

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
June 18, 2014, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

EMPLOYEE SERVICE AWARDS

NEXT RESOLUTION NO. 1985

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 7 , 2014 Adjourned Workshop Board Meeting
- b. May 21, 2014 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: May 5, 2014
- b. Planning & Operations Committee: June 2, 2014
- c. Administration & Finance Committee: May 14, 2014
- d. Executive Committee Meeting: May 22, 2014

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of May 31, 2014
- 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, 2014
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative For the Period Ending April 30, 2014

Recommendation: Receive and file as presented.

5. RETAIL WATER AGENCY PASS-THROUGH FUNDING AGREEMENTS FOR WATER USE EFFICIENCY PROGRAMS

Recommendation: Authorize the General Manager to sign pass-through funding agreements with member agencies to enhance incentives paid to their respective customers.

6. TRAVEL TO WASHINGTON DC IN 2014 TO COVER FEDERAL INITIATIVES

Recommendation: Receive and file.

– End Consent Calendar –

ACTION CALENDAR**7-1 APPOINTMENT OF DISTRICT TREASURER, DEPUTY TREASURER, AND ALTERNATE DEPUTY TREASURER RES. NO. _____**

Recommendation: Adopt Resolution appointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey and Mary Snow Alternate Deputy Treasurers.

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 2014 (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 – ANTICIPATED LITIGATION

Pursuant to Paragraph (2) 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

13. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 regarding the MWDOC Settlement Agreement with its Member Agencies on Budget, Activities, Charges, and Other Issues, effective June 1, 2011.

ADJOURNMENT

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

MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
May 7, 2014

The Workshop Meeting of the Board of Directors of the Municipal Water District of Orange County (MWDOC) scheduled for Wednesday, May 7, 2014 at 8:30 a.m., at the offices of the District, 18700 Ward Street, Fountain Valley, California, was canceled due to lack of a quorum. A Notice of Cancellation was thereon duly posted.

APPROVED:

Maribeth Goldsby, District Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
May 21, 2014**

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

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
Larry Dick
Joan C. Finnegan
Susan Hinman
Wayne Osborne
Jeffery M. Thomas

STAFF

Rob Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Darcy Burke, Director of Public Affairs
Harvey De La Torre, Prin. Wtr Resource Analyst
Cathy Harris, Administrative Services Manager

ALSO PRESENT

William Kahn
Bob Hill
Brian Ragland
Paul Shoenberger
Rick Erkeneff
Bob Moore
Andrew Brunhart
Ray Miller
Gary Melton
Ken Vechiarelli
Doug Reinhart
Paul Cook
Jim Leach
Betsy Eglash

El Toro Water District
El Toro Water District
City of Huntington Beach
Mesa Water
South Coast Water District
South Coast Water District
South Coast Water District
City of San Juan Capistrano
Yorba Linda Water District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District
Santa Margarita Water District
Brady & Associates

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were presented.

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

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

No items were presented.

Legal Counsel Behrens requested that the Board consider adopting the Ordinance to Establish Classes of Water Service and Terms and Conditions of Water Service within the District (Item No. 11-4), prior to adopting the Water Rates Resolution (Item 11-3). The Board agreed to reorganize the agenda pursuant to Legal Counsel's suggestions.

CONSENT CALENDAR

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

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

MINUTES

The following minutes were approved.

April 2, 2014 Workshop Board Meeting
April 3, 2014 Special Board Meeting
April 16, 2014 Regular Board Meeting
April 28, 2014 Special Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: April 14, 2014
Administration & Finance Committee Meeting: April 9, 2014
Public Affairs & Legislation Committee Meeting: April 21, 2014
Executive Committee Meeting: April 17, 2014
MWDOC/OCWD Joint Planning Committee Meeting: April 23, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of April 30, 2014
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, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

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

Quarterly Budget Review

ATTENDANCE BY RICHARD BELL AT AWWA'S WHOLE WATER CONFERENCE (W2C) IN MONTEREY, JUNE 23-25, 2014

The Board approved Richard Bell's attendance at AWWA's Whole Water Conference (W2C) in Monterey, June 23-25, 2014.

APPOINTMENTS TO THE AD HOC COMMITTEE REGARDING THE ADMINISTRATIVE CODE

The Board ratified the appointment of Larry Dick as a member of the Ad Hoc Committee regarding the Administrative Code (along with Directors Barbre and Clark).

ANNUAL REVIEW OF INVESTMENT POLICY AND GUIDELINES

The Board received and filed the Investment Policy and Guidelines.

LEGISLATIVE POSITIONS

The Board adopted Adopt "Support" position on H.R. 4125 (Costa, D-CA re Shasta Dam Expansion Act of 2014); adopt "Support if Amended" position on H.R. 4126 (Costa, D-CA re San Luis Reservoir Expansion Act of 2014); adopt "Support" position on H.R. 4127 (Costa, D-CA re Upper San Joaquin River Storage Act of 2014); and adopt "Support if Amended" position on H.R. 3980 (McClintock, R-CA re Water Supply Permitting Coordination Act).

ELECTION INFORMATION (CANDIDATE'S STATEMENTS)

The Board authorized staff to submit the Transmittal of Election Information/Special District to the Orange County Registrar of Voters, indicating that the Candidate's Statement of Qualifications would be limited to 200 words, and that the District would not pay for the statements.

2014/15 PAY STRUCTURE ADJUSTMENT

The Board approved a 2.5% Pay Structure Adjustment to the District Salary Ranges, and approved the addition of a Public Affairs Coordinator, Public Affairs Manager, and Accounting Manager to the job classifications.

END CONSENT CALENDAR**ACTION CALENDAR****MWDOC COMMENT LETTER ON PUBLIC REVIEW BAY-DELTA
CONSERVATION PLAN (BDGP) AND DRAFT ENVIRONMENTAL IMPACT
REPORT/ENVIRONMENTAL IMPACT STATEMENT**

President Dick advised that the proposed comment letter regarding the public review of the Bay-Delta Conservation Plan and draft environmental impact report/environmental impact statement was before the Board for consideration.

Director Barbre made a MOTION, which was seconded by Director Finnegan, to defer this item until the June 4, 2014 Workshop Board meeting to allow additional time for review of the Implementation Agreement (it had not yet been received), noting the BDGP comments were not due until June 13, 2014.

Director Hinman stated that she could not support the MOTION because she believed it was important to approve the comment letter sooner rather than later. Director Osborne concurred.

Assistant General Manager Seckel advised that the Planning & Operations Committee discussed a couple of options for the letter, noting that the Committee preferred that if the Implementation Agreement becomes available prior to the closing date for public comments, the comments on the Implementation Agreement be included in the letter and that in the event the Implementation Agreement does not become available until after the comment period closes, staff should submit the proposed letter with a provision that MWDOC would like an opportunity review and comment on the Implementation Agreement when it becomes available. General Manager Hunter provided comments on the value of submitting a letter now rather than later.

Director Barbre amended his MOTION, which was seconded by Director Finnegan, and carried (7-0), authorizing the President of the Board to send a letter on behalf of MWDOC substantially in the form presented, to the National Marine Fisheries Service regarding Public Review of the Bay-Delta Conservation Plan (BDGP) and Draft Environmental Impact Report/Environmental Impact Statement (with the appropriate language regarding the Implementation Agreement as recommended by the Planning & Operations Committee). Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

APPROVAL OF MWDOC'S BUDGET FOR 2014-15

Director Thomas advised that the Administration & Finance Committee reviewed the budget several times, as well as budget review sessions with the member agencies, and that the Administration & Finance Committee recommends the proposed budget for approval

Mr. Jim Leach (Santa Margarita Water District) conveyed his appreciation to the Board and staff for their assistance with the budget, noting it was a collaborative effort.

Upon MOTION by Director Thomas, seconded by Director Barbre, and carried (7-0), the Board:

- (1) Adopted RESOLUTION NO. 1980, as proposed with a budget total of \$193,595,603 and a general fund budget of \$8,026,182;
- (2) Funded the potential election expense of \$444,000.
- (3) Funded the Reserves to the levels specified in the Administrative Code and in compliance with the 2011 Settlement Agreement.
- (4) Established a Building Improvement Budget for this coming year of \$168,000 as outlined in the discussion below with accommodation for future building improvements.
- (5) Funded OPEB at the 20-year level pay amount of \$155,575 plus and additional \$28,000 for a total of \$183,575.
- (6) Increased the staff contribution towards pension payments by 1%
- (7) Continued the transition to a 100% fixed rate for retail meters with a FY2014-15 target of 95% fixed revenue.
- (8) Increased the total number of full-time MWDOC and WEROC employees by one to 29. This budget retains the Director of Finance position at a six-month funding level and converts the 30-hour WEROC position to a fulltime position.
- (9) The CHOICE Activities for this year will include the School Program, Water Use Efficiency and the addition of the third year of the Value of Water Communications Plan. It is anticipated that this implementation phase of the communication plan will begin October 2014 upon completion of the previously funded development work (FY2013-14). Budget levels include the funding commitments as of the required notice date and may increase as additional Member Agencies notify MWDOC of their decisions.
- (10) In accordance with the directions of the A&F Committee, the Doheny and Poseidon Desal Projects have CHOICE budgets and also activities and functions which are CORE budget functions. In addition, the Second Lower Cross Feeder Project is expected to be completed within FY2013-2014 and therefore no longer has a CHOICE budget. Any activities that carryover into the new fiscal year will be performed as part of the CORE budget. It is anticipated that the focus of this activity will focus on potential conjunctive use programs within the OCWD groundwater basin.

- (11) Approved Memberships outlined in the Budget (Exhibit D) as being approved with approval of the budget. Therefore, each listed, individual membership will NOT be brought to the Board for approval. Any additional memberships would be brought to the Board for consideration.
- (12) The Board also requested that the budget approval include Board and Staff attendance at "standard conferences". Staff is recommending that the standard conferences be those included on Exhibit F.
- (13) Authorized staff to utilize only the budgeted professional services as marked by a checkmark in Exhibit J. All other professional services will be brought to a Committee and/or the Board in accordance with the Administrative Code.

ADOPTION OF MWDOC ORDINANCE TO ESTABLISH CLASSES OF WATER SERVICE AND TERMS AND CONDITIONS OF WATER SERVICE WITHIN THE DISTRICT

Mr. Hunter reported that he met with a few member agencies and was asked to modify language in the Ordinance, namely in reference to Section 8.1 (Water Wheeling), and references to cash payments.

Discussion ensued regarding the Water Wheeling language, whether its broad nature would open the District to litigation. Following discussion, Mr. Hunter advised that the Ordinance will most likely be rewritten next year, and that the majority of changes to the Ordinance this year refer to obsolete language and terms.

Mr. Paul Cook (IRWD) thanked the Board and staff with their efforts in working with the agencies in developing appropriate language.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted ORDINANCE NO. 52 which establishes the classes of water service and terms and conditions of water service within the District, by the following roll call vote:

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

PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2014-15

President Dick advised that the proposed Water Rate Resolution was reviewed and recommended for approval by the Administration & Finance Committee.

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (7-0), the Board adopted RESOLUTION NO. 1981, Establishing Water Rates, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas
NOES: None

ABSENT: None
ABSTAIN: None

APPROVE CHANGE TO DISTRICT'S WORKERS COMPENSATION INSURANCE CARRIER

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board approved termination of the District's Workers Compensation insurance with ACWA/JPIA, and directed staff to send notification to ACWA/JPIA terminating its Workers Compensation insurance effective July 1, 2014. The Board also adopted RESOLUTION NO. 1982, approving the form of and authorizing execution of a Sixth Amended and Restated Joint Powers Agreement and authorizing participation in the Special District Risk Management Authority Workers' Compensation Program, by the following vote:

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

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 1983, authorizing the application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities, by the following roll call vote:

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

ADOPT RESOLUTION ESTABLISHING THE EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (7-0), the Board adopted RESOLUTION NO. 1984, establishing the employer paid member contribution amount to California Public Employees Retirement System (CalPERS), by the following roll call vote:

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

ELECTION OF ALTERNATE SPECIAL DISTRICT MEMBER OF THE LOCAL AGENCY FORMATION COMMISSION (LAFCO)

President Dick advised that the proposal to appoint a Director to cast the District's ballot, along with choosing a candidate to support for Alternate Special District Member of LAFCO,

Jim Fisler (incumbent), and Rich Freschi, was before the Board for consideration. Mr. Dick expressed support for Mr. Freschi, due to his long-term relationship with him, and his great regard for him, noting that if chosen to cast the District's ballot, he would vote for the Board's choice candidate, but his support remains with Mr. Freschi.

Director Thomas commented that he would support the incumbent; Director Hinman concurred.

Upon MOTION by Director Thomas, seconded by Director Hinman, and carried (6-1), the Board authorized President Dick to cast the District's ballot in favor of incumbent, Jim Fisler, for LAFCO's Alternate Special District member, and submit the ballot to LAFCO no later than the June 13, 2014 deadline. Directors Barbre, Clark, Finnegan, Hinman, Osborne and Thomas voted in favor; Director Dick opposed.

**CONSIDER APPROVAL OF PROPOSED AMENDMENTS TO CSDA BYLAWS
AND AUTHORIZE PRESIDENT OF THE BOARD TO CAST THE DISTRICT'S
BALLOT**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board authorized President Dick to cast the District's ballot in favor of the proposed amendments to CSDA's bylaws. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas voted in favor.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, MAY 2014

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

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

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

Director Hinman reported on attending the Garden Friendly Show at Home Depot (held jointly with Moulton Niguel Water District), the ACWA conference in Monterey, wherein she attended the Local Government Committee meeting. Ms. Hinman also reported on attending the CalDesal meeting, a program entitled "Beyond Reasonable Drought," a meeting with Mike Dunbar (Emerald Bay Service District), the Dana Point State of the City, and the OC Water Summit. She also attended the MWDOC Board and Committee meetings

Director Thomas advised that he attended the OC Water Summit and corresponding planning meetings, the MWDOC/OCWD Ad Hoc Building Committee meeting, the Special Board meeting to interview Robert Wunderlich, and the MWDOC/OCWD Joint Planning Committee meeting. Mr. Thomas announced that the next OC Water Summit would be held on May 15, 2015.

Director Clark advised that he attended the regularly scheduled MWDOC meetings.

Director Osborne reported on his attendance at the MWDOC/OCWD Joint Planning Committee meeting, the Special Board meeting to interview Robert Wunderlich, the WACO meeting, the OC Water Summit, and the City of Fountain Valley's Mayor's breakfast.

Director Finnegan stated that she attended the Public Affairs & Legislation Committee meeting, and the OC Water Summit. Ms. Finnegan congratulated Jessica Ouwerkerk on receiving her Masters Degree in Communications from USC.

Director Barbre reported on his attendance and participation at MET and MWDOC meetings. He also attended the WACO meeting, a lunch with Jessica Ouwerkerk and Daisy Tong (Saigon West Communications) re Vietnamese outreach, the MWDOC/OCWD Ad Hoc Building Committee Planning meeting, the Cities of Brea and La Habra City Council meetings, and the Yorba Linda Water District Board meeting. Mr. Barbre noted that he had a luncheon meeting with Denise Kruger and Pat Scanlon of Golden State Water Company; as a result, they've asked him to plan a Delta inspection trip for the Golden State Water Company Board of Directors. Mr. Barbre then highlighted his recently legislative trip to Washington, DC, noting that the WRDA bill passed out of the House.

Director Barbre announced that Randy Record was unanimously appointed as the new MET Chairman. He also requested staff agendize for a future Planning & Operations Committee, an update of the Orange County Water Reliability Study (and partnering with OCBC).

Director Dick reported on his attendance and participation at MET meetings, as well as the OC Taxpayers Association meeting, Colonel Jack Foley's memorial service, a meeting with Chris Townsend, the Special Board meeting to interview Robert Wunderlich (noting all three candidates were well qualified), the WACO and WACO Planning meetings, the Caucus, and the OC Water Summit. Mr. Dick also attended the Huntington Beach Chairman's Club (water issues), MET Agricultural Planning Committee meeting. He mentioned that he is hoping to have an agricultural inspection trip for MET Directors.

CLOSED SESSION ITEMS

Legal Counsel Behrens announced that although closed sessions were listed on the agenda, there was no need to meet.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 9:23 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS (P&O) COMMITTEE
May 5, 2014 8:30 a.m. to 10:00 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Wayne Osborne, Chair
Director Brett Barbre
Director Susan Hinman

Staff:

Rob Hunter, Karl Seckel, Joe Berg,
Harvey De La Torre, Kelly Hubbard, Director
Katie Davanaugh, Richard Bell, Lee Jacobi

Also Present:

Director Larry Dick
Director Wayne Clark
John Earl, Surf City Voice
Linda Ackerman, MWDOC MWD Director
John Kennedy, Orange County Water District

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

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

General Manager Hunter presented two items pertaining to Water Use Efficiency; 1) a sole source procurement justification for Gilbert and Associates, and 2) a letter in support of the on-site recycled water retrofit pilot program; both of these items were presented under the Water Use Efficiency Status Report.

ACTION ITEMS

**MWDOC COMMENT LETTER ON PUBLIC REVIEW BAY-DELTA
CONSERVATION PLAN (BDGP) AND DRAFT ENVIRONMENTAL IMPACT
REPORT/ENVIRONMENTAL IMPACT STATEMENTS**

Mr. Seckel reported that this letter has been previously circulated to the MWDOC Board as well as Metropolitan Water District. The Delta's co-equal goals are to restore the Delta and provide assurance that both the environmental will be protected while assuring water supply reliability. The letter was revised to soften the language pertaining to supply reliability and eco-system restoration while addressing the importance of storage in meeting future needs.

An Implementation Agreement is currently being reviewed which has not been released. June 13th is the due date for the letter.

The Committee noted that the letter is addressed to the National Marine Fisheries Services with Mr. Seckel responding that they have been designated to accept, receive and file all comments during the EIR process. Discussion was also held on reduced future reliance, habitat conservation plans, the permit oversight group, authorized entity groups, as outlined in the staff report.

The Committee also reviewed a table that illustrates the Bay Delta Conservation Plan governance decision making process that includes program management, adaptive management and monitoring, water operations and who is the ultimate decision making authority, who initiates, who has input, etc. The cost of the project is astronomical but critically important.

