will supply a data table with the actual hours per reporting period and related salary and fringe benefit rates for each staff personnel.

### **Task 2 – Marketing and Promotion**

MWDOC will design and produce marketing and promotional material that will be distributed to property owners. Promotional pieces will encourage property owners to participate in the Program by logging onto the Program website to read about Program rules and regulations, to submit a Program application, and to learn about rebate levels through the Program.

- Marketing will primarily consist of bill inserts, water bill messages, newsletter articles, and posts on water agency websites. Over the 20+ years MWDOC has marketed water use efficiency programs, marketing surveys have rated bill inserts as the most effective forms of marketing collateral to encourage participation. Program promotional materials will acknowledge Reclamation's funding. Additionally, in collaboration with local nurseries, big-box retailers, irrigation supply houses, and product manufacturers MWDOC will facilitate Program informational material for Program consultants.
- Project sites will also receive lawn signs to display during the conversion process. This will encourage a shift in the social norm to surge community support for landscape conversion projects and acceptance of the California Friendly landscapes.
- Stakeholders will also be actively involved in the Project to further educate and promote participation. Stakeholders include retail water agencies, county and city municipal storm water permit holders, landscape maintenance contractors, facilities/property managers, homeowner association board members, and business owners. In addition, environmental organizations, such as the Surf Rider Foundation and Coast Keeper, express support for MWDOC's landscape water conservation projects.

### **Task 3 – Technical Assistance**

Over the 12-month period of the potential grant award, MWDOC proposes to facilitate technical design assistance for 125 sites. The Project technical design assistance will provide a tutorial on how to remove existing turfgrass and detailed site design plans. The site design plans will include the following: plant and permeable surface recommendations, hydrozones by plant type or water use category, irrigation equipment, location of point of connection, meters, sensors, supplemental water sources, etc. The specific plant recommendations will highlight those climate appropriate and native plants that are locally available as identified on the Orange County Garden Friendly top ten plant list developed in cooperation with University of California Cooperative Extension, the County of Orange, and MWDOC.

The technical resources will ensure the project plan will meet the criteria for a comprehensive California Friendly landscapes, including:

- No non-functional turfgrass; Plant material is climate appropriate;
- No invasive plant species as identified in the California Invasive Plant Council Don't Plant a Pest Project;
- All exposed soil is covered with a 2 to 4 inch layer of mulch, except areas planted with creeping or rooting groundcovers or directly seeded;
- Area is permeable to air and water. Weed barriers must be permeable. Concrete, plastic sheeting, or other impermeable surfaces do not qualify; and
- Selection of the most appropriate water efficient irrigation equipment and technology including: weather based irrigation controllers, soil moisture sensors, high-efficiency low-precipitation rate rotation sprinkler nozzles, and drip irrigation.

Each site will be responsible for following the Turf Removal Program steps (Task 4). Additionally, at the time of the post-project inspection, implementation pictures will be taken and cataloged for the website gallery.

For selection of the technical assistance consultants, MWDOC will develop and release a request for quotes to several qualified landscape designers, consultants, and architects, review submitted proposals, and select the qualified submissions per the terms of MWDOC's Administration Code and procurement criteria listed in the Reclamation award agreement.

#### **Tasks 4 – Turf Removal Rebate Incentives**

Concurrently, over the 12-month period of the potential grant award, MWDOC proposes to facilitate the removal of up to 250,000 ft<sup>2</sup> of turfgrass, providing incentives through a rebate-style format to residential and commercial property owners. Rebates will be provided to property owners for qualifying project areas (qualification criteria listed above). The current regional rebate incentive offer to the participant is at minimum \$1.00/ft<sup>2</sup> of non-functional turfgrass removed.

Project participation begins with the submission of an application to MWDOC. The application package must include site pre-project photos of the conversion area, project design plan, square footage of the anticipated turfgrass removal area, and a copy of a recent water bill for the site. Upon review, MWDOC will determine customer eligibility. If the site qualifies, a follow-up letter and authorization-to-proceed will be mailed/emailed to the Participant. Upon receipt of this authorization-to-proceed, the customer may begin the turf removal project. They will have sixty (60) days to complete work. When all work is complete, the customer will contact the Program Administrator to indicate that the work is completed and schedule the mandatory post-project inspection.

This mandatory site visit, for all Project sites, will serve to verify the amount of turfgrass removed for calculation of the turfgrass removal rebate amount. Turf removal project area qualification criteria include the following:

- The site must meet the criteria for a comprehensive California Friendly landscapes (listed above);
- Pre-removal, the site consists of a minimum 250 ft<sup>2</sup> of live, well-maintained and irrigated turfgrass. Deviations will be considered on a case-by-case basis;
- Projects must comply with all applicable laws, ordinances, codes, policies, covenants, conditions and restrictions;
- Only one turf removal rebate per water meter will be issued; and
- Projects that have been started or are already completed prior to the completion of the rebate application are not eligible.

If the conversion cannot be verified, rebate incentives will not be paid. If this requirement is violated, the applicant may be required to refund all or a portion of MWDOC/Grant funds. This requirement is void upon transfer of ownership.

MWDOC currently has Mission Resource Conservation District (Mission) under contract for the next three (3) years to provide landscape survey services for MWDOC's various landscape programs. Mission, as a Non-Profit Special District, an arm of the Natural Resource Conservation Service, is uniquely qualified to perform irrigation audits. They have many years of experience in both the urban and agricultural setting and provide MWDOC with highly competitive rates.

During each post-inspection site visit performed by MWDOC, Mission, or the retail water agency, the following will be performed:

- Walk the site with the property owner or person designated by the property owner;
- Verify the site and contact information for the property;
- Verify the water account information;
- Perform a post-project site visit to measure the actual turf removed;
- Verify installation of water efficient nozzles or drip irrigation (if applicable) ;
- Provide maintenance and irrigation management literature and/or web-based California Friendly Landscape Irrigation Educational Classes information;
- Provide rebate Program literature for MWDOC's other rebate programs; and
- For commercial properties with dedicated landscape meters, provide information on

While labor intensive, practices such as 100% percent pre- and post-installation inspections and having multiple MWDOC staff reviewing each application at several steps throughout the rebate program process nearly eliminate any possibility of customer fraud. These levels of review go beyond the average water utility rebate program.

### **Task 5 – Program Reporting**

Following the reporting schedule set forth in the Grant Agreement, MWDOC will submit Semi-annual final and program reports that will include all required SF forms, a written Program progress narrative, tabular data tables, and all required back up to support the requested reimbursement.

### **Task 6 – Program Evaluation**

At the commencement of the fourth quarter of the agreement term, MWDOC staff will initiate a Program process and statistical water savings impact evaluation to quantify Program benefits. The Program process evaluation will assess the Program's goals, format, and effectiveness, including how the Program was developed, how success was measured, who the target audience was and how they were reached, and the Program successes and challenges.

The impact evaluation will use robust statistical methods, including regression analysis, to measure the change in water use of Program sites before and after turf removal with and without technical assistance in comparison to a control group. This evaluation will also include weather normalization. This will give the water industry another opportunity to quantify actual water savings associated with landscape/irrigation improvements. This analysis will include a statistically significant population of Program participants and will maintain 95% confidence. A written report describing the statistical methods and evaluation results will be submitted as the final report for the Program. Results from this Program will be shared with Reclamation, Metropolitan, California Urban Water Conservation Council, and MWDOC retail water agencies.

MWDOC will provide Reclamation a draft and final report of the statistical evaluation during the final quarter of the agreement term. Either qualified MWDOC staff or a consultant will conduct the analysis, process the Program's data, liaise between the involved retail water agencies and their sites' water consumption data, and develop the draft and final report. If a consultant is hired to aid in the any component of the evaluation, MWDOC will develop and release a request for proposals to several qualified water use evaluation consulting firms, review submitted proposals, and select the most qualified submission per the terms of MWDOC's Administration Code and procurement criteria listed in the Reclamation award agreement.

### **Task 7 – Program Database**

MWDOC's current historical Landscape Program's database would need to be modified to accommodate the Program's participation data and enhancement to participant resources. Administration/processing of participant data includes MWDOC uploading the monthly Participant data, verifying its accuracy, developing reporting documents from the data for reporting and invoicing needs, and utilizing data queries for the Project evaluation.

The Recipient shall complete the work described in this Scope of Work by adhering to the following scheduled milestones:

Milestone / Task / Activity	Planned Start Date	Planned Completion Date
1. Task 1 Participation procedures developed	Jul. 1, 2015	Aug. 31, 2015
2. Task 2 Marketing material designed (including Reclamation's logo) and printed	Jul. 1, 2015	Aug. 31, 2015
3. Task 2 Market Program	Aug. 1, 2015	May 30, 2016
4. Task 3 Hire design assistance consultant	Jul. 1, 2015	Aug. 31, 2015
5. Task 3 Change order established with Mission RCD	Jul. 1, 2015	Aug. 31, 2015
6. Task 3 Develop site design plans	Aug. 1, 2015	May 30, 2016
7. Task 4 Perform quality control reviews	Aug. 1, 2015	May 30, 2016
8. Task 4 Provide rebates on turfgrass removal projects	Sep. 1, 2015	Jun. 30, 2016
9. Task 5 Reporting	Dec. 1, 2015	Jun. 30, 2016
10. Task 7 Develop online application process	Jul. 1, 2015	Aug. 31, 2015
11. Task 7 Program's database modified	Jul. 1, 2015	Aug. 31, 2015
12. Task 7 Update database	Sep. 1, 2015	Jun. 30, 2016
13. Task 7 Perform verifications for the accuracy of the database data	Sep. 1, 2015	Jun. 30, 2016

## 6. RESPONSIBILITY OF THE PARTIES

### 6.1 Recipient Responsibilities

**6.1.1** The Recipient shall carry out the Scope of Work (SOW) in accordance with the terms and conditions stated herein. The Recipient shall adhere to Federal, state, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. If the SOW contains construction activities, the Recipient is responsible for construction inspection, oversight, and acceptance. If applicable, the Recipient shall also coordinate and obtain approvals from site owners and operators.



## **6.2 Reclamation Responsibilities**

**6.2.1** Reclamation will monitor and provide Federal oversight of activities performed under this Agreement. Monitoring and oversight includes review and approval of financial status and performance reports, payment requests, and any other deliverables identified as part of the SOW. Additional monitoring activities may include site visits, conference calls, and other on-site and off-site monitoring activities. At the Recipient's request, Reclamation may also provide technical assistance to the Recipient in support of the SOW and objectives of this Agreement.

**6.2.2** Substantial involvement by Reclamation is not anticipated during the performance of activities funded under this cooperative agreement.

## **7. BUDGET**

**7.1 Budget Estimate.** The following is the estimated budget for this Agreement. As Federal financial assistance agreements are cost-reimbursable, the budget provided is for estimation purposes only. Final costs incurred under the budget categories listed may be either higher or lower than the estimated costs. All costs incurred by the Recipient under this agreement must be in accordance with any pre-award clarifications conducted between the Recipient and Reclamation, as well as with the terms and conditions of this agreement. Final determination of the allowability, allocability, or reasonableness of costs incurred under this agreement is the responsibility of the Grants Officer. Recipients are encouraged to direct any questions regarding allowability, allocability or reasonableness of costs to the Grants Officer for review prior to incurrence of the costs in question.

BUDGET ITEM DESCRIPTION	COMPUTATION			Reclamation	Recipient	TOTAL COST
	Price/Rate	Unit	Quantity			
<b>SALARIES AND WAGES</b>						
Project Administration (Joe Berg)	\$61.69	Per Hr	52	\$ 257.75	\$ 2,964.17	\$ 3,221.92
Project Manager (Steve Hedges)	\$48.00	Per Hr	78	\$ 299.52	\$ 3,444.48	\$ 3,744.00
Marketing (Jessica Ouwerkerk)	\$36.47	Per Hr	13	\$ 37.93	\$ 436.18	\$ 474.11
Project Support (Melissa Baum-Haley)	\$39.36	Per Hr	156	\$ 491.21	\$ 5,648.95	\$ 6,140.16
Project Support (Sergio Ramirez)	\$27.07	Per Hr	936	\$ 2,027.00	\$ 23,310.52	\$ 25,337.52
Project Staff Intern	\$18.00	Per Hr	624	\$ 898.56	\$ 10,333.44	\$ 11,232.00
			<b>Subtotal</b>	<b>\$ 4,011.97</b>	<b>\$ 46,137.74</b>	<b>\$ 50,149.71</b>
<b>FRINGE BENEFITS</b> - See proposal in official file for detailed calculations						
Project Administration (Joe Berg)	\$21.05	Per Hr	52	\$ 98.51	\$ 996.09	\$ 1,094.60
Project Manager (Steve Hedges)	\$13.46	Per Hr	78	\$ 94.49	\$ 955.39	\$ 1,049.88
Marketing (Jessica Ouwerkerk)	\$10.23	Per Hr	13	\$ 11.98	\$ 121.02	\$ 132.99
Project Support (Melissa Baum-Haley)	\$11.16	Per Hr	156	\$ 156.69	\$ 1,584.27	\$ 1,740.96
Project Support (Sergio Ramirez)	\$8.47	Per Hr	936	\$ 713.51	\$ 7,214.41	\$ 7,927.92
Project Staff Intern	\$2.28	Per Hr	624	\$ 128.04	\$ 1,295	\$ 1,422.72
			<b>Subtotal</b>	<b>\$1,203.22</b>	<b>\$ 12,165.86</b>	<b>\$13,369.08</b>
<b>EQUIPMENT</b> - Leased Equipment use rate + hourly wage/salary x est. hours for assisted activity - Describe equipment to be purchased, unit price, # of units for all equipment to be purchased or leased for assisted activity. Do not list contractor supplied equipment here.						
None						\$ -
			<b>Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SUPPLIES/MATERIALS</b> - Describe all major types of supplies/materials, unit price, # of units, etc., to be used on this assisted activity.						
Promotional - Marketing Billing Inserts	\$0.03	Per Piece	300,125.00		9,003.75	\$ 9,003.75
			<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 9,003.75</b>	<b>\$ 9,003.75</b>
<b>CONTRACTUAL/ CONSTRUCTION</b> - Explain any contracts or sub-Agreements that will be awarded, why needed. Explain contractor qualifications and how the contractor will be selected.						
Site Design Plan Development Sessions	\$1,750.00	Per Session	30	\$ 52,500.00		\$ 52,500.00
			<b>Subtotal</b>	<b>\$ 52,500.00</b>	<b>\$ -</b>	<b>\$ 52,500.00</b>
<b>OTHER</b> - List any other cost elements necessary for your project, such as extra reporting, or contingencies in a construction contract.						
Turf Removal Incentive to Recipient	\$1.00	Per Rebate/Ft	250,000		250,000.00	
Online Application/Database Service	\$1,250.00	Per Month	12	15,000.00		
Quality Control Inspections	\$210.00	Per	125	26,250.00		
			<b>Subtotal</b>	<b>41,250.00</b>	<b>250,000.00</b>	<b>291,250.00</b>
<b>TOTAL DIRECT COSTS:</b>				<b>\$ 98,965.19</b>	<b>\$ 317,307.35</b>	<b>\$ 416,272.54</b>
<b>INDIRECT COSTS</b> -						
None						
<b>TOTAL ESTIMATED PROJECT/ACTIVITY COSTS:</b>				<b>\$ 98,965.19</b>	<b>\$ 317,307.35</b>	<b>\$ 416,272.54</b>

## 7.2 Cost Sharing Requirement

At least 50 % non-Federal cost-share is required for costs incurred under this Agreement. If pre-award costs are authorized, reimbursement of these costs is limited to federal cost share percentage identified in this agreement.

The Federal share of allowable costs shall not be expended in advance of the Recipient's non-Federal share. It is expected that expenditure of Federal and non-Federal funds based upon the cost share percentage above shall occur concurrently. If a bona fide need arises which requires the expenditure of Federal funds in advance of the Recipient share, then the Recipient must request written approval from the Grants Officer prior to the expenditure. Recipient's may expend their agreed upon share of costs in advance of the expenditure of Federal funds without prior written approval.

### **7.3 Pre-Award Incurrence of Costs**

The Recipient is not authorized to incur costs prior to the award of this Agreement. Costs incurred prior to the award of this agreement are not allowable.

### **7.4 Allowable Costs (2 CFR Subpart E §200.400 through §200.475)**

Costs incurred for the performance of this Agreement must be allowable, allocable to the project, and reasonable. The following regulations, codified within the Code of Federal Regulations (CFR), governs the allowability of costs for Federal financial assistance:

#### **2 CFR Subpart E, "Cost Principles"**

Expenditures for the performance of this Agreement must conform to the requirements within this CFR. The Recipient must maintain sufficient documentation to support these expenditures. Questions on the allowability of costs should be directed to the GO responsible for this Agreement.

The Recipient shall not incur costs or obligate funds for any purpose pertaining to operation of the program or activities beyond the expiration date stated in the Agreement. The only costs which are authorized for a period of up to 90 days following the project performance period are those strictly associated with closeout activities for preparation of the final reports.

### **7.5 Revision of Budget and Program Plans (2 CFR §200.308)**

In accordance with 2 CFR §200.308(c)-(e) the recipient must request prior written approval for any of the following changes:

- a) A change in the approved scope of work or associated tasks, even if there is no associated budget revisions.
- b) Change in key personnel specified in section 8 "Key Personnel" of this agreement.
- c) Changes in the approved cost-sharing or matching outlined within this agreement in section 7.2 "Cost Share requirements"
- d) Inclusion of pre-award costs or reimbursement for pre-award costs which are not included in the initially approved budget and included in section 7.3 "Pre-Award Incurrence of Costs" of this agreement.
- e) Extensions to the Completion Date outlined in block 10 of the coversheet (form 7-2279) of this agreement.
- f) The transfer of funds between direct cost categories, functions, and activities for which the expected transfer amount is to exceed 10 percent of the total approved budget.

## 7.6 Modifications

Any changes to this Agreement shall be made by means of a written modification. Reclamation may make changes to the Agreement by means of a unilateral modification to address administrative matters, such as changes in address, no-cost time extensions, or the addition of previously agreed upon funding. Additionally, a unilateral modification may be utilized by Reclamation if it should become necessary to suspend or terminate the Agreement in accordance with 2 CFR §200.338.

All other changes shall be made by means of a bilateral modification to the Agreement. No oral statement made by any person, or written statement by any person other than the GO, shall be allowed in any manner or degree to modify or otherwise effect the terms of the Agreement.

All requests for modification of the Agreement shall be made in writing, provide a full description of the reason for the request, and be sent to the attention of the GO. Any request for project extension shall be made at least 45 days prior to the expiration date of the Agreement or the expiration date of any extension period that may have been previously granted. Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of Reclamation.

## 8. KEY PERSONNEL

### 8.1 Recipient's Key Personnel

The Recipient's Project Manager for this Agreement shall be:

Joseph Berg  
Municipal Water District of Orange County  
18700 Ward Street  
Fountain Valley, CA 92728  
Phone: 714-593-5008; E-Mail: jberg@mwdoc.com

### 8.2 Reclamation's Key Personnel

#### 8.2.1 Grants Officer (GO):

Shawna M. Thompson, LC-10100  
Bureau of Reclamation  
P.O. Box 61470  
Boulder City, Nevada 89006-1470  
Phone: 702- 293-8570; E-Mail: smthompson@usbr.gov

- (a) The GO is the only official with legal delegated authority to represent Reclamation. The GO's responsibilities include, but are not limited to, the following:

- (1) Formally obligate Reclamation to expend funds or change the funding level of the Agreement;
- (2) Approve through formal modification changes in the scope of work and/or budget;
- (3) Approve through formal modification any increase or decrease in the period of performance of the Agreement;
- (4) Approve through formal modification changes in any of the expressed terms, conditions, or specifications of the Agreement;
- (5) Be responsible for the overall administration, management, and other non-programmatic aspects of the Agreement including, but not limited to, interpretation of financial assistance statutes, regulations, circulars, policies, and terms of the Agreement;
- (6) Where applicable, ensures that Reclamation complies with the administrative requirements required by statutes, regulations, circulars, policies, and terms of the Agreement.

#### **8.2.2 Grants Officer Technical Representative (GOTR):**

Debra Whitney  
Bureau of Reclamation  
27708 Jefferson Ave., Suite 202  
Temecula, CA 92590  
Phone: 951-695-5310; E-Mail: dwhitney@usbr.gov

- (a) The GOTR's authority is limited to technical and programmatic aspects of the Agreement. The GOTR's responsibilities include, but are not limited to, the following:
- (1) Assist the Recipient, as necessary, in interpreting and carrying out the scope of work in the Agreement;
  - (2) Review, and where required, approve Recipient reports and submittals as required by the Agreement;
  - (3) Where applicable, monitor the Recipient to ensure compliance with the technical requirements of the Agreement;
  - (4) Where applicable, ensure that Reclamation complies with the technical requirements of the Agreement;
- (b) The GOTR does not have the authority to and may not issue any technical assistance which:
- (1) Constitutes an assignment of additional work outside the scope of work of the Agreement;

- (2) In any manner causes an increase or decrease in the total estimated cost or the time required for performance; or
- (3) Changes any of the expressed terms, conditions, or specifications of the Agreement.

**8.2.3 Grants Management Specialist.** The Grants Management Specialist is the primary administrative point of contact for this agreement and should be contacted regarding issues related to the day-to-day management of the agreement. Requests for approval regarding the terms and conditions of the agreement, including but not limited to modifications and prior approval, may only be granted, in writing, by a Reclamation Grants Officer. Please note that for some agreements, the Grants Officer and the Grants Management Specialist may be the same individual.

Diana Blake  
Bureau of Reclamation  
P.O. Box 61470  
Boulder City, Nevada 89006-1470  
Phone: 702-293-8550; E-Mail: [dmblake@usbr.gov](mailto:dmblake@usbr.gov)

## **9. REPORTING REQUIREMENTS AND DISTRIBUTION**

**9.1 Noncompliance.** Failure to comply with the reporting requirements contained in this Agreement may be considered a material noncompliance with the terms and conditions of the award. Noncompliance may result in withholding of payments pending receipt of required reports, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Agreement, recovery of funds paid under the Agreement, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

**9.2 Financial Reports.** Financial Status Reports shall be submitted by means of the SF-425 and shall be submitted according to the Report Frequency and Distribution schedule below. All financial reports shall be signed by an Authorized Certifying Official for the Recipient's organization.

### **9.3 Monitoring and reporting program performance (2 CFR §200.328)**

(a) Monitoring by the non-Federal entity. The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also §200.331 Requirements for pass-through entities.

(b) Non-construction performance reports. The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB Web site).

(1) The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes. Annual reports must be due 90 calendar days after the reporting period; quarterly or semiannual reports must be due 30 calendar days after the reporting period. Alternatively, the Federal awarding agency or pass-through entity may require annual reports before the anniversary dates of multiple year Federal awards. The final performance report will be due 90 calendar days after the period of performance end date. If a justified request is submitted by a non-Federal entity, the Federal agency may extend the due date for any performance report.

(2) The non-Federal entity must submit performance reports using OMB-approved governmentwide standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports will contain, for each Federal award, brief information on the following unless other collections are approved by OMB:

(i) A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. Where performance trend data and analysis would be informative to the Federal awarding agency program, the Federal awarding agency should include this as a performance reporting requirement.

(ii) The reasons why established goals were not met, if appropriate.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(c) Construction performance reports. For the most part, onsite technical inspections and certified percentage of completion data are relied on heavily by Federal awarding agencies and pass-through entities to monitor progress under Federal awards and subawards for construction. The Federal awarding agency may require additional performance reports only when considered necessary.

(d) Significant developments. Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity.

In such cases, the non-Federal entity must inform the Federal awarding agency or pass-through entity as soon as the following types of conditions become known:

- (1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
- (2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

Reclamation requires Performance reporting for all financial assistance awards, both Construction and non-Construction. Performance reports for Construction agreements shall meet the same minimum requirements outlined in 2 CFR §200.328(b)(2) above.

**9.4 Report Frequency and Distribution.** The following table sets forth the reporting requirements for this Agreement. Please note the first report due date listed for each type of report.

Required Reports	Interim Reports	Final Report
<b>Performance Report</b>		
Format	No specific format required. See content requirements within Section 9.3 (2 CFR §200.328) above.	Summary of activities completed during the entire period of performance is required. See content requirements within Section 9.3 (2 CFR §200.328) above.
Reporting Frequency	Semi-Annual	Final Report due upon completion of Agreement's period of performance
Reporting Period	<b>For Semi-Annual Reporting:</b> October 1 through March 31 and April 1 through September 30.	Entire period of performance
Due Date*	Within 30 days after the end of the Reporting Period.	Within 90 days after the completion date of the Agreement
First Report Due Date	The first performance report is due for reporting period ending September 30, 2015	N/A
Submit to: Grants Officer @	LCFA@usbr.gov	LCFA@usbr.gov
<b>Federal Financial Report</b>		
Format	SF-425 (all sections must be completed)	SF-425(all sections must be completed)
Reporting Frequency	Semi-Annual	Final Report due upon completion of Agreement's period of performance
Reporting Period	<b>For Semi-Annual Reporting:</b> October 1 through March 31 and April 1 through September 30.	Entire period of performance
Due Date*	Within 30 days after the end of the Reporting Period.	Within 90 days after the completion date of the Agreement



First Report Due Date	The first Federal financial report is due for report period ending September 30, 2015	N/A
Submit to: Grants Officer @	LCFA@usbr.gov	LCFA@usbr.gov

\* If the completion date is prior to the end of the next reporting period, then no interim report is due for that period. Instead, the Recipient is required only to submit the final financial and performance reports, which will cover the entire period of performance including the last abbreviated reporting period.

## 10. REGULATORY COMPLIANCE

The Recipient agrees to comply or assist Reclamation with all regulatory compliance requirements and all applicable state, Federal, and local environmental and cultural and paleontological resource protection laws and regulations as applicable to this project. These may include, but are not limited to, the National Environmental Policy Act (NEPA), including the Council on Environmental Quality and Department of the Interior regulations implementing NEPA, the Clean Water Act, the Endangered Species Act, consultation with potentially affected Tribes, and consultation with the State Historic Preservation Office.

Certain environmental and other associated compliance are Federal responsibilities, and will occur as appropriate. Reclamation will identify the need for and will complete any appropriate environmental compliance requirements, as identified above, pertinent to Reclamation pursuant to activities specific to this assisted activity. Environmental and other associated compliance shall be completed prior to the start of this project. As such, notwithstanding any other provision of this Agreement, Reclamation shall not provide any funds to the Recipient for Agreement purposes, and the Recipient shall not begin implementation of the assisted activity described in this Agreement, until Reclamation provides written notice to the Recipient that all applicable environmental and regulatory compliance analyses and clearances have been completed and that the Recipient may begin implementation of the assisted activity. If the Recipient begins project activities that require environmental and other regulatory compliance approval, such as construction activities, prior to receipt of written notice from Reclamation that all such clearances have been obtained, then Reclamation reserves the right to unilaterally terminate this agreement for cause.

## **II. RECLAMATION STANDARD TERMS AND CONDITIONS - STATES, LOCAL GOVERNMENTS, AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS**

### **1. REGULATIONS**

The regulations at 2 CFR Subtitle A, Chapter II, Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", are hereby incorporated by reference as though set forth in full text. Failure of a Recipient to comply with any applicable regulation or circular may be the basis for withholding payments for proper charges made by the Recipient and/or for termination of support.

### **2. PAYMENT**

#### **2.1 Payment. (2 CFR §200.305 )**

(a) For states, payments are governed by Treasury-State CMIA agreements and default procedures codified at 31 CFR Part 205 "Rules and Procedures for Efficient Federal-State Funds Transfers" and TFM 4A-2000 Overall Disbursing Rules for All Federal Agencies.

(b) For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. See also §200.302 Financial management paragraph (b)(6). Except as noted elsewhere in this part, Federal agencies must require recipients to use only OMB-approved standard government wide information collection requests to request payment.

(1) The non-Federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this part. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

(2) Whenever possible, advance payments must be consolidated to cover anticipated cash needs for all Federal awards made by the Federal awarding agency to the recipient.

(i) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer and must comply with applicable guidance in 31 CFR part 208.

(ii) Non-Federal entities must be authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

(3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per §200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.

(4) If the non-Federal entity cannot meet the criteria for advance payments and the Federal awarding agency or pass-through entity has determined that reimbursement is not feasible because the non-Federal entity lacks sufficient working capital, the Federal awarding agency or pass-through entity may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency or pass-through entity must advance cash payments to the non-Federal entity to cover its estimated disbursement needs for an initial period generally geared to the non-Federal entity's disbursing cycle. Thereafter, the Federal awarding agency or pass-through entity must reimburse the non-Federal entity for its actual cash disbursements. Use of the working capital advance method of payment requires that the pass-through entity provide timely advance payments to any subrecipients in order to meet the subrecipient's actual cash disbursements. The working capital advance method of payment must not be used by the pass-through entity if the reason for using this method is the unwillingness or inability of the pass-through entity to provide timely advance payments to the subrecipient to meet the subrecipient's actual cash disbursements.

(5) Use of resources before requesting cash advance payments. To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

(6) Unless otherwise required by Federal statutes, payments for allowable costs by non-Federal entities must not be withheld at any time during the period of performance unless the conditions of §200.207 Specific conditions, Subpart D—Post Federal Award Requirements of this part, 200.338 Remedies for Noncompliance, or one or more of the following applies:

(i) The non-Federal entity has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award.

(ii) The non-Federal entity is delinquent in a debt to the United States as defined in OMB Guidance A-129, "Policies for Federal Credit Programs and Non-Tax Receivables." Under such conditions, the Federal awarding agency or pass-through entity may, upon reasonable notice, inform the non-Federal entity that payments must not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

(iii) A payment withheld for failure to comply with Federal award conditions, but without suspension of the Federal award, must be released to the non-Federal entity upon subsequent compliance. When a Federal award is suspended, payment adjustments will be made in accordance with §200.342 Effects of suspension and termination.

(iv) A payment must not be made to a non-Federal entity for amounts that are withheld by the non-Federal entity from payment to contractors to assure satisfactory completion of work. A payment must be made when the non-Federal entity actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(7) Standards governing the use of banks and other institutions as depositories of advance payments under Federal awards are as follows.

(i) The Federal awarding agency and pass-through entity must not require separate depository accounts for funds provided to a non-Federal entity or establish any eligibility requirements for depositories for funds provided to the non-Federal entity. However, the non-Federal entity must be able to account for the receipt, obligation and expenditure of funds.

(ii) Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.

(8) The non-Federal entity must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.

(i) The non-Federal entity receives less than \$120,000 in Federal awards per year.

(ii) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

(iii) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(iv) A foreign government or banking system prohibits or precludes interest bearing accounts.

(9) Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. Remittances must include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on federal funds. Pertinent details include the Payee Account Number (PAN) if the payment originated from PMS, or Agency information if the payment originated from ASAP, NSF or another federal agency payment system. The remittance must be submitted as follows:

(i) For ACH Returns:

Routing Number: 051036706

Account number: 303000

Bank Name and Location: Credit Gateway—ACH Receiver St. Paul, MN

(ii) For Fedwire Returns\*:

Routing Number: 021030004

Account number: 75010501

Bank Name and Location: Federal Reserve Bank Treas NYC/Funds Transfer Division New York, NY

(\* Please note organization initiating payment is likely to incur a charge from your Financial Institution for this type of payment)

(iii) For International ACH Returns:

Beneficiary Account: Federal Reserve Bank of New York/ITS (FRBNY/ITS)

Bank: Citibank N.A. (New York)

Swift Code: CITIUS33

Account Number: 36838868

Bank Address: 388 Greenwich Street, New York, NY 10013 USA

Payment Details (Line 70): Agency

Name (abbreviated when possible) and ALC Agency POC: Michelle Haney, (301) 492-5065

(iv) For recipients that do not have electronic remittance capability, please make check\*\* payable to: "The Department of Health and Human Services."