Mr. Hunter suggested that staff send the letter prior to the deadline with a statement noting that once the implementing agreement is available, a revised letter pertaining to the agreement will be submitted. The Committee concurred. It was noted that 10 agencies that worked on the comment letter, including Irvine Ranch Water District, Metropolitan Water District, MWDOC, including input from the member agency managers group. All comments from member agencies will be considered.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (3-0), the item was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES:	Directors Osborne, Barbre and Hinman
NOES:	None
ABSENT:	None
ABSTAIN:	None

DISCUSSION ITEMS

PRESENTATION ON WEROC ACTIVITIES

Kelly Hubbard provided a presentation on the Water Emergency Response Organization of Orange County (WEROC), including information on history, participants, funding and signatories. MWDOC's program has been recognized as a state and national program model. The mission of WEROC is to support the utilities state of preparedness for emergency response, restore the systems through coordination and support during and immediately following and emergency, and represent the utility interests as a liaison to outside coordinating partners during all phases of emergency management. Ms. Hubbard reviewed training plans and statistics, response efforts, recovery and mitigation measures as well as regional policy development and coordination. MWDOC is the first non-traditional emergency response agency to receive grant funding and Ms. Hubbard reviewed a list of grant funds received to date. Declared disaster response efforts include the 2007 Diemer shutdown, winter storms of 2005, 2006, 2008, 2010 and other fires and power outages. Other recent functions of WEROC include the distribution of drinking water trailers, a proposed point of distribution plan for anthrax response and others.

Mr. Hunter expressed the importance of the WEROC program and noted the inclusion of the additional hours required to secure a full time WEROC support staff position which is included in the 2014-15 budget, highlighting the leadership that MWDOC has exhibited within the WEROC program. The program is currently under a 10-year review of equipment, and policies and procedures. Ms. Hubbard also assists with County communications programs, grant advisory groups, coordination with Southern California emergency services and increasing a social media presence.

INFORMATION ITEMS

OVERVIEW OF OCWD'S PURCHASES OF IMPORTED WATER AND MWDOC'S TIER 1 LIMIT IN 2014

Lee Jacobi's presentation provided an overview of "firm" water purchases and the Tier 1 limit, noting that replenishment and agricultural rates have been discontinued. Mr. Jacobi went on to review Orange County Water District basin levels, noting that additional replenishment is need in the groundwater basin. He went on to review historical water purchases, components of MWDOC's imported water purchases. In closing, Mr. Jacobi reported that staff will continue to monitor, coordinate and report on all purchases. It is not anticipated that Tier 2 purchases will be necessary and noted that a reserve fund has been set aside for that purpose, should it be necessary.

Mr. Hunter noted that staff is in close coordination with Orange County Water District staff and will continue discussions with them in a cooperative effort, should Tier 2 be needed. It was also noted that Phase 2 of the Ground Water Replenishment Program is currently under construction which will increase additional supply.

OCWD LONG TERM FACILITIES PLAN

Mr. Seckel noted that OCWD has plans to review various projects with Orange County ground water producers.

STATUS REPORTS

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

Director Hinman called attention to the landscape training and outreach program recently held as listed in the Water Use Efficiency Projects Report.

Mr. Berg called attention to sole source procurement justification for Gilbert and Associates, to review and test MWDOC's grants management compliance procedures.

Mr. Berg also provided an overview of the proposed letter to Metropolitan Water District requesting support for the on-site recycled water retrofit pilot program. This will support HOA's in retrofitting their irrigation systems to receive recycled water. Several of MWDOC member agencies have expressed interest in the Program and requested a waiting list be developed once the funding has been allocated.

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

Mr. Hunter noted that the ACWA conference will be held during the week of May 7-9, 2014. Mr. Joe Berg will be available in the office while other staff members attend the conference in Monterrey.

ADJOURNMENT

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

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS (P&O) COMMITTEE
June 2, 2014 8:30 a.m. to 10:00 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Wayne Osborne, Chair (absent)
Director Brett Barbre
Director Susan Hinman (absent)
Director Finnegan
Director Clark

Staff:

Rob Hunter, Karl Seckel, Joe Berg,
Richard Bell, Pat Meszaros

Also Present:

Linda Ackerman, MWDOC MWD Director
Steve LaMar, Irvine Ranch Water District
Don Froelich, Moulton Niguel Water District
Jim Leach, Santa Margarita Water District
Marc Serna, Moulton Niguel Water District

Director Barbre called the meeting to order at 8:30 a.m. In Director Osborne's absence, Director Barbre chaired the meeting and designated Directors Finnegan and Clark as adjunct members of the committee.

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 ITEMS

**RETAIL WATER AGENCY PASS-THROUGH FUNDING AGREEMENTS FOR
WATER USE EFFICIENCY PROGRAMS**

Director Barbre reported that Metropolitan has put a substantial amount of funding into the Water Use Efficiency Programs and this item is just approving the implementing agreement. Mr. Hunter confirmed that legal counsel had reviewed the agreement.

Upon MOTION by Director Clark, seconded by Director Finnegan, and carried (3-0), the item was referred to the June 18, 2014 Board meeting for approval, by the following vote:

AYES: Directors Barbre, Finnegan and Clark
NOES: None
ABSENT: Directors Osborne and Hinman
ABSTAIN: None

INFORMATION ITEMS

THE ECOLOGY CENTER RAIN BARREL PROGRAM

Mr. Berg reported that The Ecology Center is a non-profit educational organization that is doing a great job of outreach in the community by engaging individuals, families, and students in fun, hands-on activities that teach practical, environmental solutions at the household and community level. MWDOC is in the process of entering into a pass-through funding agreement with The Ecology Center to implement a Rain Barrel Distribution Program with 250 rain barrels targeted for distribution over the next several months. The Ecology Center will be paid \$75 per rain barrel for a total of \$18,750 (Metropolitan incentive of \$75 x 250 barrels = \$18,750).

Director Barbre inquired whether Mr. Berg foresees wider distribution of rain barrels in the future at local stores like Home Depot. Mr. Berg responded in the affirmative and that the Home Depot in Brea has rain barrels available for sale currently. Director Finnegan inquired about the size of rain barrels to which Mr. Berg responded that they must be 50 gallons minimum to be eligible for the rebate.

CALIFORNIA AIR RESOURCES BOARD – AB 32 SCOPING PLAN SEQUENTIAL LOADING ORDER FOR WATER SUPPLY SOURCES

Mr. Seckel reported that the intent of this new policy is that water resource planning be accomplished on an energy intensity basis. Assembly Bill 32 required the California Air Resources Board (CARB) to develop a Scoping Plan that specifies how California will reduce greenhouse gases to achieve the goal of reducing emissions to 1990 levels by 2020. The current update includes a section on Water and outlines a plan for reducing the Water Sector greenhouse emissions which includes a recommended “conservation first,” water “loading order” concept analogous to that used for the electricity generation sector.

Director Barbre noted that this Plan would increase MET’s cost of water and that the MET Directors tried to engage the CARB Board members, particularly Mary Nichols given she was a former Los Angeles Met Director, but she would not get involved. The most helpful board member was Ron Roberts with the San Diego Board of Supervisors.

Mr. Bell noted that the way they’re trying to roll this out is through the PUC rule making process. The pretext of all this is based on the water sector using 19% of energy in California: The water supply sector actually uses only 3%; hot water heating is 16%. If they hadn’t thrown in the end use of hot water heating, they would never have been able to accomplish this.

Director Barbre expressed his frustration that the whole purpose is to eliminate greenhouse gases and the cleanest, acceptable one is hydro but we get no credit for it. Mr. LaMar reported that this was discussed at the CAL Desal board meeting last month and one of the primary concerns is that the real intent is to use the most energy efficient supplies first so

the fear is that this will make it even more difficult to do desalination because of the high energy use. Director Barbre suggested that the Directors representing Golden State Water Company reach out to GSWC because they're on the front lines being governed by the PUC and he's sure they're fighting it all the way. Mr. Hunter noted that at the MET Managers' meeting last week, there was a fair amount of discussion on this issue.

STATUS REPORTS

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

For the benefit of MWDOC's MET Directors, Mr. Seckel mentioned that MWDOC continues to work with MET Operations and Legal departments on the amendment for introducing Baker water into the South County Pipeline, as well as the OC-88 credit which MET is also drafting.

Mr. Hunter asked Mr. Berg to give an update on the recent, large turf removal application MWDOC received from a golf course in the Moulton Niguel Water District service area. Mr. Berg reported that the golf course wants to remove 10 acres of grass on the fringe and plant California-friendly plantings. Mr. Hunter inquired of the pay outs to which Mr. Berg responded upwards of \$900,000 just from MET. It will result in dramatic water savings.

Director Barbre inquired about the meeting that Messrs. Hunter, Seckel and Bell had with EBD Bauer. Mr. Seckel reported that MWDOC staff met with EBD Bauer (who was one of the sponsors of the Orange County Summit) following discussions at the Summit regarding skid mounted ocean desalination treatment units they have in stock in Orange County. The two existing units are capable of producing 880,000 gallons per day of product water from the ocean. Bauer indicated that there may be some synergies for having a project in our own back yard (they are located in Tustin). Factors to be determined are whether the units will improve flexibility for getting small projects up and running and whether they will drive the cost down. We passed this information on to South Coast Water District who had mentioned a demonstration-size facility (5 million gallons per day) at Doheny so a concept could be to use one of the skids. Also to be determined is whether an expansion from 5 mgd to 15 mgd is warranted.

Mr. Hunter reported that in the budget now is 2008 Doheny funding and the 5 Participants will be meeting to discuss issues and discover who's interested in going forward. He noted further that there are some issues with these different companies volunteering their services and how that works with procurement down the line. He suggested that we should avoid getting locked into a technology because it was offered as a trial.

Director Barbre commented that years ago when he first joined the MWDOC Board and they were discussing desalination, MET Director Don Owen stated that there are multiple technologies and as soon as you select one, the other companies will try to shoot holes in it.

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

Mr. Hunter announced that the Grand Jury will post their report today or tomorrow.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:02 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 14, 2014 – 8:30 a.m. to 11:00 a.m.
MWDOC Conference Room 101

Committee Members:

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

Staff:

Robert Hunter, Karl Seckel, Cathy Harris,
Katie Davanaugh, Hilary Chumpitazi,
Joe Berg, Jeff Stalvey, Darcy Burke,
Harvey De La Torre

Also Present:

Director Susan Hinman
Director Wayne Clark
Director Wayne Osborne
Director Larry Dick
Linda Ackerman,
Metropolitan Water District Director
Chuck Gibson, Santa Margarita Water District
Dan Ferons, Santa Margarita Water District
Jim Leach, Santa Margarita Water District
Paul Weghorst, Irvine Ranch Water District
Paul Shoenberger, Mesa Water District

Director Osborne called the meeting to order at 8:30 a.m. noting that Jeff Thomas had not yet arrived and Director Finnegan was absent. Directors Dick and Barbre sat on as Committee members.

PUBLIC COMMENTS

Dan Ferons announced that all of the environmental litigation for the Cadiz Project has been settled in favor of Santa Margarita Water District.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

Mr. Hunter noted that an updated cost allocation worksheet had been provided, relative to the budget item.

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – April 2014

- b. Disbursement Approval Report for the month of May 2014
- c. Disbursement Ratification Report for the month of April 2014
- d. GM Approved Disbursement Report for the month of April 2014
- e. Water Use Efficiency Projects Cash Flow – April 30, 2014
- f. Consolidated Summary of Cash and Investment – March 2014
- g. OPEB Trust Fund monthly statement

It was noted that Director Thomas arrived, Director Barbre relinquished his seat on the Committee.

FINANCIAL REPORTS - Combined Financial Statements and Budget Comparative for the period ending March 31, 2014

ATTENDANCE BY RICHARD BELL AT AWWA'S WHOLE WATER CONFERENCE (W2C) IN MONTEREY, JUNE 23-25, 2014

The Committee reviewed the Consent Calendar items and upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the items were referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES:	Directors Dick, Osborne, Thomas
NOES:	None
ABSENT:	None
ABSTAIN:	None

ACTION ITEMS

FINAL DRAFT OF MWDOC'S BUDGET FOR 2014-15

The Committee held discussion on the proposed budget, starting with the category of professional/special services with Director Osborne inquiring on the \$250+K increase to that portion of the budget. Mr. Hunter responded that several new choice water use efficiency programs have been added to the budget. It is anticipated that grant funds will be utilized to offset many of the professional services fees related to water use efficiency, but not the Value of Water program.

Director Hinman commented on the fees related to the South Orange County Chamber of Commerce which were noted at \$5,000 and requested that the level of membership be reviewed and reduced to \$1,500. Directors Barbre and Osborne also noted that they are not in favor of this membership. Mr. Hunter noted that staff will work with Jim Leach to discuss levels of membership and benefits, and spoke in favor and support of the value of communicating with the business community and the District's active involvement in the Chambers of Commerce. Mr. Leach commented that the Chamber would appreciate a \$1,500 membership from the District.

Mr. Hunter reviewed items previously discussed with member agencies as well as Board members relative to the budget which include the request by Santa Margarita Water District addressed at the April Administration & Finance Committee meeting, and noted letters of

support of the budget as presented by Yorba Linda, East Orange County, Mesa, South Coast and Serrano Water Districts.

Mr. Hunter also noted adjustments were made to various lines items including chamber memberships, changes requested by Santa Margarita pertaining to “core/choice”, and several changes to the Doheny Desal project, as listed in the staff report. Mr. Hunter also noted that funds have been budgeted for one-half year’s salary for the Director of Finance, should those services be needed. (It should be noted that during the Budget discussions, the Committee recommended staff transfer \$28,000 to the OPEB Trust Account this year and for subsequent years, to expedite satisfying the District’s OPEB liability over the next ten years.)

Paul Shoenberger spoke in support of MWDOC’s 2014-15 budget on behalf of the Mesa Water Board of Directors.

Director Barbre reported that Randy Record has been elected to the Metropolitan Water District Chairmanship by unanimous vote.

Upon MOTION by Director Osborne, seconded by Director Dick, and carried (3-0), the Budget item was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES:	Directors Osborne, Dick and Thomas
NOES:	None
ABSENT:	None
ABSTAIN:	None

PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2014-15

Mr. Hunter reported that most of the redlined items are related to housekeeping to remove outdated and obsolete items as the resolution had not been updated in some time..

Paul Weghorst noted that Irvine Ranch has requested that the language pertaining to charges for wheeling, transfers and exchanges be modified to include “other charges consistent with actual cost of service”. The Committee asked that Mr. Hunter and staff work out those details directly with Irvine Ranch prior to finalizing the resolution.

Discussion was also held on the administrative charges pertaining to wheeling, transfers and exchanges, and determined that the dollar amounts/caps “not to exceed \$20,000” and \$5,000 pertaining to “actual time spent” should be removed from the resolution language and replaced with appropriate language that allows MWDOC to recoup all costs. Mr. Hunter stressed the importance of maintaining flexibility in the language of the resolution, noting how the rates, conditions and other considerations can change from year to year.

Upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the Water Rate Resolution was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Dick, Osborne, Thomas
NOES: None
ABSENT: None
ABSTAIN: None

ADOPTION OF MWDOC ORDINANCE TO ESTABLISH CLASSES OF WATER SERVICE AND TERMS AND CONDITIONS OF WATER SERVICE WITHIN THE DISTRICT

Mr. Weghorst reiterated his concern pertaining to the wheeling, transfers and exchanges language that was stricken in the redline document and suggested additional language for clarity. Director Barbre suggested that the language remain in order keep the ordinance broad and flexible. Mr. Hunter noted that staff will work with Irvine Ranch staff to find amenable language prior to the Board meeting on May 21, 2014.

Upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the Ordinance was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Dick, Osborne, Thomas
NOES: None
ABSENT: None
ABSTAIN: None

Dan Ferons also noted that there was language referring to “cash payment” that should also be removed as obsolete.

ANNUAL REVIEW OF INVESTMENT POLICY AND GUIDELINES

Upon MOTION by Director Thomas, seconded by Director Dick, and carried (3-0), the review of the investment policy was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Thomas, Dick, Osborne
NOES: None
ABSENT: None
ABSTAIN: None

Director Barbre requested that staff double check to make sure there are no changes to State code that impact the District's policy.

APPROVE CHANGE TO DISTRICT'S WORKERS COMPENSATION INSURANCE CARRIER

It was noted that the proposals to change the District's Workers Compensation Insurance Carrier was before the Committee for consideration.

Mr. Harris reported that based on her discussions with Alliant, SDRMA has never imposed assessments and based on a discussion with SDRMA pertaining to retained earnings, the District would not receive any retained earnings until after 3-years, but they have made disbursements to members in the past 5 years in the amount of \$2.5 million. The new policy will be effective July 1, 2014.

Upon MOTION by Director Thomas, seconded by Director Dick, and carried (3-0), the change to the insurance carrier was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Dick, Osborne, Thomas
NOES: None
ABSENT: None
ABSTAIN: None

ADOPT RESOLUTION ESTABLISHING THE EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

Ms. Harris reported that an additional 1% has been included in the budget to continue to offset the employee portion of the CalPERS contribution, which will bring the employee contribution to a total of 3%. Director Barbre inquired whether the offset difference is being set aside to fund the OPEB liability. Mr. Hunter responded that the OPEB fund is a separate account as the 1% will be allocated to employees' salaries/wages. It was noted that the employee's share will increase by 1% each year until it reaches the full 7% employee contribution.

Upon MOTION by Director Osborne, seconded by Director Dick, and carried (3-0), the resolution establishing the employer paid contribution to CalPERS was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Osborne, Dick, Thomas
NOES: None
ABSENT: None
ABSTAIN: None

ELECTION INFORMATION (CANDIDATE'S STATEMENT)

The Committee determined that 200 words is sufficient and that the District will not pay for the statements.

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (3-0), the election information was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES: Directors Thomas, Osborne, Dick
NOES: None
ABSENT: None
ABSTAIN: None

2014/15 PAY STRUCTURE ADJUSTMENT

Ms. Harris noted that the pay structure adjustment is recommended to keep the pay structure consistent with the current labor market conditions. Also noted was the inclusion of three new positions, the Public Affairs Manager, Accounting Manager and Public Affairs Coordinator. Director Dick inquired how many employees have reached the maximum pay range with Ms. Harris responding approximately 18%, or 7 employees. Director Thomas inquired what happens when an employee reaches the top of the range with Mr. Hunter responding that the employee could be promoted or reclassified, or not receive an increase at all. Increasing the salary range does not impact the employees' salaries but may move an employee along within their pay range if they are at or close to the top of their range. Director Dick inquired whether the District has encountered any problems in hiring due to the current pay structure with Mr. Hunter responding that the Government Affairs Manager was recently reclassified to ensure that the position was correctly classified, in an effort to attract the most highly qualified candidates (keeping in mind that salary negotiations are open to discussion, depending on qualifications). Conducting a comprehensive 3-year benchmark study helps ensure that the District remains competitive within the public labor market.

Upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the election information was referred to the May 21, 2014 Board meeting for approval, by the following vote:

AYES:	Directors Dick, Osborne, Thomas
NOES:	None
ABSENT:	None
ABSTAIN:	None

DISCUSSION ITEMS**CHANGE IN CLASSIFICATION OF APPOINTED MWDOC MET DIRECTORS**

Ms. Harris reported that currently the appointed MET Directors are 1099 status, paying into social security. The Committee discussed the possibility of changing the MET Directors status from 1099 to W-2, the resulting cost increase for participating in the pension plan, whether benefits would be offered to the MET Directors, whether a "Director" classification should be created on the pay schedule, and whether the MET Directors are able to participate in closed session meetings with the MWDOC Board. It was mentioned that such change in status to enable MET Directors to attend closed sessions was the main reason this item was presented for discussion. It was noted that Directors Barbre and Dick would refrain from voting on this item, to avoid any potential conflict of interest, as a result of their status as MET Directors.

Staff has discussed this matter with legal counsel but additional questions still need to be answered. It was noted that the inability of a MET Director to participate in MWDOC closed session items is governed by state law. Director Thomas expressed support for offering benefits should the MET Directors be added to the current pay structure. Director Hinman expressed opposition for the District paying for Directors' benefits, noting that she reimburses the District for her pension and health benefits.

The Committee recommended this item be presented to the Board for further discussion. It was noted that funds for this should be included in the budget, as the budget will be presented for approval at the May 21, 2014 meeting and if this item does not come to fruition, the funds will not be needed for this purpose.

INFORMATION ITEMS

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

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

The informational reports were received and filed. Director Hinman requested that staff notify the Board of all Public Records Requests.

OTHER ITEMS

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 11:00 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 22, 2014, 8:30 a.m. to 9:56 a.m.
Conference Room 102

Committee:

Director Dick, President
Director Osborne, Vice President
Director Finnegan

Staff:

K. Seckel, M. Goldsby, C. Harris

Also Present:

Director Clark
Director Hinman
Director Osborne
Director Thomas

At 8:30 a.m., President Dick called the meeting to order. In an effort to accommodate schedules, the meeting agenda was reorganized as follows:

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.

GENERAL MANAGER'S REPORTS

Mr. Seckel presented three late business expense reports from staff (pursuant to the Administrative Code guidelines). Committee reviewed the expense reports and asked that the General Manager circulate a memo to all of staff asking for timely submittals, and outlining the District's policy. The business expense reports were approved (Richard Bell, and two for Warren Greco).

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

Mr. Seckel announced that Warren Greco had submitted his resignation. The Committee discussed the District's Education Reimbursement Policy and asked staff to review the policy to ensure all recipients are in compliance. The Committee also discussed whether it may be prudent to establish some type of student loan program for the employees; staff will research.

The Committee also discussed the activities of the MWDOC/OCWD Ad Hoc Building Committee, noting the next meeting would be held on May 23rd, but that an agenda had not yet been developed.

Director Osborne referenced the Board and Committee submittal forms and suggested the “staff recommendations” be written more definitive, rather than broad. The Committee recommended staff use their judgment and attempt to be more definitive, yet allow flexibility for the Board.

RETIREE HEALTH BENEFITS

It was noted that the Administration & Finance Committee requested staff research whether offering a monetary pay-out to employees in lieu of the retiree health benefit would be feasible. Ms. Harris provided an update of her research, noting that although the offer would be legal, it would be necessary to complete an actuarial valuation of the benefit first. She advised that the actuarial study would cost approximately \$2,000. Following discussion, the Committee directed staff to arrange to have the study completed.

MEMBER AGENCY RELATIONS

Discussion ensued regarding the upcoming process for appointing a MET Director, and the anticipated timeline for the appointment.

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

Committee suggested the item on the Bay-Delta Conservation Plan be deferred until July to allow Directors Osborne and Hinman to attend the meeting (as they will be out of town in June).

b. Workshop Board Meeting

No new information was added.

c. Administration & Finance Committee

No new information was added.

d. Public Affairs & Legislation (PAL) Committee

No new information was added, however discussion was held regarding grant funding opportunities sought/received regarding Doheny Desalination Project. The Committee requested that Director Osborne work with Karl Seckel to determine the direction of the Doheny Desalination Project.

e. MWDOC/OCWD Joint Planning Committee

As no meeting was scheduled for May, an agenda was not available.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

No new information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:56 a.m.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
May 2014

WATER REVENUES

Date	From	Description	Amount
05/02/14	City of Brea	March 2014 Water deliveries	157,024.08
05/05/14	Santa Margarita Water District	March 2014 Water deliveries	1,956,856.28
05/05/14	City of Seal Beach	March 2014 Water deliveries	10,049.93
05/05/14	City of La Palma	March 2014 Water deliveries	5,913.17
05/07/14	City of La Habra	March 2014 Water deliveries	15,806.87
05/07/14	Serrano Water District	March 2014 Water deliveries	499,881.82
05/09/14	City of Fountain Valley	March 2014 Water deliveries	245,682.77
05/09/14	Trabuco Canyon Water District	March 2014 Water deliveries	15,599.48
05/09/14	City of San Juan Capistrano	March 2014 Water deliveries	92,996.55
05/09/14	City of San Clemente	March 2014 Water deliveries	624,090.90
05/12/14	El Toro Water District	March 2014 Water deliveries	615,983.51
05/12/14	South Coast Water District	March 2014 Water deliveries	370,740.42
05/12/14	East Orange County Water District	March 2014 Water deliveries	295,063.01
05/12/14	City of Garden Grove	March 2014 Water deliveries	237,110.55
05/14/14	Laguna Beach County Water District	March 2014 Water deliveries	295,226.38
05/14/14	Orange County Water District	March 2014 Water deliveries	952,166.98
05/14/14	City of Westminster	March 2014 Water deliveries	363,594.63
05/14/14	Yorba Linda Water District	March 2014 Water deliveries	518,602.12
05/14/14	City of Orange	March 2014 Water deliveries	431,527.00
05/14/14	Mesa Water	March 2014 Water deliveries	324,908.32
05/15/14	Irvine Ranch Water District	March 2014 Water deliveries	2,863,534.10
05/15/14	Moulton Niguel Water District	March 2014 Water deliveries	1,781,497.23
05/15/14	Golden State Water Company	March 2014 Water deliveries	361,595.49
05/15/14	Santiago Aqueduct Commission	March 2014 Water deliveries	137,376.00
05/23/14	City of Buena Park	April 2014 Water deliveries	294,959.15
05/30/14	South Coast Water District	April 2014 Water deliveries	426,269.70
05/30/14	City of Huntington Beach	April 2014 Water deliveries	613,150.64
05/30/14	City of Brea	April 2014 Water deliveries	209,636.50

TOTAL REVENUES **\$ 14,716,843.58**

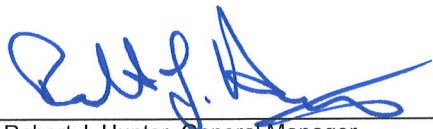
Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
May 2014

MISCELLANEOUS REVENUES

Date	From	Description	Amount
05/05/14	2 Checks	5/16/14 OC Water Summit registration	240.00
05/07/14	2 Checks	5/16/14 OC Water Summit registrations	240.00
05/12/14	County of Ventura	5/16/14 OC Water Summit registration	120.00
05/19/14	6 Checks	5/16/14 OC Water Summit registrations	820.00
05/23/14	San Clemente	5/16/14 OC Water Summit registration	140.00
05/30/14	2 Checks	5/16/14 OC Water Summit registration	420.00
05/30/14	Paypal	5/16/14 OC Water Summit registrations	8,098.00
05/05/14	RBF Consulting/ Michael Baker	5/16/14 OC Water Summit sponsorship	1,600.00
05/12/14	3 Checks	5/16/14 OC Water Summit sponsorships	4,600.00
05/19/14	SAWPA	5/16/14 OC Water Summit sponsorship	1,600.00
05/20/14	Bauer Water	5/16/14 OC Water Summit sponsorship	2,000.00
05/30/14	Paypal	7/30/14 Water policy dinner	145.04
05/30/14	Paypal	ISDOC registrations	549.28
05/19/14	Susan Hunt	June 2014 COBRA health premium	669.19
05/23/14	Stan Sprague	June 2014 Retiree medical premium	259.97
05/05/14	Harvey De La Torre	Movie tickets	32.00
05/09/14	Anthony Carreira	Movie tickets	96.00
05/14/14	Laura Loewen	Movie tickets	16.00
05/30/14	Laura Loewen	Movie tickets	16.00
05/05/14	City of La Palma	Late payment penalty for February 2014 Water deliveries	57.35
05/12/14	East Orange County Water District	OC-70 Transfer switch Additional deposit for MET	51,567.00
05/23/14	US Bank	CAL Card rebate check	205.76
05/09/14	City of Huntington Beach	Additional Choice School program FY 13-14	1,996.80
05/19/14	2 Checks	Additional Choice School program FY 13-14	1,563.12
05/30/14	City of Tustin	Additional Choice School program FY 13-14	580.32
05/12/14	Department of Water Resources	Apr 12 - Sep 13 Budget Based Rates	14,464.80
05/05/14	Irvine Ranch Water District	December 2013 & February 2014 Smart Timer rebate program	213.00
05/09/14	City of Brea	February 2014 Smart Timer rebate program	75.00
05/14/14	Laguna Beach County Water District	March 2014 Smart Timer rebate program	75.00
05/05/14	Irvine Ranch Water District	December 2013 Turf Removal rebate program	1,328.00
05/05/14	3 Checks	March 2014 Turf Removal rebate program	2,729.50
05/09/14	2 Checks	March 2014 Turf Removal rebate program	840.00
05/19/14	City of San Juan Capistrano	March 2014 Turf Removal rebate program	210.00
05/12/14	Golden State Water Company	March 2014 So Cal Watersmart rebate program	375.00
05/19/14	Santa Margarita Water District	March 2014 So Cal Watersmart rebate program	644.00
05/20/14	Irvine Ranch Water District	March 2014 So Cal Watersmart rebate program	6,442.00
05/20/14	Irvine Ranch Water District	March 2014 Landscape Performance Certification program	750.00
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 CA Sprinkler Adjustment Subscription system	10,573.50
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 Hotel Water Smart program	55,930.00
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 Industrial Process Water Use phase 1	48,679.96
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 Industrial Process Water Use phase 2	11,754.18
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 Smart Irrigation Timer rebate program	32,893.06
05/07/14	Bureau of Reclamation	Oct 13 - Mar 14 Water Efficient Site Certification & Smart Timer program	8,232.50

TOTAL MISCELLANEOUS REVENUES \$ **273,841.33**

TOTAL REVENUES \$ **14,990,684.91**



Robert J. Hunter, General Manager



Hilary Chumtazi, Deputy Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1032	April 2014 Legal consulting on water policy issues	2,575.00
	*** Total ***	2,575.00
	Aleshire & Wynder LLP	
28157	April 2014 Legal services	1,796.00
	*** Total ***	1,796.00
	American Water Works Assoc.	
062614-E. NAM	Exam fee for WUE Fractioned Certification for E. Nam	135.00
	*** Total ***	135.00
	Autumn Print Group	
1604	2,500 #10 Envelopes with logo	299.70
	*** Total ***	299.70
	Awards & Trophies Co., Inc.	
10867	Trophies for 30 Poster & Slogan Contest winners	194.40
	*** Total ***	194.40
	Best Best and Krieger LLP	
55401-APR14	April 2014 Legal services	16,041.01
	*** Total ***	16,041.01
	Business Communications Solutions	
66180	5/2/14-5/2/15 Annual support for Cisco firewall switches and telephone system	2,097.37
	*** Total ***	2,097.37
	Capital Host / Haute on the Hill by Ridgewells, Inc.	
331686	2/26/14 OC Water Delegation luncheon in Washington, DC	1,492.50
	*** Total ***	1,492.50
	CDW Government	
LS88584	February 2014-March 2015 E-mail filter service	631.95
	*** Total ***	631.95
	CSU Fullerton ASC	
AR163318	4th Quarter F/Y 13-14 CDR Support	9,989.75
	*** Total ***	9,989.75

Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Finley & Cook PLLC</i>	
SI0002606	4/28/14-5/2/14 Progress billing for Navision software upgrade	2,405.00
SI0002696	5/3/14-5/9/14 Progress billing for Navision software upgrade	5,450.00
SI0002732	5/10/14-5/16/14 Progress billing for Navision software upgrade	4,817.50
	*** Total ***	12,672.50
	<i>FoodCraft Coffee & Refreshment</i>	
514051802	5/23/14 Coffee & tea supplies	219.55
	*** Total ***	219.55
	<i>Fry's Electronics</i>	
20231232	Components for new computer	595.04
20244752	Components for computer upgrade	183.57
20245063	5/23/14 Computer supplies	17.28
20263334	6/3/14 Computer supplies	3.23
20264925	6/4/14 Computer supplies	28.06
	*** Total ***	827.18
	<i>Ronald R. Gastelum</i>	
060114	May 2014 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	<i>GovConnection, Inc.</i>	
51425994	Ipad with WiFi	665.06
	*** Total ***	665.06
	<i>Immersiv</i>	
MWDOC 2013-009	April-June 2014 Website hosting and maintenance	525.00
	*** Total ***	525.00
	<i>Independent Special Districts of OC</i>	
052914-APR14	April 2014 PayPal receipts for 5/29/14 ISDOC meeting	65.13
052914-MAY14	May 2014 PayPal receipts for 5/29/14 ISDOC meeting	534.28
052914	5/29/14 ISDOC meeting - Registration for Directors Barbare, Finnegan & Osborne	51.00
	*** Total ***	650.41
	<i>James C. Barker, P.C.</i>	
105-0514	May 2014 Federal legislative advocacy services	7,000.00
	*** Total ***	7,000.00
	<i>Karen's Detail Custom Frames</i>	
2507	Framing for Poster & Slogan Contest winning artwork	654.48
	*** Total ***	654.48
	<i>Lewis Consulting Group, LLC</i>	
1336	May 2014 Professional services	3,187.50
	*** Total ***	3,187.50

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Los Angeles Times</i>	
10010337289-2014	6/2/14-6/15/15 Annual subscription	107.77
	*** Total ***	107.77
	<i>Edward G. Means III</i>	
MWDOC-1019	May 2014 Support on MET issues & strategic guidance to Engineering department	4,500.00
	*** Total ***	4,500.00
	<i>Norco Delivery Services</i>	
606570	5/16/14 Delivery charges for Board & Committee packets	133.23
	*** Total ***	133.23
	<i>OC Blind Cleaning / Tony Santero</i>	
132924	Blind cleaning service	1,943.75
	*** Total ***	1,943.75
	<i>Office Solutions</i>	
I-00619496	5/15/14 Office supplies	59.22
I-00622559	5/22/14 Office chair repair	61.56
I-00622972	5/22/14 Office supplies	621.56
I-00622551	41 name badges for Directors and staff	766.36
	*** Total ***	1,508.70
	<i>Orange County Fast Print, Inc.</i>	
49433	Business cards for K. Hubbard	59.00
49558	Business cards for Director Finnegan & S. Ramirez	108.00
	*** Total ***	167.00
	<i>Orange County Water District</i>	
13822	April 2014 50% share WACO expense	290.79
13870	April 2014 Postage, shared office & maintenance expenses	7,499.22
	*** Total ***	7,790.01
	<i>Patricia Kennedy Inc.</i>	
5541	June 2014 Plant maintenance	214.00
	*** Total ***	214.00
	<i>Queen Beach Printers, Inc.</i>	
340584011	400 Printed booklets for OC Water Summit	2,073.60
340585011	400 Printed envelopes for OC Water Summit	567.00
	*** Total ***	2,640.60
	<i>Staples Advantage</i>	
8029731601	5/3/14 OC Water Summit supplies	359.59
8029828932	5/10/14 OC Water Summit supplies	39.88
	*** Total ***	399.47

Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>System One Business Products</i>	
0070306-IN	5/16/14 Binding machine supplies	77.88
0070376-IN	5/29/14 Binding machine supplies	111.56
	*** Total ***	189.44
	<i>Top Hat Productions</i>	
88900	5/15/14 Lunch for Managers' meeting	427.68
	*** Total ***	427.68
	<i>Townsend Public Affairs, Inc.</i>	
10152	May 2014 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	<i>City of Tustin</i>	
2014CALPACS	2014 Annual CalPACS membership renewal	275.00
	*** Total ***	275.00
	<i>Tustin Irvine Medical Group</i>	
00739626	5/1/14 New hire pre-employment exam	160.00
	*** Total ***	160.00
	<i>U.S. Bank N.A.</i>	
FY 13-14	Annual OPEB contribution	201,435.86
FY 13-14	Additional OPEB contribution	28,000.00
	*** Total ***	229,435.86
	<i>USA Fact</i>	
2246092-IN	5/27/14 New hire background check	18.16
2246299-IN	5/28/14 New hire background check	18.16
	*** Total ***	36.32
	<i>Total Core Expenditures</i>	<hr/> 326,583.19
	<i>Choice Expenditures:</i>	
	<i>Discovery Science Center</i>	
043014MWDOC	April 2014 School program	24,344.88
	*** Total ***	24,344.88
	<i>Total Choice Expenditures</i>	<hr/> 24,344.88