Mail Check to Treasury approved lockbox:

HHS Program Support Center, P.O. Box 530231, Atlanta, GA 30353-0231

(\*\* Please allow 4-6 weeks for processing of a payment by check to be applied to the appropriate PMS account)

(v) Any additional information/instructions may be found on the PMS Web site at <http://www.dpm.psc.gov/>.

## **2.2 Payment Method**

Recipients must utilize the Department of Treasury Automated Standard Application for Payments (ASAP) payment system to request advance or reimbursement payments. ASAP is a Recipient-initiated payment and information system designed to provide a single point of contact for the request and delivery of Federal funds. ASAP is the only allowable method for request and receipt of payment. Recipient procedures must minimize the time elapsing between the drawdown of Federal funds and the disbursement for agreement purposes.

Recipients must complete enrollment in ASAP for all active financial assistance agreements with Reclamation. ASAP enrollment is specific to each Agency and Bureau; meaning, if a Recipient organization has an existing ASAP account with another Federal agency or Department of the Interior bureau, but not with Reclamation, then the Recipient must initiate and complete enrollment in ASAP under Reclamation's Agency Location Code (1425) through submission of an enrollment form found at [www.usbr.gov/mso/aamd/asap.html](http://www.usbr.gov/mso/aamd/asap.html). For information regarding ASAP enrollment, please visit [www.usbr.gov/mso/aamd/asap.html](http://www.usbr.gov/mso/aamd/asap.html), or contact the Reclamation ASAP Help Desk [BOR\\_ASAP\\_Enroll@usbr.gov](mailto:BOR_ASAP_Enroll@usbr.gov). Further information regarding ASAP may be obtained from the ASAP website at <http://www.fms.treas.gov/asap>.

In accordance with 2 CFR 25.200(b)(2) the Recipient shall "Maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by an agency". If the Recipient allows their SAM registration to lapse, the Recipient's accounts within ASAP will be automatically suspended by Reclamation until such time as the Recipient renews their SAM registration.

## **3. PROCUREMENT STANDARDS (2 CFR§200.317 through §200.326)**

### **§200.317 Procurements by states.**

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with §200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section §200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§200.318 General procurement standards through 200.326 Contract provisions.

### **§200.318 General procurement standards.**

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)

(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. See also §200.212 Suspension and debarment.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)

(1) The non-Federal entity may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and

(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

### **§200.319 Competition.**

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:



- (1) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (2) Requiring unnecessary experience and excessive bonding;
- (3) Noncompetitive pricing practices between firms or between affiliated companies;
- (4) Noncompetitive contracts to consultants that are on retainer contracts;
- (5) Organizational conflicts of interest;
- (6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- (7) Any arbitrary action in the procurement process.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- (1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
- (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.  
[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**§200.320 Methods of procurement to be followed.**

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(e) [Reserved]

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**§200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.**

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
  - (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  - (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
  - (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  - (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

**§200.322 Procurement of recovered materials.**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

**§200.323 Contract cost and price.**

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

**§200.324 Federal awarding agency or pass-through entity review.**

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

- (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
- (2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
- (3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;
- (4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- (5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.

- (1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
- (2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

#### **§200.325 Bonding requirements.**

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

#### **§200.326 Contract provisions.**

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

#### **4. EQUIPMENT (2 CFR §200.313)**

See also §200.439 Equipment and other capital expenditures.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity. Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further obligation to the Federal Government, and the Federal agency elects to do so, the title must be a conditional title. Title must vest in the non-Federal entity subject to the following conditions:

(1) Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.

(2) Not encumber the property without approval of the Federal awarding agency or pass-through entity.

(3) Use and dispose of the property in accordance with paragraphs (b), (c) and (e) of this section.

(b) A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures. Other non-Federal entities must follow paragraphs (c) through (e) of this section.

(c) Use.

(1) Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

(i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then

(ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

(2) During the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in §200.307 Program income to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal Government retains an interest in the equipment.

(4) When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

(d) Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.



(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) Disposition. When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

(1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

(2) Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

(3) The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75884, Dec. 19, 2014]

## **5. SUPPLIES (2 CFR §200.314)**

See also §200.453 Materials and supplies costs, including costs of computing devices.

(a) Title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. See §200.313 Equipment, paragraph (e)(2) for the calculation methodology.

(b) As long as the Federal Government retains an interest in the supplies, the non-Federal entity must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

## **6. INSPECTION**

Reclamation has the right to inspect and evaluate the work performed or being performed under this Agreement, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Reclamation performs inspection or evaluation on the premises of the Recipient or a sub-Recipient, the Recipient shall furnish and shall require sub-recipients to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

## **7. AUDIT REQUIREMENTS (2 CFR Subpart F §200.501)**

(a) Audit required. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) Single audit. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with §200.507 Program-specific audits.

A program-specific audit may not be elected for R&D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) Exemption when Federal awards expended are less than \$750,000. A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) Federally Funded Research and Development Centers (FFRDC). Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

(f) Subrecipients and Contractors. An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section §200.330 Subrecipient and contractor determinations sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

(g) Compliance responsibility for contractors. In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

(h) For-profit subrecipient. Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient must describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §200.331 Requirements for pass-through entities.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75887, Dec. 19, 2014]

## **8. REMEDIES FOR NONCOMPLIANCE (2 CFR §200.338)**

### **§200.338 Remedies for noncompliance.**

If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in §200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

## **9. TERMINATION (2 CFR §200.339)**

(a) The Federal award may be terminated in whole or in part as follows:

- (1) By the Federal awarding agency or pass-through entity, if a non-Federal entity fails to comply with the terms and conditions of a Federal award;
- (2) By the Federal awarding agency or pass-through entity for cause;
- (3) By the Federal awarding agency or pass-through entity with the consent of the non-Federal entity, in which case the two parties must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or
- (4) By the non-Federal entity upon sending to the Federal awarding agency or pass-through entity written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated.

However, if the Federal awarding agency or pass-through entity determines in the case of partial termination that the reduced or modified portion of the Federal award or subaward will not accomplish the purposes for which the Federal award was made, the Federal awarding agency or pass-through entity may terminate the Federal award in its entirety.

(b) When a Federal award is terminated or partially terminated, both the Federal awarding agency or pass-through entity and the non-Federal entity remain responsible for compliance with the requirements in §§200.343 Closeout and 200.344 Post-closeout adjustments and continuing responsibilities.

#### **10. DEBARMENT AND SUSPENSION (2 CFR §1400)**

The Department of the Interior regulations at 2 CFR 1400—Governmentwide Debarment and Suspension (Nonprocurement), which adopt the common rule for the government wide system of debarment and suspension for nonprocurement activities, are hereby incorporated by reference and made a part of this Agreement. By entering into this grant or cooperative Agreement with the Bureau of Reclamation, the Recipient agrees to comply with 2 CFR 1400, Subpart C, and agrees to include a similar term or condition in all lower-tier covered transactions. These regulations are available at <http://www.gpoaccess.gov/ecfr/>.

#### **11. DRUG-FREE WORKPLACE (2 CFR §182 and §1401)**

The Department of the Interior regulations at 2 CFR 1401—Governmentwide Requirements for Drug-Free Workplace (Financial Assistance), which adopt the portion of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq, as amended) applicable to grants and cooperative agreements, are hereby incorporated by reference and made a part of this agreement. By entering into this grant or cooperative agreement with the Bureau of Reclamation, the Recipient agrees to comply with 2 CFR 182.

#### **12. ASSURANCES AND CERTIFICATIONS INCORPORATED BY REFERENCE**

The provisions of the Assurances, SF 424B or SF 424D as applicable, executed by the Recipient in connection with this Agreement shall apply with full force and effect to this Agreement. All anti-discrimination and equal opportunity statutes, regulations, and Executive Orders that apply to the expenditure of funds under Federal contracts, grants, and cooperative Agreements, loans, and other forms of Federal assistance. The Recipient shall comply with Title VI or the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and any program-specific statutes with anti-discrimination requirements. The Recipient shall comply with civil rights laws including, but not limited to, the Fair Housing Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Equal Educational Opportunities Act, the Age Discrimination in Employment Act, and the Uniform Relocation Act.

Such Assurances also include, but are not limited to, the promise to comply with all applicable Federal statutes and orders relating to nondiscrimination in employment, assistance, and housing; the Hatch Act; Federal wage and hour laws and regulations and work place safety standards;

Federal environmental laws and regulations and the Endangered Species Act; and Federal protection of rivers and waterways and historic and archeological preservation.

### **13. COVENANT AGAINST CONTINGENT FEES**

The Recipient warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an Agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by the Recipient for the purpose of securing Agreements or business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement amount, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

### **14. TRAFFICKING VICTIMS PROTECTION ACT OF 2000 (2 CFR §175.15)**

Trafficking in persons.

*(a) Provisions applicable to a recipient that is a private entity.*

(1) You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not

(i) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

(ii) Procure a commercial sex act during the period of time that the award is in effect; or

(iii) Use forced labor in the performance of the award or subawards under the award.

(2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

(i) Is determined to have violated a prohibition in paragraph a.1 of this award term; or

(ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either:

(A) Associated with performance under this award; or

(B) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1400.

(b) *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

(1) Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

(2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:

(i) Associated with performance under this award; or

(ii) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR part 1400.

(c) *Provisions applicable to any recipient.*

(1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

(2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

(i) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

(ii) Is in addition to all other remedies for noncompliance that are available to us under this award.

(3) You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

(d) *Definitions.* For purposes of this award term:

(1) “Employee” means either:

(i) An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

(ii) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

(2) "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(3) "Private entity":

(i) Means any entity other than a state, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

(ii) Includes:

(A) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

(B) A for-profit organization.

(4) "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

## **15. NEW RESTRICTIONS ON LOBBYING (43 CFR §18)**

The Recipient agrees to comply with 43 CFR 18, New Restrictions on Lobbying, including the following certification:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

(c) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into.



Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**16. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 (URA) (42 USC § 4601 *et seq.*)**

- (a) The Uniform Relocation Assistance Act (URA), 42 U.S.C. § 4601 *et seq.*, as amended, requires certain assurances for Reclamation funded land acquisition projects conducted by a Recipient that cause the displacement of persons, businesses, or farm operations. Because Reclamation funds only support acquisition of property or interests in property from willing sellers, it is not anticipated that Reclamation funds will result in any “displaced persons,” as defined under the URA.
- (b) However, if Reclamation funds are used for the acquisition of real property that results in displacement, the URA requires Recipients to ensure that reasonable relocation payments and other remedies will be provided to any displaced person. Further, when acquiring real property, Recipients must be guided, to the greatest extent practicable, by the land acquisition policies in 42 U.S.C. § 4651.
- (c) Exemptions to the URA and 49 CFR Part 24
  - (1) The URA provides for an exemption to the appraisal, review and certification rules for those land acquisitions classified as “voluntary transactions.” Such “voluntary transactions” are classified as those that do not involve an exercise of eminent domain authority on behalf of a Recipient, and must meet the conditions specified at 49 CFR § 24.101(b)(1)(i)-(iv).
  - (2) For any land acquisition undertaken by a Recipient that receives Reclamation funds, but does not have authority to acquire the real property by eminent domain, to be exempt from the requirements of 49 CFR Part 24 the Recipient must:
    - (i) provide written notification to the owner that it will not acquire the property in the event negotiations fail to result in an amicable agreement, and;
    - (ii) inform the owner in writing of what it believes to be the market value of the property
- (d) Review of Land Acquisition Appraisals. Reclamation reserves the right to review any land appraisal whether or not such review is required under the URA or 49 CFR § 24.104. Such reviews may be conducted by the Department of the Interior’s Appraisal Services Directorate or a Reclamation authorized designee. When Reclamation determines that a review of the original appraisal is necessary, Reclamation will notify the Recipient and provide an estimated completion date of the initial appraisal review.

## **17. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER REQUIREMENTS (2 CFR 25, APPENDIX A)**

*The Central Contractor Registration (CCR) has been migrated to the System for Award Management (SAM). Recipients must continue to comply with the CCR requirements below by maintaining current registration within [www.SAM.gov](http://www.SAM.gov).*

### *A. Requirement for Central Contractor Registration (CCR)*

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

### *B. Requirement for Data Universal Numbering System (DUNS) Numbers*

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

### *C. Definitions*

For purposes of this award term:

1. *Central Contractor Registration (CCR)* means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).
2. *Data Universal Numbering System (DUNS) number* means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. *Entity*, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - a. A Governmental organization, which is a state, local government, or Indian Tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization; and
  - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

**ACTION ITEM**

June 17, 2015

**TO:** Board of Directors**FROM:** **Administration & Finance Committee**  
(Directors Thomas, Osborne, Finnegan)Robert J. Hunter  
General Manager

Staff Contact: Maribeth Goldsby

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

It is recommended that the Board of Directors: Adopt the Amended and Restated Administrative Code after review and discussion of the proposed amendments, as recommended by the Directors assigned to meet with South County representatives.

**COMMITTEE RECOMMENDATION**

The A&F Committee reviewed this item in February, March, April, and May. The Committee recommended a few changes, but deferred the item to allow both the Board and Member Agencies time to comment on the Code. The A&F Committee appointed Directors Hinman, Tamaribuchi and Thomas to meet with the South County agencies to discuss any concerns, and these Directors have suggested changes to the red-lined version of the Code. The suggested changes are outlined in the write up below, but have not been incorporated into the red-lined document, allowing the A&F Committee to discuss the changes.

On June 10<sup>th</sup>, the Committee concurred with the “potential substitute language” proposed by Directors Hinman, Tamaribuchi and Thomas (these changes have been incorporated in the attached red-lined version. The Committee recommended the Board adopt the Code.

**DETAILED REPORT**

Attached is the latest draft Code reflecting recommended changes, for Committee’s review. Please note that one change was made to the Code (since last month) – Article 2, Functions and Powers was changed to reflect that the terms “without preference” and “outside MWDOC” are in the current approved Administrative Code; the term “without preference” is proposed to be removed, however “outside MWDOC” is not.

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

Please note the Administrative Code requires an annual review of MWDOC's Investment Policy, which is normally done in May of each year. Because the Investment Policy is included in the Code, staff believes this review requirement has been completed (by Administrative Code reviews).

### **Changes Suggested by Directors Hinman, Tamaribuchi & Thomas**

#### **A. RE: GENERAL MANAGER AUTHORITY TO MOVE BUDGETED FUNDS BETWEEN CHOICE & CORE**

- **Current Red-Line Version (May 13, 2015)**

#### **SECTION 1307 GENERAL MANAGER**

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

1)...

5) manage MWDOC financial operations, oversee the investment of MWDOC funds and assure MWDOC funds are expended in conformity with Board-approved budgets and applicable laws. Annual budget shall be proposed in form and at level of detail as determined by Board. Upon Board approval of budget, General Manager shall have authority to commit budget funds for purposes and up to limits authorized for each budget category. When not authorized by the budget, the General Manager, but shall seek specific authorization from the Board to expend budget sums in excess of \$25,000 for any contract or purchases except as otherwise authorized in Exhibit A (Section 8000); General Manager shall review budget status quarterly with Board, and shall propose corrective action if revenues or expenditures vary materially from budget. The General Manager shall have the authority to move budgeted funds between cost centers, however the General Manager must notify the Board when moving between cost centers. Board approval is required to move funds between core and choice budget items, and to re-allocate grant funding.

- **South Orange County Agencies Proposed Modifications**

.... The General Manager shall have the authority to move budgeted funds between cost centers, however the General Manager must notify the Board when moving between cost centers. Board approval is required to move funds between core and choice budget items AFTER THE GENERAL MANAGER HAS RECEIVED INPUT IN WRITING FROM THE AFFECTED CHOICE BUDGET PARTICIPANTS, and to re-allocate grant funding.

- **Potential Substitute Language**

.... The General Manager shall have the authority to move budgeted funds **WITHIN AND between cost centers, however the General Manager must notify the Board when moving funds between cost centers. Board approval is required to move funds between from Choice and to Core budget items, between Choice programs, and to re-allocate grant funding. UNLESS THE MOVEMENT OF CHOICE FUNDS IS DEEMED TO BE AN EMERGENCY, MEMBER AGENCIES SHALL BE NOTIFIED AND HAVE THE OPPORTUNITY TO COMMENT ON THE PROPOSED ACTION AT BOTH A MWDOC COMMITTEE AND BOARD MEETING.**

## B. RE: APPOINTMENT OF MET DIRECTORS

- **Current Red-Line Version (May 13, 2015)**

### SECTION 1500 APPOINTMENT OF MET DIRECTORS

#### A. APPOINTMENT PROCESS

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

##### 1. REVIEW OF CANDIDATES

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

- **South Orange County Agencies Proposed Modifications**

##### ... 1. REVIEW OF CANDIDATES

The President of the Board will receive names and qualifications of proposed candidates submitted by MWDOC Directors. FOR TWO (2) OF THE FOUR (4) SEATS RETAINED BY THE MWDOC BOARD. IN ADDITION, FOR THE OTHER TWO (2) SEATS, THE PRESIDENT OF THE BOARD SHALL REQUEST THE MEMBER AGENCIES TO NOMINATE IN WRITING A CANDIDATE OF THEIR CHOOSING. THE REQUEST FOR NOMINATIONS SHALL ALTERNATE BETWEEN THE NORTH COUNTY AGENCIES AND THE SOUTH COUNTY AGENCIES. THE NOMINATION BY THE MEMBER AGENCIES SHALL BE DETERMINED BY "ONE AGENCY, ONE VOTE" PROCESS. ONCE FILLED, THE SEATS WILL BE DESIGNATES AS THE 'SOUTH COUNTY SEAT' AND THE "NORTH COUNTY SEAT" AND THE NOMINATION FOR THE DESIGNATES SEAT SHALL BE FROM THAT REGION.

- **Potential Substitute Language**

Add to the end of the introductory paragraph of Section 1500 – MWDOC MET DIRECTORS the following sentence:

"The selection and removal of two of the four MWDOC MET Directors is subject to a 2010 Settlement Agreement."

And;

##### ... 1. REVIEW OF CANDIDATES

The President of the Board will receive names and qualifications of proposed candidates submitted by MWDOC Directors. FOR TWO (2) OF THE FOUR (4) SEATS RETAINED BY THE MWDOC BOARD. IN ADDITION, FOR THE OTHER TWO (2) SEATS, THE PRESIDENT OF THE BOARD SHALL REQUEST THE MEMBER AGENCIES TO NOMINATE IN WRITING A CANDIDATE OR CANDIDATES OF THEIR CHOOSING. THE REQUEST FOR NOMINATIONS SHALL ALTERNATE BETWEEN THE NORTH COUNTY AGENCIES AND THE SOUTH COUNTY AGENCIES. IN THE ABSENCE OF AN AGREEMENT TO SOME OTHER PROCESS, THE NOMINATION BY THE MEMBER AGENCIES SHALL BE DETERMINED BY "ONE AGENCY, ONE VOTE" PROCESS. ONCE FILLED, THE SEATS WILL BE DESIGNATES AS THE 'SOUTH COUNTY SEAT' AND THE "NORTH COUNTY SEAT" AND THE NOMINATION FOR THE DESIGNATES SEAT SHALL BE FROM THAT REGION.

## C. WATER SALES OUTSIDE THE SERVICE AREA

- **Current Red-Line Version (May 13, 2015)**

### ARTICLE 2 ORGANIZATION AND BOUNDARIES FUNCTIONS & POWERS

1. ...
2. Sell potable and nonpotable water under its control, ~~without preference~~, to cities, other public corporations and agencies, and persons within the District for use within or outside MWDOC, and fix rates therefore.

- **South Orange County Agencies Proposed Modifications**

### SECTION 5000 GENERAL (new paragraph)

The General Manager shall prepare for the Board's consideration a formal Agreement for Sale of Water Outside the District Boundary (outside Agreement) with any city, other corporate corporation, agency or persons for the sale and delivery of water outside the District's boundaries. Said formal Outside Agreement will be presented only after all member agencies have received an opportunity to enter into a service agreement under the terms of this Section 5000 for any and all available water. The Outside Agreement will consider all fees, charges, terms of delivery and will comply with applicable provisions of the Administrative Code.

- **Potential Substitute Language**

2. Sell or otherwise dispose potable and nonpotable water under its control, ~~without preference~~, to any persons, public corporations or agencies or other consumers ~~cities, other public corporations and agencies, and persons within the District~~ for use within or outside MWDOC's service area, and fix rates therefore.

## D. TIER TWO CONTINGENCY FUND

(N.B.: This entire section of code was essentially rewritten to make it current)

- **Current Red-Line Version (May 13, 2015)**

### SECTION 2008 TIER TWO CONTINGENCY FUND

1. ...
4. Disposition of Excess Funds: After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. The Board may consider issuing a credit to the member agencies or consider other uses of the funds which would result in long-term savings to the District. The General Manager shall present an analysis to the Board to determine the appropriate credit amount taking into account projected water sales, variations in weather, the Melded Supply Rate, rate stability objectives, and the Tier 2 Contingency Fund targets. The Board shall review the General Manager's recommendation and determine the appropriate credit amount. The credit amount, if issued, will be distributed to the member

agencies in proportion to the amount of the “melded rate” water each agency purchased in the calendar years since the last credit was issued (or from the fund inception date if no prior credit has been issued). In the event credits are to be provided, the credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).

- **South Orange County Agencies Proposed Modifications**

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

- **Potential Substitute Language**

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

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

***AMENDED AND RESTATED  
ADMINISTRATIVE CODE***

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

*Updated:*



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

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

**ADOPTION** - This Code was originally developed and adopted on April 21, 1993 and placed on file in the District office of the Secretary of the District ~~and, a restated version was approved on May 18, 2005.~~ Existing Board and/or administrative policies or procedures in conflict with the provisions of this Code were rescinded concurrently with its adoption (February 18, 2019).

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

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

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

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

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

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

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



## ARTICLE 2 ORGANIZATION AND BOUNDARIES

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

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

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

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

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

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

1. Acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture and salvage any water, including sewage and storm water, and undertake water conservation programs, for the beneficial use(s) of MWDOC, its inhabitants, or the owners of rights to water in MWDOC.
2. Sell or otherwise dispose of potable and nonpotable water under its control, ~~without preference to any persons, public corporations or agencies or other consumers, to cities, other public corporations and agencies, and persons within the District~~ for use within or outside MWDOC's service area, and fix rates therefore.

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

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

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

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

M-10/20/10

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

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

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

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

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

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

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

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

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

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

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

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

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

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**ARTICLE 3  
GOVERNING BODY  
BOARD OF DIRECTORS**

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

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

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

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

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

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CA Water Code 71252 and 71253

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

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

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

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

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CA Water Code 71254; Gov. Code 1780

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

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

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

<b>BOARD OBJECTIVES</b>	<b>§1000-1002</b>
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**1000 PURPOSE/MISSION**

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

M-10/19/10

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

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

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

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

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

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

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

(a) Limit official actions to the scope of MWDOC's purpose and authority.

(b) Stay informed about MWDOC's purpose, finances, services, policies, and programs.

(c) Render decisions in good faith, without allowing personal or special interests to prevail over the institutional interests of MWDOC.

(d) Prepare for meetings by reviewing agenda items, contacting appropriate staff through the General Manager, and providing adequate notice of issues that staff should be prepared to address.

(e) Preserve the financial solvency of MWDOC and its ability to serve member agencies, customers, and the general public for the long term.

(f) Ensure that use of MWDOC equipment, supplies, staff time, telephones, computers, and fax machines is limited to official purposes, consistent with District policies, the Fair Political Practices Commission Regulations, and State law.

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

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

(a) Protect confidential information received during any Closed Session of the District Board held pursuant to State law.

(b) Refrain from discussions that are not properly noticed pursuant to State law.

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

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

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

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

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

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

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

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

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

**§1101 SPECIAL MEETINGS**

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

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

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

#### **§1102 WORKSHOP MEETINGS**

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

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

#### **§1103 EMERGENCY MEETINGS**

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

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

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

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

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

#### **§1104 NOTICES OF MEETINGS**

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

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

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Motion – 4/21/93

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

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

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Motion – 4/21/93; Motion – 7/16/97;

#### **§1106 PLACE OF MEETINGS**

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

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

#### **§1107 CLOSED MEETINGS**

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

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

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

#### **§1108 ADJOURNED MEETINGS**

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

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Motion - 4/21/93;

#### **§1109 MINUTES OF MEETINGS**

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

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

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

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

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

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

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

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

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

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

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

1. Minutes of Board Meetings
2. Financial Reports

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

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

Motion - 4/21/93;

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

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

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

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

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

Motion - 4/21/93



#### **§1114 QUORUM OF BOARD**

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

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

#### **§1115 ACTIONS OF BOARD**

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

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

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

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

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

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

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

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M – 4/17/02

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

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

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

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

**§1201 STANDING COMMITTEES**

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

The Standing Committee of the Board of Directors are:

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

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

#### **§1202 APPOINTMENTS**

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

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

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

#### **§1203 COMMITTEE MINUTES**

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

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

#### **§1204 ALTERNATE COMMITTEE MEMBERS**

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

Motion - 4/21/93; Motion – 1/21/04

#### **§1205 SPECIAL MEETINGS**

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

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

#### **§1206 EXECUTIVE COMMITTEE**

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

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

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

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

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

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

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

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

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

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

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

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

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Motion – 02/15/06; M-04/19/06

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**§1302 VACANCY IN OFFICE**

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

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R324 - 1/6/63; R-1729 – 1/21/04



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

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

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R6 - 5/25/51; R-1729 – 1/21/04;

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

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

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

### **§1305 DUTIES OF SECRETARY**

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

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Motion - 4/20/94;

### **§1306 DUTIES OF TREASURER**

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

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

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## **§1307 GENERAL MANAGER**

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

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

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

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

movement between core and choice budget items, and (2) grant funding.

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

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

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

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

b. Rights and Benefits of General Manager

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

c. Compensation of General Manager

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

d. General Manager's Evaluation Process

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

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

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

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

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**§1308 DUTIES OF LEGAL COUNSEL**

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

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Motion - 4/21/93;

**§1309 DUTIES OF AUDITOR**

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

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

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

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

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

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

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

**§1401 DIRECTORS BENEFITS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Gov. Code 71255 and 53232.1

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

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

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

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Rev. 6/16/99; Motion – 4/16/03

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

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

**§1500 APPOINTMENT OF MET DIRECTORS**

**A. APPOINTMENT PROCESS**

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

**1. REVIEW OF CANDIDATES**

The President of the Board will receive names and qualifications of proposed candidates submitted by MWDOC Directors for two (2) of the four (4) seats retained by the MWDOC Board. In addition, for the other two (2) seats, the President of the Board shall request the Member Agencies to nominate in writing a candidate or candidates of their choosing. The request for nominations shall alternate between the North County agencies and the South County agencies, in the absence of agreement to some other process. The nomination by the Member Agencies shall be determined by "one agency, one vote" process. Once filled, the seats will be designated as the "South County Seat" and the "North County Seat" and the nomination for the designated seat shall be from that region.

**2. SELECTION**

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

**3. TERM OF OFFICE**

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

**B. QUALIFICATION OF CANDIDATES**

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



candidates:

#### 1. AREA OF REPRESENTATION

MET emphasizes that MET Directors are required to consider problems and issues from the standpoint of their Metropolitan responsibility (i.e., a Southern California regional perspective). In addition, MWDOC requires that the candidate(s) shall represent the interests of the entire MWDOC service area in carrying out the responsibilities of a MET Director. While the candidate(s) will be nominated from a specific geographical area of Orange County, the Director must represent the interest of the entire MWDOC and MET service areas. The candidate shall represent the interests of the MWDOC service area in carrying out the functions and responsibilities of a Director on the MET Board. A balanced geographical representation and dependence on imported water supplies shall be considered.

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#### 2. MEETING ATTENDANCE

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

#### 3. LEADERSHIP AND ACTIVITIES

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

#### 4. RESIDENCE

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

#### 5. INCOMPATIBILITY OF OFFICE

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

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resign the incompatible office, as defined by the MWDOC Board, with an effective date prior to being sworn in as a MET Director.

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

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

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

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

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

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

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

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

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

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R1253 - 1/23/85;

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

If a MWDOC MET Director moves his or her residence, as defined in Section 244 of the

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

M-9/21/09

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

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

M-9/21/09

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

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

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

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

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

**§1600 APPOINTMENT TO SANTIAGO AQUEDUCT COMMISSION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**§1800 GENERAL**

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

**§1801 PURPOSE**

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

**§1802 DRIVER RESPONSIBILITY**

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

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

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



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

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

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

**§1804 INSURANCE REQUIREMENTS**

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

## CHAPTER 2

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

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

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

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

**§2001 BUDGET PREPARATION AND REVIEW**

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

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

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Motion - 4/21/93;

## **§2002 ESTABLISHING FUNDS**

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

## **§2003 BANKING SERVICES**

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

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

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

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

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

### **Check Procedures**

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

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

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

### **ACH Procedures**

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

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Minutes action - 10/2/91

### **§2005 APPROVAL OF VOUCHERS**

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

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

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

## **§2006 YEARLY AUDIT REPORT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

**Cash Flow:**

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

**Election expense:**

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

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

—Projected

**Building Expense:**

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

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

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

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

#### **OPEB Reserve:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Summary

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

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MWDOC Draft Reserve Summary

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

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

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

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

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

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

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

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

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

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



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

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

#### **§2102 ORGANIZATION**

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

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

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

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

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

#### **§2103 INVESTMENT PHILOSOPHY**

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

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

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

#### **§2104 SCOPE**

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

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

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

#### **§2105 INVESTMENT OBJECTIVES**

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

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

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

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

1) Credit risk will be mitigated by:

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

2) Interest rate risk will be mitigated by:

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

#### **Liquidity**

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

## **Rates of Return**

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

## **§2106 INVESTMENT POLICY GUIDELINES**

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

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

obligations.

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

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

#### **§2107 EXECUTION**

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

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

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

#### **§2108 PERSONAL CONDUCT**

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

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

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

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

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

#### **§2109 REPORTING**

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

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

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

#### **§2110 GLOSSARY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Payment for MWDOC-related expenses incurred by MWDOC staff, MWDOC Directors, and MWDOC MET Directors, shall be allowed only for the purpose of furthering the interests of MWDOC. Directors attending events outside the MET service area and events requiring a registration fee in excess of \$~~5200~~ require prior approval of the Board or ratification as per Section 1403. The purpose of this policy is to establish rules and procedures for reimbursement of expenses, use of MWDOC-issued credit cards and cash advances. Any expenses incurred by MET Directors, except mileage to MWDOC Board meetings, are to be submitted to MET for payment with accompanying receipts.

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

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

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

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

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

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

Motion 12/21/05

## **§2202 SUPERVISION**

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

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

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

## **§2203 AUTHORIZED EXPENSES**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **§2208 DEFINITIONS**

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

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

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

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

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

Whenever an employee who customarily performs MWDOC job assignments outside

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

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

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

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

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

a. Employees

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

b. Directors

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

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

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

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

**§2301 AUTHORIZATION TO TRAVEL**

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

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

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

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

#### **§2302 TRAVEL EXPENSES**

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

#### **§2303 TRAVEL ARRANGEMENTS**

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

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

## CHAPTER 3

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

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

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

**§3001 REQUEST FOR ANNEXATION**

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

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

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



to MWDOC shall bear all associated costs.

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

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

### **§3003 ANNEXATION PROCEDURES**

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

Government Code Sections 57203 and 57204.

The entire process typically takes between six and twelve months.

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

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

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

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

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

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

## CHAPTER 4

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

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

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

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

**§4001 CLASSIFICATION AND WATER RATES**

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

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

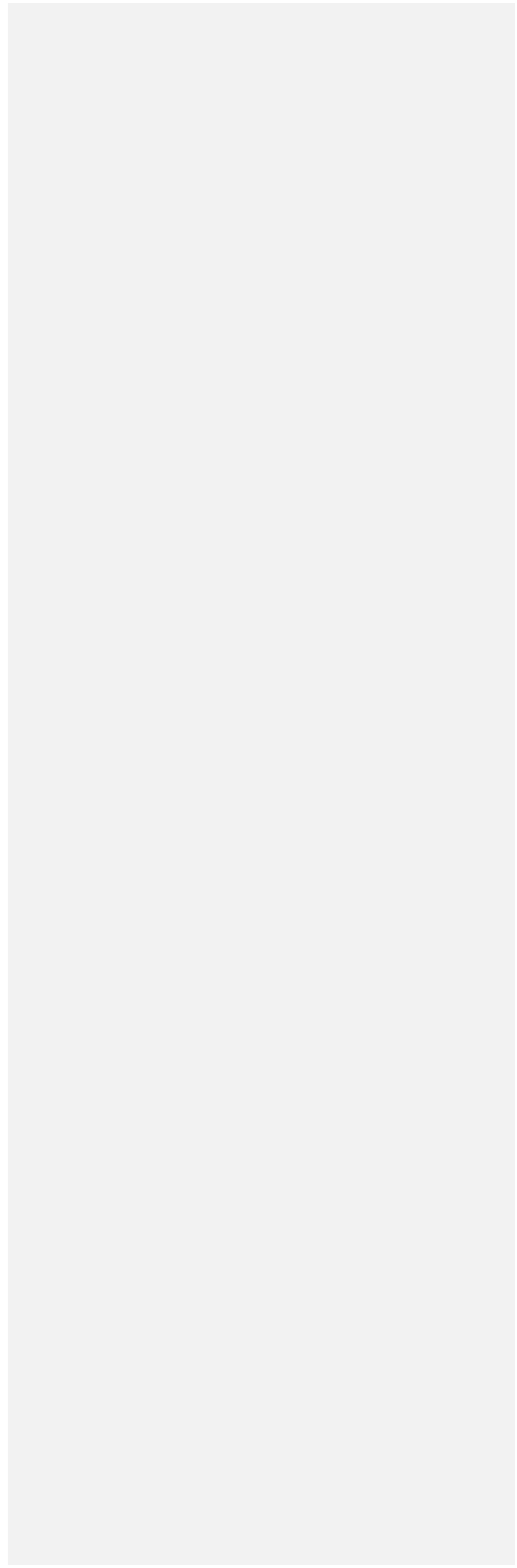
**§4002 DISCOVERY OF MISTAKES OR ERRORS**

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

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

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## CHAPTER 5

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

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

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

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

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

**§5001 DELIVERY OF WATER**

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

**§5002 TITLE**

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

**§5003 PAYMENT FOR WATER**

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

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

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

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

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

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

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

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

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

#### **§5007 MET's CONDITIONS**



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

#### **§5008 WATER RATES**

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

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

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

#### **§5009 REPAIRS**

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

#### **§5010 INDEMNITY**

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

#### **§5011 MWDOC/MET AGREEMENT**

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

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

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

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

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

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

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

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

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Motion 10/19/05

## CHAPTER 6

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

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

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

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

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

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Motion - 7/21/93; Motion – 7/21/04

## CHAPTER 7

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

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

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

**§7001 MWDOC CONFLICT OF INTEREST CODE**

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

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

Res. No. 1874 – 2/17/10

**§7002 FILING OFFICER/OFFICIAL**

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

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

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

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

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

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

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

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

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

Motion - 4/20/94;

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

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

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

Motion 4/20/94

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

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

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



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

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

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

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

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

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

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

## EXHIBIT B: CATEGORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**§7101 RESPONSIBILITIES OF BOARD MEMBERS**

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

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

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

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

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Motion - 1/17/96;

### **§7103 CONFLICT OF INTEREST**

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

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

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

### **§7104 GIFTS**

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

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

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

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

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

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

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

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Motion - 1/17/96;

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

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

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Motion - 7/21/93; Motion - 8/18/93;

#### **§7106 USE OF CONFIDENTIAL INFORMATION**

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

#### **§7107 POLITICAL ACTIVITIES**

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

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All eEmployees are prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries, except where such activities are required in the course of the employee's official duties. Employees are otherwise free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. All staff of MWDOC is prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries. These provisions are intended to protect employees against assessments for political purposes and other involuntary, coerced political activities and to prevent political activity on the part of employees from interfering with the efficiency of MWDOC. Nothing in this section shall be applied in a manner that unlawfully curtails the constitutional rights of the employee.

#### **§7108 IMPROPER ACTIVITIES**

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

#### **§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS**

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be



referred to any of the following: (1) the General Manager; (2) Human Resources; (3) the Board of Directors; or (4) any member of the management staff, for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination.

If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action. The Executive Committee may make a determination and present the issue to the full Board.

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Motion - 1/17/96;

#### **§7110 VIOLATION OF POLICY – DIRECTORS**

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

#### **§7111 PERIODIC REVIEW OF ETHICS, CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES**

Pursuant to the terms of Government Code Sections 53234 through 53235.2, each Director shall receive at least two hours of training in general ethics principles every two years. Pursuant to Government Code Section 53235(c), the curricula for ethics training must be approved by the Fair Political Practices Commission (FPPC) and the Attorney General. It is the general desire of the MWDOC Board to meet and review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct during the first quarter of the year immediately following an election (every two years).

Each Director shall retain the certificate of completion from any ethics course in which he/she participates and shall provide a copy of such report to MWDOC. Such records shall be retained for five years from the date they are received.

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M-12/21/05

## CHAPTER 8

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

<b>CONTRACTS</b>	<b>§8000-§8004</b>
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**§8000 CONTRACTS**

Contract documents shall consist of such documents as the General Manager may deem desirable and as approved as to form by MWDOC's Legal Counsel in addition to those required by law. The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings. Whenever an award is made by the Board, such award shall constitute approval of the contract documents and contractor or consultant shall be authorized to proceed with the provision of services or materials described in the contract document, subject to compliance with the insurance and bonding requirements, execution of all documents and, where applicable, issuance by MWDOC of a Notice to Proceed.

It is MWDOC's policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at least every five (5) years, except in situations with documented significant benefits to MWDOC.

The procedures for entering into contracts shall be pursuant to the laws governing MWDOC and those policies outlined in MWDOC's Contracts Manual ~~(currently in draft form and under review by staff).~~

**§8001 APPROVING AUTHORITY FOR PURCHASES/CONTRACT SERVICES**

Approving authorities listing the standards and procedures for various purchases and contract services are listed in the matrix attached to this section as Exhibit A.

The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000. The General Manager may delegate all purchasing approval authorities to the Assistant General Manager during periods when the General Manager is absent.

**§8002 STANDARD AGREEMENT FOR CONSULTANT SERVICES**

During the budget approval process, each fiscal year, a listing of all proposed contracts with consultants to provide ongoing or new professional services such as auditing, legal or engineering services shall be included in the budget for approval. After Board approval, a "Standard Agreement for Consultant Services" shall be prepared and completed, including receipt of all required insurance documents, before services are

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initiated. The Agreement shall have a scope of work attached and incorporated into the Agreement by reference, specifically setting out the tasks to be completed. Tasks other than those specifically described shall not be performed without prior written approval of the General Manager. ~~In the event the same consultant is hired five years in a row, the appropriate Standing Committee shall review the contract and determine whether it would be prudent to issue a Request for Proposal (RFP) for future services.~~

Work performed under such Agreement is to be billed and paid for at rates set forth in the consultant's fee schedule or schedule of charges and invoices must reference the appropriate Purchase Order number as referenced in the Agreement. MWDOC's Ethics Policy (Section 7100-7111) shall be incorporated in to the Standard Agreement for Consultant Services, as an Exhibit.

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Motion – 12/9/92; 7/21/93; 7/16/97; 11/21/01; 06/15/11; 02/15/12

#### **Selection of Consultants**

The following criteria shall be used to qualify candidates for professional services.

1. Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
2. The consultant's familiarity with types of problems applicable to the project.
3. Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
4. The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
5. The consultant's level of financial responsibility.
6. The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.
7. Types of guarantees or warranties offered by the consultant.
8. Estimate of the range of proposed services and costs.

#### **Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority**

In the event that Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement

Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item, prior to starting the work. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President at least a week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract. The General Manager shall submit an annual written status report on all contracts executed under the General Manager's authority to the Administration & Finance Committee.

#### **Procedures for Developing Requests for Proposals**

Staff will prepare a description of the proposed project, its purpose, location, and other pertinent facts and shall request interested consultants to submit proposals; consultants may be requested to submit a statement of qualifications for certain activities. The proposals shall contain detailed information, including, but not limited to, the firm's ability to perform the job within the designated timeframe, the firm's design team, the firm's proposed use of sub-contractors, the firm's proposed scope of work, level of effort and estimated cost range, and contract documents.

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M-6/15/11

#### **§8003 REQUISITIONS AND PURCHASE ORDERS**

All requests for purchases require the completion of a requisition signed by the appropriate ~~Cost Center~~~~Program~~ Manager. If the ~~Cost Center~~~~Program~~ Manager is not available, the Assistant Manager may sign the requisition. All requisitions for purchases over \$3,000 require the issuance of a purchase order. A copy of the purchase order is to be provided to the ~~Cost Center~~~~Program~~ Manager. The ~~Accounting~~~~Finance~~ Manager may authorize purchases up to \$3,000. ~~with~~~~the~~ General Manager and the ~~Accounting~~~~Finance~~ Manager required to jointly sign for purchases over \$3,000.

In the absence of the ~~Accounting~~~~Finance~~ Manager or General Manager, the Assistant Manager and/or the ~~Alternate Deputy Treasurer(s)~~~~Sr. Accountant~~ are authorized to sign purchase orders. It is normally expected that neither the General Manager nor the ~~Accounting~~~~Finance~~ Manager nor those signing in their absence shall sign their own purchase orders. However, if those whose signatures are normally required are not available, they may sign their own purchase orders provided the purchase is ratified upon the return of the one who would normally sign. Confirming purchase orders are used for emergency situations only and require approval of the General Manager.

#### **A. Procurement Policy**

Every attempt will be made to obtain the best quality materials, equipment supplies and

services in the optimum time frame for the minimum price. Quality of performance, as well as lowest cost, will be considered in the process.

#### **B. Requisition Forms**

The purchase requisition form shall be used for requesting the purchase of supplies, material, equipment, labor or services. The requisition form shall be submitted sufficiently in advance of the date the supplies, materials, equipment, labor or services are needed, in order to allow time for processing of a purchase order.

Requisitions are to clearly specify the type, quantity, quality and cost of the goods or services required. Common-use items should be described by their popular names, supplemented by number, size, style or other identifying data. In the case of items or services regularly needed in MWDOC operations, where experience and convenience have indicated the most economical and convenient place of purchase, the requisition should indicate the name and address of the customarily used vendor. If the vendor is not incorporated, their Tax ID number must be indicated on the form.

If transportation costs are involved, the manner in which the goods are to be shipped is to be shown on the requisition together with the approximate cost if MWDOC is to pay those costs. If items requisitioned need to be installed or assembled, it should be stated on the requisition whether MWDOC or the vendor is to do the installing or assembling. Any unusual conditions in connection with delivery and/or installation/assembly should be indicated.

#### **C. Chargeable Account**

Each requisition will specify the program and activity for which the supplies, materials, equipment or services are necessary so that the costs of such purchase may be charged to the proper account. The ~~Cost Center~~Program Manager approving the requisition shall insure there are sufficient unencumbered funds in the proper account to cover the cost of the purchase.

#### **D. Inspection and Acceptance of Order**

The requisitioner in all cases is responsible for inspecting and for accepting or rejecting deliveries and for determining that both the quality and quantity of the delivery are as specified on the purchase order. The requisitioner shall sign the delivery ticket and submit it to Accounting as certification that the goods were received and accepted. If the goods delivered do not conform to the specifications indicated on the purchase order, the requisitioner shall immediately notify the vendor and Accounting that the delivery is rejected and will require satisfactory replacement or a supplemental delivery or a credit for returned goods.

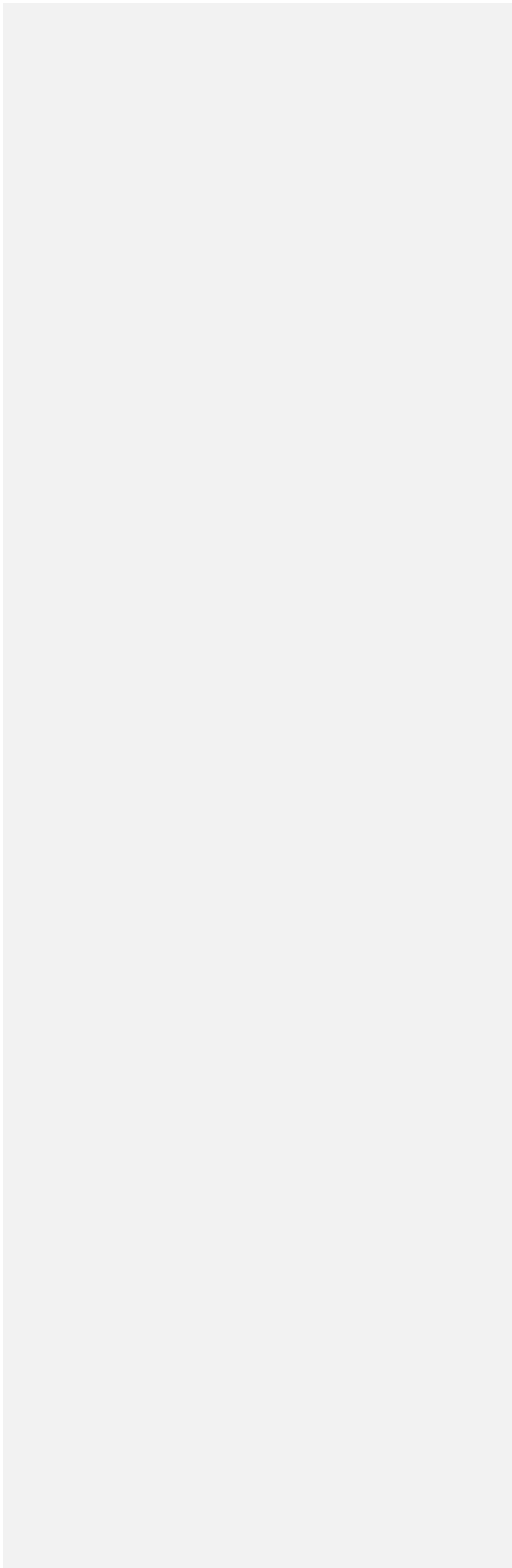
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M-6/15/11

#### **§8004 PERSONS OR COMPANIES REPORTING GIFTS**

All contracts shall contain provisions as contained in Administrative Code Section 7105

with regard to reporting of gifts.



**Exhibit A**  
**AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND**  
**CONSULTING & PROFESSIONAL SERVICES**

**TABLE 1 – REGULAR SITUATIONS**

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$3,000	<ul style="list-style-type: none"> <li>2 written quotes on purchases</li> <li>Selection based on qualifications for professional services</li> </ul>	Program Manager & Accounting/Finance Manager	N/A
\$3,001 - \$25,000**	<ul style="list-style-type: none"> <li>Competitive bidding process on purchases</li> <li>Competitive proposals on professional services contracts.</li> <li>If competitive proposals are not utilized, a justification for sole source services must be completed and submitted to the next Board meeting as an informational item.</li> </ul>	Program Manager & GM	N/A
Over \$25,000	<ul style="list-style-type: none"> <li>Request for competitive proposals or bidding as appropriate or justification of a sole source contract</li> </ul>	General Manager	Committee and Board of Directors

\*Any aggregate work that will exceed \$25,000 for any one consultant over a one year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors for the work to be authorized.

\*\*The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

**TABLE 2 – EMERGENCY SITUATIONS\*\***

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$100,000	Purchase order/Agreement or Contract	General Manager	Board of Directors ratification at next regular meeting or earliest special meeting
Over \$100,000	Agreement or Contract	General Manager	Board of Directors

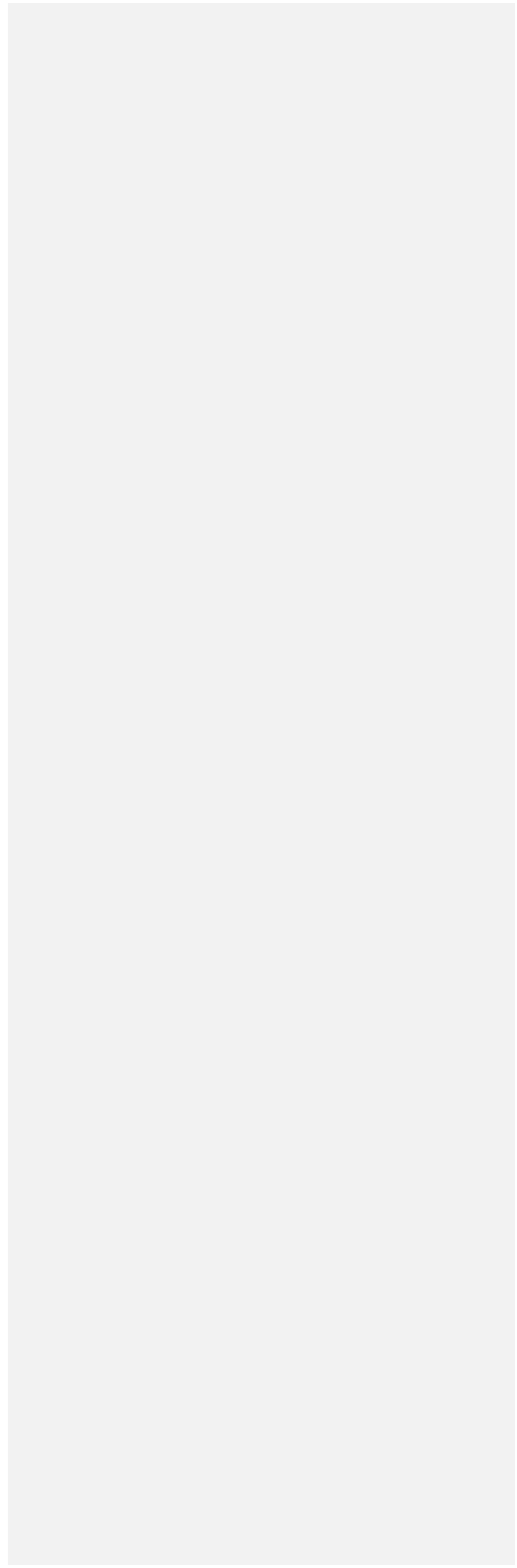
\*\*Events requiring immediate extraordinary action to protect public health, safety, welfare and property

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M-6/15/11; 02/15/12



## CHAPTER 9

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

<b>MWDOC PROPERTY</b>	<b>§9500-§9501</b>
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**§9500 DISPOSAL OF SURPLUS PERSONAL PROPERTY**

The General Manager shall have the authority and responsibility for the ultimate sale or disposal of surplus personal property of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall be informed whenever MWDOC personal property is surplus to the needs of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall investigate whether the recommended surplus material or equipment can be economically used by another department within MWDOC. If, after this investigation, it is determined that the material or equipment is either broken, obsolete or of no further use for the purposes of MWDOC the following guidelines shall apply:

- In the case of items listed on MWDOC's fixed assets, submit the item(s) to the General Manager who is authorized to declare items as surplus and to sell, scrap or dispose of such items. The Administration & Finance Committee shall be informed of the intention to write off or dispose of any items declared as surplus.
- Both items listed on the fixed assets and those items not listed on fixed assets shall be reviewed and may be disposed of at the discretion of the General Manager and in no event shall it be distributed to an officer, Director, employee or family member.
- Under the direction of the ~~Accounting~~ ~~Finance~~ Manager, staff will conduct a physical inventory of fixed assets every three years.
- Whenever it is advantageous or useful to MWDOC to publicly advertise surplus personal property for sale or otherwise dispose of said property, the ~~Finance~~ ~~Accounting~~ Manager shall sell such materials to the highest bidder at auction or by an established fixed price based on value analysis of the material
- An attempt shall be made to determine the value of items declared surplus by contacting vendors who normally take items as trade-in or buy surplus items.
- If the ~~Accounting~~ ~~Finance~~ Manager determines that surplus personal property shall be disposed of by sale or auction, notice of the time and place of said sale or auction shall be either published in a newspaper of general circulation or posted in at least three public places at least seven, but not more than 14 days prior to the date of the sale or auction. The notice shall identify with reasonable particularity the items to be sold and shall state that any person may bid on said items and that all sales will be paid in cash. No officer or Director of MWDOC or immediate family of an officer or Director shall be permitted to bid at auction for or purchase any surplus property of MWDOC.

No MWDOC employee or immediate family of an employee shall be permitted to bid at auction for or purchase any surplus property of MWDOC if such employee was in any way involved in the decision to originally purchase the item, the recommendation or decision to declare said item surplus, the determination of the value of items declared surplus, or the advertising or conduct of any sale or auction.

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Motion - 9/5/90; Motion – 11/17/99; 11/21/01

#### **§9501 DISPOSAL OF SURPLUS REAL PROPERTY**

##### **SECTION 1: IDENTIFYING SURPLUS REAL ~~TAIL~~ PROPERTY**

- 1.1 Preliminary Requirements - The General Manager shall establish a procedure for the continuous review of real property owned by MWDOC for the purpose of determining which of such property is surplus to MWDOC's needs. Upon determination by the General Manager that property is surplus, the Board shall be notified of the determination, then a) cause the property to be appraised by one or more appraisers and b) comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If, upon such compliance, any official body objects to the proposed sale, the Board shall first expressly uphold or reject the objections. There being no objections, or the objections having been completed, the General Manager may then sell the surplus property as hereinafter set forth.
- 1.2 Authority for General Manager to Sell Surplus Property - If, after offering the property for sale to certain public agencies, as required by law, at the fair market value was determined by the General Manager after review of any or all appraisals of the property, no such offer is accepted, the General Manager may sell it either by public auction or by using the services of real estate brokers or a professional auctioneer.

##### **SECTION 2: AUCTION BY MWDOC STAFF**

- 2.1 If the General Manager or a duly authorized agent elects to sell the property by public auction, such auction shall be at such time and place as may be determined by the General Manager, with or without sealed bids having been first submitted.
- 2.2 Whenever the General Manager or a duly authorized agent determines that the sale shall be at public auction without sealed bids having been first submitted, no bid at the auction shall be considered unless the bidder shall, prior to the holding of the auction, deposit with the person designated by the General Manager to conduct such sale, the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, in cash, cashier's check or check certified by a responsible bank, as a guarantee that the person making the bid will purchase the

property under the terms specified in the notice of sale. The property shall be sold to the highest responsible bidder at or above the minimum bid and the deposits of all other bidders be returned forthwith. The General Manager or a duly authorized agent shall reject all bids below the minimum bid.

- 2.3 Whenever the General Manager determines that the sale be by sealed bids, all bids shall be filed in the MWDOC office at or before the time specified in the notice of sale, shall be on forms approved by the General Manager, and shall be accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. The General Manager shall, at the time and place specified in the notice of sale, open the bids. Thereafter, there shall be a public auction at a time and place specified in the notice of sale, and any person shall be eligible to bid at the auction; provided, however, that any oral bid shall be ignored unless it exceeds by at least five percent the highest sealed bid made by a responsible person. No oral bid at such sale not preceded by a sealed bid from the same party shall be considered unless accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. If no oral bid is made at the public auction, or if such oral bid is not in accordance with the provisions hereof, the property shall be ordered sold to the highest responsible bidder at or above the minimum bid. The General Manager shall reject all bids below the minimum bid.

- 2.4 A real estate commission shall be paid in connection with a sale at public auction on the following basis: the real estate commission shall not exceed the prevailing rate in the same area where the property is located and it shall be stated in the bid for which a claim for the payment of a commission is made that it is subject to the same. The commission shall be distributed in this manner:

When at a public auction, without sealed bids, the highest bid was procured by a licensed real estate broker, the commission shall be paid to the broker. When at a public auction following submission of sealed bids, the successful bid is the highest sealed bid, and it was procured by a licensed real estate broker, the commission shall be paid to that broker.

When at a public auction following the submission of sealed bids, the successful bid was procured by a licensed real estate broker, but the highest sealed bid was not obtained by such a broker, the commission shall be paid to the broker. When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was procured by a different licensed real estate broker, the commission shall be divided equally

between the brokers.

When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was not subject to a commission, one-half of the commission based upon the amount of the successful bid shall be paid to the broker.

In determining which is the highest bid, there shall not be subtracted therefrom the commission, if any, which the bid provides shall be paid to a licensed real estate broker.

- 2.5 The General Manager shall cause a notice of sale to be posted on the property in at least one conspicuous place. It shall specify the minimum bid which will be accepted for the property, which shall not be less than 90 percent of the lowest appraisal and shall state the terms of the sale which shall be in conformity with Section 1. The General Manager shall cause one or more advertisements of the sale to be placed in a newspaper, or newspapers, so as to give reasonable notice of the sale.

### SECTION 3: OPEN LISTING

If the General Manager elects to sell the property by using the services of licensed real estate brokers, he shall do so by offering it for sale by advertising in a newspaper, or newspapers, that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The General Manager is authorized to sell the property for the highest price which can be obtained; provided, however that such price shall be no lower than the lowest appraisal without approval of the Board. The General Manager is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

- 3.1 Exclusive Listing - The General Manager may with the approval of the Board, give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the Board. In such case, the General Manager is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

### SECTION 4: AUCTION BY PROFESSIONAL AUCTIONEERS

The General Manager may sell the property by using the services of a professional auctioneer and may in connection therewith pay the reasonable expense of advertising the auction, and agree to pay a commission to the auctioneer not in excess of the prevailing rate in the area upon the consummation of the sale. Any such sale shall be

subject to the approval of the Board of Directors.

- 4.1 Required Deposit - No bid offer made pursuant to Sections 2, 3.0, and 3.1 above, shall be considered unless the bidder or offeror shall at the time the bid or offer is made, deposit with the person designated by the General Manager the percentage indicated below of the specified amount in cash, cashier's check or check certified by a responsible bank as a guarantee that the bidder or offeror will purchase the property for the bid or offered price.

<u>Specified Amount</u>	<u>Deposit</u>
To \$500	Full amount of bid or offer
\$501 to \$10,000	\$500 + 10% of minimum bid or offer
\$10,001 to \$50,000	\$1,500 + 5% over \$10,000
\$50,001 to \$100,000	\$3,000 + 3% over \$50,000
\$100,000 and above	\$4,500 + 2% over \$100,000

- 4.2 Terms - Any sale shall be for cash or on the following minimum terms: 20 percent down payment with balance amortized over 10 years at an interest rate equal to the prevailing rate charged by financial institutions in the area in which the property is located, and to be secured by a deed of trust on the property sold. No prepayment penalty shall be required.
- 4.3 Where the property was appraised on the basis of a different zoning on the property than the existing zoning, the sale may be made contingent upon the bidder or offeror's obtaining a rezoning of the property within a reasonable time to be determined by the General Manager.
- 4.4 Policy of Title Insurance - The General Manager may furnish the successful bidder or offeror with a policy of title insurance, if possible, and open an escrow to complete the sale, paying the usual seller's charges in connection therewith; provided, however, that if it subsequently develops that the title company is unwilling to issue a policy insuring title to the bidder or offeror in the manner indicated, the General Manager shall not be required to furnish such a policy and the bidder has the option to cancel the sale; whereupon money previously deposited by offeror shall be refunded promptly and there shall be no further obligation on the part of either the bidder or the General Manager in connection with the sale; provided, further, that if under such circumstances the bidder or offeror elects not to cancel the transaction, the General Manager shall furnish such title insurance as the title company will then issue, and shall be released from liability on any representation relating to title theretofore made and not covered by the title insurance policy.
- 4.5 Completion of Sale - Execution and Delivery of Deed - The General Manager shall apply the deposit made by the successful bidder, or offeror, on the purchase price or down payment if the sale is on terms, and, upon completion of the sale either

directly to him, or through an escrow, the General Manager is authorized to execute and deliver on behalf of MWDOC a grant deed conveying the property to such bidder or offeror. In the case of a sale for cash (1) without an escrow, the successful bidder or offeror must pay the balance of the purchase price to the General Manager within thirty days after the auction or acceptance of the offer or (2) with an escrow, upon the closing thereof; provided, however, that the General Manager may choose to give the successful bidder or offeror extensions of time in which to make the payment.

- 4.6 Forfeiture of Deposits - Any deposit made by a successful bidder or offeror shall be retained by MWDOC as liquidated damages if the bidder or offeror shall fail to complete the purchase in accordance with the terms and conditions of the notice of sale or offer. If there is such a failure, a licensed real estate broker, otherwise entitled to a commission under the provisions of this Section shall be paid as a commission, an amount not to exceed one-half of the deposit so retained after deducting title and escrow expenses, if any; but in no event shall it exceed the commission which would have been received in the absence of such failure. If the successful bidder or offeror does not complete the sale as required by this Section, the property may be sold to the next highest bidder or offeror who wishes to buy.

#### SECTION 5: RESERVATION OF OIL, GAS AND MINERAL RIGHTS

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Resolution provided, however, that there shall be no such extraction within 500 feet of the surface.

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R1101 - 8/26/81; R1245 - 11/26/84;



## CHAPTER 10

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

<b>RISK MANAGEMENT AND CLAIMS HANDLING</b>	<b>§10000-§10004</b>
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**§10000      OBJECTIVE**

To preserve and protect MWDOC assets and public service capabilities against loss, destruction, or depletion to the extent physically and financially reasonable; to protect against the financial consequences of such loss; to prevent or minimize the effects of injury to employees and the public; to identify various risks and procure appropriate protection against such losses at the most reasonable long-term cost; and, to follow sound risk transfer practices by transferring risks to third parties through appropriate provisions whenever practicable and feasible.

**§10001      POLICY STATEMENT**

MWDOC has established this policy for management of MWDOC risks. This policy applies to all risks of loss such as fire, natural disaster, liability claims, theft, employee injury claims and other risks of property and liability loss, direct and indirect. This policy does not apply to deliberately assumed costs such as employee benefits, depreciation, wear and tear, or obsolescence. It shall be the policy of MWDOC to:

- Identify and measure risks of accidental loss
- Avoid or eliminate loss where practical
- Minimize, control or contractually transfer loss to others where practical
- Retain risks that can be assumed from current funds without serious impact on MWDOC's financial condition where this is the most economical and practical approach
- Purchase insurance coverage or participate in joint self-insurance arrangements with other public entities when the risks of loss are beyond MWDOC's capacity to absorb or where this expenditure is justified economically
- Maintain information for proper reporting and record keeping of losses, claims, premiums and related costs, insurance policies, coverage documents and other information

It is MWDOC's policy to follow the guidelines developed by ~~its insurance provider-the Association of California Water Agencies/Joint Powers Insurance (ACWA/JPIA) for which outline the~~ risk transfer procedures for contracts.

**§10002      RESPONSIBILITY**

MWDOC shall designate a staff member as Risk Manager for the purpose of carrying out the intent of this policy. That person shall be responsible to direct and administer the program and to recommend changes as required to best implement the overall policy of

MWDOC as set forth above. It is the responsibility of management and staff personnel at all levels to maintain lines of communication to the Risk Manager so that he/she will be advised on a timely basis of factors that would have a bearing in the management of risks or on the purchase of insurance or participation in a joint self-insurance program. This responsibility applies particularly to contracts, new or discontinued facilities, newly-recognized hazards, potential losses and known losses.

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Re – Motion 10/21/98

**§10003      DETAILS OF RISK TRANSFER PROGRAM**

The details for implementation of MWDOC's risk transfer program are outlined in both the Contracts Manual and Personnel Manual (with each manual containing the pertinent provisions for its area of interest). Please consult those manuals for further information.

## CHAPTER 11

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

<b>MWDOC RECORDS</b>	<b>§11000-§11003</b>
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**SUMMARY**

MWDOC records shall be open to inspection at all times during normal office hours. The District Secretary shall be the official custodian of MWDOC records and shall make all nonexempt records freely available to the public in accordance with Government Code Section 6250 et seq. Certain MWDOC records may be exempted from disclosure under the Public Records Act or other provisions of law.