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Other Funds Expenditures:		
545	The Alliance for Community Solutions Subscription for CalWARN dashboard *** Total ***	2,500.00 2,500.00
02-060	AquaFicient Consulting April 2014 Landscape Performance Certification program funded by IRWD & MET *** Total ***	1,500.00 1,500.00
55401-APR14	Best Best and Krieger LLP April 2014 Legal services *** Total ***	1,425.00 1,425.00
LPCP-218	ConserVision Consulting, LLC April 2014 Consulting services for Landscape Performance Certification program *** Total ***	6,376.00 6,376.00
AR163331	CSU Fullerton ASC 52 Updated WEROC maps *** Total ***	1,379.29 1,379.29
RB-001	Laguna Beach County Water District February-May 2014 Activity for Rain Barrel Distribution program *** Total ***	4,875.00 4,875.00
1650	Mission RCD April 2014 Field verifications for Water Use Efficiency rebate programs *** Total ***	11,174.83 11,174.83
24417	City of Newport Beach 4/1/14-4/25/14 Activity for Residential WBIC & Rotating Nozzle installation program *** Total ***	2,888.00 2,888.00
052914	Noah's Cleaning / Noah Gwartney May 2014 Bi-monthly cleaning for WEROC EOCs *** Total ***	115.00 115.00
284338	Orange County Fire Protection Fire extinguisher maintenance for WEROC SEOC	37.00
284452	Fire extinguisher maintenance for WEROC NEOC *** Total ***	45.00 82.00

Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Spray to Drip Program</i>	
S2D3632	Jodean Werner	525.00
S2D7872	Keith Brewer	350.00
	*** Total ***	875.00
	<i>Turf Removal Program</i>	
TR4-BREA-011	R. Horning	656.00
TR4-ET-006	G. Reneau	1,250.00
TR4-FV-002	D. Allen	1,178.00
TR4-FV-003	R. DeLeon	820.00
TR4-GG-002	M. Van Dine	1,108.00
TR4-GSWC-006	H. Burns	3,375.00
TR4-GSWC-012	N. Korb	1,095.00
TR4-GSWC-013	M. Worden	534.00
TR4-GSWC-017	W. Backes	605.00
TR4-GSWC-030	J. Paddock	1,558.00
TR4-HB-011	T. Cavalieri	385.00
TR4-HB-012	N. Tran	450.00
TR4-HB-016	K. Markofski	1,316.00
TR4-HB-019	S. Callahan	565.00
TR4-HB-020	W. Slavin	540.00
TR4-HB-021	J. Huang	839.00
TR4-HB-023	R. Gagliano	1,326.27
TR4-IRWD-022	Parkview Maintenance Association (Irvine)	6,721.00
TR4-IRWD-038	C. Ideno	775.50
TR4-IRWD-041	PRI 1200 Main LLC (Irvine)	3,447.00
TR4-IRWD-049	M. Knode	1,480.00
TR4-IRWD-053	W. DiBella	2,030.00
TR4-IRWD-055	N. Parikh	694.00
TR4-IRWD-057	B. Wirsch	710.00
TR4-IRWD-060	J. Avella	726.00
TR4-IRWD-064	W. Hankes	1,556.00
TR4-IRWD-069	T. Glenn	1,584.00
TR4-LB-006	C. Vickers	570.00
TR4-LB-007	W. Crimp	1,540.00
TR4-MESA-007	S. Real	2,778.00
TR4-MESA-008A-D	M. Giglio	5,294.00
TR4-MESA-009	M. Mena	1,191.00
TR4-MESA-010	J. Truxaw	646.00
TR4-MESA-020	L. Standard	2,659.00
TR4-MN-012	R. Rasmusson	1,111.00
TR4-MN-021	G. Snodgrass	683.00
TR4-MN-022	P. Kane	864.00
TR4-MN-026	M. Wilkins	370.00
TR4-MN-028	B. Sonntag	415.00
TR4-MN-030	J. McEachern	1,132.00
TR4-MN-034	S. Walters	341.00
TR4-MN-041	J. Blackie	682.00

Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2014

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR4-MN-042	J. Larkin	763.00
TR4-MN-048	K. Reynolds	636.00
TR4-O-006	P. Sargeant	1,460.00
TR4-O-011	M. Brislawn	1,288.00
TR4-O-022	R. Di Gangi	372.00
TR4-O-028	B. DeMayo	1,298.00
TR4-SC-018	M. Mihalik	341.00
TR4-SC-023	R. Coppa	1,461.00
TR4-SC-024	L. Schauer	477.00
TR4-SC-025	B. Blakely	836.00
TR4-SJC-008	E. Marty	733.00
TR4-SJC-012	S. Bills	982.00
TR4-SM-017	N. Shah	2,012.40
TR4-SM-021	T. Kurosaki	1,036.80
TR4-SM-029	K. Brewer	584.40
TR4-SM-033	J. Mervis	866.40
TR4-SOCO-008A	Dana Light HOA (Dana Point)	9,582.00
TR4-SOCO-008B	Dana Light HOA (Dana Point)	6,010.00
TR4-SOCO-014	L. Fast	3,355.00
TR4-SOCO-016	J. Schwaner	225.00
TR4-SOCO-017	C. Watt	602.00
TR4-SOCO-020	S. Geddes	680.00
TR4-SOCO-021	D. Bowen	450.00
TR4-SOCO-023	R. Lynch	625.00
TR4-TC-002	B. Short	642.00
	*** Total ***	94,917.77
	WaterWise Consulting, Inc.	
3164	May 2014 Professional services for Hotel program	3,760.00
	*** Total ***	3,760.00
	Total Other Funds Expenditures	<u>131,867.89</u>
	Total Expenditures	<u><u>482,795.96</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2014**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
125767	5/12/14	TIMEWA 5210-MAY14	Time Warner Cable May 2014 Telephone and internet expense ***Total ***	930.98 930.98
125768	5/12/14	VERIZO 9724081425	Verizon Wireless April 2014 4G Mobile broadband unlimited service ***Total ***	38.01 38.01
125769	5/15/14	ACKEEX/ACKERCO 043014	Linda Ackerman April 2014 Business expense	78.40
125770		APR2014	April 2014 MET Director's compensation ***Total ***	2,443.30 2,521.70
125773	5/15/14	BACATI 042514	Tiffany Baca March-April 2014 Business expense ***Total ***	94.80 94.80
125774	5/15/14	BURKED 050614	Darcy M. Burke April-May 2014 Business expense ***Total ***	509.15 509.15
125775	5/15/14	C3OFFI INV25961	C3 Office Solutions LLC May 2014 Copier maintenance ***Total ***	216.72 216.72
125777	5/15/14	CLARKW 043014	Wayne Clark April 2014 Business expense ***Total ***	100.80 100.80
125780	5/15/14	DELAGE 41017313	De Lage Landen Public Finance May 2014 Copier lease ***Total ***	509.00 509.00
125781	5/15/14	NAMELI 041214	Elizabeth Nam March-April 2014 Business expense ***Total ***	44.52 44.52
125782	5/15/14	HEDGES 050114	Steve Hedges April-May 2014 Business expense ***Total ***	56.00 56.00
125785	5/15/14	IRONMO KPH7992	Iron Mountain May 2014 Storage/retrieval of archived documents ***Total ***	454.38 454.38

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2014

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
125791	5/15/14	FRANKS 042614	Sarah Franks April 2014 Business expense ***Total ***	116.57 116.57
125792	5/15/14	SECKEL 042714	Karl Seckel February-April 2014 Business expense ***Total ***	352.63 352.63
125795	5/15/14	TIMEWA 3564-MAY14	Time Warner Cable May 14 Telephone expense for 4 analog fax lines ***Total ***	127.22 127.22
125832	5/15/14	USBANK APR14	U.S. Bank 3/24/14-4/22/14 Cal Card charges ***Total *** (See attached sheet for details)	5,787.08 5,787.08
125833	5/15/14	LAMVIV 042414	Vivian Lam March-April 2014 Business expense ***Total ***	158.93 158.93
ACH000914	5/15/14	BARBCO APR2014	Brett Barbre April 2014 MET Director's compensation ***Total ***	2,443.30 2,443.30
ACH000915	5/15/14	BAUMHA 033114	Melissa Baum-Haley March 2014 Business expense ***Total ***	106.26 106.26
ACH000916	5/15/14	BERGJO 050714	Joseph Berg April-May 2014 Business expense ***Total ***	40.00 40.00
ACH000919	5/15/14	DELATO 042314	Harvey De La Torre April 2014 Business expense ***Total ***	36.18 36.18
ACH000920	5/15/14	DICKCO/DICKEX APR2014	Larry Dick April 2014 MET Director's compensation	2,443.30
ACH000921		043014	April 2014 Business expense ***Total ***	158.48 2,601.78
ACH000926	5/15/14	FINNEG 043014	Joan Finnegan April 2014 Business expense ***Total ***	111.33 111.33

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2014**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<i>ACH000929</i>	<i>5/15/14</i>	<i>HINMAN 043014</i>	<i>Susan Hinman April 2014 Business expense ***Total ***</i>	<i>397.27 397.27</i>
<i>ACH000941</i>	<i>5/15/14</i>	<i>THOMAS 043014</i>	<i>Jeffery Thomas April 2014 Business expense ***Total ***</i>	<i>334.88 334.88</i>
<i>125834</i>	<i>5/19/14</i>	<i>BUIFEL 051714</i>	<i>Tiffany Feliciano May 2014 Business expense ***Total ***</i>	<i>80.43 80.43</i>
<i>125836</i>	<i>5/30/14</i>	<i>GRECOW 123113 032714</i>	<i>Warren Greco September-October 2013 Business expense January-March 2014 Business expense ***Total ***</i>	<i>169.50 185.92 355.42</i>
<i>125840</i>	<i>5/30/14</i>	<i>LYONKE 043014</i>	<i>Keith Lyon March-April 2014 Business expense ***Total ***</i>	<i>83.16 83.16</i>
<i>125843</i>	<i>5/30/14</i>	<i>SECKEL 051214</i>	<i>Karl Seckel April-May 2014 Business expense ***Total ***</i>	<i>8.22 8.22</i>
<i>ACH000945</i>	<i>5/30/14</i>	<i>BAUMHA 022814</i>	<i>Melissa Baum-Haley February 2014 Business expense ***Total ***</i>	<i>108.47 108.47</i>
<i>ACH000946</i>	<i>5/30/14</i>	<i>DELATO 050914</i>	<i>Harvey De La Torre May 2014 Business expense ***Total ***</i>	<i>108.32 108.32</i>
<i>ACH000950</i>	<i>5/30/14</i>	<i>OUWERK 043014</i>	<i>Jessica H. Ouwerkerk March-April 2014 Business expense ***Total ***</i>	<i>307.97 307.97</i>
<i>ACH000951</i>	<i>5/30/14</i>	<i>HUNTER 051414</i>	<i>Robert J. Hunter 5/16/14 OC Water Summit venue, food & beverage payment to Disney Resort ***Total ***</i>	<i>13,160.32 13,160.32</i>
Total Core Disbursements				32,301.80

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2014**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Choice Disbursements:				
125832	5/15/14	USBANK APR14	U.S. Bank 3/24/14-4/22/14 Cal Card charges ***Total *** (See attached sheet for details)	320.49 320.49
ACH000916	5/15/14	BERGJO 050714	Joseph Berg April-May 2014 Business expense ***Total ***	22.33 22.33
ACH000950	5/30/14	OUWERK 043014	Jessica H. Ouwerkerk March-April 2014 Business expense ***Total ***	104.63 104.63
Total Choice Disbursements				447.45
Other Funds Disbursements:				
125766	5/12/14	ATTEOC 4492-APR14 8200-APR14 0532-APR14	AT&T April 2014 S. EOC telephone expense April 2014 N. EOC telephone expense April 2014 N. EOC dedicated phone line ***Total ***	217.23 152.98 117.47 487.68
125783	5/15/14	HUBBAR 041114 042814	Kelly Hubbard April 2014 Business expense for Harvard Leadership training March-April 2014 Business expense ***Total ***	122.88 181.68 304.56
125787	5/15/14	TOMALO 050114	Louay Toma March-May 2014 Business expense ***Total ***	152.02 152.02
125832	5/15/14	USBANK APR14	U.S. Bank 3/24/14-4/22/14 Cal Card charges ***Total *** (See attached sheet for details)	495.84 495.84
125835	5/30/14	CATALI 0010053	Catalina Island Conservancy May 2014 WEROC radio repeater site lease ***Total ***	1,484.32 1,484.32
125837	5/30/14	HUBBAR 022814	Kelly Hubbard February 2014 Business expense ***Total ***	52.06 52.06

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2014**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
125842	5/30/14	SDG&E 7768-MAY14	SDG&E 4/20/14-5/19/14 Electrical service for Doheny Ocean Desal project ***Total ***	251.08 251.08
ACH000952	5/30/14	SANTAM MAR2014	<i>Santa Margarita Water District</i> March 2014 SCP Operation surcharge ***Total ***	22,761.06 22,761.06
ACH000953	5/30/14	SPRINT 320982721-117	<i>Sprint</i> May 2014 WEROC cell phone expense ***Total ***	41.88 41.88
WIRE-140530	5/30/14	METWAT 7980	<i>Metropolitan Water District</i> March 2014 Water Deliveries ***Total ***	14,091,211.05 14,091,211.05
<i>Total Other Funds Disbursements</i>				<u>14,117,241.55</u>
<i>Total Disbursements</i>				<u><u>14,149,990.80</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Deputy Treasurer

Cal Card Statement Detail
Statement Date: April 22, 2014
Payment Date: May 15, 2014

Date	Description	Amount
<u>Karl's Card</u>		
03/25/14	UPS delivery charges for Board & Committee packets on Mar. 13, 2014	\$ 6.68
03/25/14	Sympathy flowers for Director	106.21
03/26/14	Sign for OC Garden Friendly program events	320.49
03/29/14	FedEx delivery charges for Board of Supervisors on Mar. 26, 2014	16.68
03/31/14	ACWA Spring conference in Monterey, CA from May 6-9, 2014 - Registration for R. Hunter	695.00
04/02/14	FedEx delivery charges for Board of Supervisors on Mar. 31, 2014	16.68
04/02/14	Orange County Water Association lunch meeting in Orange, CA on Apr. 16, 2014 - Registration for K. Hubbard & L. Toma	80.00
04/02/14	2 Signs for WEROC EOCs	381.27
04/03/14	ACWA Spring conference in Monterey, CA from May 6-9, 2014 - Registration cancellation fee for Director Clark	75.00
04/03/14	Lunch for O.C. MET Caucus on Apr. 3, 2014	299.26
04/03/14	Sandwiches for Elected Officials meeting on Apr. 3, 2014	715.82
04/06/14	California Department of Public Health Services meeting in Sacramento, CA on Apr. 22, 2014 - Accommodations for D. Burke	251.95
04/07/14	California Urban Water Conservation Council Landscape symposium in Rancho Cucamonga, CA on May 22, 2014 - Registration for J. Berg, S. Hedges, M. Baum-Haley, S. Ramirez, B. Fahl & E. Nam	270.00
04/07/14	ACWA Spring conference in Monterey, CA from May 6-9, 2014 - Registration for K. Seckel	695.00
04/08/14	UPS delivery charges for Board & Committee packets on Mar. 6 & 11, 2014	43.19
04/09/14	ACWA Spring conference in Monterey, CA from May 6-9, 2014 - Registration for H. De La Torre	695.00
04/14/14	Computer supply for WEROC	34.57
04/14/14	Legislative activities in Washington, DC from May 14-16, 2014 - Airfare for Director Barbre	700.99 ¹
04/15/14	UPS delivery charges for CA Screenprinting on Apr. 3, 2014 and Board & Committee packets on Apr. 4, 2014	64.32
04/16/14	Southern California Water Committee Quarterly meeting in Montclair, CA on Apr. 25, 2014 - Registration for R. Bell	70.00
04/17/14	Sympathy flowers for Director	82.56
04/21/14	Programs printed for Director Foley's memorial service.	586.47
Total		<u>\$ 6,207.14</u>

¹ Director Barbre reimbursed MWDOC \$249.00

Cal Card Statement Detail
Statement Date: April 22, 2014
Payment Date: May 15, 2014

Date	Description	Amount
<u>Rob's Card</u>		
3/24/14-4/22/14	Meals for R. Hunter's meetings on various dates	\$ 256.27
03/31/14	Fastrak toll roads	100.00
04/12/14	State Water Project inspection trip from Apr. 11-12, 2014 - Parking for R. Hunter	40.00
Total		<u>\$ 396.27</u>

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of May 2014

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
Total Core Disbursements				<u>0.00</u>
Choice Disbursements:				
Total Choice Disbursements				<u>0.00</u>
Other Funds Disbursements:				
Total Other Funds Disbursements				<u>0.00</u>
Total Disbursements				<u><u>0.00</u></u>

No items to report



Robert J. Hunter, General Manager



Hilary Chumpitazi, Deputy 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, 2014

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

Joan C. Finnegan
President

Jeffery M. Thomas
Vice President

Brett R. Barbre
Director

Larry D. Dick
Director

Wayne A. Clark
Director

Susan Hinman
Director

Wayne Osborne
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	\$1,687,565	20.67%
Grant & Project Cash Flow	1,000,000	12.25%
Building Repair	239,491	2.93%
Total Designated Reserves	2,927,056	35.85%
General Fund	2,376,456	29.11%
Water Fund	2,204,859	27.01%
Conservation Fund	242,810	2.97%
Desalination Feasibility Study Fund	325,352	3.99%
WEROC Fund	84,424	1.03%
Water Trailers Grant	0	0.00%
Trustee Activities	3,634	0.04%
Total	\$8,164,591	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	2.23%	\$182,107	\$182,107
Short-term investment			
• LAIF	43.06%	\$3,515,797	\$3,515,797
• OCIP	28.94%	2,362,594	2,362,594
Long-term investment			
• Misc. Securities	24.55%	2,004,093	2,067,703
• Certificates of Deposit	1.22%	100,000	99,777
Total	100.00%	\$8,164,591	\$8,227,978

The average number of days to maturity/call as of April 30, 2014 equaled 131 and the average yield to maturity is 1.029%. During the month, the District's average daily balance was \$16,153,055.54. 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 2014.