**§11000      INSPECTION OF MWDOC RECORDS**

The following rules shall apply to MWDOC records with the exception of requests for inspection or reproduction of documents created or retained in MWDOC files in accordance with the Political Reform Act, Government Code Sections 81000 through 91015. See Section 11003 regarding procedures for said documents.

**Procedure for Responding to Inspection Request**

Persons desiring to inspect any public record shall submit a request in writing specifying the records desired to be inspected. The request shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, a minimum of two (2) working days will be required to search for, retrieve, and make said records available. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days stating the reason therefor and identifying the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date which would result in an extension of more than ten (10) additional working days. Unusual circumstances are defined in Section 11001.

Any person requesting inspection of records under the provisions of the California Public Records Act shall be assisted in making a focused and effective request by the District Secretary or designated representative. Original records and copies which are permanently retained by MWDOC may not be removed by the inspecting person from the designated inspection area.

Motion - 7/21/93; Motion - 4/20/94

### **Search for Records and Restriction on Access**

A reasonable effort shall be made to locate requested records. If the records are located and are determined to be exempt from disclosure under the Public Records Act, the requesting party shall be advised in writing of the reasons for the restrictions and, in cases of denial of access, of the name and title of the person responsible for the denial. If only a portion of a record is exempt from disclosure, any reasonably segregable non-exempt portion of the record shall be provided to a person requesting such record after deletion of the portions which are exempt. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

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Motion - 7/21/93; Motion 4/20/94;

### **§11001      REQUESTS FOR COPIES OF RECORDS**

Any person requesting copies of records shall submit a written request to the District Secretary and shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, copies of documents determined to be subject to disclosure will be provided within ten (10) working days. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days identifying the reason therefor and the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date that would result in an extension for more than ten (10) additional working days.

For purposes of this section, "unusual circumstances" means:

- a. The need to search for and collect the requested records from off-site facilities or other establishments that are separate from the office processing the request.
- b. The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.
- c. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more units of MWDOC having substantial subject matter interest therein.

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Motion 7/21/93; Motion - 4/20/94

#### **§11002      FEES FOR DUPLICATION OF RECORDS**

The direct cost for ~~photocopies of reproduction of~~ MWDOC records, except as provided in Section 11003, shall be twenty-five cents (\$0.25) per page, and for electronic copies provided on a compact disk (CD) the direct cost shall be \$1 per CD. For records produced through other media, the requestor shall be responsible for the direct costs of duplication. Where production of an electronic record either (1) involves a record that is produced only at otherwise regularly scheduled intervals, or (2) requires data compilation, extraction, or programming, the requester shall bear the cost of producing a copy of the record, including the cost to construct a record, and the cost of programming and computer services necessary to produce a copy of the record. An invoice and a receipt shall be furnished to the person or agency requesting copies. Actual postage charges incurred in mailing such copies shall be included in the invoice and receipt; however, no fee may be charged for time involved in research or retrieval. All fees shall be paid on or before delivery of such copies. Public agencies may, at the discretion of MWDOC, be exempted from payment of such fees if duplication of records is deemed to be pertinent to the business of such public agency.

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#### **§11003      RECORDS PURSUANT TO THE POLITICAL REFORM ACT**

Documents prepared and filed in the MWDOC records in accordance with the Political Reform Act (conflict of interest code, statements of economic interest, campaign statements) are a public record open for public inspection and reproduction during regular business hours, commencing as soon as practicable, but no later than the second business day following the day on which the request for inspection or reproduction was received.

Copies shall be provided at a charge not to exceed ten cents (\$.10) per page. A retrieval fee not to exceed five dollars (\$5.00) per request shall be charged for copies of reports and statements which are five years old or more (Government Code Section 81008).

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Motion - 4/20/94;

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

<b>RECORDS RETENTION/DESTRUCTION SCHEDULE</b>	<b>§11100-§11104</b>
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The purpose of this policy is to provide for the maintenance, retention and disposal of MWDOC's historical, administrative, legal, and financial records while complying with the legal requirements and the needs of MWDOC. All District records should be inventoried and analyzed to ensure that valuable records are adequately preserved; and non-records and obsolete records are destroyed in accordance with the approved records retention schedule.

**§11100 PERMANENT RETENTION OF ORIGINAL RECORDS**

Records which shall be retained permanently in their original form include resolutions, ordinances and orders of the Board, minutes of meetings of the Board, deeds, easements, records that are determined by an executive officer of MWDOC to be of very significant and lasting historical, administrative, engineering, legal, fiscal or research value and records required by law to be filed and preserved as advised by General Counsel. The attached chart, made a part of this section, should be referenced as it is more comprehensive and easier to use.

**§11101 DESTRUCTION OF RECORDS WHERE ALTERNATE ARCHIVING IS REQUIRED**

The following records may be destroyed at any time provided they are first archived on alternate media in accordance with the requirements of Government Code Section 60203:

- a. Records not expressly required to be preserved pursuant to state statute as advised by General Counsel;
- b. Financial records summarizing the financial status of MWDOC;
- c. Oaths of office and related materials depicting the authenticity of the appointment of any of the directors or executive officers of MWDOC;
- d. All canceled checks for payments;
- e. Any records not otherwise provided for in this chapter.

**§11102 DESTRUCTION OF ORIGINAL DOCUMENTS WHERE ALTERNATE ARCHIVING IS NOT REQUIRED**

The following records may be authorized for destruction without archiving to alternate media when the use for such records has passed (Government Code Section 60201):

- a. Rough drafts, notes and working papers accumulated in preparation of a



communication, study or other document unless of a formal nature contributing significantly to preparation of a document representing the work of any department of MWDOC;

- b. Cards, listings, nonpermanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters and tracer letters;
- c. Duplicate records, after the officer or employee authorizing destruction of a record is certain that the original record or at least one copy thereof is available within MWDOC;
- d. Any records, other than those included in Section 11101, whose content is substantially found in another record.

#### **§11103 CUSTODIAN OF MWDOC RECORDS**

While the District Secretary is the official custodian of MWDOC records, each Division Head shall be the custodian of records which are permanently filed in that particular department and may determine that records, in accordance with this Code, be destroyed only on prior approval given by the Division Head. Further, records that are still active and/or needed for reference may be kept beyond the time frame set forth in MWDOC's Records Retention Schedule and this Code upon prior approval by the Division Head.

#### **§11104 ELECTRONIC MAIL (E-MAIL) RETENTION POLICY**

E-mail messages and their attachments (which may include executable, video, and/or voice files) are records which are created, stored, and delivered in an electronic format. Similar to paper-based records, they may contain information pertaining to District business, necessitating retention and disposal in accordance with the District's records retention schedule.

E-mail messages which are considered transitory are non-records that should not be retained after they have fulfilled their purpose. These messages do not set policy, establish guidelines or procedures, certify a transaction, or become a receipt; rather, they are informal communications with no historical significance or public importance.

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Motion-10/19/05; 10/20/10

**Municipal Water District of Orange County (MWDOC)  
Records Retention Schedule**

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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**BOARD OF DIRECTORS**

<b>BOD01</b>	<b>BOARD OF DIRECTORS ADMINISTRATIVE RECORDS</b>		
	Records related to the Board of Directors. Includes general correspondence and reports. Citation(s): CA GC 60201, 60203, AC 11102	2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD02</b>	<b>BOARD AND INTERNAL POLICIES</b>		
	Policy set by Board of Directors. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD03</b>	<b>ORDINANCES AND RESOLUTIONS</b>		
	Records related to regulations for the District that are approved or adopted by the Board of Directors, and the formal expression of the will, opinion, and intent voted by the Board of Directors. Includes Proofs of Publication. Citation(s): CA GC 60201, AC 11100	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD04</b>	<b>BOARD &amp; COMMITTEE MEETING AGENDAS, PACKETS, AND NOTICES</b>		
	Records related to information provided to the official Board of Directors for consideration and action at official proceedings. Includes agendas, records related to committee operations and meetings, rosters of committee members, discussion points, action and information submittals, regular and special meeting notices, and adjournment and cancellation notifications. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD05</b>	<b>BOARD &amp; COMMITTEE MEETING MINUTES</b>		
	Records related to actions and decisions of the Board of Directors. Includes minutes, administrative orders, minute orders, and minute actions. Citation(s): CA GC 60201, AC 11100	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>BOD06</b>	<b>BOARD &amp; COMMITTEE MEETING NOTES</b>		
	Records include shorthand notebooks, stenotype records, and keys to audio tapes. Citation(s): AC 11103	1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**RETENTION PERIOD EVENT CODES** All retention periods are listed in years (unless otherwise specified).

AR – Annual Review	CU – Current Year	RE – Revised	SU – Superseded
AU – After Audit	EX – Expiration/end of usefulness	SA – Sale, Disposition	TE – Termination
CL – Closed, Completed	PE – Permanent	ST – Settlement	

**Characteristics**  
V - Vital  
H - Historical  
C - Confidential

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>BOD07</b>	<b>BOARD &amp; COMMITTEE MEETING AUDIO AND VIDEO TAPES</b>		
	Records include audio and video tape recordings of Board & Committee Meetings when used for minute preparation or where they may have historical value. Citation(s): AC 11103 / CA GC 60201, 60203	CL+30 Days	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD08</b>	<b>ELECTION RECORDS</b>		
	Records related to the election process. Includes filing information, maps, directors divisions, polling places and election results. Citation(s): CA GC 60201, 81009, CA EC 17100	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>BOD09</b>	<b>OATH OF OFFICE</b>		
	Records of the Oaths of Office and related materials depicting the authenticity of the appointment of any of the Directors or Executive Officers of MWDOC. Citation(s): CA GC 60201, 60203, AC 11101	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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**ADMINISTRATION**

<b>ADM01</b>	<b>ADMINISTRATION</b>		
	Records related to general administrative activities and duties of the District. Includes general memos, letters, reports, visitor log, District Report of Gifts forms, and surveys pertaining to day to day function of the District office. Citation(s): CA GC 60201, 60203	3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM02</b>	<b>SUCCESSFUL PROPOSALS RELATING TO REAL PROPERTY</b>		
	Records related to bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid, relating to real property. Successful bid is awarded a contract. This file does not include the original contract or insurance information. Citation(s): CA GC 60201, CA CCP 337	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM03</b>	<b>SUCCESSFUL PROPOSALS NOT RELATING TO REAL PROPERTY</b>		
	Records related to construction and service bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid. Successful bid is awarded a contract. This file does not include the original contract or insurance information. Citation(s): CA GC 60201, CA CCP 337	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM04</b>	<b>UNSUCCESSFUL PROPOSALS</b>		
	Records related to Request for Proposals issued for competitive bids received and not selected for services. Citation(s): CA GC 60201, 60203	CL+6	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM05</b>	<b>BUSINESS PLAN RECORDS</b>		
	Reports describing long-range planning, District services, and goals of the District. Includes strategic plans and financial planning records. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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Code	Record Series Definition and Citation(s)	RETENTION	V H C
<b>ADM06</b>	<b>HISTORICAL RECORDS</b>		
	Records related to the history of the District. Includes photos, anniversary celebrations, facility dedications, proclamations, and awards. These items are the archives collection. Citation(s): CA GC 60201, 60203	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM07</b>	<b>PERMITS &amp; LICENSES</b>		
	Records related to permits and licenses necessary for the operation of the facilities and District. Includes business license, building & construction permits, and Department of Health and Safety permits. Citation(s): CA GC 60201, 60203; 40 CFR 122.41, 40 CFR 141.33, 40 CFR 141.91	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM08</b>	<b>ADMINISTRATIVE POLICIES &amp; PROCEDURES</b>		
	Records providing documentation on the implementation of management and administrative policies and directions for District functions. Includes MWDOC's Rules and Administrative Code. Citation(s): CA GC 60201, 60203	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM09</b>	<b>SAFETY</b>		
	Records regarding District Safety Policy & training. Including employee safety training, special skills of staff, IIPP Manual, OSHA Information, Sexual Harassment Training, and Ergonomics Training. Citation(s): 8 CCR 3203, CA GC 60201, 60203	SU+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM10</b>	<b>EMERGENCY &amp; SECURITY</b>		
	Records providing instructions in the event of a disaster, including evacuation information, Emergency & Disaster Plans, Emergency Response Inspection Requirements, Security Policies, Continuity of Operations Plan and related correspondence. Citation(s): CA GC 60201, 60203	SU+3	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM11</b>	<b>MATERIAL SAFETY DATA SHEETS</b>		
	Records related to the use of hazardous substances. Citation(s): AC 11103, 40 CFR 122.21	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
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Code	Record Series Definition and Citation(s)	RETENTION	V H C
<b>ADM12</b>	<b>PUBLIC INFORMATION REQUESTS</b>		
	Requests for records under the Public Records Act, includes MWDOC response. Citation(s): CA GC 6251, 60201	CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM13</b>	<b>RECORDS MANAGEMENT FILES</b>		
	Records related to the management of District records: (a) Documentation of the location of records within the District offices, and transfer of records to an offsite records center (b) Destruction Certificates that certify (confirm) the destruction of official records that have been approved for destruction, and attests that destruction was accomplished in accordance with policies and procedures (c) Records Retention Schedule: a legal document listing record series maintained by the District, with associated retention periods, characteristics, the responsible department, and legal citations Citation(s): CA GC 60201, 60203	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM14</b>	<b>DISTRICT INSURANCE RECORDS</b>		
	Records related to insurance policies purchased by the District, includes the policies and any amendments. Excludes invoices, premium payment information, and general correspondence pertaining to insurance. Citation(s): AC 11103	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM15</b>	<b>PUBLIC NOTICES</b>		
	Records announcing Requests for Proposals or Requests for Quotes including proofs of publication. Citation(s): CA GC 60201	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM16</b>	<b>GENERAL CORRESPONDENCE</b>		
	Records related to internal and external general communications. Includes memos and letters kept in chronological order as a convenience file. Citation(s): CA GC 60201, 60203	3	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

**RETENTION PERIOD EVENT CODES** All retention periods are listed in years (unless otherwise specified).

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Code	Record Series Definition and Citation(s)	RETENTION	V H C
<b>ADM17</b>	<b>REFERENCE FILES</b>		
	Documents used for reference and research, such as books, technical journals, reference materials, reports, studies, magazines, periodicals, and presentations. Includes Library Policies & Procedures. Citation(s): CA GC 60201, 60203	AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM18</b>	<b>EQUIPMENT MAINTENANCE &amp; WARRANTY INFORMATION</b>		
	Records related to the maintenance, & warranty information for equipment & furniture purchased by the District. Does not include purchase or repair invoices (see Finance section). Citation(s): CA GC 60201, 60203	SA+4	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>ADM20</b>	<b>MWDOC MEMBER AGENCIES</b>		
	Correspondence to and from Member Agencies relating to issues directly impacting MWDOC business and information from Member Agency Manager's Meetings. Citation(s): CA GC 60201, 60203	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM21</b>	<b>OTHER AGENCIES</b>		
	Correspondence to and from other agencies relating to MWDOC business. Citation(s): CA GC 60201, 60203	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ADM22</b>	<b>OUTSIDE AGENCY EVENT INFORMATION</b>		
	Records related to events sponsored by other agencies attended by MWDOC Directors & Staff. Includes conference & seminar information and travel records. Does not include attendance records, expense reports, or payment records. Citation(s): CA GC 60201, 60203	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**LEGAL**

<b>LGL01</b>	<b>ANNEXATION FILES</b>		
	Records related to receiving or transferring land within District boundaries. Citation(s): CA GC 60201	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL02</b>	<b>FORMATION FILES</b>		
	Records documenting the terms under which the District was formed, organized, re-organized or consolidated. Includes directives from LAFCO on boundaries or services. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL03</b>	<b>PARCEL RECORDS</b>		
	Records related to real property. Includes deeds, easements, and similar documents related to property which MWDOC holds or owns. Citation(s): CA GC 60201, AC 11100	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL04</b>	<b>LEGAL OPINIONS</b>		
	Records related to legal opinions on issues, problems, and policies impacting the organization. Citation(s): CA GC 60201	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>LGL05</b>	<b>LITIGATION FILES</b>		
	Records related to threatened or actual litigation or government investigations. Includes subpoenas, pleadings, discovery files, work product, exhibits, final judgments, and court documents. Citation(s): CA GC 60201, 60203, CA CCP 583.310	CL+5	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>LGL06</b>	<b>SUBPOENAS</b>		
	Records related to subpoenas received by the District, where MWDOC is a third party. Includes the Districts response. Citation(s): CA GC 60201, 60203	CL+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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<b>LGL07</b>	<b>FAIR POLITICAL PRACTICES COMMISSION FILINGS</b>		
	Records related to FPPC filings for campaign contributions. Includes annual conflict of interest filings (Form 700) for Board members, employees, and consultants; assuming/leaving statements; and lobbyist registration. Citation(s): CA GC 81009, CA EC 17000	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>LGL08</b>	<b>CONTRACTS &amp; AGREEMENTS, RELATING TO REAL PROPERTY</b>		
	Records related to obligations defined in contracts and agreements relating to real property. Includes promissory agreements, contracts for services, purchases and sales, certificates of insurance from vendors, and change orders. Citation(s): AC 11103, CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>LGL09</b>	<b>CONTRACTS &amp; AGREEMENTS, CONSTRUCTION</b>		
	Records related to obligations defined in construction contracts and agreements. Includes promissory agreements, contracts for services, purchases and sales not relating to real property, certificates of insurance from vendors, and change orders. Citation(s): AC 11103, CA GC 60201, 60203	CL+10+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>LGL10</b>	<b>CONTRACTS &amp; AGREEMENTS, GENERAL</b>		
	Records related to obligations defined in contracts and agreements. Includes software licenses, promissory agreements, contracts for services, purchases, and sales, certificates of insurance from vendors, and change orders. Excludes construction contracts. Citation(s): CA GC 60201, 60203	CL+7+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**HUMAN RESOURCES**

HR01	<b>EMPLOYEE BENEFIT PLANS &amp; PROGRAMS</b>		
Records related to all employee benefits plans and programs, including health and life insurance policies & information, tuition reimbursement, eligibility, and retirement plans. Does not include employee enrollment or other individual forms. Citation(s): 29 CFR 1627.3, CA GC 60201 (d)(12)	CL+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
HR03	<b>SALARY SCHEDULES</b>		
Records related to District Salary Schedules as established by the Board. Citation(s): CA GC 60201(d)(12), 60203, 29 CFR 1627.3	SU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
HR04	<b>MEDICAL FILES</b>		
Records related to the medical history of employees, required physicals or drug testing, doctor releases/notes for workers' compensation or other absences. Citation(s): 8 CCR 3204	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	
HR05	<b>PERSONNEL MANUAL</b>		
Records related to Personnel Policies of the District. Citation(s): CA GC 12946, 60201, 60203	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
HR06	<b>PERSONNEL ADMINISTRATION RECORDS</b>		
Records related to the overall administration of personnel activities. Includes studies, surveys, and reports. Citation(s): CA GC 60201	4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
HR07	<b>PERSONNEL FILES</b>		
Records related to individual employees. Includes employment applications, pre-employment physicals, I-9 forms, training records, performance evaluations, driving records, awards or certificates, salary information, insurance enrollment, beneficiary designations and other forms, and separation documents. Citation(s): CA GC 60201, 60203, 29 CFR 1627.3, 8 USC 1234a	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	

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<b>HR08</b>	<b>EMPLOYEE COMPLAINTS</b>		
	Records related to employee complaints, includes MWDOC response and disciplinary action. Citation(s): CA GC 60201, 60203, 29 CFR 1602.31	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR09</b>	<b>RECRUITMENT RECORDS</b>		
	Records regarding the advertisement of available positions. Includes job descriptions, job postings, advertising, interviews, resumes, applications, testing questions and results. Citation(s): 29 CFR 1602.32, 29 CFR 1627.3	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR11</b>	<b>FORMS</b>		
	Blank forms pertaining to Personnel administration. Citation(s): CA GC 60201, 60203	SU+1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR12</b>	<b>ORGANIZATIONAL CHART</b>		
	Records related to District organizational structure. Citation(s): CA GC 60201, 60203	SU+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR13</b>	<b>RETIREE BENEFITS</b>		
	Records regarding benefits offered to retirees Citation(s): CA GC 60201(d)(12), 60203; 29 CFR 1627.3	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>HR14</b>	<b>NEW HIRE INFORMATION</b>		
	Records related to background checks for newly hired employees. Citation(s): CA GC 60201, 60203	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
<b>HR16</b>	<b>RISK MANAGEMENT</b>		
	Records related to Worker's Compensation Claims, Disability Claims, and Incident/Accident Reports. Citation(s): 29 CFR 1904 et seq.	ST+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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**ENGINEERING**

<b>ENGINEERING PROJECTS</b>			
<b>ENG01</b>	Records related to major projects or capital improvements for District services. Citation(s): CA GC 60201, 60203	CL+10+AR	☒ ☐ ☐
<b>LOCAL WATER OPERATIONS AND WATER USAGE DATA</b>			
<b>ENG02</b>	Records related to non-Metropolitan water operations. Includes water usage & production information and joint facility operations & maintenance allocations. Citation(s): CA GC 60201, 60203	10	☒ ☐ ☐
<b>DRAWINGS &amp; MAPS</b>			
<b>ENG03</b>	Records of graphic depictions (drawings, sketches) of facilities. Includes bid set drawings marked up by contractors during construction to show how facility or component is actually constructed, base maps for service areas, Director divisions, and atlases. Citation(s): CA GC 60201, 60203	PE	☒ ☒ ☐
<b>FACILITIES MAPS</b>			
<b>ENG04</b>	Records related to planning of District facilities that are geographical in nature and show pipelines and other waterworks facilities. Citation(s): CA GC 34090	10+AR	☒ ☒ ☐
<b>RESEARCH &amp; PLANNING</b>			
<b>ENG05</b>	Records related to planning of District projects and programs. Includes water reliability & drought issues, Orange County Water Plan, Water Demand Forecast & Regional Urban Water Management Plan, Five Year Water Projections, and water supply alternatives. Citation(s): CA GC 60201, 60203	10+AR	☒ ☒ ☐

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<b>ENG06</b>	<b>SERVICE CONNECTIONS &amp; ALLEN MCCOLLOCH PIPELINE</b>		
	Records related to service connections, local distribution systems, and Allen McColloch Pipeline (AMP) operations. Does not include records regarding sale of AMP. Citation(s): CA GC 60201, 60203	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>ENG07</b>	<b>RATES, FEES AND CHARGE RECORDS</b>		
	Records related to determining rates and fees charged by the District, includes annual water rates survey. Citation(s): CA GC 60201, 60203	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

<b>METROPOLITAN ADMINISTRATIVE INFORMATION</b>			
<b>MWD01</b>	Records related to Metropolitan issues of vital interest to MWD OC business, that are not easily obtained or readily available through electronic means. Citation(s): CA GC 60201, 60203	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>OPERATIONS &amp; SERVICE INTERRUPTIONS</b>			
<b>MWD02</b>	Records related to Metropolitan water operations that are of vital interest to MWD OC business. Includes shutdown & chlorination notifications & reports, treatment facilities, distribution system (including maps, capacity diagrams, & detailed schematics), water quality, and water reliability. Citation(s): CA GC 60201, 60203, 40 CFR 141.33	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PROJECTS &amp; PROGRAMS</b>			
<b>MWD03</b>	Records related to Metropolitan projects and programs that are of vital interest to MWD OC business. Includes Capital Improvement Program, desalination projects, water supply projects, Interim Agricultural Water Program, Local Resources Program, power related projects, groundwater Conjunctive Use Programs, and Community Partnering Program. Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33	CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WATER TRANSFERS &amp; WHEELING</b>			
<b>MWD04</b>	Records related to Water Transfers and Wheeling that are of vital interest to MWD OC business. Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**GOVERNMENTAL AFFAIRS**

<b>GA01</b>	<b>FEDERAL LEGISLATION</b>		
	Information regarding House and Senate Bills. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA02</b>	<b>STATE LEGISLATION</b>		
	Information regarding Assembly & State Senate Bills and Ballot Initiatives. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA03</b>	<b>LEGISLATIVE CORRESPONDENCE</b>		
	Records of correspondence related to State & Federal Legislation, including support & oppose letters and floor alerts. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA04</b>	<b>LOBBYIST CORRESPONDENCE</b>		
	Information regarding lobbyist activities & related correspondence. Does not include FPPC filings/Lobbyist registrations. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>GA05</b>	<b>CONSUMER CONFIDENCE REPORTS</b>		
	Information from Member Agencies, consultants, state government, related to the content for and annual production of the report. Citation(s): CA GC 60201, 60203	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**WATER USE EFFICIENCY**

<b>WUE01 CONSERVATION AND LANDSCAPE PROGRAMS</b>			
	Records related to conservation and landscape programs facilitated by the District to encourage efficient use of water. Includes exchange and rebate programs, performance certification and training programs, and surveys. Citation(s): CA GC 60201, 60203	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WUE02 WATER USE EFFICIENCY ADMINISTRATIVE RECORDS</b>			
	Records related to general WUE program correspondence, transmittals and workgroup meeting information. Citation(s): CA GC 60201, 60203	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>WUE03 CONSERVATION RESEARCH ACTIVITIES</b>			
	Records related to District research activities in the area of conservation and water use efficiency. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**PUBLIC AFFAIRS**

<b>PA01</b>	<b>INSPECTION TRIPS &amp; EVENTS</b>		
	Records related to District sponsored trips/tours and other events. Includes venue information, invitations, agendas, and final attendee list. Does not include expense or cost reports or other financial information (see Finance section). Citation(s): CA GC 60201, 60203	CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA02</b>	<b>PUBLIC RELATIONS INFORMATION</b>		
	Records related to preparing public information, brochures describing District activities, and advertising materials that promote District events or programs. Includes samples of promotional items, newspaper clippings and photographs, artwork, videos, news releases and newsletters. Citation(s): CA GC 60201, 60203	4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA03</b>	<b>MWDOC WEBSITE</b>		
	Records relating to the creation & maintenance of the official MWDOC website. Citation(s): CA GC 60201, 60203	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA04</b>	<b>PUBLIC COMPLAINT FILES</b>		
	Records related to verbal and written public complaints. Includes documentation regarding MWDOC's response. Does not include government and/or legal claims. Citation(s): CA GC 60201, 60203	CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>PA05</b>	<b>SPEECHES &amp; PRESENTATIONS</b>		
	Records related to the preparation of presentation materials by staff. Includes text of speeches, presentation materials, and computer presentation software files. Citation(s): CA GC 60201, 60203	5+AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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<b>PA06</b>	<b>SCHOOL PROGRAM</b>		
	Includes information from Discovery Science Center, contests, school presentations, and information from other education related events. Citation(s): CA GC 60201, 60203	7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**FINANCE**

<b>FIN01</b>	<b>GENERAL LEDGER</b>		
	Financial records related to the general ledger posting. Citation(s): CA GC 60201, 60203, AC 11101	PE	XX
<b>FIN02</b>	<b>INTERIM FINANCIAL REPORTS</b>		
	Records describing the financial status of the District. Includes financial, fiscal, and monthly reports, worksheets, printouts, and statements on the financial position and condition of the District. Citation(s): CA GC 60201	10	XX
<b>FIN03</b>	<b>AUDIT RECORDS</b>		
	Records related to reviewing the District's activities to ensure compliance with policies, procedures, and standards. Includes draft reports and correspondence. Does not include final audit report. Citation(s): CA GC 60201, 60203, 26909	AU+7	XX
<b>FIN04</b>	<b>ANNUAL FINANCIAL REPORT &amp; AUDITOR REPORT</b>		
	Records describing the financial status of the District, including the Annual Financial Report and the Final Audit Report. Citation(s): CA GC 60201, 60203, 26909	PE	XX
<b>FIN05</b>	<b>DRAFT MWDOC BUDGET</b>		
	Records related to internal financial planning and management. Includes final budget vs. cost reports, summaries, worksheets, and goals and objectives. Citation(s): CA GC 60201, 60203	7	XX

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<b>FIN06</b>	<b>FINAL MWDOC BUDGET</b>		
	Records related to the Final MWDOC Annual Budget and milestones for the final approved budget. Final budget is approved by the Board. Citation(s): CA GC 60201, 60203	PE	☒ ☐ ☐
<b>FIN07</b>	<b>ACCOUNTS PAYABLE</b>		
	Records related to payment of financial obligations (money owed by the District). Includes vendor invoices, bills, check requests, statements including credits/refunds, disbursement reports, completed purchase orders & purchase requisitions, travel & expense reports, membership renewal payments, and petty cash. Citation(s): CA GC 60201, 60203	ST+7	☐ ☐ ☐
<b>FIN08</b>	<b>ACCOUNTS RECEIVABLE</b>		
	Records related to accounting for money owed to the District. Includes cash receipts, check copies, uncollectible debts, MWDOC invoices and bankruptcies. Excludes Water Billing. Citation(s): CA GC 60201, 60203	ST+7	☒ ☐ ☐
<b>FIN09</b>	<b>PAYROLL RECORDS</b>		
	Records related to payment of labor costs. Includes employee timesheets, completed request for leave forms, salary, wage, and deferred compensation; deduction, garnishment, and retirement contribution. Citation(s): 29 CFR 516.5, 29 CFR 516.6, CA GC 60201, 60203	10	☒ ☐ ☒
<b>FIN10</b>	<b>PAYROLL TAX RECORDS</b>		
	Records related to Annual & Quarterly payroll tax filings, includes W-2 forms. Citation(s): CA GC 60201, 60203	PE	☒ ☐ ☒

**RETENTION PERIOD EVENT CODES** All retention periods are listed in years (unless otherwise specified).

AR – Annual Review	CU – Current Year	RE – Revised	SU – Superseded
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**Characteristics**  
V - Vital  
H - Historical  
C - Confidential

**Municipal Water District of Orange County (MWDOC)  
Records Retention Schedule**

April 2013

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Code	Record Series Definition and Citation(s)	RETENTION	V H C
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<b>FIN11</b>	<b>BANKING RECORD</b>		
	Records related to bank transactions. Includes deposits of funds, cancelled checks, check registers, bank advices, wire transfers, bank statements, and reconciliations. Citation(s): AC 11100, CA GC 60201, 60203	AU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN12</b>	<b>CASH &amp; INVESTMENT RECORD</b>		
	Records related to portfolio investments. Includes cash flow statement, transaction records, and investment pool statements. Citation(s): CA GC 60201, 60203, AC 11100	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN13</b>	<b>WATER BILLING RECORD</b>		
	Records related to the processing of the monthly water billing. Includes Metropolitan invoices, invoices issued, and reconciliation reports. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN14</b>	<b>FIXED ASSET RECORD</b>		
	Records related to the acquisition, depreciation, and accruals of fixed assets. Includes purchase and sale or disposition information. Citation(s): CA GC 60201, 60203	SA+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN15</b>	<b>GRANT RECORDS</b>		
	Records related to accepted / approved federal or state grants, includes financial records. Citation(s): CA GC 60201, 60203	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>FIN16</b>	<b>OLD BUSINESS</b>		
	Records related to previously closed finance related issues not included in other record categories. Includes the OC Bankruptcy. Citation(s): CA GC 60201, 60203	CL+10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
Records Retention Schedule**

April 2013

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
<b>FIN17</b>	<b>CONSERVATION FUNDING RECONCILIATION</b>		
	Records related to conservation project & program grant reconciliation. Citation(s): CA GC 60201, 60203	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
<b>FIN18</b>	<b>TRUSTEE ACTIVITY RECORDS</b>		
	Records of non-WFC trustee activities for agency deposits related to special projects. Citation(s): CA GC 60201, 60203	AU+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

**INFORMATION TECHNOLOGY**

<b>IT01</b>	<b>COMPUTER SYSTEM RECORDS</b>		
	Records and manuals related to District hardware records, maintenance files, software application files, database programs and back up tapes. Excludes data contained in any of the above programs. Citation(s): CA GC 60201	SU	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>IT02</b>	<b>NETWORK OPERATING MANUAL</b>		
	Records related to the operation of the District Information Technology. Citation(s): CA GC 60201, 60203	SU+2	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
Records Retention Schedule**

April 2013

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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**WATER FACILITIES CORPORATION**

WFC01	WATER BONDS & CERTIFICATES OF PARTICIPATION – OTHER DOCUMENTS		
	Records related to interest-bearing certificates issued by the District to raise revenues, includes interest & redemption vouchers and Certificates of Participation (COPS). Does not include Official Statement. Citation(s): CA GC 26907.1, CA CP 337.5, AC 11103	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
WFC02	WATER BONDS & CERTIFICATES OF PARTICIPATION –OFFICIAL STATEMENT		
	Records including final official statement for Bond or COPS issuance. Citation(s): CA GC 60201, 60203	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WFC03	ALLEN-MCCOLLOCH PIPELINE SALE TO METROPOLITAN		
	Records related to the sale of the AMP to Metropolitan. Includes the Sales Proceed Agreement, RPOI distribution to the participants. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

**IMPROVEMENT DISTRICT NO. 1**

ID101	IMPROVEMENT BONDS & COPS		
	Records related to interest-bearing certificates issued by the District to raise revenues. Includes certificates of participation (COPS). Citation(s): CA GC 60201, 60203, CA CP 337.5	CL+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ID102	PROPERTY TAX FILING		
	Records related to the filing of Property Taxes with the County of Orange. Citation(s): CA GC 60201, 60203	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
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**WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY**

WER01	PROGRAM ORGANIZATION & HISTORY		
Records relating to the development and administrative functions of WEROC, including Steering Committee & Executive Committee Meeting information & minutes, and Indemnification Agreements. Citation(s): CA GC 60201, 60203	PE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
WER02	EMERGENCY RESPONSE PLANS		
Records relating to the Standardized Emergency Management System, National Incident Management System, Hazard Mitigation Plan, and Vulnerability Assessments & Emergency Response Plans. Citation(s): CA GC 60201, 60203	SU+30	<input type="checkbox"/>	<input type="checkbox"/>
WER03	VOLUNTEER INFORMATION & TRAINING DOCUMENTATION		
Records relating to WEROC volunteers & training. Includes contact information forms and training records. Citation(s): CA GC 60201, 60203	TE+15	<input type="checkbox"/>	<input type="checkbox"/>
WER04	FACILITIES		
Records related to the Emergency Operations Center. Includes information on maintenance and maps & equipment. Citation(s): CA GC 60201, 60203	10	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WER05	WEROC MEMBER AGENCIES		
Records related to communications, Quarterly Meetings & Metropolitan Agency Radio System. Citation(s): CA GC 60201, 60203	10	<input type="checkbox"/>	<input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
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<b>WER06</b>	<b>COUNTY, STATE &amp; FEDERAL EMERGENCY SERVICES</b>		
	Records related to Orange County Emergency Management Organization & Operational Area Executive Board, State of California Office of Emergency Services, Federal Emergency Management Agency, Water/Wastewater Agency Response Network, California Utility Emergency Association, and Infragard. Citation(s): CA GC 60201, 60203	30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<b>WER08</b>	<b>DISASTER RESPONSE</b>		
	Records containing documentation for individual events, filed by incident. Includes activation records and communications. Citation(s): CA GC 60201, 60203.	CL+30	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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**Municipal Water District of Orange County (MWDOC)  
Records Retention Schedule**

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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## Event Code Descriptions

Code	Event Name	Description
+	Plus	Some retention periods consist of two or more components; i.e. CL+6 means they should be kept until closed plus 6 years.
AR	Annual Review	Subject to an annual review to determine if record has continued value.
AU	After Audit	Retain until audit has been performed.
CL	Closed; Completed	Retain until District Manager determines closed or project completion date.
CU	Current Year	A period of time starting after the end of the current calendar year – December 31.
EX	Expiration / end of usefulness	Retain until file has expired or is no longer useful or relevant.
M	Month	Additional retention period of 1 calendar month
PE	Permanent	Record retained indefinitely.
RE	Revised	The corrected or updated version of a record.
SA	Sale	Retain until item is sold, demolished or removed from service.
ST	Settlement	The act of settling, or the state of being settled.
SU	Superseded	Record is maintained until made obsolete by the creation or receipt of a newer version.
TE	Termination	Retain until termination, retirement, or death.