The \$63,387 difference between the book value and the market value on April 30, 2014 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


Robert J. Hunter
General Manager


Hilary Chumpitazi
Deputy Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary April 30, 2014



4/30/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	100,000.00	99,777.00	100,000.00	1.25	999	1.050
Local Agency Investment Funds	3,515,797.52	3,515,797.52	3,515,797.52	44.07	1	0.233
Miscellaneous Securities - Coupon	2,000,000.00	2,067,702.50	2,004,092.54	25.07	472	3.346
Orange County Investment Pool	2,362,594.13	2,362,594.13	2,362,594.13	29.61	1	0.252
Total Investments	7,978,391.65	8,045,871.15	7,982,484.19	100.00%	131	1.029

Cash						
Passbook Checking	182,107.03	182,107.03	182,107.03		1	0.00
Total Cash and Investments	8,160,498.68	8,227,978.18	8,164,591.22		131	1.029

Total Earnings	Month Ending April	Fiscal Year to Date
Current Year	8,142.17	90,877.05
Average Daily Balance	16,153,055.54	
Effective Rate of Return	1.029%	

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 5-30-14

Robert J. Hunter, General Manager

Date

Hilary Chumipitazi 5/23/2014

Hilary Chumipitazi, Deputy Treasurer

Date

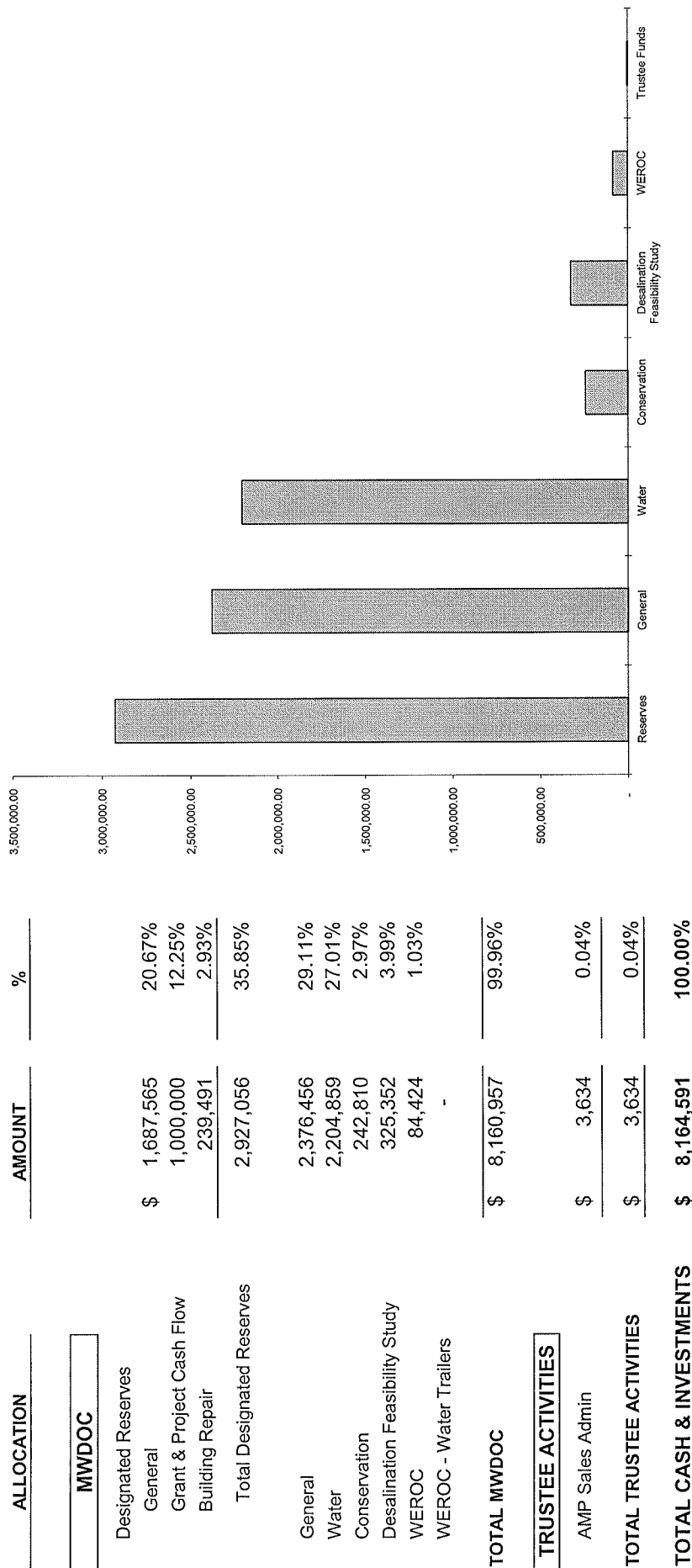
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
April 30, 2014

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	99,777.00	100,000.00	1.050	1.050	999	1/23/2017
Sub Total			100,000.00	99,777.00	100,000.00	1.050	1.050	999	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	259,385.00	252,161.14	3.700	3.000	489	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	257,687.50	251,881.72	3.400	2.700	420	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	519,840.00	500,924.00	3.125	3.007	621	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	518,865.00	499,594.61	3.450	3.508	551	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	511,925.00	499,531.07	3.875	4.020	260	1/15/2015
Sub Total			2,000,000.00	2,067,702.50	2,004,092.54	3.500	3.346	472	
Total Investments			2,100,000.00	2,167,479.50	2,104,092.54	3.383	3.237	497	
Total Earnings									
Current Year			5,489.74		57,374.24				

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

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	3,515,797.52	3,515,797.52	3,515,797.52	0.233	0.233	1	N/A
Sub Total			3,515,797.52	3,515,797.52	3,515,797.52	0.233	0.233	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	2,362,594.13	2,362,594.13	2,362,594.13	0.252	0.252	1	N/A
Sub Total			2,362,594.13	2,362,594.13	2,362,594.13	0.252	0.252	1	
Total Investments									
			5,878,391.65	5,878,391.65	5,878,391.65	0.241	0.241		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	181,607.03	181,607.03	181,607.03	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
Total Cash			182,107.03	182,107.03	182,107.03	0.000	0.000	1	
Total Cash and Investments									
			6,060,498.68	6,060,498.68	6,060,498.68	0.241	0.241	1	
Total Earnings									
Current Year			2,652.43						33,502.81

Municipal Water District of Orange County
Cash and Investments at April 30, 2014



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS GASB 45 Program**Monthly Account Report for the Period**
4/1/2014 to 4/30/2014Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 4/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 4/30/2014
Employer Contribution	\$864,589.15	\$0.00	-\$1,409.83	\$500.07	\$0.00	\$0.00	\$862,679.25
Totals	\$864,589.15	\$0.00	-\$1,409.83	\$500.07	\$0.00	\$0.00	\$862,679.25

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			Inception Date
			3-Years	5-Years	10-Years	
-0.16%	2.18%	8.67%	N/A	N/A	N/A	10/26/2011

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

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

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

Inception Date: Plans inception date

**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 5/31/14**

	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	TOTALS
Cash - Beginning Balance	\$ (204,195.07)	\$ (120,906.78)	\$ 153,254.44	\$ 203,884.71	\$ 194,437.45	\$ 86,512.97	\$ 298,487.84	\$ 269,698.65	\$ 215,800.74	\$ 285,912.59	\$ 242,810.58	\$ 241,423.54	
REVENUES:													
BUREC						129,236.42			30,253.50		168,063.20		\$ 327,553.12
City of Anaheim, Brea, Buena Park		75.00				75.00	561.00	1,335.00	75.00		75.00		\$ 2,196.00
City of Fountain Valley, Fullerton				84.96			9.96	5.48	69.00	75.00			\$ 244.40
City of Garden Grove, Huntington Beach	75.00	105.00	224.28	394.96		75.00		197.90	180.00	315.00	105.00		\$ 1,672.14
City of La Palma, La Habra, Newport Bch			9.96	150.00	150.00			9.96	75.00				\$ 394.92
City of Santa Ana, San Clemente	300.00	75.00	220.91		75.00			330.00	150.00	180.00	735.00		\$ 2,065.91
City of San Juan Capistrano	105.00	315.00		241.92				168.72	210.00	420.00	210.00		\$ 1,670.64
City of Tustin, Westminster	315.00	285.00	75.00	70.91	87.25	150.00		150.00	69.00				\$ 1,202.16
City of Orange, CUWCC	945.00	7,842.25	554.85	324.96		180.00		69.00	285.00	495.00	840.00		\$ 11,536.06
Department of Water Resources	6,502.95		91,318.70	11,804.40			3,145.66		74,156.40		14,464.80		\$ 201,392.91
East Orange County Water District													\$ -
El Toro Water District	7,198.83		2,743.20	2,796.39	4,569.99		500.00	1,311.00	2,061.00	2,044.00			\$ 23,224.41
Golden State Water Company	525.00		892.84	1,039.99	210.00	2,622.94	105.00	1,293.72	4,646.00	735.00	1,635.00		\$ 13,705.49
Irvine Ranch Water District	55,800.00		1,500.00	43,514.14	2,250.00	750.00	66,856.99	18,660.00	35,281.24	34,331.10	9,362.50		\$ 268,305.97
Laguna Beach County Water District			9.96			75.00		889.00			75.00		\$ 1,048.96
Mesa Water District	654.96		75.00			75.00			375.00	150.00			\$ 1,329.96
Metropolitan Water District	116,677.96	292,381.42	722.05	5,372.28	22,225.79	158,856.54		2,441.39					\$ 598,677.43
Moulton Niguel Water District, NRCS	234.96	75.00	491.97			361.55	375.00	594.00	150.00	225.00			\$ 2,507.48
MWDOC				54,000.00				7,600.00					\$ 61,600.00
Santa Margarita Water District	300.00	534.96	1,106.21	6,402.99	246.99	3,333.94	1,258.00	3,610.00	5,140.88	2,540.28	644.00		\$ 25,118.25
Serrano Water District													\$ -
South Coast Water District		143.00						144.00					\$ 287.00
State Water Resources Control Board		127,400.00											\$ 127,400.00
Yorba Linda Water District		75.00		159.98			75.00	84.96		150.00			\$ 544.94
Miscellaneous Revenues													
Interest Revenue	1.20						121.52			167.10			\$ 289.82
Total Revenues	189,635.86	429,306.63	99,944.93	126,357.88	29,815.02	295,791.39	73,008.13	38,894.13	153,177.02	41,827.48	196,209.50	-	\$ 1,673,967.97
EXPENDITURES:													
Alliance for WUE, A&N Technical	11,070.00	3,295.00	2,170.00	1,143.50									17,678.50
Aquaficient, ABG Mktg,	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00		16,500.00
Bridgecreek Landscape, Boeing							37,924.96						37,924.96
Conservation Consulting, LLC, Earthco	7,659.00	7,105.50	6,858.00	7,818.75	7,326.00	7,175.25	7,029.00	6,132.00	7,211.25	7,062.75	7,022.25		78,399.75
City of Buena Park, City of Newport Bch	54,622.00	31,700.00			95,532.00	16,632.00		15,002.00		6,630.00	6,592.00		226,710.00
City of San Clemente, San Juan Cap		105.00											105.00
City of Tustin, City of Westminster		210.00		439.50									649.50
EOCWD, El Toro WD, Fountain Valley													-
Eco friendly landscape, EIS		8,850.00						7,200.00	6,450.00		1,200.00		23,700.00
Garden Grove, Hotel Prog part, IRWD					6,350.00					20,000.00	46,350.00		72,700.00
Laguna Beach CWD										11,520.00	15,828.00		27,348.00
MET, MESA, MNWD				8,060.72			24,066.44		17,935.77	4,022.24	1,404.60		55,489.77
Mission RCD, Oakley, Paradise Designs	10,398.07	8,684.21	7,246.00	22,135.63		21,301.33		8,883.94	22,015.61		14,655.99		115,320.78
SNMWD, SCWD, Survey Gizmo				3,115.02			675.00		270.62				4,060.64
Turf Removal, URS Corp	16,118.50	90,345.70	21,493.77	84,789.00	23,521.50	29,412.00	23,781.92	54,074.10	19,952.50	11,834.50	103,043.70		478,367.19
University of California, Irvine										20,310.00			20,310.00
Wade Landscaping, Waterwise Consult	4,980.00	3,350.00	2,050.00	1,700.00	3,510.00		6,820.00		1,250.00	2,050.00			25,710.00
Yorba Linda Water District													-
Miscellaneous Expenses													
Interest Expense				41.86									41.86
Salary & Benefit			7,996.89	5,061.16		7,795.94			6,479.42				27,333.41
Total Expenditures	106,347.57	155,145.41	49,314.66	135,805.14	137,739.50	83,816.52	101,797.32	92,792.04	83,065.17	84,929.49	197,596.54	-	\$ 1,228,349.36
Cash - Ending Balance	\$ (120,906.78)	\$ 153,254.44	\$ 203,884.71	\$ 194,437.45	\$ 86,512.97	\$ 298,487.84	\$ 269,698.65	\$ 215,800.74	\$ 285,912.59	\$ 242,810.58	\$ 241,423.54		

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2013 THRU APRIL 30, 2014

**Municipal Water District of Orange County
Combined Balance Sheet
As of April 30, 2014**

<u>ASSETS</u>	Amount
Cash in Bank	182,107.03
Investments	7,982,484.19
Accounts Receivable	34,086,810.62
Accounts Receivable - Other	204,126.31
Accrued Interest Receivable	26,511.42
Prepays/Deposits	380,809.63
Leasehold Improvements	2,796,412.08
Furniture, Fixtures & Equipment	536,387.64
Less: Accum Depreciation	(2,379,678.75)
TOTAL ASSETS	<u>\$43,815,970.17</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	34,653,890.65
Accrued Salaries and Benefits Payable	334,050.26
Other Liabilities	435,857.15
Other post employment benefits (OPEB) liabilities	31,956.00
Unearned Revenue	1,178,339.71
Total Liabilities	<u>36,634,093.77</u>
 Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	1,011,498.88
Water Fund - CC	90,379.54
Total Restricted Fund Balances	<u>1,101,878.42</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,655,608.61
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	<u>2,895,099.61</u>
GENERAL FUND	1,270,445.12
WEROC	49,543.25
Total Unrestricted Fund Balances	<u>4,215,087.98</u>
Excess Revenue over Expenditures	
Operating Fund	1,813,986.17
Other Funds	50,923.83
Total Fund Balance	<u>7,181,876.40</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$43,815,970.17</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2013 thru April 2014

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	5,129,804.40	5,121,824.00	100.16%	0.00	(7,980.40)
Water Increment	<u>56,840.38</u>	<u>643,886.70</u>	<u>709,840.00</u>	<u>90.71%</u>	<u>0.00</u>	<u>65,953.30</u>
Water rate revenues	56,840.38	5,773,691.10	5,831,664.00	99.01%	0.00	57,972.90
Interest Revenue	<u>7,863.99</u>	<u>88,182.78</u>	<u>138,000.00</u>	<u>63.90%</u>	<u>0.00</u>	<u>49,817.22</u>
Subtotal	64,704.37	5,861,873.88	5,969,664.00	98.19%	0.00	107,790.12
Choice Programs	0.00	916,312.10	907,846.00	100.93%	0.00	(8,466.10)
Miscellaneous Income	(254.88)	2,316.96	3,000.00	77.23%	0.00	683.04
School Contracts	9,245.76	74,795.21	70,000.00	106.85%	0.00	(4,795.21)
Delinquent Payment Penalty	<u>57.35</u>	<u>57.35</u>	<u>0.00</u>		<u>0.00</u>	<u>(57.35)</u>
Subtotal	<u>9,048.23</u>	<u>993,481.62</u>	<u>980,846.00</u>	<u>101.29%</u>	<u>0.00</u>	<u>(12,635.62)</u>
TOTAL REVENUES	<u>73,752.60</u>	<u>6,855,355.50</u>	<u>6,950,510.00</u>	<u>98.63%</u>	<u>0.00</u>	<u>95,154.50</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2013 thru April 2014

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	226,206.98	2,326,610.00	2,848,711.00	81.67%	0.00	522,101.00
Salaries & Wages - Grant Recovery	0.00	(21,059.67)	(20,851.00)	101.00%	0.00	208.67
Directors' Compensation	16,614.44	148,333.27	200,357.00	74.03%	0.00	52,023.73
MWD Representation	7,329.90	66,400.41	114,490.00	58.00%	0.00	48,089.59
Employee Benefits	67,667.43	679,581.82	962,227.00	70.63%	0.00	282,645.18
OPEB Annual Contribution	0.00	0.00	111,112.00	0.00%	0.00	111,112.00
Employee Benefits - Grant Recovery	0.00	(6,273.74)	0.00	0.00%	0.00	6,273.74
Director's Benefits	7,282.54	71,170.68	87,592.00	81.25%	0.00	16,421.32
Health Ins \$'s for Retirees	5,706.08	42,707.24	44,463.00	96.05%	0.00	1,755.76
Training Expense	0.00	1,639.00	11,600.00	14.13%	0.00	9,961.00
Tuition Reimbursement	0.00	3,728.60	6,000.00	62.14%	0.00	2,271.40
Personnel Expenses	330,807.37	3,312,837.61	4,365,701.00	75.88%	0.00	1,047,784.95
Engineering Expense	4,500.00	52,500.00	170,000.00	30.88%	9,000.00	108,500.00
Legal Expense	17,837.01	285,350.36	304,500.00	93.71%	71,891.14	(52,741.50)
Audit Expense	0.00	17,900.00	23,000.00	77.83%	0.00	5,100.00
Professional Services	47,670.38	542,212.74	795,313.00	68.18%	100,914.01	152,186.25
Professional Fees	70,007.39	897,963.10	1,292,813.00	69.46%	181,805.15	213,044.75
Conference-Staff	2,425.00	7,855.00	12,520.00	62.74%	0.00	4,665.00
Conference-Directors	75.00	3,133.00	7,960.00	39.36%	0.00	4,827.00
Travel & Accom.-Staff	329.95	17,699.13	28,360.00	62.41%	0.00	10,660.87
Travel & Accom.-Directors	451.99	10,304.14	15,950.00	64.60%	0.00	5,645.86
Travel & Conference	3,281.94	38,991.27	64,790.00	60.18%	0.00	25,798.73
Membership/Sponsorship	50.00	80,129.93	88,087.00	90.97%	0.00	7,957.07
CDR Support	0.00	29,969.25	39,140.00	76.57%	9,989.75	(819.00)
Dues & Memberships	50.00	110,099.18	127,227.00	86.54%	9,989.75	7,138.07
Business Expense	599.08	5,342.17	7,000.00	76.32%	0.00	1,657.83
Maintenance Office	7,744.37	77,268.89	104,880.00	73.67%	13,051.74	14,559.37
Building Repair & Maintenance	174.22	7,044.72	0.00	0.00%	4,678.33	(11,723.05)
Storage Rental & Equipment Lease	963.38	11,667.77	14,309.00	81.54%	2,640.23	1.00
Office Supplies	1,228.68	21,312.96	24,000.00	88.80%	727.28	1,959.76
Postage/Mail Delivery	558.93	8,598.72	15,100.00	56.95%	2,038.33	4,462.95
Subscriptions & Books	0.00	493.62	2,400.00	20.57%	0.00	1,906.38
Reproduction Expense	(182.35)	9,847.64	68,587.00	14.36%	9,828.45	48,910.91
Maintenance-Computers	0.00	2,435.44	7,500.00	32.47%	387.98	4,676.58
Software Purchase	0.00	1,769.94	9,500.00	18.63%	631.95	7,098.11
Software Support	2,326.87	21,342.01	54,400.00	39.23%	17,055.00	16,002.99
Automotive Expense	2,089.81	11,996.46	14,300.00	83.89%	0.00	2,303.54
Toll Road Charges	180.45	1,189.30	1,290.00	92.19%	0.00	100.70
Insurance Expense	8,377.97	87,131.09	96,000.00	90.76%	0.00	8,868.91
Utilities - Telephone	1,146.88	11,955.17	16,900.00	70.74%	0.00	4,944.83
Bank Fees	844.47	8,863.29	10,560.00	83.93%	0.00	1,696.71
Miscellaneous Expense	3,284.03	40,491.20	85,750.00	47.22%	2,844.74	42,414.06
MWDOC's Contrb. To WEROC	9,068.00	90,684.00	108,820.00	83.33%	0.00	18,136.00
Depreciation Expense	2,942.02	29,419.90	0.00	0.00%	0.00	(29,419.90)
Other Expenses	41,346.81	448,854.29	641,296.00	69.99%	53,884.03	138,557.68
Building Repair & Maintenance	0.00	216,837.00	315,000.00	68.84%	4,450.00	93,713.00
Capital Acquisition	785.16	15,786.88	23,500.00	67.18%	6,475.00	1,238.12
TOTAL EXPENSES	446,278.67	5,041,369.33	6,830,327.00	73.81%	256,603.93	1,532,353.74
NET INCOME (LOSS)	(372,526.07)	1,813,986.17	120,183.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July 2013 thru April 2014

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	18,814,107.00	146,330,138.60	145,306,842.00	100.70%	(1,023,296.60)
Readiness to Serve Charge	1,162,223.88	9,963,147.60	10,293,552.00	96.79%	330,404.40
Capacity Charge CCF	304,941.67	2,786,166.70	3,132,800.00	88.94%	346,633.30
SCP Surcharge	26,957.23	268,996.88	354,112.00	75.96%	85,115.12
Interest	221.77	2,388.37	4,630.00	51.58%	2,241.63
TOTAL WATER REVENUES	20,308,451.55	159,350,838.15	159,091,936.00	100.16%	(258,902.15)
<u>WATER PURCHASES</u>					
Water Sales	18,814,107.00	146,330,138.60	145,306,842.00	100.70%	(1,023,296.60)
Readiness to Serve Charge	1,162,223.88	9,963,147.60	10,293,552.00	96.79%	330,404.40
Capacity Charge CCF	304,941.67	2,786,166.70	3,132,800.00	88.94%	346,633.30
SCP Surcharge	26,957.23	268,996.88	354,112.00	75.96%	85,115.12
TOTAL WATER PURCHASES	20,308,229.78	159,348,449.78	159,087,306.00	100.16%	(261,143.78)
EXCESS OF REVENUE OVER EXPENDITURES	221.77	2,388.37	4,630.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July 2013 thru April 2014

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	120,636.59	107,000.00	112.74%
Expenses	84,386.25	107,000.00	78.87%
Excess of Revenues over Expenditures	<u>36,250.34</u>	<u>0.00</u>	
SmarTimer Program			
Revenues	91,338.28	125,200.00	72.95%
Expenses	92,097.30	125,200.00	73.56%
Excess of Revenues over Expenditures	<u>(759.02)</u>	<u>0.00</u>	
Industrial Water Use Reduction			
Revenues	82,879.44	113,478.00	73.04%
Expenses	82,142.39	113,478.00	72.39%
Excess of Revenues over Expenditures	<u>737.05</u>	<u>0.00</u>	
Rotating Nozzles Rebate			
Revenues	151,679.32	0.00	0.00%
Expenses	151,749.17	0.00	0.00%
Excess of Revenues over Expenditures	<u>(69.85)</u>	<u>0.00</u>	
Hotel Water Use Reduction Program			
Revenues	63,030.00	189,484.00	33.26%
Expenses	86,451.32	189,484.00	45.62%
Excess of Revenues over Expenditures	<u>(23,421.32)</u>	<u>0.00</u>	
ULFT Rebate Program			
Revenues	54,659.27	40,000.00	136.65%
Expenses	53,259.12	40,000.00	133.15%
Excess of Revenues over Expenditures	<u>1,400.15</u>	<u>0.00</u>	
HECW Rebate Program			
Revenues	231,616.91	380,000.00	60.95%
Expenses	229,546.28	380,000.00	60.41%
Excess of Revenues over Expenditures	<u>2,070.63</u>	<u>0.00</u>	
CII Rebate Program			
Revenues	46,626.00	0.00	0.00%
Expenses	46,482.00	0.00	0.00%
Excess of Revenues over Expenditures	<u>144.00</u>	<u>0.00</u>	
Large Landscape Survey			
Revenues	49,322.55	21,600.00	228.35%
Expenses	67,751.62	21,600.00	313.66%
Excess of Revenues over Expenditures	<u>(18,429.07)</u>	<u>0.00</u>	
Indoor-Outdoor Survey			
Revenues	3,272.16	12,150.00	26.93%
Expenses	0.00	12,150.00	0.00%
Excess of Revenues over Expenditures	<u>3,272.16</u>	<u>0.00</u>	
Turf Removal Program			
Revenues	334,756.72	105,000.00	318.82%
Expenses	334,117.78	105,000.00	318.21%
Excess of Revenues over Expenditures	<u>638.94</u>	<u>0.00</u>	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July 2013 thru April 2014

	Year to Date Actual	Annual Budget	% Used
WUE Master Plan			
Revenues	3,313.50	0.00	0.00%
Expenses	3,332.49	0.00	0.00%
Excess of Revenues over Expenditures	(18.99)	0.00	
WEROC			
Revenues	197,882.03	213,577.00	92.65%
Expenses	167,789.36	213,577.00	78.56%
Excess of Revenues over Expenditures	30,092.67	0.00	
WEROC Water Trailers			
Revenues	464,150.00	0.00	0.00%
Expenses	464,150.00	0.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WUE Projects			
Revenues	1,233,130.74	1,093,912.00	112.73%
Expenses	1,231,315.72	1,093,912.00	112.56%
Excess of Revenues over Expenditures	1,815.02	0.00	
RPOI Distributions			
Revenues	4,447,821.66	1,619,665.00	274.61%
Expenses	4,447,821.66	1,619,665.00	274.61%
Excess of Revenues over Expenditures	0.00	0.00	
Ocean Desalination			
Revenues	56,582.77	115,459.00	49.01%
Expenses	56,582.77	115,459.00	49.01%
Excess of Revenues over Expenditures	0.00	0.00	



ACTION ITEM

June 18, 2014

TO: Board of Directors

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

Robert Hunter, General Manager
Staff Contact: Joe Berg, Water Use Efficiency Programs Manager

SUBJECT: Retail Water Agency Pass-Through Funding Agreements for Water Use Efficiency Programs

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to sign pass-through funding agreements with member agencies to enhance incentives paid to their respective customers.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

The Metropolitan Water District administers a regional rebate program on behalf of all agencies in its service area. Rebates are paid to residential, commercial, industrial and institutional customers for installing water saving devices including, but not limited to, smart irrigation timers and sprinkler nozzles, toilets and urinals, food steamers, and ice machines.

MWDOC and its member agencies add additional funding to Metropolitan's base rebate incentives to enhance the incentive for our customers. MWDOC's enhanced incentives come from grants obtained from state and federal sources. Retail agency enhanced incentives usually come from their general operating budgets.

To facilitate enhanced incentives from member agencies, MWDOC and the participating member agency enter into a pass-through funding agreement. Agencies can pick and choose what devices they want to provide and the level of enhanced rebates for their customers. In this manner each retail agency can tailor the program to the needs within its service area. A pass-through agreement template is provided as Attachment A. Prior to

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

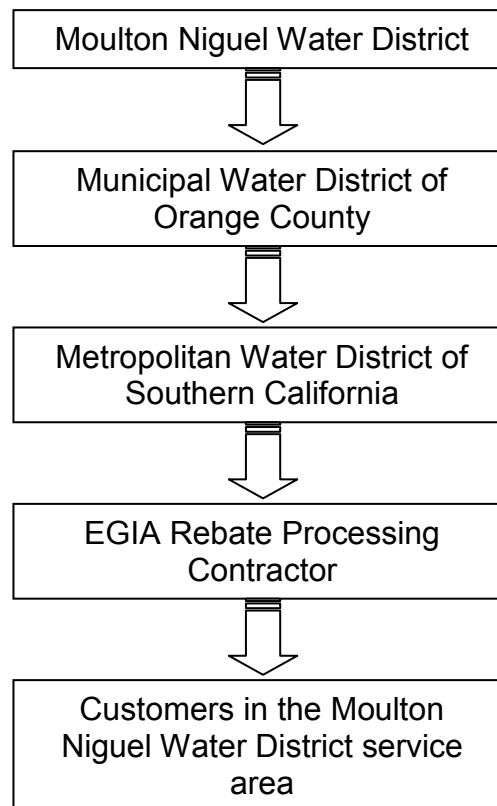
September 2013, these agreements were signed at the discretion of the General Manager. The purpose of this staff report is to inform the Board of pass-through funding agreements and to request Board authorization for the General Manager to continue signing pass-through funding agreements with member agencies.

DETAILED REPORT

After approval of this item and application to MNWD and TCWD, MWDOC will have pass-through funding agreements with all but four member agencies (Emerald Bay, La Palma, San Juan Capistrano, and Seal Beach). The majority of these agreements facilitate funding for smart timers, which is captured as matching funds for our federal grants. Several agencies provide enhanced incentives for other devices such as toilets, clothes washers, and turf removal.

Staff is currently in the process of establishing pass-through funding agreements with Moulton Niguel Water District and Trabuco Canyon Water District with the intent of becoming effective July 1, 2014. For the past three years, Moulton Niguel Water District has administered a rebate program for their customers. To save staff time processing rebates and streamline the rebate process for their customers, the Moulton Niguel Water District Board authorized passing their funding through MWDOC to the regional rebate program. MWDOC then passes this funding to Metropolitan who pays the rebate processing contractor. See Figure 1: Pass-Through Funding Flow Chart.

Figure 1: Pass-Through Funding Flow Chart



On a monthly basis, MWDOC reports rebate program activity and invoices each agency for their participation. Metropolitan and MWDOC monitor the drawdown of retail agency funding on a weekly basis to insure that funding is not over committed. Should an agency's designated amount of funding be exhausted, they can add additional funding at any time. The agency may also cease to provide funding upon 30 days' written notice.

Staff recommends the Board of Directors authorize the General Manager to sign pass-through funding agreements with member agencies to enhance incentives paid to their respective customers.

Attachment A

**Agreement for Participation and Funding
By Moulton Niguel Water District in
Specified Municipal Water District of Orange County
Rebate Programs**

This agreement for participation ("Agreement") is made by and between the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ("MWDOC") and MOULTON NIGUEL WATER DISTRICT ("MNWD"). The Agreement provides for participation and co-funding by MNWD of water use efficiency devices through Metropolitan Water District of Southern California's ("Metropolitan") SoCal Water\$mart ("Water\$mart") rebate program in MNWD's service area.

1. Rebate Programs. MWDOC has developed and arranged funding through Metropolitan and other sources for a program to provide rebates to water users within MNWD's service area upon the purchase and installation of common plumbing devices designed to increase water use efficiency. Through Metropolitan's "Water\$mart" rebate program ("Program"), property owners within MNWD's service area are eligible for rebates in varying amounts for a range of devices. The Program's objectives are to achieve savings in water consumption, reduce water runoff to storm drains and natural water bodies, and promote the goals of the applicable Best Management Practices.

2. Rebate Contractor. In connection with the Program, MWDOC and Metropolitan have contracted for the services of a qualified rebate contractor ("Rebate Contractor") to provide information about the Program and participation criteria to eligible participants, administer the rebates, and report the results of the Program. Participants qualify for rebates, and rebate checks are issued, when proper installation and operation of particular devices have occurred.

3. MNWD Participation and Funding. In addition to the existing funding for rebates provided directly through Metropolitan's Water\$mart program, MNWD will provide additional funding or "co-funding" to the Program in the "Maximum Funding" amounts identified on Exhibit A to this Agreement, entitled "Proposed Rebate Funding Levels FY 2013-2014." MNWD shall have the ability to transfer funding between devices as it deems necessary by sending written notice to MWDOC. Such a notice shall specify changes to the "Maximum Funding" for each device affected by the transfer and shall not result in a net increase in total funding. For example, if the Water\$mart high efficiency clothes washer rebate is nearing the "Maximum Funding" amount, while the Water\$mart high efficiency toilet rebate has funding remaining, MNWD may notify MWDOC in writing to transfer funding between the devices, thereby increasing the Maximum Funding for one device and decreasing it for the other. MNWD may also, upon notice by MWDOC of depleted funds prior to Program Expiration, as defined herein, make additional funding available, without formal amendment of this Agreement, up to an additional \$_____. This can be accomplished by letter from an authorized MNWD representative to MWDOC's General Manager. If the Maximum Funding for a particular device is exhausted prior to the Program Expiration, as defined in Paragraph 8 below, and MNWD does not elect to add additional funding or transfer available funding from another device, MWDOC will direct the Rebate Contractor to

discontinue offering the additional rebate funding for that device in MNWD's service area.

4. MWDOC's Obligations. Under this Agreement:

- MWDOC will be responsible to MNWD for ensuring that timely reports on the Program's results are prepared by the Rebate Contractor and MWDOC's own staff.
- MWDOC will develop a database of information regarding participation in the Program and provide monthly electronic and written reports of activity to MNWD.
- The electronic reports will include, at a minimum, MNWD customer account number, customer name, service address, quantity and type of device rebated, and rebate amount paid.
- MWDOC will invoice MNWD for its funding obligation pursuant to Exhibit A on a monthly basis for rebates issued during the previous month.
- MWDOC, through the Rebate Contractor or its own staff, will provide MNWD with monthly electronic and written reports and shall monitor the number of rebate applications provided in MNWD's service territory to ensure that it is within the "Maximum Funding" as provided in Exhibit A to this Agreement.
- MWDOC does not guarantee any minimum number of rebates will be available for MNWD's service area.

5. MNWD's Obligations. MWDOC will invoice MNWD on a monthly basis for rebates issued in the previous month period, and payment by MNWD will be made pursuant to Exhibit A and within thirty (30) days of the date of the MWDOC invoice.

6. Confidentiality. MWDOC agrees to maintain the confidentiality of MNWD's customer names, addresses and other information about participants in the Program gathered in connection with the Program, and MWDOC will not cause or permit the disclosure of such information except as required by law and as necessary to carry out the Program. To the extent MWDOC contracts with the Rebate Contractor or other third party contractors to carry out all or any portion of the Program, MWDOC will require such contractors to similarly maintain the confidentiality of such customer information.

7. Indemnification. To the extent MWDOC and/or MNWD or their respective staffs perform any activities in connection with the Program, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages and suits arising out of its negligence or liability without fault in the performance of such activities, except to the extent such liability, claims, obligations, damages or suits arise from the other's negligence or liability without fault.

8. Term. This Agreement shall commence on (mm/dd/yy) and continue until (mm/dd/yy) or until the Total Funding for the Program, as shown on Exhibit A hereto, has been exhausted, whichever occurs first ("Program Expiration"). If the Total Funding for the Program is exhausted prior to Program Expiration, MWDOC will notify MNWD and inquire about the availability of additional funding, as provided herein. If MNWD

declines to provide additional funding, MWDOC will direct its Rebate Contractor to discontinue offering rebate funding for the Program in MNWD's service area.

9. Early Termination. MNWD may terminate this Agreement at any time upon thirty (30) days' written notice to MWDOC. MWDOC may terminate this Agreement prior to the Program Expiration date, or prior to the exhaustion of the Total Funding for the Program for MNWD's service area, without prior notice in the event funding for the Program is exhausted, reduced, or eliminated from any funding source. If MWDOC deems it necessary to terminate this Program for any other reason, MWDOC will give MNWD thirty (30) days' written notice. In the event of termination by either party, MNWD will be responsible for payment of its funding contribution for all rebates initiated by participants of the Program within MNWD's service area prior to the effective date of the termination. For purposes of this paragraph, an application is deemed initiated when a participant in the Program submits an online rebate application or obtains a rebate reservation.

Dated: _____

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____
Robert J. Hunter
General Manager

Dated: _____

MOULTON NIGUEL WATER DISTRICT

By: _____
_____, General Manager

Dated: _____

APPROVED AS TO FORM:

By: _____

Legal Counsel

Exhibit A: Proposed Rebate Funding Levels FY 2013-2014

<i>Program</i>	Maximum Funding*	Devices	MNWD Rebate Funding Level Per Device
<i>SoCal Water\$mart</i> Residential Program	\$450,000	High Efficiency Clothes Washer (HECW)	\$165
		High Efficiency Toilet (HET)	\$50
Program	Maximum Funding*	Devices	MNWD Rebate Funding Level Per Device
<i>SoCal Water\$mart</i> Commercial Program	\$50,000	Commercial High Efficiency Toilet	\$100
		Zero Water/Ultra Low Water Urinals	\$100
		Connectionless Food Steamer	\$485 Per Compartment
		Commercial Ice Making Machine (Tier III)	\$250
		Hotel Connectionless Food Steamer	\$485 Per Compartment
		Hotel Commercial Ice Making Machine (Tier III)	\$250.00
Total Funding for All Programs	\$500,000		

* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by MNWD to transfer funding between programs.