## Record Characteristics

Code	Characteristic Name	Description
V	Vital	A record identified as essential for the continuation or survival of the organization if a disaster strikes. Such records are necessary to re-create the organization's legal and financial status and to determine the rights and obligations of employees, customers, stockholders, and citizens.
H	Historical	The value attributed to a record which preserves documentation on significant historical events including the organization's operations, origin, policies, authorities, functions, and organizations, as well as significant administrative decisions.
C	Confidential	A record requiring protection against unauthorized disclosure, modification, or destruction. A document with restricted access.

### RETENTION PERIOD EVENT CODES All retention periods are listed in years (unless otherwise specified).

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### Characteristics

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## CHAPTER 12

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

<b>MWDOC/COASTAL CONSOLIDATION ISSUES</b>	<b>§12000-12002</b>
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**§12000 INTRODUCTION**

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

**§12001 Standby Charge Levied in MWDOC and Coastal Service Areas**

This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by ~~MetropolitanMET~~ is higher in the Coastal service area because at the time the Standby Charge was established by ~~MetropolitanMET~~ (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by ~~MetropolitanMET~~ through the Standby Charge are forwarded to each participating ~~MetropolitanMET~~ member agency (including MWDOC and Coastal) as credits against the amount owing under ~~MetropolitanMET~~'s Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), ~~MetropolitanMET~~ engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a ~~MetropolitanMET~~ Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that ~~MetropolitanMET~~ equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

**§12002 ~~MetropolitanMET~~ Capacity Provided in the EOCF#2 for the Coastal Service Area**

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by ~~MetropolitanMET~~, Anaheim, Santa Ana,

MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service area in 1951 the Anaheim and Santa Ana city service areas from ~~MetropolitanMET~~ had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, ~~MetropolitanMET~~ provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. ~~MetropolitanMET~~'s 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
Santa Ana	15
Coastal	63

Met Total 84

In ~~MetropolitanMET~~ Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to ~~MetropolitanMET~~ in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to ~~MetropolitanMET~~ and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by ~~MetropolitanMET~~ for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that ~~MetropolitanMET~~ has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with ~~MetropolitanMET~~. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by ~~MetropolitanMET~~.

M-5/2005; M-2/16/11



## Item No. 7-4

### ACTION ITEM

June 17, 2015

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**SUBJECT: ADOPT RESOLUTION NOMINATING LARRY MCKENNEY AS VICE  
CHAIR OF THE ACWA REGION 10 BOARD OF DIRECTORS**

### STAFF RECOMMENDATION

---

It is recommended that the Board of Directors adopt a resolution nominating MWDOC MET Director Larry McKenney as Vice Chair of the ACWA Region 10 Board of Directors

### COMMITTEE RECOMMENDATION

---

Committee concurred with staff recommendation.

### DETAILED REPORT

---

Director Larry McKenney is currently serving as Chair for ACWA Region 10 for the 2014-15 term, and he has indicated his desire to run for the Vice Chair position of ACWA Region 10 for the 2016-17 term. As a result, it is necessary for MWDOC to adopt a Resolution supporting his nomination as Vice Chair. Attached is said Resolution.

MWDOC's financial responsibility will be for attendance at, and travel to and from Region 10 Board meetings (which are held quarterly and local) and ACWA Board meetings (which are held six times annually in Sacramento). Two of the quarterly Region 10 meetings are held at the ACWA conferences (fall and spring) and MET will pay for Mr. McKenney's attendance at these conferences. It is anticipated that the annual cost for his appointment as Vice Chair will be approximately \$4000 annually.

Budgeted (Y/N): No	Budgeted amount: -0-	Core _x_	Choice __
Action item amount: \$4000	Line item: 2000-11-7155 - \$4000		
Fiscal Impact (explain if unbudgeted):			

**RESOLUTION NO. \_\_\_\_\_**  
**OF THE BOARD OF DIRECTORS OF**  
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**PLACING IN NOMINATION OF LARRY MCKENNEY**  
**AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**REGION 10 VICE CHAIR**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) AS FOLLOWS:

A. Recitals

- (i) The Board of Directors (Board) of Municipal Water District of Orange County (MWDOC) does encourage and support the participation in the affairs of the Association of California Water Agencies (ACWA).
- (ii) MWDOC MET Director Larry McKenney is currently serving as Chair of ACWA Region 10.
- (iii) MWDOC MET Director Larry McKenney has indicated a desire to serve as Vice Chair of ACWA Region 10.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF MWDOC,

- (i) Does place its full and unreserved support in the nomination of Larry McKenney for the position of Vice Chair of ACWA Region 10.
- (ii) Does hereby determine that the expenses attendant with the service of Larry McKenney in ACWA Region 10 shall be borne by MWDOC.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

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 at its meeting held \_\_\_\_\_, 2015.

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



**Association  
of California  
Water Agencies**  
Since 1910  
Leadership • Advocacy  
Information • Service



# REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: Larry McKenney

Agency: Municipal Water District of Orange County Title: Metropolitan Water District Director

Agency Phone: \_\_\_\_\_ Direct Phone: 949.697.8604

E-mail: director.mckenney@gmail.com ACWA Region: 10 County: Orange

Address: 88 Meridian Dr, Aliso Viejo CA 92656

**Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)**

☐ Chair \_\_\_\_\_

☒ Vice Chair 1

☒ Board Member 2

**In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section?** (If neither is selected, your name will **NOT** appear on the ballot.)

☒ Yes

☐ No

**Agency Function(s):** (check all that apply)

☒ Wholesale

☐ Sewage Treatment

☐ Flood Control

☒ Urban Water Supply

☐ Retailer

☐ Groundwater Management / Replenishment

☐ Ag Water Supply

☐ Wastewater Reclamation

☐ Other: \_\_\_\_\_

**Describe your ACWA-related activities that help qualify you for this office:**

Currently serving as Region 10 Chair. Served on Region 10 Board for the past four years.

Have served on the Business Development Committee since its creation.

**In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.**

See attached

*I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.*

*I hereby submit my name for consideration by the Nominating Committee.*

*(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

*Larry McKenney*  
Signature

*Metropolitan Water District Director*  
Title

*5/27/15*  
Date



I have been representing the Municipal Water District of Orange County on the Metropolitan Water District board since October 2014. Prior to that, I was a board member at Moulton Niguel Water District since 2008. I have worked in the water industry since 1991. The strength of my experience is its breadth and diversity. I have served as a government water lawyer and in a private law firm practicing water and environmental law. I have managed water programs for a federal agency (Marine Corps Base, Camp Pendleton), the County of Orange, and a Joint Powers Agency of water districts. I worked on water resources and watershed management issues with an engineering consulting firm. My professional experience includes water rights, water service delivery, water quality compliance and storm water management, and watershed planning and Integrated Regional Water Management Planning. I have also been involved in legislative advocacy, and have served on the boards of several industry and environmental nonprofit organization boards, including the Floodplain Management Association, the Urban Water Institute, Orange County Coastkeeper, and the Southern California Water Committee, where I currently chair the Legislative Issues Task Force. I serve on the planning committee for the California Water Policy Conference and the steering Committee of the Southern California Water Dialogue. I was previously the president of the Water Advisory Committee of Orange County (WACO). Within ACWA, I have served on the Region 10 board for four years, including as an alternate to the statewide ACWA board. I am currently the Region 10 Chair. I have served on ACWA's Business Development Committee since its creation.



## MEMORANDUM

Date: May 4, 2015

To: ACWA REGION 10 MEMBER AGENCY PRESIDENTS AND GENERAL MANAGERS  
(sent via e-mail)

From: ACWA REGION 10 NOMINATING COMMITTEE  
Doug Wilson, Padre Dam Water District  
Jim Murtland, Rincon del Diablo Water District  
Phil Anthony, Orange County Water District  
Robert Hill, El Toro Water District

The Region 10 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the 2016-2017 term. The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

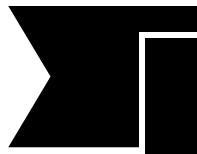
The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 10 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; the Election Timeline; and the Region 10 Rules and Regulations (all located at <http://www.acwa.com/content/region-elections>) and complete the following steps:

- **Complete the attached Region Board Candidate Nomination Form**
- **Obtain a Resolution of Support from your agency's Board of Directors**
- **Submit the requested information to ACWA as indicated by Tuesday, June 30, 2015**

The Region 10 Nominating Committee will announce their recommended slate on July 31, 2015, which will mark the start of the election. The election will be completed by September 30, 2015. On October 5, 2015, election results will be announced. The newly elected Region 10 Board Members will begin their two-year term of service on January 1, 2016.

If you have any questions, please contact ACWA Regional Affairs Representative Brandon Ida, at [brandoni@acwa.com](mailto:brandoni@acwa.com) or (916) 441-4545.



# REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: \_\_\_\_\_

Agency: \_\_\_\_\_ Title: \_\_\_\_\_

Agency Phone: \_\_\_\_\_ Direct Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_ ACWA Region: \_\_\_\_\_ County: \_\_\_\_\_

Address: \_\_\_\_\_

**Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)**

☐ Chair \_\_\_\_\_

☐ Vice Chair \_\_\_\_\_

☐ Board Member \_\_\_\_\_

**In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section?** (If neither is selected, your name will **NOT** appear on the ballot.)

☐ Yes

☐ No

**Agency Function(s):** (check all that apply)

☐ Wholesale

☐ Sewage Treatment

☐ Flood Control

☐ Urban Water Supply

☐ Retailer

☐ Groundwater Management / Replenishment

☐ Ag Water Supply

☐ Wastewater Reclamation

☐ Other: \_\_\_\_\_

**Describe your ACWA-related activities that help qualify you for this office:**

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**In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.**

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*I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.*

*I hereby submit my name for consideration by the Nominating Committee.*

*(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
(DISTRICT NAME)  
PLACING IN NOMINATION (NOMINEE NAME)  
ASA MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES  
REGION \_\_\_\_ (POSITION)

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF (DISTRICT NAME) AS FOLLOWS

A. Recitals

(i) The Board of Directors (Board) of the (District Name) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).

(ii) (Nominee Title), (Nominee Name) is currently serving as (Position) for ACWA Region \_\_\_\_

and/or

(iii) (Nominee Name) has indicated a desire to serve as a (Position) of ACWA Region \_\_\_\_.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF (DISTRICT NAME),

(i) Does place its full and unreserved support in the nomination of (Nominee Name) for the (Position) of ACWA Region \_\_\_\_.

(ii) Does hereby determine that the expenses attendant with the service of (Nominee Name) in ACWA Region \_\_\_\_ shall be borne by the (District Name).

Adopted and approved this \_\_\_\_ day of \_\_\_\_ (month) 2015.

(SEAL)

\_\_\_\_\_  
(Nominee Name), (Title)  
(District Name)

ATTEST:

\_\_\_\_\_  
(Secretary Name), Secretary

I, (SECRETARY NAME), Secretary to the Board of Directors of (District Name), hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the \_\_\_\_ day of \_\_\_\_ (month) 2013, and was adopted at that meeting by the following roll call vote:

AYES

NOES

ABSENT:

ATTEST:

\_\_\_\_\_  
(Secretary Name), Secretary to the  
Board of Directors of  
(District Name)

## 2015 ACWA Region Election Timeline 2016-2017 Term

- February 28:**      **NOMINATING COMMITTEES APPOINTED**
- With consensus of the region board, the region chairs appoint at least three region members to serve as the respective region's Nominating Committee
  - Those serving on nominating committees are ineligible to seek region offices
  - Nominating Committee members are posted online at [www.acwa.com](http://www.acwa.com)
- March 1-31:**      **NOMINATING COMMITTEE TRAINING**
- Nominating Committee packets will be e-mailed out to each committee member
  - ACWA staff will hold a training session via conference call with each nominating committee to educate them on their specific role and duties
    - Regions 1-5 Nominating Committees: March 18 at 10 a.m.
    - Regions 6-10 Nominating Committees: March 18 at 2 p.m.
- May 4:**      **CALL FOR CANDIDATES**
- The call for candidate nominations packet will be e-mailed to ACWA member agency Board Presidents and General Managers
  - The call for candidate nominations will be announced at the 2015 ACWA Spring Conference and Exhibition in Sacramento
- June 30:**      **DEADLINE FOR COMPLETED NOMINATION FORMS**
- Deadline to submit all Nomination Forms and board resolutions of support for candidacy for region positions
  - Nominating Committee members may need to solicit additional candidates in person to achieve a full complement of nominees for the slate
- July 10:**      **CANDIDATE INFORMATION TO NOMINATING COMMITTEES**
- All information submitted by candidates will be forwarded from ACWA staff to the respective region Nominating Committee members with a cover memo explaining their task

**July 11 - 31:**

**RECOMMENDED SLATES SELECTED**

- Nominating Committees will meet to determine the recommended individuals for their region. The slate will be placed on the election ballot.
- Nominating Committee Chairs will inform their respective ACWA Regional Affairs Representative of their recommended slate by July 24
- Candidates will be notified of the recommended slate by July 30
- The Nominating Committee Chair will approve the official region ballot

**July 31:**

**ELECTIONS BEGIN**

- All 10 official electronic ballots identifying the recommended slate and any additional candidates for consideration for each region will be produced and e-mailed to ACWA member agencies only
- Only one ballot per agency will be counted

**September 30:**

**ELECTION BALLOTS DUE**

- ***Deadline for all region elections. All region ballots must be received by ACWA by September 30, 2015***

**October 5:**

**ANNOUNCEMENT OF ELECTION RESULTS**

- Newly-elected members of the region boards will be contacted accordingly
- An ACWA Advisory will be distributed electronically to all members reporting the statewide region election results
- Results will be posted at acwa.com and will be published in the October issue of ACWA News

## ACWA Region 10 Rules & Regulations

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

### Officers

The chair and vice chair shall be from different counties.

At least one of the chair or vice chair positions must be an elected/appointed director from a member agency.

The region board members shall alternate every two years with three from one county and two from the other. The county from which the chair comes from shall have two region board members and the county from which the vice chair comes from shall have three region board members.

The chair will provide the region secretary.

### Meetings

The region will hold at least quarterly meetings, including the ACWA spring and fall conferences.

The region chair will determine when and if nonmembers are invited to regional activities or events.

### Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his/ her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

### Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)



Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of four persons, two from each county.

The nominating committee shall pursue qualified members within the region to run for the region board and consider geographic diversity, agency size and focus in selecting a slate.

A member of the nominating committee cannot be nominated by the committee for an elected position.

See current region election timeline for specific dates.

#### Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

#### Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

The chair and vice chair will recommend an official alternate for excused committee members.

#### Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a "release and waiver" to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

#### Finances

See "Financial Guidelines for ACWA Region Events" document.

## Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors.

The region 10 rules and regulations can be changed at any time with advanced written notice to member agencies.



## THE ROLE OF THE REGIONS

### Mission:

ACWA Regions will provide the grassroots support to advance ACWA's legislative and regulatory agenda.

### Background:

As a result of ACWA's 1993 strategic planning process, known as Vision 2000, ACWA modified its governance structure from one that was based on sections to a regional-based configuration. Ten regions were established to provide geographic balance and to group agencies with similar interests.

### The primary charge of regions:

- To provide a structure where agencies can come together and discuss/ resolve issues of mutual concern and interest and based on that interaction, provide representative input to the ACWA board.
- To assist the Outreach Task Force in building local grassroots support for the ACWA Outreach Program in order to advance ACWA's legislative and regulatory priorities as determined by the ACWA Board and the State Legislative, Federal Affairs or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist staff with association membership recruitment at the regional level.
- To recommend specific actions to the ACWA Board on local, regional, state and federal issues as well as to recommend endorsement for various government offices and positions.
  - Individual region boards CANNOT take positions, action or disseminate communication on issues and endorsements without going through the ACWA Board structure.

Region chairs and vice chairs, with support from their region boards, provide the regional leadership to fulfill this charge.

## GENERAL DUTIES/ RESPONSIBILITIES FOR REGION OFFICERS

### Region Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Chair will also call at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
  - Appoints Outreach Captain to help lead outreach effort within the region.
- Presides over all region activities and ensures that such activities promote and support accomplishment of ACWA's Goals.

- Makes joint recommendations to the ACWA President regarding regional appointments to all ACWA committees.
- Appoints representatives in concurrence of the region board, to serve on the region's nominating committee with the approval of the region board.
- Facilitates communication from the region board and the region membership to the ACWA board and staff.

#### Region Vice Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Vice Chair will also participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- In the absence of the chair and in partnership with the chair, exercises the powers and performs duties of the region chair.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.

#### Region Board Member:

- May serve as alternate for the chair and/or vice chair in their absence (if appointed) to represent the region to the ACWA Board.
- Will participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Supports program planning and activities for the region.
- Actively participates and encourages region involvement in ACWA's Outreach Program.



**ACTION ITEM**

June 17, 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

**SUBJECT: AMENDMENTS TO MONEY PURCHASE PENSION PLAN**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors adopt a resolution approving the proposed amendments to the District's Money Purchase Pension Plan, as presented.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**DETAILED REPORT**

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During a recent review of the District's Pension Plan, two items were identified and staff is recommending the Plan be revised accordingly. The amendments include the following:

- Permit in-service distributions in amount up to the account balance for any participant that is at least 62 years of age. This is a new provision under the plan.
- Reintroduces the concept of loans effective as of January 1, 2015 (within same plan year as restatement) such that there is no interruption of that option. The recent restatement inadvertently excluded the plan loan provisions.

The proposed Resolution and the redlined version of the Pension Plan, outlining the revisions, will be included in the Board Packet for the June 17<sup>th</sup> Board Meeting.

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

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MONEY PURCHASE PENSION PLAN  
AMENDMENT NO. 1**

RECITALS

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

B. The Employer desires to amend the Plan to incorporate the provisions of Section 401(a) (36) of the Internal Revenue Code which permits participants that have attained the age of sixty-two (62) to take in-service distributions prior to a separation from employment and to incorporate plan loan provisions consistent with the provisions of the prior restatement to the Plan.

C. Article XI of the Plan provides that the Employer reserves the right to amend the Plan at any time.

AMENDMENT

NOW, THEREFORE, effective January 1, 2015, Employer hereby amends the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN as follows:

1. Section 10.6 is hereby amended in its entirety to read as follows:

“10.6 In-Service Distributions. Any Participant may elect to withdraw all or a portion of his or her Voluntary Employee Contribution Account, QVEC Account or Rollover Account. In addition, any Participant who has attained the age of sixty-two (62) may elect to receive all or a portion of his or her Account provided the Participant is fully vested in his or her Accounts. A Participant shall be limited to only one in-service distribution during each Plan Year. In the event a Participant receives a distribution pursuant to this Section, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section shall be made in a manner consistent with the provisions of this Article.”

2. Article XIII is added, as follows:

“ARTICLE XIII  
LOANS TO PARTICIPANTS

13.1 Loans. The Employer shall be authorized to direct the Trustee to make loans to Participants and their Beneficiaries as a result of a completed loan application duly filed and approved by the Administrator or its designee.

13.2 Loan Procedures. Loans shall be made in accordance with procedures implemented by the Administrator, or its designee, in accordance with the Code and Regulations thereunder.

13.3 Limitations. No loan to any Participant or Beneficiary can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant or Beneficiary would exceed the lesser of (a) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the Participant or, if greater, the total accrued benefit up to \$10,000. For the purpose of the above limitation, all loans from all plans of the Employer and other members of a group of employers described in Sections 414(b), 414(c) and 414(m) of the Code are aggregated. Furthermore, any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less than quarterly, over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant. An assignment or pledge of any portion of the Participant's interests in the Plan and a loan, pledge or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this Section.

13.4 Special Rule for Veterans. Effective December 12, 1994, the suspension of an Employee's obligation to repay a plan loan for the period during which the Employee is performing military service (as described in Section 414(u) (4) of the Code) will not disqualify the Plan from satisfying the prohibited transaction exemption for plan loans."

**[SIGNATURES TO FOLLOW ON NEXT PAGE]**

IN WITNESS WHEREOF, the Employer has caused this amendment to be executed on \_\_\_\_\_, 2015.

**EMPLOYER:**

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY

By: \_\_\_\_\_

By: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:  
BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer





**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION APPROVING AMENDMENT NO. 1 TO THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
MONEY PURCHASE PENSION PLAN**

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

**WHEREAS**, the Pension Plan was recently amended and restated to bring it into compliance with the Pension Protection Act of 2006 (“PPA”), Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”), Worker, Retiree, and Employer Recovery Act of 2008 (“WRERA”) and other regulatory related guidance, and to make certain other changes.

**WHEREAS**, legal counsel has advised the Board of Directors that it is prudent for the Pension Plan to be amended in order to incorporate the provisions of Section 401(a)(36) of the Internal Revenue Code to permit participants that have attained the age of sixty-two (62) to take in-service distributions prior to a separation from employment;

**WHEREAS**, it is also necessary to amend the Pension Plan to permit plan loans, a provision which was inadvertently excluded from the recent restatement.

**WHEREAS**, Best, Best & Krieger LLP has prepared a proposed amendment for review by the Board of Directors.

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

- Section 1.** That the above recitals are true and correct.
- Section 2.** That the members of the Board of Directors approve the amendment to the Pension Plan heretofore considered and discussed.
- Section 3.** That the Board of Directors hereby authorizes the President and Vice President of the Board of Directors to duly execute the amendment on behalf of the District.

**APPROVED, SIGNED AND ADOPTED** on this 17th day of June, 2015 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

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Maribeth Goldsby, District Secretary  
Municipal Water District of Orange County

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

### **MONEY PURCHASE PENSION PLAN**

#### **INTRODUCTION**

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

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

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

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

#### **ARTICLE I** **TITLE**

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

#### **ARTICLE II GENERAL** **DEFINITIONS**

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

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

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

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

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

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

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

2.7        Compensation. “Compensation” shall mean:

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

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

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

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

includible in gross income when distributed) from a deferred compensation plan);

(ii) Other amounts that receive special tax

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

(iii) Any other items of similar remuneration.

(2) Post-Severance Employment. Effective for Plan

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

(i) Regular Pay. Compensation attributable to

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

(ii) Accrued Paid Leave. Amounts paid for

unused accrued bona fide sick, vacation or other leave provided the Employee would have been able to use the leave prior to Severance from Employment.

(iii) Deferred Compensation. Compensation

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

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

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

2.8 Compensation Limit. "Compensation Limit" shall mean the maximum

amount of Compensation (as defined in Section 2.7 pursuant to Code Section 414(s) and the Regulations issued thereunder) that shall be taken into account for each Participant during each Plan Year for determining all benefits provided under the Plan, as provided herein. The annual Compensation Limit for each Participant for each Plan Year after January 1, 2007 shall be \$225,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B). Annual Compensation means Compensation during the Plan Year or such other consecutive twelve (12) month period over

which Compensation is otherwise determined under the Plan (the “determination period”). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year. If a determination period consists of fewer than twelve (12) months, the annual Compensation Limit will be multiplied by



a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12). If Compensation for any prior determination period is taken into account in determining a Participant's allocations for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual Compensation Limit in effect for that prior period.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ARTICLE III TRUSTEE AND TRUST FUND

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

### ARTICLE IV ADMINISTRATION

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

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

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

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

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

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

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

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

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

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

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

4.6 Indemnification of Fiduciary. The Employer shall indemnify and hold

harmless any persons to whom any of the Employer's fiduciary responsibilities under the Plan are allocated or delegated, from and against any and all liabilities, claims, demands, costs and expenses, including attorneys' fees, arising out of any alleged breach in the performance of their fiduciary duties under the Plan, other than such liabilities, claims, demands, costs and

expenses as may result from the gross negligence or willful misconduct of such persons. The Employer, in its discretion, may conduct the defense of such person(s) in any proceeding to which this Section applies. In addition, the Employer may satisfy its obligations under this Section through the purchase of a policy or policies of insurance providing equivalent protection and coverage.

4.7 Use of Electronic Medium for Participant Notices and Elections.

(a) Definition of Electronic Medium. “Electronic medium”

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

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

(b) Disclosure and Consent Requirements.

(1) Disclosure Statement. Prior to electronically

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

(2) Consent. The Plan Administrator shall be exempt

from the consent requirements of Section 101(c) of the Electronic Signatures in Global and National Commerce Act (E-SIGN) provided the electronic medium used to provide notices and Plan-related material is a medium that the Recipient



has the effective ability to access and the Recipient is advised, each time a notice is transmitted, that he or she can request to receive the notice in paper form at no charge. The form of electronic medium utilized by this Plan shall be through an interactive website requiring the Recipient to register an e-mail address for communication purposes.

(3) Changes in Hardware or Software Requirements.

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

(c) Participant Elections. The Plan Administrator, or its

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

(i) The Recipient has a reasonable opportunity

review, confirm, modify or rescind the terms of the election before the election becomes effective

(ii) The Recipient receives, within a reasonable

time, a confirmation of the election either through written paper form or by electronic mail (e-mail).

(d) Timing and Content of Elections and Notices. The

provisions of this Section 4.7 shall in no way affect or alter the timing or content requirements applicable to each individual notice or document.

ARTICLE V  
ELIGIBILITY AND PARTICIPATION

5.1 Eligibility. Each Employee shall become eligible to participate in the

Plan upon commencement of employment with the Employer.

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

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

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

## ARTICLE VI CONTRIBUTIONS

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

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

6.3        Employee Contributions.

(a)        Mandatory Contributions.    Effective January 1, 2015, a Director shall be required to make a contribution to the Plan equal to 7.5% of his or her Compensation as required under Code Section 3121(b)(7)(F) and Treasury Regulations Section 31.3121(b)(7)-2 in order for this Plan to be considered a retirement system with respect to said Director. The contribution shall be made through payroll deduction

(b)        Employee Pick-Up Contributions.    The General Manager may irrevocably elect to make annual contributions to the Plan at the same percentage of his or her Excess Compensation as is provided under Section 6.2. Such contribution shall be treated as an Employer Contribution for purposes of Code Section 414(h)(2). Once the preceding election has been made, the General Manager shall not be permitted to revoke such election.

ARTICLE VII  
ALLOCATION TO PARTICIPANTS' ACCOUNTS

7.1      Participant Accounts.

(a) Employer Contribution Account. A separate Employer

Contribution Account shall be established for each Participant and shall be credited annually with Employer Contributions under Section 6.1 and forfeitures, if any, allocated to the Participant.

(b) QVEC Account. A separate QVEC Account shall be

maintained for any Participant for purposes of holding qualified voluntary employee contributions made by the Participant. Notwithstanding the preceding, qualified voluntary employee contributions are no longer permitted under the Plan.

(c) Employee Contribution Account. A separate Employee

Contribution Account shall be maintained for any Participant for purposes of holding employee contributions made by the Participant under Section 6.3.

(d) Deductible Contribution Account. A separate

Deductible Contribution Account shall be maintained for any Participant to hold any voluntary contributions that a Participant elected in prior years to have deductible, pursuant to the Code.

(e) Rollover Account. A separate Rollover Account shall

be established and maintained for any Participant, which shall be credited with any rollovers or transfers to the Plan pursuant to Section 7.5.

7.2 Annual Valuation and Change in Value. The Trustee shall determine,

as of the last day of each Plan Year and on such other dates as the Administrator shall determine, the fair market value of the net Trust assets. The Administrator shall allocate the profits to, or charge the losses against, the respective Accounts of the Participants in proportion to the balances of the Account as of the most recent valuation date.

7.3 Directed Accounts. The Employer may, in its discretion in a uniform

and nondiscriminatory manner, permit Participants to direct the Trustee as to all or part of the investment of his or her Accounts, as provided in the Trust Agreement. Directed accounts shall be credited or charged with investment gains or losses of the assets in such accounts.

7.4 Interest in Trust Assets. Nothing herein contained shall be deemed to

give any Participant any interest in any specific assets of the Trust and each Participant shall only have the right to receive payment at the time or times and upon the terms and conditions expressly set forth in the Plan.

7.5 Transfer From Other Qualified Plans; Rollover Contributions. The

Plan will accept an Eligible Rollover Distribution (as defined in Section 10.8(c)) from another Eligible Retirement Plan on behalf of an Employee who is a Participant, pursuant to the following:

(a) Permissible Types of Rollover Contributions. The Plan

shall accept an eligible rollover distribution from –

(1) a qualified plan and trust, as defined in Code Sections 401(a) or 403(a), excluding after-tax employee contributions;

(2) an annuity contract described in Code Section 403(b), excluding after-tax employee contributions;

(3) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; and

(4) an individual retirement account that meets the requirements of Section 408(d)(3)(A)(ii), excluding an individual retirement account designated as a “Roth IRA” under Code Section 408A at the time of establishment.

(b) Requirements for Rollover Contribution. Such rollover

or transfer must comply with the requirements of Code Section 402. The assets to be transferred must be accompanied by written representations, satisfactory to the Administrator, identifying the transferor plan, stating the name of the Employee, and providing such other information as the Administrator may require. The Administrator may require that certain assets be reduced to cash in order that the rollover or transfer be accepted by the Plan. However, in the event the Administrator accepts a rollover or transfer in kind from a plan under which the Employee was allowed to direct the investment of such amounts, the Administrator shall allow the Participant to continue to direct the investment of such rollover or transfer account.

In addition, the receipt of assets under this Section shall be subject to the following conditions:

(1) no transfer shall be in an amount less than One Hundred Dollars (\$100);

(2) no amount may be transferred to the Plan without the prior approval of the Trustee. The Trustee shall act in a uniform, nondiscriminatory manner in this regard;

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(3) all transfers shall be paid to the Trustee to hold in the Trust;

(4) a separate Account shall be established and maintained for each Participant who has made a transfer;



(5) the Participants' interest in the Account shall be fully vested and nonforfeitable;

(6) the amount held in the Account shall be paid to the Participant upon the Participant's request. Any distribution of such amounts shall be made in accordance with the applicable provisions of Article X;

(7) if it is determined that a Participant's transfer mistakenly failed to constitute an Eligible Rollover Distribution, the amount of such contribution shall be distributed to the Participant within a reasonable amount of time after the determination that the rollover is not valid.

(8) No Transfer of Benefit Options. If a direct rollover is received by the Administrator from another qualified plan, the Plan is not required to provide, with respect to amounts paid to it in such a direct rollover, the same optional forms of benefit that were provided under the transferor plan.

#### ARTICLE VIII VESTING OF INTEREST

8.1 Vesting. The Participants' Accounts shall be fully vested and nonforfeitable at all times.

8.2 Forfeitures. Forfeitures shall be used for defraying reasonable expenses of administering the Plan. Any remaining forfeiture amounts not applied toward the payment of administrative expenses shall be applied toward the Employer contribution allocable under Section 6.1.

#### 8.3 Lost Participants.

(a) Location of Lost Participant. The Employer shall take all necessary steps, upon the termination of participation, to ascertain the whereabouts of a lost Participant or Beneficiary whose benefit is payable.

(b) Mandatory Distribution. If the Account balance of a lost Participant or Beneficiary is \$1,000.00 or more, and the Employer has exhausted its efforts to locate the missing Participant or Beneficiary, then the Administrator will distribute the entire Account via a direct rollover to an individual retirement plan designated by the Administrator.

(c) Forfeiture. If the Account balance of a lost Participant or Beneficiary is less than \$1,000.00, and the Employer has exhausted its efforts to locate the missing Participant or Beneficiary and the Administrator has concluded that a Participant or Beneficiary cannot be located, the Participant's entire Account(s) shall be forfeited and allocated as provided in Section 8.2. In the event the lost Participant subsequently claims his or her benefit, the

Participant's Account(s) shall be reinstated and distributed as provided in Article X.

ARTICLE IX LIMITATION  
ON BENEFITS

9.1 Annual Additions. "Annual Additions" shall mean the sum for any Limitation Year of the following amounts allocated to a Participant's Accounts in all defined contribution plans maintained by the Employer:

- (a) Employer Contributions;
- (b) Forfeitures;
- (c) Employee contributions; and
- (d) Amounts allocated after March 31, 1984, to an individual medical account (as defined in Code Section 415(l)(2)) which is part of a pension or annuity plan maintained by the Employer.
- (e) For the purposes of this paragraph, the term "Annual Additions" shall not include the following:

- (1) Rollover contributions (as defined in Code Sections 402(c), 403(a)(4), 403(b)(8) and 408(d)(3));
- (2) Employee contributions to a Simplified Employee Pension which are excludable from gross income under Code Section 408(k)(6).

9.2 Maximum Permissible Amount.

(a) Total Annual Additions. The amount of Annual Additions which may be contributed or allocated to a Participant's Accounts for any Limitation Year shall not exceed the lesser of:

- (1) \$40,000, as adjusted for increases in the cost of living under Code Section 415(d); or

(2) one hundred percent (100%) of the Participant's

Compensation, as defined in Section 2.7(b), for the Limitation Year.

The Compensation Limit referred to in paragraph (2) above shall not apply to any contribution for medical benefits after Severance from Employment (within the meaning of Code Sections 401(h) or 419A(f)(2)) which is otherwise treated as an Annual Addition.

If the amount that would otherwise be contributed or allocated to the Participant's Accounts would cause the Annual Additions for the Limitation Year to exceed the maximum permissible amount, the amount contributed or allocated will be reduced so that the Annual Additions of the Limitation Year will equal the maximum permissible amount. For purposes of determining the total Annual Additions allocated to a Participant's Accounts during the Limitation Year, amounts or benefits provided to an Alternate Payee (as defined in Section 10.10) of the Participant shall be treated as if such allocations were allocated to the Participant's Account.

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different 12-consecutive month period, the maximum permissible amount will not exceed the defined contribution dollar limitation multiplied by a fraction with a numerator that is equal to the number of months in the short limitation year and denominator of 12.

If the Plan is terminated as of a date other than the last day of the Plan Year, the Plan is deemed to have been amended to change its Limitation Period and the maximum permissible amount shall be prorated for the shortened period.

(b) Aggregation and Disaggregation of Other Defined Contribution Plans.

(1) Aggregating Plans. For purposes of applying the limitations of Section 9.2(a) for a Limitation Year, all qualified defined contribution plans (without regard to whether a plan has terminated) ever maintained by the Employer (or a "predecessor employer" as defined in subparagraph (i) below), including this Plan, shall be aggregated as one (1) defined contribution plan. An annuity contract under Code Section 403(b) and a simplified employee pension plan under Code Section 408 shall be treated as a defined contribution plan maintained by the Employer.

(i) Predecessor Employer. A former Employer is a "predecessor employer" with respect to a Participant if the Employer maintains a plan under which the Participant had accrued a benefit during the course of employment with the former Employer and that benefit is provided under the Plan currently maintained by the "successor employer." An Employer is a successor employer with respect to a Participant if, under the facts and circumstances, the Employer represents a continuation of all or a portion of the trade or business of the former entity.

(ii) Mid-year Aggregation. Two or more defined contribution plans that are not required to be aggregated pursuant to

Code Section 415(f) as of the first day of a Limitation Year shall not cause a Participant to fail to satisfy the requirements of Code Section 415 for the

Limitation Year merely because the plans are aggregated later in the Limitation Year, provided that no Annual Additions are credited to such Participant after the date on which the plans are first required to be aggregated.

(2) Nonduplication of Benefits. If the Plan is aggregated with another defined contribution plan pursuant to this Section 9.2(b), a Participant's benefits are not counted more than once in determining the Participant's aggregate Annual Additions under Article IX.

9.3 Treatment of Excess Amounts. If the total Annual Additions that may be made with respect to any individual exceeds the limits of Code Section 415, or under any other limited facts and circumstances that the Commissioner of Internal Revenue finds justify the application of this Section, the excess amount will be corrected in accordance with the Employee Plans Compliance Resolution System as set forth in Revenue Procedure 2012-13 or any superseding guidance, including, but not limited to the preamble of the regulations issued under Code Section 415.

9.4 Special Rule for Short Limitation Year. In the event of a short Limitation Year because of an amendment changing the Limitation Year to a different twelve (12) consecutive month period, the maximum permissible amount shall not exceed the defined contribution dollar limitation multiplied by a fraction, the numerator of which is the number of months in the short Limitation Year and the denominator of which is twelve (12).

9.5 Special Rule for Make-Up Contributions Under USERRA. Any contributions allocated to the Accounts of a Participant who has served in qualified military service, as defined in the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), which is made and allocated to a Limitation Year but which is attributable to a prior Limitation Year shall not be taken into account in applying the limitations for the Limitation Year for which the contribution is made, but rather, shall be counted and subject to the limitations, for purposes of Code Section 415, for the Limitation Year to which the contributions relate.

## ARTICLE X DISTRIBUTION OF BENEFITS

10.1 Entitlement to Benefits. A Participant shall be entitled to a distribution of benefits under this Plan following his or her Severance from Employment. Benefits shall also be payable following the Participant's death in accordance with Section 10.5 or upon attainment of the Required Beginning Date under Section 10.7.

A Participant who is still employed on his or her Normal Retirement Date shall not be entitled to a distribution of benefits under this Plan until the Participant experiences a Severance from Employment. Such a Participant shall continue to participate in contributions under the Plan.

An Alternate Payee under a Domestic Relations Order shall be entitled to benefits under this Plan in accordance with Section 10.10.

10.2 Notification of Benefit Options. A Participant shall be furnished a notice not less than thirty (30) days, nor more than one hundred eighty (180) days (the “distribution election period”), prior to the first day of the first period for which an amount is paid. Such notice shall contain an explanation of the following:

(a) The right to defer the commencement of benefits until Normal Retirement Date, if applicable. The notice shall also describe the consequences of failing to defer receipt of the distribution and include a description indicating the investment options available under the Plan (including fees) that will be available if the Participant defers distribution.

(b) The form of benefits available under the Plan in accordance with Section 10.3.

(c) The option to elect a direct rollover to an Eligible Retirement Plan in accordance with Section 10.8.

(d) The mandatory income tax withholding provisions applicable if the distribution is not transferred to an Eligible Retirement Plan.

(e) The provisions under which the distribution will not be subject to tax if transferred to an Eligible Retirement Plan within sixty (60) days after the date on which the Participant received the distribution.

(f) The applicable rules on rollover and taxation of a lump sum distribution under Code Section 402(d) and (e).

10.3 Form of Retirement Benefit. If the vested amount credited to a Participant’s Accounts is less than \$5,000 as of the date of distribution, distribution shall be made in cash in one lump sum cash payment. However, if the Participant’s vested balance is \$5,000 or more, the Participant may select from among the following payment options:

(a) a single, lump sum cash payment;

(b) cash payments in monthly, quarterly, semi-annual or annual installments of substantially equal designated amounts or of a designated percentage of the value of the Participant’s Account(s) payable over a fixed term



not extending beyond the applicable life expectancy, as determined in accordance with the minimum distribution requirements of Code Section 401(a)(9), of the Participant or the Participant and a designated Beneficiary; or

(c) a joint and survivor annuity for the life of the

Participant with a survivor annuity for the life the Participant's spouse which is fifty percent (50%) of the amount of the annuity which is payable during the joint lives of Participant and his or her spouse. An unmarried Participant's joint

and survivor annuity is a single life annuity. This annuity shall be distributed to the Participant in the form of a nontransferable Annuity Contract meeting the requirements of this Plan and which is equal to the amount of benefit which can be purchased with the Participant's vested Accounts.

10.4 Timing of Distribution. Except as provided herein, the distribution of

a Participant's Accounts shall begin as soon as administratively feasible following the Participant's Severance from Employment, but in no event, unless otherwise elected in writing by the Participant, later than the sixtieth (60th) day after the latest of the close of the Plan Year in which the Participant: (1) attains the earlier of age 65 or the Normal Retirement Date; (2) completes his or her tenth (10th) year of participation in the Plan; or (3) experiences a Severance from Employment.

(a) Consent to Distribution. Subject to the provisions of

Section 10.4(c), distributions from the Plan shall only be made with the written consent of the Participant and his or her spouse, in accordance with paragraph (b) below. Written consent shall be given within the 180 days "distribution election period" ending on the first day of the first period for which an amount is paid and shall include an acknowledgment of the effect of such election. No consent under this Section 10.4 shall be valid unless the Participant has first received a notice which satisfies the requirements of Section 10.2.

(1) No Consent. The failure of a Participant to

consent to a distribution while a benefit is immediately distributable shall be deemed an election to defer commencement of payment until the benefit is no longer immediately distributable.

(2) Waiver of 30-day period for distribution consent.

The Plan may distribute a benefit less than 30 days after providing the Participant notice of the distribution option, if the Participant affirmatively elects a distribution. The Participant must be notified that the Participant has the opportunity to elect a distribution for at least 30 days after receiving the notice.

(b) Spousal Consent. The spouse's written consent to an

election for distribution shall acknowledge the effect of the consent to that election and must be witnessed by a Plan representative or a notary public. A spouse's consent to an election for distribution cannot be revoked once made. A Participant who elected a form of benefit with his or her spouse's consent may not subsequently change the form of benefit without obtaining his or her spouse's consent. Spousal consent is not required if the Participant establishes to the satisfaction of the Administrator that: (i) he or she has no spouse; (ii) the spouse cannot be located; or (iii) other circumstances apply that make spousal consent unnecessary.

(c) Mandatory Distributions. In the event that a Participant fails to submit an election within the “distribution election period” specified in Section 10.2 and the value of the Participant’s vested Accounts does not exceed

One Thousand Dollars (\$1,000) as of the date of distribution, no consent under this Section 10.4 will be required and the Participant shall receive a lump sum distribution of the entire vested portion of his or her Accounts.

10.5 Death Benefit.

(a) Form of Death Benefit. If the vested amount credited

to a Participant's Accounts does not exceed \$5,000 as of the date of distribution, the entire balance shall be distributed to the designated Beneficiary in one lump sum as soon as administratively feasible following the death of the Participant. If the vested balance of a Participant's Account exceeds \$5,000 as of the date of distribution, the Beneficiary may elect to receive the distribution in either a lump sum or installments, provided the schedule of installments satisfies the minimum distribution requirements set forth in Section 10.7.

If the Participant dies after payments under a joint and survivor annuity have commenced, payments shall continue to the Beneficiary under the terms of the annuity.

(b) Rollovers to Surviving Spouse. If the designated

Beneficiary is the surviving spouse of the Participant, the surviving spouse may also elect a direct rollover of the benefit to an Eligible Retirement Plan pursuant to Section 10.8. The Participant's Accounts shall be distributed, or begin to be distributed, to the surviving spouse on or before December 31 of the calendar year immediately following the calendar year in which the Participant died. However, if the surviving spouse is the sole designated Beneficiary of the Participant, distribution shall commence no later than December 31 of the calendar year immediately following the calendar year in which the Participant died or December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70½).

(c) Timing of Election. The Participant's designated

Beneficiary shall elect the method of distribution no later than September 30 of the calendar year following the year of the Participant's death. If the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth (5th) anniversary of the Participant's death.

(d) Direct Rollovers for Nonspouse Beneficiaries.

Notwithstanding the foregoing, a designated Beneficiary who is not the surviving spouse of the deceased Participant may elect a direct rollover of the benefits at the time and in the manner prescribed by the Administrator. Any such distribution may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b) established for the purpose of

receiving the distribution on behalf of the designated Beneficiary and treated as an inherited IRA within the meaning of Code Section 408(d)(3)(C). The Beneficiary must provide the Administrator with sufficient information to identify

the status of the inherited IRA as well as the custodian of the funds to whom the direct transfer is to be made. Any distribution made in accordance with this provision shall be considered an “eligible rollover distribution” (as defined in Section 10.8) excludable from gross income for the year in which payment is made under Code Section 402(c)(1). If a Participant’s designated Beneficiary is a trust, the trustee of such trust shall be permitted to elect a direct rollover to an individual retirement account in accordance with this subsection provided the beneficiaries of the trust otherwise satisfy the requirements to be designated beneficiaries within the meaning of Code Section 401(a)(9)(E) and the regulations issued thereunder.

10.6 In-Service Distributions. Any Participant may elect to withdraw all or a portion of his or her Voluntary Employee Contribution Account, QVEC Account or Rollover Account. ~~No other types of in-service distributions are permitted and no more than~~ In addition, any Participant who has attained the age of sixty-two (62) may elect to receive all or a portion of his or her Account provided the Participant is fully vested in his or her Accounts. A Participant shall be limited to only one ~~(1) in-service distribution shall be permitted in a single calendar~~ during each Plan Year. In the event a Participant receives a distribution ~~under~~ pursuant to this Section, the Participant shall continue to be eligible to participate in the Plan on the same basis as any other Employee. Any distribution made pursuant to this Section ~~10.6 shall be subject to the rules generally applicable to any other distribution permitted after Severance of Employment~~ shall be made in a manner consistent with the provisions of this Article.

10.7 Minimum Distributions. Notwithstanding any other provisions of this Article, with respect to distributions occurring on or after January 1, 2003, the distribution of a Participant’s Accounts shall meet the requirements of this Section, Code Section 401(a)(9) and the Regulations thereunder, and in accordance with the minimum distribution incidental benefit requirements of Code Section 401(a)(9)(G) and the Regulations issued thereunder. These minimum distributions shall be calculated each year by the Administrator and shall be distributed in accordance with this Section.

(a) Time and Manner of Distribution.

(1) Required Beginning Date. The Participant’s Accounts will be distributed, or begin to be distributed, to the Participant no later than the Participant’s Required Beginning Date.

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant’s Accounts will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant’s surviving spouse is the Participant’s sole Designated Beneficiary, distributions to the surviving spouse

will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's Accounts will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 10.7(a)(2), other than Section 10.7(a)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this Section 10.7(a)(2) and 10.7(c), unless Section 10.7(a)(2)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 10.7(a)(2)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i). If distributions under an annuity purchased from an insurance Employer irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with paragraphs (b) and (c) of this Section 10.7. If the Participant's Accounts are distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations issued thereunder.

(b) Required Minimum Distributions During Participant's Lifetime.

(1) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:



(i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the

Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

(ii) if the Participant's sole Designated

Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

(2) Lifetime Required Minimum Distributions Continue

Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (b) beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

(c) Required Minimum Distributions After Participant's Death.

(1) Death on or After Date Distributions Begin. If the

distribution of a Participant's interest has begun in accordance with Section 10.7(b)(1) and the Participant dies before the entire Account balance has been distributed, the remaining portion of the Account balance must be distributed at least as rapidly as under the distribution method used as of the date of the Participant's death. Thereafter, the applicable distribution period for distribution years after the year of the Participant's death shall be as provided under subparagraph (i) or (ii) below.

(i) Participant Survived By Designated

Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

1. The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

2. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the

spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's

birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

3. If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(ii) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(2) Death Before Date Distributions Begin.

(i) Participant Survived By Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section 10.7(c)(1).

(ii) No Designated Beneficiary. If the Participant dies before the date distribution begins and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's Accounts will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) Death of Surviving Spouse Before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 10.7(a)(2)(i), this Section 10.7(c)(2) will apply as if the surviving spouse were the Participant.

(d) Application of 5-Year Rule.

(1) Election by Participant or Beneficiary. A

Participant or Beneficiary may elect on an individual basis whether the 5-year

rule or the Life Expectancy rule in Sections 10.7(a)(2) and 10.7(c)(2) applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 10.7(a)(2), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions will be made in accordance with Sections 10.7(a)(2) and Section 10.7(c)(2).

(2) Election By Current Beneficiary. A Designated

Beneficiary who is receiving payments under the 5-year rule may make a new election to receive payments under the Life Expectancy rule until December 31, 2003, provided that all amounts that would have been required to be distributed under the Life Expectancy rule for all Distribution Calendar Years before 2004 are distributed by the earlier of December 31, 2003 or the end of the five (5) year period.

(e) Definitions.

(1) Designated Beneficiary. The individual who is

designated as the Beneficiary under Section 11.8 of the Plan and is the Designated Beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury Regulations.

(2) Required Beginning Date. The "Required

Beginning Date" of a Participant is April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½ or the calendar year in which the Participant retires.

(3) Distribution Calendar Year. A calendar year for

which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under Section 10.7(a)(2). The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

(4) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(5) Participant's Account Balance. The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by the distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

(f) TEFRA Section 242(b)(2) Elections. Notwithstanding any other provisions of this Section 10.7, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(g) Transition Rules.

(1) Plan Years Prior to 2001. Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations issued thereunder as published in the Federal Register on July 27, 1987.

(2) 2001 Plan Year. Required minimum distributions for calendar year 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations issued thereunder as published in the Federal Register on January 17, 2001.

(3) 2002 Plan Year. Required minimum distributions for calendar year 2002 were made in accordance with Code Section 401(a)(9) and the final and temporary regulations issued thereunder as published in the Federal Register on April 17, 2002, which are described in paragraph (a) through (f) of this Section 10.7.

(h) WRERA Elections for 2009 Calendar Year.  
Notwithstanding any other provisions of this Section 10.7, a Participant or

Beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of Code Section 401(a)(9)(H) ("2009 RMDs") and who would have satisfied that requirement by receiving distributions that are (1) equal to the 2009 RMDs or (2) one or more payments in a series of substantially equal distributions (that include the 2009 RMDs) made at least annually and expected to last for the life (or Life Expectancy) of



the Participant, the joint lives (or joint Life Expectancy) of the Participant and the Participant's Designated Beneficiary, or for a period of at least 10 years, will not receive those distributions for 2009 unless the Participant or Beneficiary chooses to receive such distributions. Participants and Beneficiaries described in the preceding sentence will be given the opportunity to elect to receive the distributions described in the preceding sentence. In addition, notwithstanding Section 10.8 of the Plan, and solely for purposes of applying the direct rollover provisions of the Plan, a direct rollover will include 2009 RMDs but only if paid with an additional amount that is an Eligible Rollover Distribution (as defined in Section 10.8(c)) without regard to Code Section 401(a)(9)(H).

10.8 Direct Rollovers. A Distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least \$200.00 paid directly to an Eligible Retirement Plan specified by the Distributee. If an Eligible Rollover Distribution is less than \$200.00, a Distributee may not make the election described herein to rollover a portion of the Eligible Rollover Distribution. The Distributee must provide the Administrator with sufficient information to identify the Eligible Retirement Plan as well as the trustee or custodian of the funds to whom the transfer is to be made.

For purposes of this Section, the following definitions shall apply:

(a) Distributee. A "Distributee" shall mean an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), shall be Distributees with regard to the interest of the spouse or former spouse. A Distributee shall also mean a Participant's non-spouse designated beneficiary, in which case, the distribution can only be transferred to a traditional or Roth IRA established on behalf of the non-spouse designated beneficiary for the purposes of receiving the distribution in accordance with Section 10.5(d).

(b) Eligible Retirement Plan. "Eligible Retirement Plan" shall mean an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b) or a qualified trust described in Code Section 401(a) that accepts the Distributee's Eligible Rollover Distribution.

"Eligible Retirement Plan" shall also mean an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. For distributions made after December 31, 2007, "Eligible Retirement Plan" shall also mean a Roth IRA described in Code Section

408A(b) provided such distribution is made by a direct trustee-to-trustee transfer and the receiving plan agrees to separately account for the amounts transferred.

(c) Eligible Rollover Distribution. An “Eligible Rollover Distribution” shall mean any distribution of all or any portion of the balance to the credit of the Distributee, except that it shall not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee’s designated Beneficiary, or for a specified period of ten (10) years or more; or

(2) any distribution required under Code Section 401(a)(9); or

(3) the portion of any distribution that is not includable in gross income of the Distributee; or

(4) any other distribution that is reasonably expected to total less than \$200 during a year.

Notwithstanding the foregoing, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may only be transferred in a direct trustee-to-trustee transfer to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Sections 401(a) or 403(a), or to an annuity contract described in Code Section 403(b) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

(d) Rollovers to Roth IRA. Effective for distributions occurring after December 31, 2007, a Distributee may also elect to have any portion of an Eligible Rollover Distribution paid directly to a Roth IRA described in Code Section 408A provided the distribution requirements of Section 10.4 and this Section 10.8 have been satisfied. Any distribution made in accordance with this provision shall be considered a “qualified rollover contribution” and includable in the Distributee’s gross income for the year in which payment is made under Code Section 408A(d)(3)(A).

10.9 Designation of Beneficiary. Each Participant shall designate a primary

Beneficiary and a contingent Beneficiary to receive any death benefit under this Plan in accordance with this Section. The designation of a primary Beneficiary and a contingent Beneficiary may be changed from time to time by filing a new designation in writing with the

Employer. This designation shall be made at the time and in the manner established by the Employer in accordance with Code Section 401(a)(9) and the Regulations issued thereunder.

(a) Primary Beneficiary. A primary Beneficiary's rights shall arise if the Participant dies before receiving all of his or her benefits.

(b) Contingent Beneficiary. The rights of a contingent Beneficiary shall arise if the primary Beneficiary predeceases the Participant, if the primary Beneficiary (who is not the Participant's surviving spouse) has not survived to receive all of the Participant's undistributed death benefits, or if the Participant's surviving spouse (who is the primary Beneficiary) has not survived to receive all of the Participant's undistributed death benefits and has not designated a contingent Beneficiary.

If the Participant's surviving spouse is the primary Beneficiary at the Participant's death, the Participant's surviving spouse may designate a contingent Beneficiary. Otherwise, if the primary Beneficiary is other than the Participant's surviving spouse and if the Participant specifically elects, the primary Beneficiary may designate a contingent Beneficiary. If the primary Beneficiary makes a designation of a contingent Beneficiary (as the surviving spouse of the Participant or pursuant to the election by the Participant permitting such a designation), the primary Beneficiary's designation of a contingent Beneficiary shall be controlling and shall supersede any designation of a contingent Beneficiary by the Participant. In the event that a contingent Beneficiary has not been designated in accordance with Subsection (b) of this Section, then the designation of a contingent Beneficiary shall be made in accordance with Subsection (e) of this Section.

(c) Requirements of Spousal Consent. Each Participant for whom a spousal consent is required in accordance with this Section shall obtain the consent of his or her spouse in writing on the beneficiary designation form filed with the Employer. Any beneficiary designation made by a Participant at a time when no spousal consent was required and prior to the time benefit payments commence shall be void if spousal consent is required at the time benefit payments commence, unless spousal consent to that designation is obtained in accordance with this subsection.

The written consent of the Participant's spouse shall be obtained in the event the Participant's spouse has a community property interest in the Participant's Account and the Participant designates another individual or entity (rather than the spouse) as the sole primary Beneficiary.

(d) When Spousal Consent is Not Required. Generally, the consent of Participant's spouse to the Participant's beneficiary designation is required; however, no spousal consent is required if –

(1) the Participant designates his or her spouse as the sole primary Beneficiary; or

(2) the Participant establishes to the satisfaction of the Administrator that: (i) he or she has no spouse; (ii) the spouse cannot be located; or (iii) other circumstances apply that make spousal consent unnecessary.

(e) Designation of Beneficiary by Employer. If, on the death of a Participant, former Participant, or the death of the current Beneficiary following the death of the Participant, the Administrator does not have a valid Beneficiary designation on file, the Employer shall designate a Beneficiary in the following order of priority:

(1) surviving spouse or registered domestic partner under state law;

(2) surviving children, including adopted children, in equal shares;

(3) surviving parents, in equal shares;

(4) Participant's estate; provided, however, that irrespective of said order of priority, the Employer may designate the Participant's estate or the trustee(s) of the trust(s) named as the Beneficiary of the residue of the Participant's probate estate as Beneficiary. The Employer's determination of the individuals or entities as Beneficiary shall be final.

10.10 Distribution under Domestic Relations Order. An "alternate payee" under a "domestic relations order" ("DRO") shall be entitled to benefits in accordance with the requirements of this Article, except that a distribution pursuant to a DRO will be permitted whether or not the affected Participant has experienced a Severance from Employment. For purposes of this Section, "domestic relations order," and "alternate payee" shall have the meanings set forth in Code Section 414(p).

10.11 Distribution in Cash or Kind. Whenever a distribution is to be made from the Plan, the Administrator may cause any distributions to be made in cash, in kind, or a combination thereof.

10.12 Rollovers Disregarded in Determining Value of Account Balance for

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Involuntary Distributions. For purposes of Sections 10.3, 10.4(a) and (c) and 10.5(a), the value of a Participant's Account balance shall be determined without regard to that portion of the Account balance that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Code Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).

ARTICLE XI  
AMENDMENT AND TERMINATION

11.1      Employer Reserves Right to Amend.    The Employer reserves the right to amend the Plan, including retroactive amendments, provided that no such amendment or modification shall revert any part of the principal or interest of the Trust to the Employer; or shall divert any part of the assets of the Trust for purposes other than the exclusive benefit of Participants or their Beneficiaries who have an interest in the Plan or for the purpose of defraying the reasonable expenses for administering the Plan.

11.2      Employer's Discretion.    The Employer has established the Plan with the bona fide intention and expectation that it will be able to make its contributions indefinitely, but the continuance of the Plan is not assumed as a contractual obligation by the Employer and the Employer is not under any obligation to continue its contributions or to maintain the Plan for any given length of time. The right is reserved by the Employer, in its sole and absolute discretion, to discontinue contributions or terminate the Plan, at any time, without any liability whatsoever for such discontinuance or termination.

11.3      Termination Events.    The Plan and Trust shall terminate upon the delivery to the Trustee of a notice of termination executed by the Employer specifying the date as of which the Plan and Trust shall terminate. Termination of the Plan and Trust shall also occur upon the adjudication of the Employer as bankrupt or the Employer's general assignment for the benefit of creditors.

11.4      Termination Procedure.

(a)      Revaluation of Assets and Allocation.    Upon the whole or partial termination of the Plan, the Trustee shall revalue the Trust assets as of the date of termination and, after satisfying Trust obligations, shall adjust all Participants' Accounts for such obligations and Trust profits or losses (whether or not such profits or losses have been realized) to the date of termination. The allocation to each individual Participants' Accounts of expenses, profits, or losses shall be in the proportion that the Account values of each individual Participant bears to the total Account values of all Participants.

(b)      Distribution of Assets.    Upon termination of the Plan in whole or in part, the Employer may direct the distribution of Participant Accounts to each Participant. Distribution may be made in a single lump sum payment, in cash or assets of the Trust, without the Participant's and spouse's consent.

ARTICLE XII GENERAL  
PROVISIONS

12.1      Non-Reversion. No portion of the principal or income of the Trust from the Employer contributions shall be paid to or revert to the Employer or be used for a purpose other than for the exclusive benefit of the Participants and their Beneficiaries, except to defray reasonable expenses of the administration of the Plan; provided, however, that in the case of a contribution which is made by an Employer by a mistake of fact, the Trustee may return such contribution to the Employer within one (1) year after the payment of the contribution.

12.2      Type of Plan. The Plan is a governmental plan as defined in Code Section 414(d).

12.3      Nondiscrimination. Effective for the Plan Year beginning after August 17, 2006, governmental plans (within the meaning of Code Section 414(d)) maintained by a State or local government or political subdivisions thereof (or agency or instrumentality thereof) are exempt from the nondiscrimination and participation requirements of Code Sections 401(a)(3), 401(a)(4) and 401(a)(26).

12.4      Special Rules for Veterans. Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to “qualified military service” will be provided in accordance with Code Section 414(u). Effective for years beginning after December 31, 2008, an individual receiving from the Employer a differential wage payment, as defined in Code Section 3401(h)(2), shall be treated as an Employee of the Employer and the differential wage payments shall be treated as Compensation for purposes of determining vesting and benefit accrual. The Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

In addition, in the case of a Participant who becomes disabled or dies during qualified military service, as defined in the Uniformed Services Employment and Reemployment Rights Act (“USERRA”), on or after January 1, 2007, the Participant or his or her designated Beneficiary shall be entitled to any additional benefits provided under the Plan as if the Participant had resumed employment with the Employer on the day preceding death or Disability and then terminated employment on the actual date of the death or Disability

12.5      Discharge of Employee. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any Employee. Nothing herein contained shall be deemed to give any Employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge any Employee at any time.