CONSENT CALENDAR ITEM

June 18, 2014

TO: Board of Directors

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

Rob Hunter
General Manager

Staff Contact: Karl Seckel

SUBJECT: Travel to Washington DC in 2014 to Cover Federal Initiatives

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

June 2014 Progress Report

During the current quarter, Director Barbre made one trip to Washington DC to gather information on the Water Resources Reform and Development Act (WRRDA) and the potential for appropriations to emerge from the legislation.

For the upcoming quarter, it is likely that an additional trip will be made to continue to examine how implementation of WRRDA will occur, especially regarding appropriations for previously authorized funding opportunities.

Budgeted (Y/N): Yes	Budgeted amount: \$15,000 for travel	Core <input checked="" type="checkbox"/>	Choice ____
Action item amount: n/a		Line item: Cost centers 11 (Board) & 12 (Staff)	
Fiscal Impact (explain if unbudgeted): Item marked as Core even though it supports some of our Choice services; Federal funding is sought for both Core and Choice activities, however, the travel is charged as Core. Costs for our Federal advocates was split between Core and Choice and is not included in the cost amount; this year, the Federal Advocates are entirely Core. The actual amount budgeted for Travel this year to Washington DC was \$8,200. In light of the higher level of travel anticipated, reductions in other areas will have to be made.			

March 2014 Progress Report

The following trips have been made to Washington DC (not including the ACWA DC Conference and Legislative Luncheon) so far this year:

- January trip by Director Barbre
- February trip by Director Barbre and General Manager Hunter was cancelled due to weather conditions

The meetings and discussions have revolved around what Congress and the various Committees will do with respect to earmarking of projects and/or how to deal with the prohibition on earmarking as well as tracking progress on proposed legislation for the Water Resources Reform and Development Act (WRRDA) of 2013, the Water Infrastructure Finance and Innovation Authority (WIFIA) and the Corps of Engineers Environmental Infrastructure Account from WRDA 2007. The most recent trip back is to meet with Senator Feinstein's Office to directly discuss the potential for funding projects like the Doheny Desal Project.

ANNUAL SUMMARY FROM DECEMBER 2013

Each year a number of trips are made to Washington DC to carry out MWDOC's Federal Initiatives. Anticipated trips are as follows:

- In the past, typically MWDOC has budgeted six person-trips to Washington DC per year (a person-trip is one person traveling to and from Washington DC typically involving a two night stay). For 2014, it is anticipated that a few more trips will be made through the inclusion of the General Manager and/or another director. It is estimated that about 10-person trips may occur in the coming calendar year (not including the ACWA DC Trip that involves our Orange County delegation luncheon). These trips cost about \$1500 per person per trip and so the total estimated travel costs would be about \$15,000.
- Typically, the first of these trips occurs in early to mid-January to begin the process of scoping out sentiments and positions relative to funding opportunities for the year. The search includes looking for funds for Water Use Efficiency, Planning, other Projects or specifically for the Doheny Desalination Project and any other grant funding that might be developing. Early input into the process is sought to collect information and the current sentiment and to shape the policy direction in a manner beneficial to our needs.
- Additional trips occur as the year proceeds. Typically, the second trip occurs in mid-February. The purpose is to continue making the rounds with Committee and Congressional staff members ahead of the appropriation submittal process (March & April) to further develop our strategy and requests for the year.
- A third trip occurs in the May timeframe for meetings with the various legislative offices.

- The fourth and fifth trips for the year occur in the summer or early fall to follow-up on any late issues as appropriations bills are drafted and approved.
- Each of these trips can include one to two persons (staff and/or Directors; typically Director Brett Barbre makes all of the trips because of his expertise and connections).
- This item **does not** include the travel for the MWDOC Legislative meeting in February or travel to the ACWA Washington DC Conference in February or March.



ACTION ITEM
June 18, 2014

TO: Board of Directors

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

**SUBJECT: APPOINTMENT OF TREASURER, DEPUTY TREASURER, AND
ALTERNATE DEPUTY TREASURER(S)**

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt Resolution appointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey and Mary Snow Alternate Deputy Treasurers.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

Currently the Treasurer position is vacant, with Hilary Chumpitazi as Deputy Treasurer, and Robert Hunter as Alternate Deputy Treasurer. Because the Director of Finance position will remain vacant for a period of time, staff recommends appointing Hilary Chumpitazi (the Accounting Manager) to the position of Treasurer until such time as it appears necessary to fill the Director of Finance position. As a result, staff believes it would be prudent to appoint Robert Hunter as Deputy Treasurer, and appoint both Jeff Stalvey and Mary Snow as Alternate Deputy Treasurers.

Attached is the proposed Resolution.

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

RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPOINTING TREASURER, DEPUTY TREASURER, AND ALTERNATE DEPUTY
TREASURER**

WHEREAS, the MWDOC Administrative Code and requires the Board to appoint the Secretary, Treasurer, and Legal Counsel on an annual basis (at the first regular meeting in January); and

WHEREAS, the Director of Finance customarily serves in the capacity of Treasurer, the Accounting Manager serves in the capacity of Deputy Treasurer, and the General Manager customarily serves as Alternate Deputy Treasurer; and

WHEREAS, as a result of the vacancy in the Director of Finance position there is currently no appointed Treasurer and no immediate plan to fill the Director of Finance position;

NOW, THEREFORE, BE IT RESOLVED as follows:

Hilary Chumpitazi is hereby appointed as Treasurer of the Municipal Water District of Orange County, effective immediately, the term of office to be at the pleasure of the Board.

Robert Hunter is hereby appointed as Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board; and

Jeff Stalvey is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board; and

Mary Snow is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. _____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting of June 18, 2014.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES JUNE 2014

Managers' Meeting	<p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, May 15. In attendance were Andy Brunhart (SCWD); Howard Johnson (Brady); Ken Vecchiarelli (GSWC); Renae Hinchey (LBCWD); Bob Hill (ETWD); Scott Miller (Westminster); Steve Conklin (YLWD); Paul Shoenberger (Mesa); Joone Lopez (MNWD); Mark Sprague (Fountain Valley); Mike Dunbar (EBSD); Paul Weghorst (IRWD); Luis Estevez (Seal Beach); Brian Ragland (Huntington Beach); George Murdoch (Newport Beach); Michael Grisso (Buena Park); Dan Ferons and Nancy Trujillo (SMWD); Jose Diaz (Orange); Hector Ruiz (TCWD); Dave Rebensdorf (San Clemente); Art Valenzuela (Tustin); and Karl Seckel; Harvey De La Torre; Darcy Burke; Joe Berg; Lee Jacobi; Melissa Baum-Haley; and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Final Draft MWDOC 2014-15 Budget, Core/Choice & Rates 2. Bay-Delta Conservation Plan Comment Letter 3. Water Supply Update 4. MET's Conservation and Recycled On-Site Retrofit Programs 5. Water Bond Legislation 6. MWDOC's MET Director Appointment Update 7. Election of MET's Chairman 8. MET/SDCWA Lawsuit <p>The next meeting is scheduled for Thursday, June 19.</p>
EBD Bauer	<p>Karl, Richard and I met with EBD Bauer following discussions at the Water Summit regarding skid mounted ocean desalination treatment units they have in stock in Orange County. The two existing units are capable of producing 880,000 gallons per day of product water from the ocean. There are other firms that provide similar types of equipment; Bauer indicated that there may be some synergies for having a project in their own back yard (they are located in Tustin).</p>
Poseidon Huntington Beach Desalination Project	<p>Karl and I met with Poseidon Resources to discuss the various aspects of the project formulation and the efforts needed to secure MET's approval both for the Local Resources Program funding and for use of the EOCF#2 for moving the water into the OC system.</p>

MET ITEMS CRITICAL TO ORANGE COUNTY

MWD's Water Supply Conditions	<p>Due to unprecedented dry conditions in CY 2013, the governor declared a Drought State of Emergency on January 17, 2014. On January 31, 2014, Northern Sierra precipitation measured 17 percent of normal, and the statewide snowpack measured only 12 percent of normal. As a result, the California Department of Resources (DWR) reduced the SWP "Table A" allocation from 5 percent to 0 percent. Wet conditions in February and March boosted rainfall in the Northern Sierras to 60 percent of normal by the end of March. On April 18, 2014 DWR increased the SWP Allocation back to 5 percent. Under this record low allocation, the total supply from the SWP system to MWD is only 103 thousand acre-feet.</p> <p>On the CRA system, precipitation and snowpack in the Upper Colorado Basin are the primary indicators of water supply conditions. The Upper Colorado snowpack tracked at or above normal for most of the 2014 snowfall season. On May 2, 2014, the Bureau of Reclamation projected the annual runoff into Lake Powell to be 105% of average. The seasonal snowpack in the Upper Basin peaked on April 7, 2014 at 111% of average. This above normal hydrology will improve storage levels in Lake Powell and Lake Mead, which in turn affects the likelihood of surplus or shortage conditions in the future.</p> <p>MWD's dry-year storage balance at the beginning of CY 2014 was estimated to be 2.32 MAF. Based on the current water supply and demand balance, MWD would need to withdraw 1.06 MAF from its storage reserves in 2014. MWD staff estimates that about 475 TAF could be withdrawn from CRA storage, 541 TAF from SWP storage, and 504 TAF from In-Region storage. Without additional supplies in 2014, dry-year storage reserves would be expected to end the year at 1.26 MAF.</p>
MWD's Finance and Rate Issues	<p>At this month's Metropolitan Finance and Insurance Committee, Chief Financial Officer Gary Breaux reported that water deliveries through May were 320 TAF higher than budgeted and 213 TAF higher than the 5-year average. This resulted in water sales through May generating \$228.5 Million (M) higher than budgeted and \$190.6 M higher than last year.</p>

Colorado River Issues	<p><u>Lake Mead Level Dropping Quickly</u> In the last two months, the level of Lake Mead has dropped by more than 13 feet, resulting in the closure of one marina and threatening closure of three others. The quick decline in storage is a result of the record low release of water upstream from Lake Powell this year combined with downstream demands. At the end of April, Lake Mead was 1,095 feet above sea level, 20 feet above the level that a first ever shortage would be declared on the Colorado River. Updated analyses by the U.S. Bureau of Reclamation predict that there is about a one in four chance that a shortage would be declared on the Colorado River in August 2015.</p> <p><u>Pulse Flow Continues through Colorado River Delta</u> The 105,000 acre-foot pulse flow, designed to re-water the Colorado River as it flows through the Colorado River Delta, occurred in late March 2014 and continued into early May 2014. The goal of the program is to flood the banks of the Colorado River and then slowly recede at a time when the native plants release their seeds, falling on the damp soil and allowing for germination. Extensive monitoring of the region is occurring to determine success of the pulse flow in helping to reestablish native vegetation in the region.</p>
Bay Delta/State Water Project Issues	<p><u>Revised Budget Proposal Increases Drought Funding</u> On May 13, Governor Jerry Brown released his revised budget proposal and spending plan that provides an additional \$142 million for drought-related expenditures such as increased fire protection, enhanced salmon monitoring and more funding for the Save Our Water campaign. The increase in \$142 million one-time funding for drought-related expenses is in addition to the \$687 million drought-relief package approved by the Legislature earlier this year. This budget includes an \$18.1 million increase for the Department of Water Resources to comprehensively assess current surface and groundwater conditions, expedite water transfers, provide technical guidance to local water agencies, and provide additional public outreach through the Save Our Water campaign.</p> <p><u>Bay Delta Conservation Plan</u> The state developed a series of short videos to address common questions and topics on the Bay Delta Conservation Plan (BDCP) and associated Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS). The Informational Episodes are designed to help the public navigate the Draft BDCP and environmental review documents, find information, and learn more about the proposed project and its alternatives. There are 17 episodes total—8 focused on the proposed Bay Delta Conservation Plan, and 9 focused on the Draft EIR/EIS. The videos can be viewed on the BDCP website at www.BayDeltaConservationPlan.com. The website also provides a Program Guide with a synopsis of each episode along with viewing times.</p>

Bay Delta/State Water Project Issues (Continued)	<p><u>Delta Stewardship Council</u></p> <p>The Delta Stewardship Council (Council) met on April 24. This one-day meeting focused on efforts to increase water storage capacity in California. The discussion included panels representing federal, state, and local agencies as well as other stakeholders. The panels briefed the Council on various water storage topics, including planned and potential new projects and the public benefits of such projects. Also of note, Randy Fiorini chaired the first meeting of the Delta Stewardship Council Delta Plan Interagency Implementation Committee on April 9. This committee, which is mandated by the 2009 Delta Reform Act, includes state and federal agency heads or their designees. The committee discussed the California Water Action Plan, the Council's Delta Plan, federal investments in the Bay-Delta region, and various challenges they face working in the Delta. Chris Knopp, the Executive Officer for the Council, resigned, effective at the end of April. The Council discussed a search for a new executive officer in closed session at the April meeting.</p>
<h2 style="text-align: center;">ENGINEERING & PLANNING</h2>	
MET Interconnections – Second Lower Cross Feeder	<p>Karl, Harvey, Richard and Lee met with the 10 Second Lower Cross Feeder Project Participants to review the MET report on the project and to wrap up discussions among the participating agencies. MET Chief Engineer, Gordon Johnson, attended the meeting along with engineering staff member, Dave Clark, and System Operations staff, Brent Yamasaki. Gordon gave an update on the Diemer Plant Reliability enhancements and noted that \$570 million had been invested at Diemer and there was about \$166 million remaining under various contracts. Gordon also mentioned that he had been invited to the July WACO meeting to discuss the Diemer Plant improvements and the potential impact that seismic uplift may have on the Colorado River Aqueduct.</p> <p>The Second Lower Cross Feeder Workgroup revisited the reasons for formation of the workgroup – the possibility that a Diemer outage could occur and drastically limit deliveries within OC. The SLCF Project concept was to increase flows from the MET system in LA County and move that water into OC. Unfortunately, MET is unable to provide any certainty regarding the amount of water that can be moved in this direction to enable the SLCF pipeline to deliver water throughout OC via the East Orange County Feeder No. 2. Staff reviewed a chronology of the project and summarized the various discussions that occurred over time. The group was in agreement that the information developed for</p>

Second Lower Cross Feeder (Continued)	<p>the project should be maintained, but that other active work on the project should cease at this time. The good news from the study efforts is that the work completed by MWDOC and MET helped to clarify and establish the potential duration of outages from the Diemer Plant and the MET conveyance system in OC to between 1 week and up to 60 days in duration. This helps to more definitively establish the criteria for local reliability planning in OC.</p> <p>Karl also outlined and discussed upcoming reliability work in OC. Comments included: form a workgroup to help the study efforts; include climate variability in the analysis; establish expectations, objectives and priorities for the study work; cover risk planning and response workshops (combined with WEROC); and consider whether to utilize OCBC and Wallace Walrod in an update of the prior work from 2003 on the cost of NOT being reliable.</p>
Doheny Desalination Project	<p>Karl and Richard met with Andy Brunhart and Dave Youngblood to discuss the plans and schedule for South Coast Water District (SCWD) proceeding with work at the Doheny Desal site. SCWD is still interested in involving other agencies and has scoped out a three year work plan to get up to a 5 mgd plant operating by 2019:</p> <ul style="list-style-type: none"> • Complete the Foundational Action Plan work in 2015 • Begin Environmental Baseline monitoring in 2014 • Begin Preliminary Engineering in 2014 to support CEQA • Begin brine disposal outfall modeling in 2014 • Complete CEQA in 2016 • Complete Permitting in 2017 • Bid the project construction • Plant up and operating in 2019 <p>The SCWD Board will be considering how best to fund these activities. Also discussed were potential areas of help MWDOC could provide including seeking outside grant funding for any of the efforts. We also discussed the potential for skid-mounted desalination treatment to fit into the efforts. To get 10 mgd of feedwater would likely require two new wells plus the one existing well, if it can be rehabilitated. Andy indicated a desire to always preserve the options for upsizing the treatment works to 15 mgd as a future expansion.</p>
Ocean Desalination Project in Huntington Beach	<p>OCWD approved their staff seeking financial consultants to help with the evaluation of the Poseidon Project. OCWD received and evaluated five proposals. They will be considering action in June to award a contract. The work is to be completed by August. The selected consultant will help review and assess all aspects of the project financing plan and improving that plan, risk transfer and keying in on the certainty of the project costs.</p>

OC-70	MWDOC and EOCWD have requested MET to proceed with installation of a transfer switch at service connection OC-70 to allow a trailer mounted generator to power the pumps at the service connection in the event of a power outage of the local power grid. The lead time for the parts is about 8-10 weeks, after which the construction will take a few days.
MNWD Reliability Plan	Karl was invited by MNWD to participate with their consultant in reviewing work on their reliability plan. A draft of the plan is scheduled for June and will be helpful towards upcoming work on the Orange County Reliability Plan.
2006 Irvine Interconnection Agreement	Karl and Lee Jacobi met with Mike Hoolihan of Irvine Ranch Water District (IRWD) to discuss their water demand projection update and the completion of the master plan and hydraulic model. The purpose of the meeting was to discuss and understand flexibility in the IRWD system to potentially extend the 2006 Irvine Interconnection Agreement that allows IRWD to exchange MET water and groundwater for conveyance to South Orange County. Under the Agreement, IRWD committed to providing up to 30 cfs of emergency supplies to South Orange County, however, based on the build-up of demands in the IRWD system, the 30 cfs drops to zero by 2030. We are interested in options for extending or expanding the opportunity. MWDOC and IRWD will continue to work together on this effort.
Demand Projections in Orange County	MWDOC, Anaheim and Fullerton (Santa Ana could not make it) met with MET staff to go over updated demand projects from the MWD Main Model, the key demand forecasting model from MET. The purpose of the meeting was to review the demand projections in Orange County and the projections of passive water use efficiency efforts. MWDOC will be comparing the projections to information provided by the retailers in the County and including projections of active water use efficiency savings. MWDOC is also reviewing the projections of local water supplies included in the projections by MET.
BDCP/AB 32	<p>Richard has been reviewing the Bay Delta Conservation Plan (BDCP) and other state planning documents and will provide updates at upcoming P&O Committee meetings on the following:</p> <ul style="list-style-type: none"> • Western Delta Intake Concept (discussed at the OC Summit) that uses Sherman Island as a forebay reservoir for a BDCP alternative by Robert Pyke. The alternative has a number of problems. • Recently released BDCP Science Program Report that concludes that “the science in this BDCP effort falls short of what the project requires.”