12.6 Consolidation With Other Plan. In the event the Plan and the Trust  
merge or consolidate with, or transfer the assets and liabilities to, any other qualified plan of

deferred compensation, no Participant herein shall, solely on account of such consolidation or transfer, be entitled to a benefit on the day following such event which is less than the benefit to which he or she was entitled on the day preceding such event. For the purpose of this Section, the benefit to which a Participant is entitled shall be calculated and based upon the assumption that a Plan termination and distribution of assets occurred on the day as of which the amount of the Participant's entitlement is being determined.

12.7      The Plan.    The Trust and the Plan are part of a single, integrated employee benefit system and shall be construed together. In the event of any conflict between the terms of these documents, such conflict shall be resolved first in favor of the Plan, and then the Trust.

12.8      Applicable Law.    The Plan and Trust, including any administrative policies adopted by the Employer (collectively the "Plan Documents"), shall be construed, administered and governed under the Code; and to the extent any of the provisions of the Plan Documents are inconsistent with the Code, the provisions of the Code shall control. The Plan Documents shall also be construed, administered and governed by the laws of the State of California to the extent that the state law is not superseded or inconsistent with the Code. If, however, any provision is susceptible to more than one (1) interpretation, such interpretation shall be given thereto as is consistent with the Plan Document being a qualified plan and trust within the meaning of the Code.

12.9      Successors and Assigns.    The Plan shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

12.10     Severability.    If a court of competent jurisdiction shall find any provision of the Plan invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.

12.11     Gender and Number.    Words used in the masculine, feminine, or neuter gender shall each be deemed to refer to the other whenever the context so requires; and words used in the singular or plural number shall each be deemed to refer to the other whenever the context so requires.

12.12     Headings.    Headings used in the Plan are inserted for convenience of reference only and any conflict between such headings and the text shall be resolved in favor of the text.

12.13     Counterparts.    The Plan may be executed in an original and any number of counterparts by the Employer, each of which shall be deemed to be an original of one and the same instrument.

ARTICLE XIII LOANS TO  
PARTICIPANTS

13.1 Loans. The Employer shall be authorized to direct the Trustee to make loans to Participants and their Beneficiaries as a result of a completed loan application duly filed and approved by the Administrator or its designee.

13.2 Loan Procedures. Loans shall be made in accordance with procedures implemented by the Administrator, or its designee, in accordance with the Code and Regulations thereunder.

13.3 Limitations. No loan to any Participant or Beneficiary can be made to the extent that such loan when added to the outstanding balance of all other loans to the Participant or Beneficiary would exceed the lesser of (a) \$50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, or (b) one-half the present value of the nonforfeitable accrued benefit of the Participant or, if greater, the total accrued benefit up to \$10,000. For the purpose of the above limitation, all loans from all plans of the Employer and other members of a group of employers described in Sections 414(b), 414(c) and 414(m) of the Code are aggregated. Furthermore, any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less than quarterly, over a period not extending beyond five years from the date of the loan, unless such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Participant. An assignment or pledge of any portion of the Participant's interests in the Plan and a loan, pledge or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this Section.

13.4 Special Rule for Veterans. Effective December 12, 1994, the suspension of an Employee's obligation to repay a plan loan for the period during which the Employee is performing military service (as described in Section 414(u)(4) of the Code) will not disqualify the Plan from satisfying the prohibited transaction exemption for plan loans.

EXECUTION

IN WITNESS WHEREOF, the Employer has caused this Restated Plan document to be executed on \_\_\_\_\_.

**EMPLOYER**

MUNICIPAL WATER DISTRICT OR  
ORANGE COUNTY

By: \_\_\_\_\_

By: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Attorneys for Employer

**ACTION ITEM**

June 17, 2015

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Barbre, Hinman, Tamaribuchi)Robert Hunter  
General Manager

Staff Contact: Karl Seckel

**SUBJECT: OCWD WILDLIFE EXHIBIT****STAFF RECOMMENDATION**

It is recommended that the PAL Committee discuss the Exhibit and alert OCWD of any concerns we might have.

**COMMITTEE RECOMMENDATION**

Committee will discuss this item on June 15th and make a recommendation.

**SUMMARY**

OCWD recently alerted MWDOC staff of plans to create a wildlife exhibit in front of or behind the main entrance to the building (two alternatives). Staff reviewed the plans, alerted OCWD to potential concerns and attended the OCWD Administration and Finance meeting on June 11. The action taken by OCWD's Administration and Finance Committee was to recommend to the OCWD Board at its June 17 meeting to proceed with the development of plans and costs for the Exhibit. The OCWD Committee did not specify which alternative to pursue, but the Committee was leaning towards Alternative A.

Staff believes this is an issue that should be considered by MWDOC's Board. The Exhibit, as planned, points out the importance of the Santa Ana Watershed as an important source of natural resources, including for water management. The

<b>Budgeted (Y/N):</b>	Budgeted amount:	Core __	Choice __
<b>Action item amount:</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			

anticipated use of the Exhibit is to add to the planned hallway exhibits when tours are conducted at OCWD. Currently, they host about 4,000 tour participants per year. Part of the Exhibit would involve re-landscaping the front areas adjacent to the walk ways to demonstrate California Friendly plantings and, as such, could carry an important Water Use Efficiency theme. To open up the area, the front “portal” might be removed to open up the landscaping opportunities and display the watershed theme. The changes have the potential to improve the aesthetics of the front entrance. It would be good to get input from the MWDOC Board early in the process. At minimum, staff believes the entrance design and theme should be discussed as well as a potential expansion of MWDOC office space in the area behind the receptionist and between the two buildings (outside of MWDOC’s conference room 101 and our Finance Department). If we want to alert OCWD to any concerns by the Board, we should do this sooner than later.

## AGENDA ITEM SUBMITTAL

**Meeting Date:** June 11, 2015

**To:** Administration/Finance Issues Cte.  
Board of Directors

**From:** Mike Markus

**Staff Contact:** G. Woodside/R. Zembal/  
E. Torres

**Budgeted:** Yes

**Budgeted Amount:** \$20,000

**Cost Estimate:** \$19,000

**Funding Source:** N/A

**Program/ Line Item No.** N/A

**General Counsel Approval:** N/A

**Engineers/Feasibility Report:** N/A

**CEQA Compliance:** N/A

**Subject:** OCWD WILDLIFE EXHIBITS

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### SUMMARY

The Orange County Water District (the District; OCWD) has assembled an impressive collection of wildlife exhibits. These exhibits have been displayed in cabinets in the main hallway in the Fountain Valley office. Staff will review two alternatives for creating a new area to display the wildlife exhibits by developing an OCWD Watershed Center.

Attachment(s): OCWD Watershed Center presentation

### RECOMMENDATION

Agendize for June 17 Board meeting: Direct consultant to proceed with preparing conceptual layout for Alternative "B" for the OCWD Watershed Center.

### BACKGROUND/ANALYSIS

The District has taken a proactive approach in Prado Basin to manage the District's property for wildlife values to achieve water management goals in concert with natural resource management. At its recharge facilities in Anaheim and Orange, the District has also been able to accomplish wildlife and habitat management as part of water projects and operations.

The forested wetland environment that OCWD fosters and manages in Prado Basin is the proper backdrop for this uniquely OCWD story: Excellence in water management and environmental stewardship go hand-in-hand at OCWD. However, the story can also be told quite effectively with the backdrop of a unique collection of wildlife specimens from the Santa Ana River Watershed. This collection has been assembled over the last fifteen years by the District's Natural Resources Department and is by far the largest collection of wildlife specimens in the Santa Ana River Watershed.

With the construction of the new hallway, the wildlife exhibits need to be relocated. Staff has explored various locations where the wildlife exhibits could be located. These include the Fountain Valley campus, the Anaheim Field Headquarters office, and Prado. Staff recommends that the wildlife specimens be maintained at the Fountain Valley campus. This is primarily due to the large number of visitors that come to the Fountain Valley campus compared to the other potential locations. Locating a new wildlife exhibit



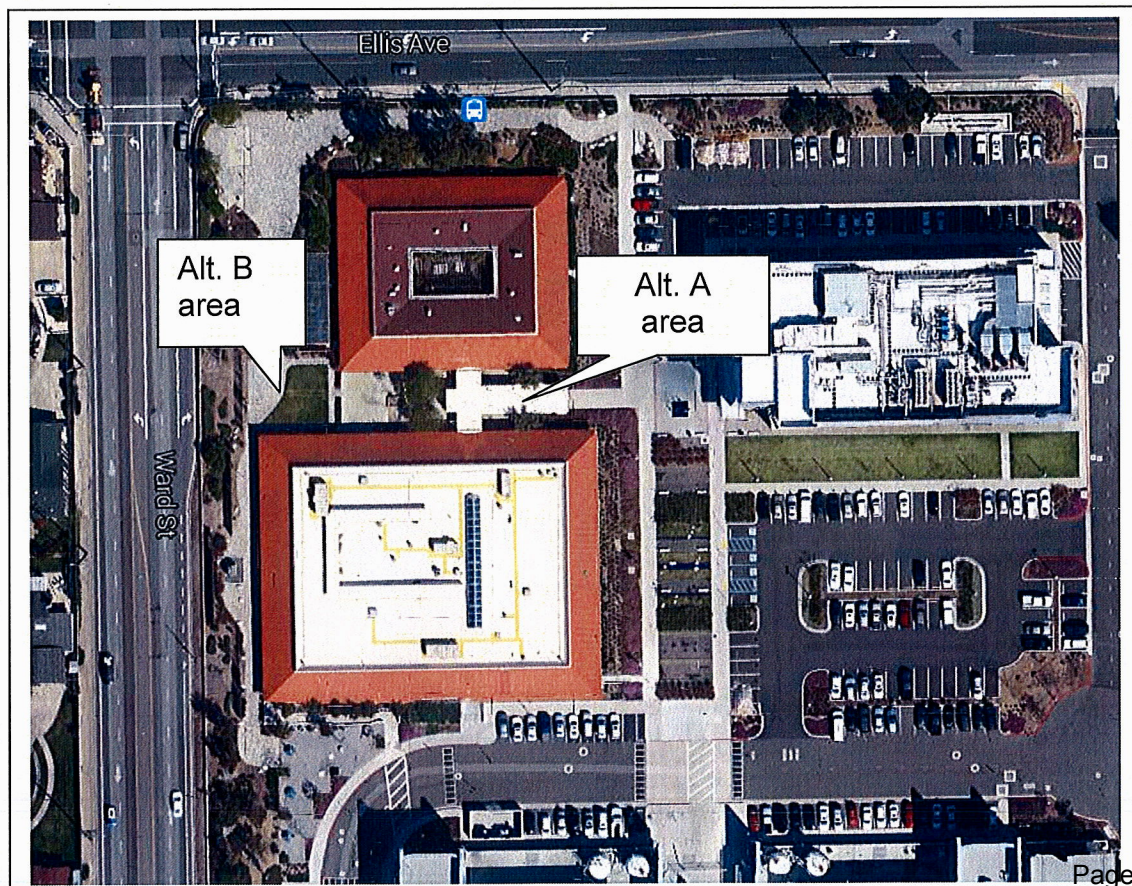
area in Fountain Valley will maximize their visibility and educational value. Approximately 1,000 square feet is needed for the displays.

The intent is to locate the collection with background scenes depicting the Prado Basin, Prado Wetlands, and other landmarks and wildlife habitats along the river. Visitors would view the collection in a self-guided tour that shows wildlife in displays that reflect native habitat. This provides an opportunity to highlight the exceptional wildlife collection and tell the complete story of OCWD's holistic approach to watershed management and environmental stewardship.

Staff considered two alternatives for locating a new wildlife exhibit at the Fountain Valley campus:

- Alternative A – The walkway from near the flagpole to the front door by the receptionist. This area is currently covered overhead but is open on the sides.
- Alternative B - The lawn between the OCWD and Municipal Water District of Orange County (MWDOC) buildings, between the receptionist area and Ward Street; in this option, a new structure would be constructed in the lawn area and the area currently covered in concrete could be left as is or converted to a native plant garden or other appropriate feature. This location could serve as an assembly area for tour guests and could offer a complimentary story adjacent to the new hallway.

These two areas are shown below:





For either alternative, a climate-controlled space is required to protect the integrity of the specimens and prevent their decay.

Under the General Manager's authority, a consultant, the Acorn Group, was hired to evaluate the two alternatives and prepare conceptual drawings of the potential new wildlife exhibit area. The cost of this evaluation by the consultant was less than \$20,000 and is a budgeted item.

The consultant's initial work has identified housing the wildlife exhibits in an area called the OCWD Watershed Center. The initial drawings from the consultant were reviewed with the Visitor's Center Ad Hoc Committee in April 2015.

At the Administration/Finance Issues Committee meeting, staff will review the preliminary drawings. The drawings illustrate the OCWD Watershed Center concept for Alternative A and Alternative B. The scope of work for the consultant is based on selecting one of the alternatives for further definition. Staff recommends that the Board direct the consultant to prepare drawings for Alternative B. Alternative A would add on the edges of the existing administration building to house the exhibits and poses difficulties with respect to its location and how visitors would enter and exit this location. Alternative B has more contiguous space and would require less modification to the existing administration building than Alternative A.

As part of the OCWD Watershed Center, the consultant has identified proposed improvements to the hardscape and landscape near the entry to the administration building. These improvements would be complementary to the new exhibit, would utilize native, drought tolerant landscaping, and would integrate the watershed story into the entrance to the building.

**PRIOR RELEVANT BOARD ACTION(S):** N/A



# OCWD Wildlife Exhibits

Administration/Finance Committee

June 11, 2015



# Wildlife Exhibits

- Over last 15 years, District has assembled an impressive wildlife collection
- Wildlife exhibits re-located to temporary storage to make way for new hallway
- Current year budget includes evaluating a new Watershed and Wildlife Exhibit
- Staff hired Acorn Group under General Manager's authority to develop preliminary concepts

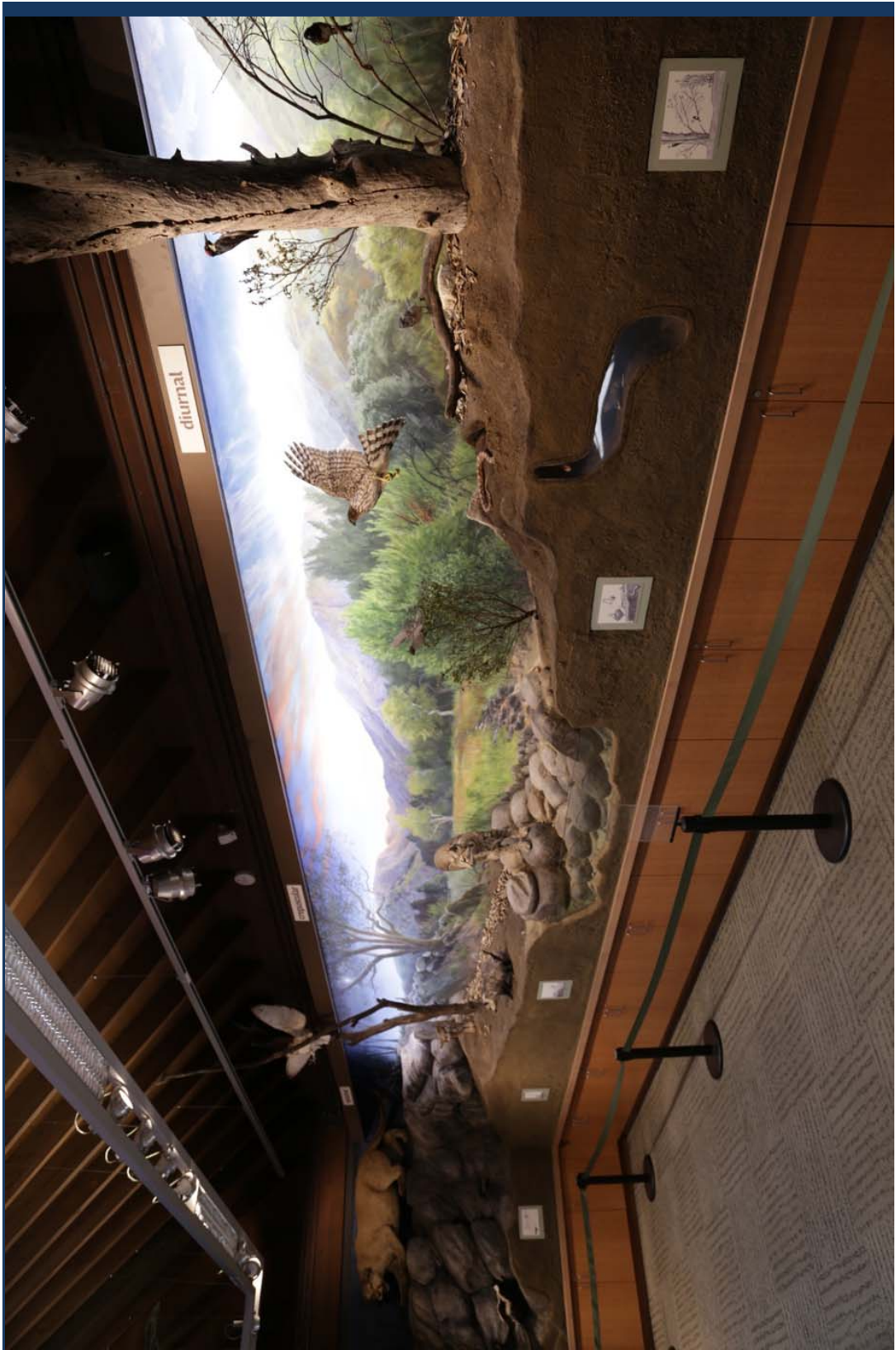


Staff  
directed  
consultant to  
evaluate two  
areas

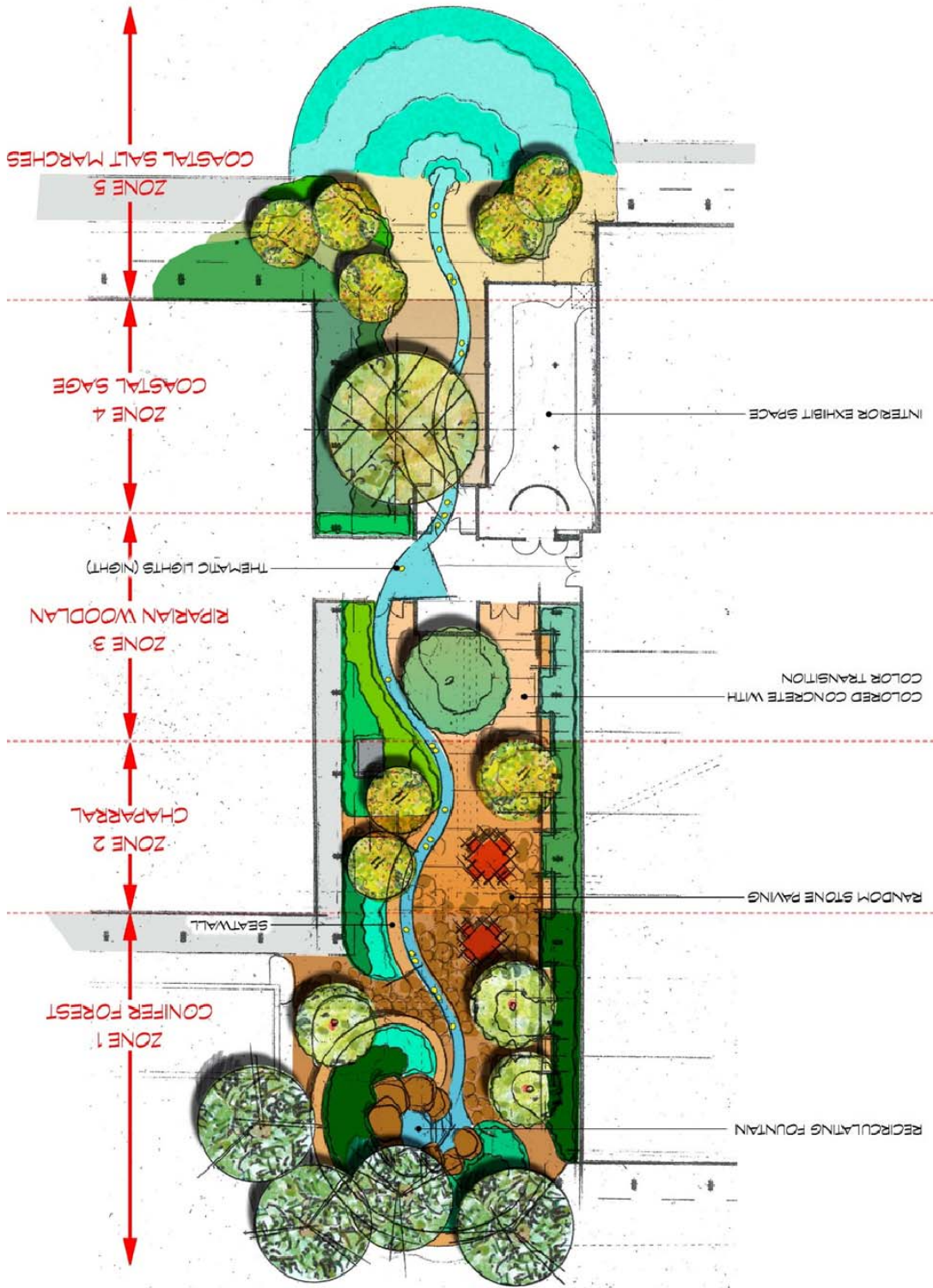








## Example Interior Exhibit Space



# Alternative A Exhibit Space/Entry Landscape schematic



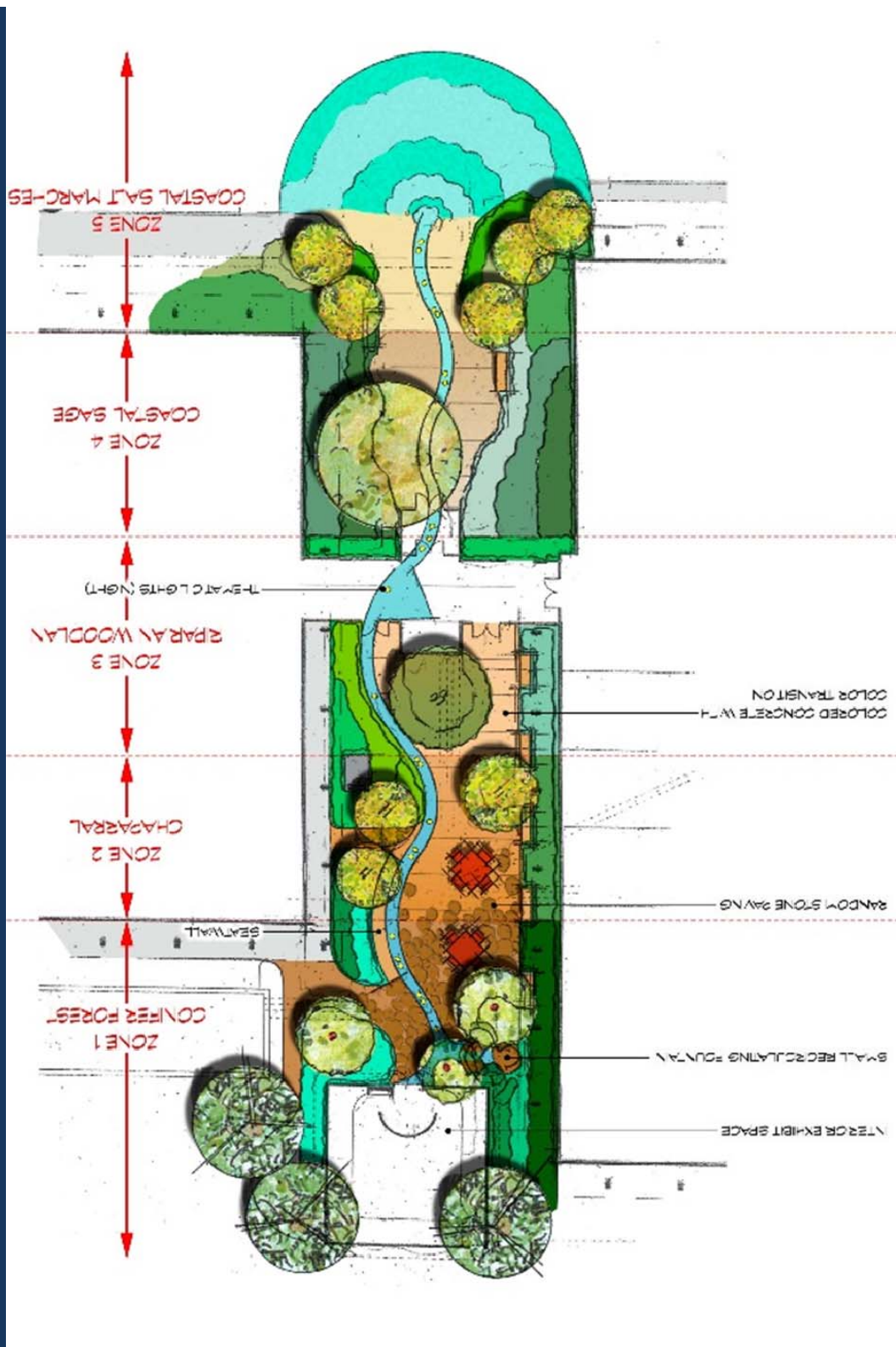
# Alt. A Exhibit Space/Entry L.S.







## Alternative B Exhibit Space/ Entry Landscape Schematic





## Alternative B Exhibit Space/Patio Landscape Schematic





# Advantages of Alternative B

- Better flow for guests entering building
- Provides better waiting area for guests
- Less changes to existing building
- Better use of available space



# Recommended Action

- Agendize for June 17 Board meeting: Direct consultant to proceed with preparing conceptual layout for Alternative “B” for the OCWD Watershed Center.



# GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES JUNE 2015

<b>Managers' Meeting</b>	<p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, May 28. In attendance were Ron Krause and Brian Ingallinera (Brea); Andy Brunhart and Rick Shintaku (SCWD); Steffen Catron (Newport Beach); Mark Sprague (Fountain Valley); Noelle Collins (Mesa); Christopher Regan (LBCWD); Betsy Eglash (Brady); Michael Grisso (Buena Park); Scott Miller (Westminster); Dan Ferons (SMWD); Matt Collings (MNWD); Paul Cook and Paul Weghorst (IRWD); Phil Lauri (Mesa); Dave Rebensdorf (San Clemente); James Tsumura (La Palma); Hector Ruiz (TCWD); Brian Ragland (Huntington Beach); Leonard Washington (OC DA); Lisa Ohlund (EOCWD); Paul Shoenberger (Mesa); John Kennedy (OCWD); Ken Vecchiarelli (GSWC); and Karl Seckel; Harvey De La Torre; Keith Lyon; Kelly Hubbard; Kevin Hostert; Richard Bell; Michelle Tuchman; Tiffany Baca; Heather Baez; Joe Berg; Brandon Stock and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> <li>1. Drought Disaster Declaration &amp; Finance</li> <li>2. Drought Allocation Status</li> <li>3. MET Turf Removal Program Funding</li> <li>4. Drought Messaging</li> <li>5. SWRCB Proposed Fee Structure/Increase</li> <li>6. FY 15/16 Choice School Program Structure</li> <li>7. ARCTIC - June 6 Save Water Expo in Anaheim</li> <li>8. July 29 Water Policy Dinner featuring Felicia Marcus</li> </ol> <p>The next meeting is tentatively scheduled for June 18, 2015.</p>
<b>Orange County Water Summit</b>	<p>Directors Hinman, Osborne, Tamaribuchi, and Thomas and Karl, Michelle, Joe and I attended the 8<sup>th</sup> Annual Orange County Water Summit at the Disneyland Hotel. Karl provided an overview of ocean desalination issues in Orange County as part of the panel, Ocean Desalination: Moving in the Right Direction?</p>
<b>MET Member Managers' Working Group</b>	<p>At this month's working group meeting, items discussed were the MET Board vote on increasing the Conservation Program Budget including the Turf Removal program modifications, a status report on the current technical IRP member agency discussions, and the State Control Board's final reduction levels for retail water agencies.</p>

## MET ITEMS CRITICAL TO ORANGE COUNTY

<b>MET's Water Supply Conditions</b>	<p>Locally, the month of May was very wet. Normally, precipitation for May is 0.25 inches. This year, we received 1.28 inches of rainfall for Orange County; one inch above the average. Unfortunately, May was not enough to bring us up to meet average conditions for the year. We remain four inches below average conditions and far from making up the lost precipitation from the last four years.</p> <p>In northern California, precipitation continues to be below average. The precipitation for the month of May totaled 0.7 inches; less than half of what we normally receive, 2.1 inches. This continues the very little precipitation and snow conditions the Northern Sierras have received this year, which impacts most of the State's imported water supplies.</p> <p>In addition, Lake Mead is expected to reach its shortage trigger level of 1,075 feet in the coming weeks. In fact, the U.S. Bureau of Reclamation (Reclamation) expects Lake Mead to go as low as 1,073 ft. this summer. However, a shortage is not expected to be declared for the Colorado River this year because releases from Lake Powell should bring Lake Mead back up above the shortage trigger level before the end of the year. Unfortunately, unless conditions significantly improve in the Colorado Basin, there is a +50% chance of a shortage being declared in 2017.</p> <p>Although there have been reports of a possible moderate to strong El Nino hitting California this winter, experts are still unsure of whether this will produce enough rain and snowfall to free us from the current drought.</p>
<b>MET's Finance and Rate Issues</b>	<p>At May's Metropolitan (MET) Finance and Insurance Committee, MET 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 budgeted. This additional water sales will generate approximately \$126 million in additional revenue. Expenses continue to track under budget, and staff plans to provide further detail next month when they present their last quarterly financial report.</p>
<b>Colorado River Issues</b>	<p><b><u>Lake Mead Reaches All-time Low Level</u></b></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</p>

<b>Colorado River Issues (Continued)</b>	<p>level that would trigger shortages along the Lower Colorado River. Lake Mead is forecasted 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, 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 (SWRCB) 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 (DWR), 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>
<b>Bay Delta/State Water Project Issues</b>	<p><u><b>Update on the State Water Resources Control Board's Order</b></u></p> <p>The SWRCB considered a Temporary Urgency Change Petition (TUCP) submitted by the California DWR and Reclamation 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</p>

<b>Bay Delta/State Water Project Issues (Continued)</b>	<p>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 Reclamation 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 Reclamation 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 Reclamation 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 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>
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<b>Bay Delta/State Water Project Issues (Continued)</b>	<p><b><u>Bay Delta Conservation Plan Expenditures</u></b></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 .</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: MET’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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<b>East Orange County Feeder No. 2</b>	<p><b><u>Use of East Orange County Feeder No. 2 for Conveyance of Groundwater and Poseidon Water</u></b></p> <p>This is a new item to be added to the tracking matrix. The opportunity presented by the East Orange County Feeder No. 2 (EOCF#2) is that it is an existing conveyance facility in Orange County that typically carries treated water from the Diemer Treatment Plant in Yorba Linda and it transects the County delivering water all the way to the coast. Along the way, it supplies water to two facilities that deliver water into South Orange County.</p> <p>The facility does not run at full capacity and what has often been discussed is that it provides an opportunity to convey sources of water throughout the County, other than imported water from MET. The 4<sup>th</sup> reach of the facility is also envisioned as a potential conveyance facility to deliver Poseidon water to South Orange County. MWDOC</p>																			

<b>East Orange County Feeder No. 2 (Continued)</b>	<p>has worked on these issues with MET several times in the past and has actively engaged MET on this issue over the past year. A recent meeting with Jeff Kightlinger and Debra Man reconfirmed MET's assistance in studying these issues. A new take on the opportunity stems from the realization that the EOCF#2 is NOT a typical MET pipeline – a typical MET pipeline is owned, operated and maintained 100% by MET – but the EOCF#2 is jointly owned by MET (30%) and MWDOC (and MWDOC's agencies), Santa Ana and Anaheim (70%). With respect to this pipeline, MET is an agent/trustee on behalf of the owners, 70% of which are made up locally. MWDOC's position is that it should have a say in what goes on with the facility somewhat related to the percentage of ownership. MET has indicated a desire to allow MWDOC to "takeover" the facility, but the devil is in the details of exactly what this means. MWDOC is carefully studying the issue and will continue to work with MET on various aspects, such as water quality issues, operational issues, O&amp;M issues and repair and replacement issues. The replacement cost of the facility has been roughly estimated at \$400 million in today's costs; the facility is 51 years old and will not need replacing for 30 years or more down the road. The current responsibility for replacement lies with MET, MWDOC, Santa Ana and Anaheim. We do not expect this issue to be resolved in short order, but staff will update the matrix as progress is made.</p> <p>The most recent discussions occurred with MET just this past week and included discussions on the quality of water from the Poseidon Project that would be delivered through the EOCF#2. Several members of MET's Water Quality staff participated, along with OCWD, MWDOC and Poseidon.</p>
<b>ENGINEERING &amp; PLANNING</b>	
<b>Baker Treatment Plant</b>	<p>Karl and Kevin are working with IRWD and MET to ensure completion of the OC-33 service connection upgrade to supply the project.</p> <p>They are also working with EOCWD on hydraulic issues and potential water quality issues related to the EOCWD service connection to the Baker Pipeline.</p>
<b>Doheny Desalination Project</b>	<p>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. South Coast Water District is proceeding with hiring a Project Manager and Owners Rep Consultant to help complete the CEQA and preliminary design work for the Doheny Desal Project.</p>

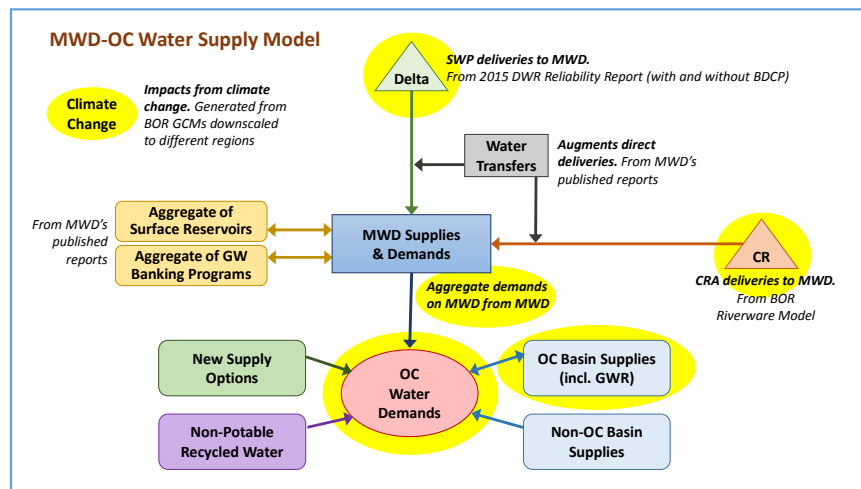
<b>Poseidon Resources Ocean Desalination Project in Huntington Beach</b>	<p>OCWD's Board authorized staff to proceed with work on the Term Sheet with Poseidon and to complete detailed work on the integration options. MWDOC has been assisting OCWD on these efforts. Several meetings have been held on water quality issues associated with system integration. West Basin MWD staff met with MWDOC and OCWD to discuss their recent research into water quality issues; a meeting with MET's Water Quality staff included a wide-ranging discussion of both operational and water quality issues they perceive. OCWD staff is armed with lots of good information on the work already completed on water quality issues.</p> <p>IRWD presented their analysis of the Poseidon Project issues. Staff will be reviewing and commenting on their draft document.</p>
<b>California WaterFix &amp; EcoRestore</b>	<p>In April, the State released a preview of major changes that are being made to the BDCP. After several months of negotiations, it became apparent that the regulatory agencies and water contractors (CVP and SWP) could not come to agreement on the BDCP to provide the required endangered species habitat improvements and protections under the proposed 50 year permit. As a result, the Habitat Conservation Plan (Endangered Species Act, Section 10) is no longer being proposed and is being replaced by dividing the project into two separate actions: the California WaterFix and the California EcoRestore. The California WaterFix is the Twin Tunnel project and EcoRestore will restore 30,000 acres of habitat to be funded from a variety of sources. The Twin Tunnel Project will now be permitted under Section 7 of the ESA which will require a new Biological Opinion for its operation. In addition, the SWRCB will need to issue the CVP and SWP a change for a new point of diversion, scheduled sometime in 2016. The new separated project DEIR/EIS's will apparently be released in the next few weeks for comment. The State plans on adopting a Record of Decision by the end of this year.</p>
<b>Urban Water Management Plans</b>	<p>Karl and Harvey participated in a Mandatory meeting with consultants interested in preparing the MWDOC and Retail Agencies' Urban Water Management Plans in Orange County. The RFP was sent to eight consultants; four attended the Mandatory meeting; the final RFP will be sent out and proposals will be received, reviewed and brought to the P&amp;O Committee and Board for authorization in July.</p>
<b>Cadiz Project</b>	<p>Karl participated in a meeting at MET on the Cadiz Project with Dan Ferons, General Manager, SMWD, and his consulting team; MET was represented by Glen Boyd, MET Conveyance Section, along with an engineer and a water quality staffer. The purpose of the meeting was to re-introduce technical information provided by SMWD's consulting</p>

<b>Cadiz Project (Continued)</b>	team regarding an interconnection with the Colorado River Aqueduct. MET staff indicated about a two-month turnaround to provide comments. MET also prepared a reimbursement agreement between MET and MWDOC; MWDOC has prepared a reimbursement agreement between MWDOC and SMWD including MWDOC's staff time.
<b>San Juan Basin Authority</b>	Director Susan Hinman and Richard Bell attended the San Juan Basin Authority meeting on May 26 where an update of basin conditions was presented. Basin monitoring indicates that seawater intrusion was partially abated with the curtailment of South Coast WD groundwater production and was aided by recharge from recent storms. A basin management goal is to maintain a positive outflow of groundwater to the ocean so as to repulse seawater until such time that a seawater intrusion control system is implemented. Because of the continuing drought impacts on lowered basin groundwater levels and elevated chloride levels in the coastal area from seawater intrusion, the Commission voted 4-0 to have staff prepare a resolution for the June SJBA meeting that would require the City of San Juan Capistrano to cease groundwater production of SJBA water rights.
<b>California Ocean Plan for Ocean Desalination and Brine Disposal</b>	The SWRCB on May 6, 2015 adopted the Amendment for the California Ocean Plan for Ocean Desalination and Brine Disposal. This effort began in 2007. The SWRCB responded to comments and made several changes requested by CalDesal. The adopted amendment is considered workable by CalDesal members. One of its key features requires project proponents to evaluate the feasibility of subsurface intakes since they avoid marine organism impingement/entrainment impacts which is preferable to mitigation. Projects may be required to use both types of systems to the extent subsurface intakes are determined to be feasible by the Regional Boards with State Water Board oversight. Other changes dealt with brine discharges and mitigation of entrainment impacts.
<b>SAWPA/Conservation Based Water Rates</b>	Karl attended a SAWPA meeting on Conservation Based Water Rates to get briefed on the program SAWPA is setting up to help a number of the retail agencies develop and implement these rates. It was reported that SAWPA is flying the entire Santa Ana River Watershed to obtain aerial photographs and infrared imagery to be overlaid with parcel maps to help the retail agencies develop irrigable areas on a parcel by parcel basis. This is a similar approach to what MWDOC did back in 2008; the imagery interpretation technology has vastly improved. MWDOC may consider adding to the SAWPA imagery if they conduct additional flights later in the fall, so that we would have complete coverage for OC.

### Orange County Water Reliability Study

Not much new information was released in the last month, although work continued in a number of areas on supply modeling, demand projections and seismic work. Starting in July and following in August, significant pieces of work should be rolling out to the Board and to our member agencies. The following is anticipated in July:

- CDM-Smith will complete their demand analysis including projecting the potential for future WUE investments to reduce future demands in OC.
- CDM-Smith will review initial runs on their water supply model that mimic the MET Integrated Resources Plan. Below is a graphical representation of the system to be modeled. The model includes supplies from the State Water Project and the Colorado River Aqueduct as well “puts” into and “takes” out of MET storage accounts. Variations to be included in the modeling will involve climate variability impacts and biops impacts on supplies as well as “with” and “without” a BDCP solution.



- CDM-Smith is also working on modeling of supplies to the OCWD basin in conjunction with information provided by OCWD.
- DWR recently released the 2015 Reliability analysis of the State Water Project which will be used in the modeling.
- CDM-Smith is expected to present a SUPPLY GAP Analysis in DRAFT form for a number of scenarios
- Our Seismic Experts (G&E Engineering & GeoPentech) will be issuing their draft report in July. We have been awaiting information from MET regarding the type of pipe in their system to complete the analysis.

<b>Orange County Water Reliability Study (Continued)</b>	<ul style="list-style-type: none"> <li>• Staff is still analyzing a number of operational scenarios with and without the power grid and with and without MET supplies for the System reliability analysis. This portion of the study is somewhat behind schedule.</li> <li>• Staff has begun drafting pieces of the study on Recycled Water in Orange County.</li> <li>• The overall schedule to finish the report this fall remains. OCWD has requested assistance in analyzing the Poseidon Project at a level compatible with their Term Sheet analysis; MWDOC has agreed to help. We are discussing two potential cost adjustments with CDM-Smith to cover work not anticipated in the original scope of work. Staff has requested documentation from CDM-Smith.</li> </ul>
<b>OCWD Producers Meeting</b>	<p>Karl, Keith and Kevin attended the June Producers meeting where agenda discussion included: Groundwater Remediation update; Ocean Desalination update; Producers' State Legislative Proposals; June 26 GWRS Expansion Dedication; OCWD's Groundwater Management Plan; Annual SAR Water-master Report; and election of FY15/16 Producers' Chairman. Regarding Ocean Desalination, Mesa Water intends to complete and share the results of a survey asking to what extent their customers would be willing to pay for Ocean Desal through a parcel charge on property taxes. IRWD announced plans to develop legislation regarding Tiered Rates, and invited the Producers to participate in a meeting on Friday, June 12, to provide input. Paul Shoenberger and Brian Ragland were re-elected Chair and Vice Chair of the Producers group for FY15/16. Governor Brown and Felicia Marcus have been invited to the June 26 GWRS Expansion Dedication.</p>
<b>OC-70 Metering</b>	<p>The configuration and metering of MET water through connection OC-70 was the focus of discussion when Karl, Keith and Kevin met with Bill Everest and Jerry Mendzer from EOCWD, and Sergio Escalante, Glenn Wilkins, Van Khiev, and Ron Taraporewala from MET. This was the kick-off meeting to try to resolve differences in metering between MET's meter and EOCWD's meters. A follow up meeting will be scheduled in a few weeks to review detailed info about the meters.</p>
<h2 style="text-align: center;">EMERGENCY PREPAREDNESS</h2>	
<b>General Activities</b>	<p>Brandon Stock and Kelly Hubbard participated in the annual OC Water Summit by providing assistance with set-up on Thursday night and by staffing a MWDOC/WEROC information table during the Summit.</p>

<b>General Activities (Continued)</b>	<p>Brandon attended the Earthquake Threat Forecast Seminar at the Orange County American Red Cross offices presented by CalTech. The seminar provided a century timeline of earthquakes happening in California and the California earthquake early warning system was discussed in detail. Additionally, information about earthquake monitoring and planning tools was provided, some of which will be implemented in the WEROC EOCs.</p> <p>Brandon has reached out to New York City's Office of Emergency Services (NYC OEM) to request and share information on emergency planning following a presentation Kelly saw last fall. Due to exercise planning demands, a conference call between WEROC staff and NYC staff has been set for early June. Staff is looking to discuss practices put in place by the NYC OEM, specifically "playbooks" that address areas of response pertinent to WEROC and water utilities. The collaboration with NYC OEM is a great opportunity to learn from another agency and to further develop water/wastewater utility emergency response guidelines here in OC.</p>
<b>Coordination with Member Agencies</b>	<p>UPDATE: The WEROC EOC and staff participated in the county-wide earthquake exercise "Surf Quake 2015" on May 21. Over 25 local government agencies participated in the exercise. WEROC and the participating Member Agencies conducted an After-Action meeting on Tuesday, June 2, and WEROC staff participated in the County's After-Action meeting on Thursday, June 4.</p> <p>Kelly, along with other MWDOC staff, participated in two MWDOC hosted Drought Coordination Workshops on April 29 and May 6. During each, Kelly was able to provide insight from the State Office of Emergency Services Drought Conference calls and from information received at various county meetings.</p> <p>On May 5, WEROC hosted its quarterly Member Agency Emergency Services Coordination Meeting. The meeting included discussion on:</p> <ul style="list-style-type: none"> <li>• City of Fountain Valley April 20, 2015 water outage</li> <li>• City of Nibley, UT water contamination event</li> <li>• Final comments/feedback on the AlertOC After Action Report</li> <li>• The Drought disaster declaration process and financial tracking.</li> </ul> <p>Following these general discussions, agencies participating in SurfQuake stayed for a second meeting on exercise planning. Participants logged in to WebEOC (emergency incident tracking system) and worked as a group to set up the system for the May 21 exercise. This planning session was critical for exercise planning and provided a learning environment for the participating agencies.</p>

<b>Coordination with Member Agencies (Continued)</b>	<p>Kelly met with the new Irvine Ranch Water District Safety and Security Manager, Emilyn Zuniga, who also oversees emergency management. The meeting was to provide Emilyn an overview of the WEROC program and to discuss areas of support provided by WEROC staff.</p> <p>Kelly provided approximately 30 member agency staff from 5 agencies and a few WEROC volunteers with WebEOC Training on May 12 in preparation for the May 21 exercise. Additional time was spent at the end of the training on exercise development.</p>
<b>Coordination with the County of Orange</b>	<p>Kelly attended an emergency meeting of the Urban Area Working Group (UAWG) on April 29 to review proposed projects for 2015 Homeland Security Funds. WEROC's proposed grant projects for fuel trailers and generator cabling were approved as part of that package. The OC UAWG will submit the approved grant package to the California Offices of Emergency Services and FEMA for final approval. If approved, the grant funding period would start in Fall 2015. The WEROC projects are also being considered for any remaining 2014 funds that may be available sooner.</p> <p>Kelly and Brandon attended the Orange County Summer Weather Outlook, Heat and Power Outage Annex training and Drought Workshop on April 30. The workshop was attended by water utilities, city emergency managers and planning officials, fire response staff, county departments, public information officers, and other response partners. National Weather Service (NWS) staff provided a presentation on the current drought situation and expected weather conditions moving into the summer. Orange County Fire Authority staff provided an overview of the current fire conditions and fire assets available for firefighting. At the time of the meeting, the fire fuel levels (vegetation moisture levels measured to determine fire risk) were 8 weeks ahead of normal conditions in growth and moisture level (very dry). Attendees then reviewed the Operational Area Heat and Power Outage Annexes; these are plans for county and government response for each set of conditions. In the afternoon, Harvey De La Torre provided the group a presentation on the Water Supply and Drought Conditions. The group then broke into groups based on geographic region to discuss drought response and long term planning from an emergency management perspective. Several water utilities were in attendance which provided each group with important insight into current policies and operational concerns.</p> <p>Kelly participated in an OC UAWG Grant Effectiveness Report Conference Call on May 26. The purpose of the Grant Effectiveness Report is to document progress made by the Anaheim/ Santa Ana</p>



<b>Coordination with the County of Orange (Continued)</b>	<p>Urban Area (ASAUA) in reducing risk and enhancing regional preparedness based on investments made using UASI funds. A similar report was first produced based on grant fiscal years 2004-2009. This second report will be based on grant funding years 2010-2014. WEROC staff is being asked to participate as a grant recipient and participant of UAWG.</p> <p>Kelly and Brandon spoke with Lieutenant Miller, Orange County Intelligence Assessment Center (OCIAC) regarding the City of Fountain Valley water outage. Although the outage was not a cyber-related event, circumstances during the outage brought cyber security to the forefront of operational planning considerations. WEROC and OCIAC staff have agreed to enhance coordination to provide the water utilities with more concrete direction and tools for enhancing their own cyber security. Lt. Miller and WEROC staff discussed potential options to meet this need, including a possible FEMA sponsored exercise based on a cyber-security breach.</p> <p>At the Newport Beach Backbay Nature Center, Brandon and Kelly attended the Orange County Emergency Management Organization (OCEMO) and OCEMO Exercise Design Meeting. A panel discussion by agency representatives was presented on the County's Point of Distribution (POD) program to better illustrate the necessity of PODs and key concepts to a successful POD program. PODs can be used to distribute medication in a mass medical emergency or commodities during all disaster events if needed. The POD planning is important to water utilities as these sites will be used for the distribution of water if there was a significant water outage.</p> <p>Kelly and Brandon attended the OC Emergency Management Council (EMC), Operational Area (OA) Executive Board, and a joint meeting of the two groups on May 13. Supervisor Spitzer and OCFA Chief Bowman facilitated the three jointly held meetings. The group approved the following Operational Area plans: Evacuation Annex, Recovery Annex, and the Excessive Heat Annex. An interesting report was provided on a joint OCFA and Law Enforcement meeting to discuss the summer fire outlook and joint operations for response. County Emergency Management staff explained that they are watching AB 361, Emergency Services Act: Nuclear Powerplants (Author Achadjian). The bill has the potential to negatively impact funding that is currently required from Edison to support local emergency planning functions. OCFA received a \$500,000 boost in funding from CalFire for drought response operations as part of the drought funding that has been approved by the Governor.</p>
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<b>Coordination with Outside Agencies</b>	<p>ONGOING: Kelly participated in the California Office of Emergency Services (Cal OES) Southern Region Drought Conference Calls on May 4, 11, and 18. Kelly participates as the Region 1 California Water/Wastewater Agency Response Network (CalWARN) representative. The calls provide good information on state-wide drought response efforts, programs, and activities.</p> <p>Kelly participated in the California Water/Wastewater Agency Response Network (CalWARN) State Steering Committee conference call on May 19. She was able to use the conference call to receive feedback on WEROC drought response activities and the Surf Quake exercise planning.</p>
<b>WEROC Emergency Operations Center (EOC) Readiness</b>	<p>WEROC successfully participated in the MARS radio test for May from the WEROC South EOC. Staff was not available for the OA (county) radio test due to a conflict in schedule, however, the Fountain Valley radio was tested and is in working order. WEROC facilitated its bi-monthly radio test exercise on May 21 as a component of the SurfQuake exercise.</p> <p>Kelly, Kevin Hostert and Chris Lingad (MWDOC Engineering Intern) met with MET staff at the WEROC North EOC to provide access to the facility for an engineering review for seismic safety and compliance. No information was provided as to their conclusions as a more detailed review of structural drawings still needs to be completed. MET staff will keep us informed of any issues identified and their project timeline for improvements if any are determined to be needed.</p> <p>Brandon has continued to work on updating employee and member agency contact information and ensuring that this information is updated in contact lists in the EOC, in the WEROC In Case of Crisis phone application, and in Alert OC for reverse notification purposes.</p> <p>UPDATE - Both EOC's continue to have construction onsite, however construction at both sites has largely wrapped up. The North EOC site has the IRWD Baker Raw Water Pump Station construction in process and the South EOC has a communications infrastructure construction project onsite for El Toro Water District. 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>

<b>WATER USE EFFICIENCY</b>	
<b>MET's Water Use Efficiency Meeting</b>	<p>On May 20, Melissa Baum-Haley participated in Metropolitan's Water Use Efficiency Meeting where approximately 35 member agency staff attended. Meeting topics included:</p> <ul style="list-style-type: none"> <li>• May 11th and 12th Board Actions on Conservation Programs <ul style="list-style-type: none"> <li>○ May 26th Special MET Board Meeting</li> <li>○ Impacts to Member Agency Administered Programs</li> <li>○ Budget and Program Modifications</li> </ul> </li> <li>• University Student Design Competition</li> <li>• IRWD Turf Removal Participation Survey</li> <li>• Update on Outreach Campaign</li> <li>• Integrated Resources Plan <ul style="list-style-type: none"> <li>○ Identifying water conservation issues, opportunities, and potential actions to draft the Local Resources Issue Paper Addendum as part of the IRP Technical Update</li> <li>○ Review of the methodology and assumptions used in MET's Conservation Savings Model.</li> </ul> </li> </ul> <p>The next meeting is scheduled for June 18, 2015 at MET.</p>
<b>H2O for HOAs</b>	<p>At the San Juan Capistrano Community Center on May 26, Melissa participated in the H2O for HOAs Presentation Series hosted by Tri-City Water Savers. Participating agencies included the Cities of Dana Point, San Clemente, San Juan Capistrano, and South Coast Water District, UC Cooperative Extension, and MWDOC. Presentation topics:</p> <ul style="list-style-type: none"> <li>• Drought and Water Supply Updates</li> <li>• New Regulations and Requirements</li> <li>• Local Agency Information</li> <li>• Rebates/What You Can Do</li> <li>• Visit Booths/Discussion</li> </ul>
<b>OC Garden Friendly</b>	<p>At the Orange storefront on May 26, Melissa and Joe Berg met with Home Depot staff to discuss rebate advertising opportunities and device availability.</p> <p>On May 28, Melissa met with the OC Garden Friendly steering committee, including representatives from the County of Orange and University of California Cooperative Extension, to plan the upcoming events for the 2015-16 cycle.</p>

<b>Model Water Efficient Landscape Ordinance Update Webinar</b>	On May 29, Melissa participated in a webinar to provide feedback on updates to the Model Water Efficient Landscape Ordinance (MWELo). As a mechanism for enforcement, the MWELo will be referenced by the CalGreen Building Standards.
<b>Hearing to Adopt Emergency Outdoor Water Use Regulations</b>	On May 29, Melissa monitored the Hearing to Adopt Emergency Outdoor Water Use Regulations in CalGreen Building Standards. This hearing was held in Sacramento to review proposed emergency standards adoptions and approvals. The Building Standards Commission and the Department of Housing and Community Development, among other divisions, will be hearing comments on outdoor water use efficiency standards.
<b>California Urban Water Conservation Council</b>	On June 2, Melissa, as committee co-chair, co-hosted the Landscape Committee Ad Hoc Meeting webinar. The focus of this meeting was a collaborative approach to defining turf removal program criteria through a watershed approach.
<b>Orange County Water Use Efficiency Coordinators Workgroup</b>	<p>On June 4, Melissa, Joe, Steve Hedges, Katherine Rojas, Kevin Hostert, and Michelle Tuchman attended the OC Water Use Efficiency Coordinators Workgroup meeting at MWDOC where about 16 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> <li>• MWDOC Updates</li> <li>• Agency Roundtable/Problem Solving Roundtable</li> <li>• California Urban Conservation Council <ul style="list-style-type: none"> <li>○ BMP 1.4 Proposed Revisions</li> </ul> </li> <li>• Public Affairs/Marketing Update <ul style="list-style-type: none"> <li>○ Drought Outreach</li> </ul> </li> <li>• Metropolitan Update <ul style="list-style-type: none"> <li>○ May 26 Special Board Meeting Impacts</li> <li>○ Budget and Program Modifications</li> </ul> </li> <li>• Water Use Efficiency Programs Update <ul style="list-style-type: none"> <li>○ Turf Removal Program</li> <li>○ Base Irrigation Schedule Calculator</li> <li>○ Umbrella Agreement</li> </ul> </li> </ul> <p>The next meeting is tentatively scheduled for July 2.</p>
<b>PUBLIC/GOVERNMENT AFFAIRS</b>	
<b>Member Agency Relations</b>	Tiffany has been working with all four MWDOC/Metropolitan Directors and MET staff to submit inspection tour requests for next season.

<b>Member Agency Relations</b> <b>(Continued)</b>	<p>Tiffany has been working with Director Dick, MET staff and Jet Propulsion Laboratory (JPL) to finalize the trip itinerary for a one-day inspection trip to Weymouth and JPL scheduled for July 17. The guest list will include MET Board members and members of the WACO group. A trip invite was prepared and sent out to prospective attendees.</p> <p>To approve a State Water Project inspection trip scheduled for August 15-16, Tiffany has been working with Director Dick, Assemblyman Travis Allen's office, and MET staff. The guest list will include business and community leaders selected by the Assemblyman's office.</p> <p>Tiffany created and populated a Dropbox account to utilize as a member agency hub where all agencies can share resources. Currently the Dropbox account includes folders for Drought Messaging (subfolders for marketing materials, messaging/talking points, outreach handouts and briefing papers, signage, stock photos and drought updates), Shared Vendors, Upcoming Events, Water Supply Reports, and a folder for shared Water Use Efficiency items.</p> <p>Upon request by the member agencies, Michelle Tuchman developed a three minute Drought presentation. Tiffany distributed the presentation to Yorba Linda Water District and Brea, and uploaded the document to the member agency shared Dropbox account.</p> <p>Michelle and Tiffany are working with MWDOC member agencies to compile all drought messages being used, any drought campaign efforts, and any marketing materials being used by each agency. This data will be collated, dropped into a matrix format, and provided via Dropbox to all member agencies. Additionally, Melissa Baum-Haley and Joe are compiling each agency's water restrictions and fines which will also be included in the final matrix.</p> <p>On May 28, Tiffany and Michelle participated in the MWDOC Member Agency Managers' meeting where Michelle provided a Drought Messaging update to the managers. Heather attended and provided information on the Trailer Bill that would change the fee structure and significantly increase the operating fees to agencies for the Public Water System.</p>
<b>Community Relations</b>	<p>Heather met with Anaheim City Councilwoman, Kris Murray, and discussed ways the City of Anaheim and MWDOC could continue to work together.</p>

<b>Community Relations (Continued)</b>	<p>Tiffany B., Bryce, Tiffany F. and Marey implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest. Tiffany updated several pages on the MWDOC website.</p> <p>MWDOC partnered with Anaheim Public Utilities Agency to host the 2015 Save Water Expo held at the ARCTIC on June 6. MWDOC promoted the event through social media efforts, flyer distribution, and coordination with our member agencies to provide materials, donate a raffle item, and/or host a booth. MWDOC interns Bryce and Marey attended the event and interacted with 450 event attendees at a MWDOC sponsored booth. Melissa Baum-Haley attended and gave a presentation to attendees on conservation efforts. Ricki the Rambunctious Raindrop was also in attendance.</p>
<b>Education</b>	<p>Tiffany B and Tiffany F have prepared two flyers for the new Ricki books, promoting the annual Water Awareness Poster &amp; Slogan and Digital Arts &amp; Photography Contests.</p> <p>Tiffany coordinated an additional flyer from Imersiv Media for the new Ricki books to promote the soon-to-launch new OC Water Hero Program.</p> <p>Karl led, and Tiffany participated in, a School Program update with MWDOC member agencies, Discovery Science Center, Inside the Outdoors and the Ecology Center on June 8.</p>
<b>Media Relations</b>	<p>Tiffany coordinated an interview with Saigon TV and Joe Berg which aired on June 7. Joe spoke on the turf removal program and updates regarding water savings and turf removal program logistics.</p>
<b>Special Projects</b>	<p>Heather, Tiffany &amp; Michelle participated in the countywide emergency exercise – SurfQuake on May 21.</p> <p>Heather coordinated certificates from the Orange County delegation for MWDOC's Poster Slogan Contest.</p> <p>Heather attended the ISDOC Executive Committee meeting and coordinated efforts to secure July's speaker – Jennifer Muir. She also mailed out ISDOC's updated bylaws to all members.</p> <p>Heather and Kelly are working together to schedule two Elected Officials' Emergency Training classes for ISDOC members. The dates have been secured for August 11 &amp; 26. Heather will send out invitations and coordinate the catered lunch.</p> <p>Tiffany and Michelle met with Fraser Communications, and partici-</p>

<b>Special Projects (Continued)</b>	<p>pated in several phone conversations and email discussions, to finalize materials for a regional drought campaign, including a 30- second PSA and a bus shelter advertisement.</p> <p>Tiffany and Marey prepared the June cover image for social media, eCurrents, and the website.</p> <p>Tiffany and Bryce are continuing to work with Immersiv Media on the OC Water Hero Program phone app.</p> <p>Tiffany prepared a photo and video release form for the Water Awareness Poster &amp; Slogan and Digital Arts &amp; Photography Contests Awards Ceremony. This release form can be manipulated for other uses such as social media, the MWDOC website, community events, and any additional outreach materials.</p> <p>Tiffany requested a media usage breakdown from Fraser Communications which provides insight on outreach materials that are most effective in the Orange County region. Data was provided to Michelle and me.</p> <p>Michelle, Tiffany B, Tiffany F, Bryce, Marey and Leah presented the 2015 Water Awareness Poster &amp; Slogan and Digital Arts &amp; Photography Contests Awards Ceremony at Discovery Science Center on June 1. 107 contest winners, their teachers, and families attended. Ricki the Ram-bunctious Raindrop was also on hand to celebrate with the winners. Tiffany F and Marey prepared the ceremony presentation and Michelle was the emcee. Prizes were awarded to all the winners including a new addition this year, certificates awarded by each of the winner's district Orange County delegation.</p> <p>Tiffany and Michelle met with OCTA marketing staff on June 2 to discuss bus advertisement options.</p> <p>At MET, Tiffany and Michelle attended the PIO meeting on June 3. MET is launching their new summer Drought campaign which was presented and discussed by PIO attendees. They will offer all marketing artwork files, video content, radio spots, and print materials to member agencies free of charge to use in coordination with their own campaigns.</p> <p>Tiffany, Karl, and Joe met with SCE mediator and department heads on May 29 to discuss a variety of partnership opportunities between agencies including: marketing, education and outreach, water education in schools, water loss control and leak detection.</p>
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<b>Special Projects (Continued)</b>	<p>Tiffany is working with July 29 Water Policy Dinner keynote speaker SWRCB Chair, Felicia Marcus' assistant, to determine specific travel, presentation and AV needs required for the event. She has also prepared and sent out the first event invitation.</p> <p>Tiffany is working with MET and MWDOC member agencies to identify local facility tour opportunities for a group of educators.</p> <p>Tiffany and Bryce prepared the final layout for approved Resolutions for Dan Griset, Glenn Brown, Gil Ivey and Thomas Evans.</p>
<b>Water-Use Efficiency Marketing</b>	<p>To prepare an order of MET hotel and restaurant conservation placards, Tiffany coordinated with MET and MWDOC member agencies. Once received, these will be distributed to member agencies per their request.</p>
<b>Legislative Affairs</b>	<p>In Sacramento on May 19-20, Heather attended CSDA's Legislative Days. Assemblywoman Marie Waldron, Assemblyman Ken Cooley &amp; Assemblyman Richard Gordon addressed the group on the first day. Legislative office visits included: Assemblyman Matthew Harper, Assemblyman Don Wagner (staff), Senator John Moorlach (staff), Senator Janet Nguyen (staff), and Assemblywoman Young Kim. We also had the opportunity to hear from CSDA's Legislator of the Year, Assemblyman Katcho Achadjian and California State Controller, Betty Yee.</p> <p>Heather participated in MET Member Agency Legislative Coordinators conference calls on May 21, May 28 and June 11.</p> <p>To assist with constituent questions about the BDCP, Heather coordinated a response to Assemblyman Bill Brough's office.</p> <p>Heather visited Assemblywoman Ling Ling Chang's new office in Brea and met with her and her staff.</p> <p>Heather participated in Southern California Water Committee's Legislative Task Force conference calls.</p> <p>In advance of the ACWA State Legislative Committee (SLC) meeting on June 5, Heather participated in the ACWA Region 10 SLC conference call.</p>



**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