BDCP/AB 32 (Continued)	<ul style="list-style-type: none"> California Air Resources Board (CARB) Scoping Plan for AB-32 including development of a policy for water planning by energy "loading schedules." The water community is critical of this policy; it is not clear what implications will result as water planning does not fall under CARB.
OC-88 Metering Issue on the SCP	Staff is awaiting a proposal from MET regarding how to make appropriate billing adjustments for having the incorrect operating data in the OC-88 master meter since 2004 that led to being out of calibration by about 3.4%.
OCWD Producers Meeting	Keith attended the June 11 OCWD Producers meeting where agenda items included: a Poseidon Project report that included the Grand Jury Report; OCWD hiring Clean Energy Capital as a financial consultant; the Coastal Commission meeting to initiate the Independent Scientific and Technical Advisory Panel; Prado Sediment Management Demonstration Project update; Long-Term Facilities Plan update; Prop 84 SAWPA Conservation Grant application with MWDOC; SB 26 update; and selection process for Producers' Chairman and Vice-Chairman for FY14/15.
Special Producers' for Long-Term Facilities Plan	Karl, Joe, Melissa and Keith attended the special Producers meeting on May 29 regarding OCWD's process to update their Long-Term Facilities Plan. Karl provided a presentation about O.C. water demand projections and answered questions. OCWD plans to complete the updated Plan by September 2014.
Poseidon Ocean Desalination	Karl, Harvey and Keith met with John Kennedy from OCWD, and Scott Maloni, Josie McKinley and Jon Loveland from Poseidon to review and discuss continuing work related to the Huntington Beach Ocean Desalination Project. Also, Karl provided a brief status report about the Doheny Desal Project.
EMERGENCY PREPAREDNESS	
General Activities	To conduct a mock grant audit of the WEROC Water Trailer grant, Kelly Hubbard worked with Gilbert Associates Inc. A report or summary has not been provided as of this date. This is an effort being led by Joe Berg.
Member Agency Coordination	<p>The WEROC Emergency Coordinator Quarterly Meeting was held on May 6. Topics included an after-action discussion on the La Habra Earthquake, drought planning, grant proposal feedback, Fuel Planning Gap Analysis, and the sharing of any lessons learned on the care and maintenance of the water trailers.</p> <p>At Costa Mesa Sanitary District, Kelly provided the management staff training on WebEOC and Resource Manager.</p>

Member Agency Coordination (Continued)	Kelly attended the first MET Exercise design meeting for a disaster exercise that will be coordinated between MET, the Three Cities, WEROC and its member agencies. The exercise is being scheduled for October or early November. There will be monthly planning meetings with MET. Kelly will start a planning process with the WEROC member agencies once the exercise date is set.
Coordination with the County of Orange	<p>At the City of Irvine, Kelly attended the May Orange County Emergency Management Organization (OCEMO) meeting. The primary topic was a presentation about emergency response by the California Gas Company and a review of the OC Operational Area Emergency Plan. The emergency plan review will be a multiple month process.</p> <p>Kelly attended the Operational Area Executive Board meeting as the voting member representing the Independent Special Districts of Orange County. This meeting included various updates from all areas of emergency response on activities over the last quarter and upcoming planning efforts. One item of interest is the State of California's Capstone Exercise. The Capstone exercise is similar to the "Golden Guardian" exercise held in 2008 in which there is a disaster scenario that agencies at the local, county and state level all respond to in a simulated EOC exercise on the same day and time. The Capstone Exercise will actually be a series of tabletop exercises (discussion based), seminars, regional planning that will lead up to a functional exercise (EOC based) for all participants on one day. The effort will be throughout the 2015/2016 fiscal year. All emergency response partners, including special districts, private and non-profit will be encouraged to participate.</p> <p>Louay Toma met with County Emergency Management staff to continue to troubleshoot database problems with the county's reverse notification system, Alert OC. The database issues are minor, but do create potential hiccups in the delivery of messages to WEROC EOC staff. Louay has identified the issue in how the contacts were inputted and has put in a significant effort to clean up the database and resolve this issue.</p>
Coordination with Outside Agencies	<p>Ongoing (last month's report as reference): Kelly was asked to join the California Office of Emergency Services Southern Region Drought Conference Calls as the Region 1 Mutual Aid Coordinator for the California Water and Wastewater Agency Response Network (CalWARN). This is a weekly conference call to provide an update to the Southern Region and the State Operations Center (SOC) on drought impacts, activities and needs.</p> <p>Kelly attended the California Emergency Services Association (CESA) Southern Chapter Board Meeting as the First Vice President.</p>

Coordination with Outside Agencies (Continued)	On May 14, Kelly presented two grant proposals to the Urban Area Working Group. The first proposal is for the purchase of generator cabling and cam locks to make it easier to share generators agency to agency and make the required electrical adjustments. This project was tentatively approved for 2014 grant funding and will be submitted as part of the County's package. The second project is for portable fuel trailers to assist agencies with fuel delivery to essential facilities when power is out. This project is tentatively approved with no-assigned fiscal year.
WEROC Emergency Operations Center (EOC) Readiness	<p>Kelly has been working with ATT to see if the two EOC's can have U-Verse Cable installed. U-Verse is cheaper with higher internet speed. Unfortunately, it was determined that the South EOC was not eligible due to the lack of proper infrastructure in the area. The North EOC is still being evaluated.</p> <p>Staff successfully participated in the MARS and OA Radio test this month. The WEROC Radio Test was conducted on May 27 with great participation by a large majority of the agencies. This month was a unique test in that we asked agencies to respond to a simulated emergency prompt with damage reports. This allows the agencies to practice in a more realistic manner and for the WEROC staff to evaluate how they collect information for real events.</p> <p>Louay went to the NEOC for pest control and both EOCs for cleaning.</p>
WATER USE EFFICIENCY	
California Urban Water Conservation Council (CUWCC)	<p>On May 14, Joe Berg participated in the CUWCC quarterly Board meeting hosted by Western Municipal Water District. Approximately 25 Board members and staff from throughout the state participated in this meeting. Agenda items included:</p> <ul style="list-style-type: none"> • Introductions • Public Comment Period • Consent Calendar • Executive Director's Report • BMP 1.4 Revisions Process Update • By-Law Revisions to Key Definitions, Assuring Legal Compliance, and Member Privileges and Benefits • Drought Response Survey • Contracts with Auditor and Accountant • June Plenary Agenda • Legislative and Regulatory Update • Initial Executive Director Report on Board Interviews

California Urban Water Conservation Council (CUWCC)	<p>The next meeting is scheduled for August 13, 2014 and will be hosted by the City of Roseville.</p> <p>At the Etiwanda Gardens in Rancho Cucamonga on May 22, Joe, Steve Hedges, Melissa Baum-Haley, Beth Fahl, Sergio Ramirez, and Elizabeth Nam attended a landscape symposium sponsored by CUWCC. Other symposium sponsors included the Department of Water Resources, Department of Pesticide Regulation, State Water Resources Control Board, and Cal Recycle. A similar symposium was held in northern California on May 29. The purpose of the symposia was to begin a multi-agency and stakeholder transformation of urban landscapes in California. A report will be produced summarizing stakeholder input and making recommendations for the next steps to begin establishing the transformation.</p>
Trabuco Canyon Water District	<p>On May 15, Melissa, Steve, and Beth met with Michael Perea and Hector Ruiz of Trabuco Canyon Water District (TCWD) to complete the discussion on the rebate programs and the opportunities for enhancing the current incentive levels. Utilizing the Water Use Efficiency Master Plan, MWDOC developed a supplemental funding model specifically for TCWD.</p>
Metropolitan Water District of Southern California (MET)	<p>On May 15, Joe participated in Metropolitan's monthly Water Use Efficiency Coordinator meeting. Approximately 45 member and sub-agency representatives participated. Agenda items included:</p> <ul style="list-style-type: none"> • Introductions • Metropolitan Updates • Member Agency Inspections • California Friendly Landscape Training Classes Year 1 Review • California Energy Commission Water Proposal • MWD Outreach Updates • Member Agency Roundtable <p>The next meeting is scheduled for June 19, 2014.</p> <p>On May 15, Joe also participated in a CEO to CEO meeting with several major beverage producers in Metropolitan's service area. Included in that meeting were Greg Haskin, Senior Governmental Affairs Director, Tim Carey, Senior Director of Sustainability, and Erica Edwards, Facilities Manager, from PEPSICO in Buena Park. The purpose of the meeting was to begin an open dialogue between water agencies and the beverage industry as we progress through the drought. It was learned that the beverage industry is dedicated to sustainability and has already implemented state-of-the-art efficiency measures. The next steps are to conduct facility tours to further the dialogue.</p>

Metropolitan Water District of Southern California (Continued)	On May 21, Melissa participated in Metropolitan's Drought Program Refinement Committee meeting. Representatives from the Los Angeles Department of Water and Power, San Diego County Water Authority, City of Santa Monica, Inland Empire Utilities Agency, City of Pasadena, Eastern Municipal Water District, and US Bureau of Reclamation also attended the meeting. Topics of discussion included potential research topics and potential devices or services that could receive a new or modified incentive level.
Apartment Association of Orange County (AAOC)	On May 21, Sergio participated in a presentation panel for the AAOC to outline the status of the drought, the applicable rebate programs, and details regarding the Turf Removal Program. The presentation also shared how apartment owners can take advantage of MWDOC's WaterSmart Landscape Program, as well as Metropolitan's Large Landscape Survey Program.
Department of Water Resources Independent Technical Panel	On May 27, Joe participated in a Department of Water Resources Independent Technical Panel conference call. The Independent Technical Panel (ITP) was established by the Legislature in 2007. It is charged with convening every five years and submitting a report to the Legislature summarizing potential water savings opportunities available to the state. The current ITP is now focusing on water savings recommendations in indoor and outdoor water use and plumbing fixture standards. The goal is to have a draft report ready to submit to the Legislature in early 2015. The next ITP meeting is scheduled as a webinar for August 2014.
Huntington Beach Homeowners Associations (HOA) Seminar	On May 28, Huntington Beach conducted a mini-HOA seminar aimed at educating the public on the many services the City provides. Steve gave a presentation to a group of HOA board members, landscape professionals, and other interested parties on the many aspects of MWDOC's Water Use Efficiency programs and rebates.
CEO Water Mandate Conference	On May 28, Melissa attended the CEO Water Mandate conference in Los Angeles and presented on MWDOC's Water Smart Industrial Program. The purpose of this one-day, "action-focused" conference was to explore how collaboration among private, public, and civil sectors can help address the range of water challenges facing the Southwestern United States. Other presenters included Deloitte Consulting, Veolia Environmental North America, AT&T, MillerCoors, General Mills, Campbell Soup Company, the Water Efficiency Action Network of the Colorado Basin States, and the Alliance for Water Stewardship.
South Orange County Watershed Management Area	On June 2, Joe participated in a South Orange County Watershed Management Area Stakeholder workshop. The purpose of this workshop was to review three projects recommended to the Executive Committee for inclusion in the Proposition 84 Drought Response grant application. All three projects focus on expanding recycled water distribution systems to new customers. Project proponents are Moulton Niguel Water District, Santa Margarita Water District, and South Coast Water District.

South Orange County Watershed Management Area (Continued)	<p>On June 5, Joe represented MWDOC at the Executive Committee meeting as Director Hinman's alternate. The Executive Committee was provided presentations on:</p> <ul style="list-style-type: none"> • Aliso Creek Non-Native Plant Removal, by Ernest Seidel from OC Parks • Aliso Creek Water Reuse, by Andrew Brunhart from SCWD • Export Sludge Storage, by Roni Young from the South OC Wastewater Authority <p>The Executive Committee also took action to support the three recycled water distribution system expansion projects for Proposition 84 funding consideration.</p>
California Association of Community Managers	<p>On June 5, Joe participated in a panel presentation at the California Association of Community Managers monthly luncheon meeting. Joe provided a water supply update and information on rebate and educational programs available to homeowners associations in Orange County. Other presenters covered appropriate uses of reserve funds to upgrade common area landscapes, landscape upgrade case studies, and cost benefit analyses. Approximately 85 property managers from throughout Orange County attended the luncheon.</p>
Joint Public Affairs and Water Use Efficiency Coordinators Workgroups	<p>On June 5, Steve, Melissa, Beth, and Sergio attended the joint meeting of the Public Affairs and Water Use Efficiency Coordinators Workgroups. The meeting was hosted by MWDOC, and approximately 25 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • Introductions • Changes to the Agenda • MWDOC Updates • Agency Roundtable • Problem Solving Roundtable • California Friendly Landscape Training Update • Water Supply Update • Public Affairs/Marketing Update <ul style="list-style-type: none"> ○ Value of Water Communications Plan ○ Bill Inserts ○ 2014 Poster & Slogan Contest and Photography & Digital Arts Contest • Messaging • Orange County Garden Friendly Program/Overwatering is Out • Metropolitan Updates <ul style="list-style-type: none"> ○ New Incentives ○ MWD Outreach Update

Joint Public Affairs and Water Use Efficiency Coordinators Workgroups (Continued)	<ul style="list-style-type: none"> • Water Use Efficiency Programs Updates <ul style="list-style-type: none"> ○ Smart Timer Rebate Program <ul style="list-style-type: none"> ▪ New WBIC WaterSense List ○ Home Certification Program • Turf Removal Program <ul style="list-style-type: none"> ○ MET-Funded Member Agency Administered Requests for FY 14-15 ○ Umbrella Agreement Update <p>The next meeting is scheduled for August 7, 2014 and will be hosted by the City of San Clemente.</p>
El Niguel Country Club	<p>On June 6, Joe and Sergio met with Gregg Hooper from Moulton Niguel Water District and Eric Troll, General Manager from El Niguel Country Club, to discuss El Niguel's plans to participate in MWDOC's Turf Removal Rebate Program. El Niguel has already spent approximately \$50,000 on a landscape architect to redesign its golf course. These plans will be finalized within the next month. At that point, El Niguel will request bids from contractors to perform the turf removal and re-vegetation, which is scheduled to begin in August 2014. The long term plan is to remove 10 acres each year for the next three years. Staff explained that funding for this year is firm; however, subsequent years will be considered on a year-to-year basis.</p>
PUBLIC/GOVERNMENT AFFAIRS	
Member Agency Relations	<p>On June 12, Darcy and Jessica attended Metropolitan's Pubic Information Officers (PIO) meeting.</p> <p>Jessica participated in Metropolitan's PIO webinar on May 28 to review the findings of their focus groups.</p> <p>Darcy and Tiffany are actively coordinating with MWDOC/MWD Directors regarding the upcoming Inspection Trip Season, which begins in mid September.</p> <p>President Larry Dick met with Darcy and Margie Wheeler of Metropolitan to begin coordinating his Agriculture – Bay Delta trip for September.</p> <p>To provide potential DVL tour dates to the Engineers Without Borders group, Tiffany worked with Damon Micalizzi from Yorba Linda W.D.</p>

Member Agency Relations (Continued)	<p>Darcy and Jessica provided Metropolitan staff with some concerns and feedback on their new summer campaign to encourage water conservation, water use efficiency and rebate participation. The tagline of the campaign is, "Don't waste another minute wasting water." This is part of the "Show California Some Love and Be California Friendly" campaign.</p> <p>On June 5, Darcy and Jessica participated in the annual joint Water Use Efficiency Coordinator and Public Affairs Workgroup meeting. The intent of the meeting is to better coordinate communication and outreach efforts between both areas throughout the region. Jessica presented her Master's thesis on environmental messaging.</p> <p>On May 29, Karl and Sarah Franks (Public Affairs Intern) participated in the 3rd San Juan Capistrano Water Forum. In addition, Karl and Vivian Lam (Public Affairs Intern) participated in the 4th and final San Juan Capistrano Water Forum on June 10.</p> <p>Jessica provided water use efficiency literature/marketing materials to the Cities of Tustin and San Juan Capistrano, and Laguna Beach County Water District.</p>
Community Relations	<p>Darcy staffed the June 6 WACO meeting featuring guest speaker Steve Arakawa from Metropolitan who provided WACO attendees with an update on the Bay Delta Conservation Plan.</p> <p>Darcy was able to confirm Chairman Randy Record for the July 30 Water Policy Dinner. A reception honoring Chairman Record will take place immediately preceding the dinner.</p> <p>Tiffany, Jessica, Vivian, and Sarah implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest during this period.</p> <p>Tiffany created the monthly collage/image used for the cover of eCurrents, Facebook, and the website homepage. She also updated several MWDOC website pages with current information.</p> <p>Jessica conducted a participant satisfaction survey for the 2014 OC Water Summit. Summit survey results will be shared at the June 16 PAL Committee meeting.</p> <p>Jessica and Sarah are compiling artwork to be submitted to Metropolitan's annual Poster Contest. The winning entries will be featured in a travelling art exhibit next year.</p>

Community Relations (Continued)	Jessica and Darcy are working on the June issue of eCurrents, which will feature articles on drought/emergency response, a Summit recap, Poster & Slogan Contest/Photography & Digital Arts Contest recap, and more.
Education	During the month of May, 10,415 students participated in the Traditional Assembly Program; 1,313 students participated in the Keypad Program; no students participated in the Water Quality Program. To date, 70,667 students have participated in the traditional Assembly Program. DSC anticipates reaching a total of 79,630 students during the current school year. This number is a few thousand short of the participation target of 81,494 students. This is largely due to the fact that schools in a few select areas have declined to participate or are unresponsive to DSC's marketing efforts.
Media Relations	Meghan Cuniff, a reporter at <i>The Orange County Register</i> , conducted a phone interview with Darcy regarding the Orange County Grand Jury Report. The article ran on June 7, 2014.
Special Projects	<p>Darcy and Jessica met with Renee Fraser (Fraser Communications) and her staff regarding the question development guide for the focus groups, the draft messages and supporting statements and the composition of the focus group participants.</p> <p>Also, they hosted a meeting on May 27 for Member Agency Managers and Public Affairs Workgroup members with Renee Fraser to review the information for the focus groups, the purpose and role of focus groups, and the schedule for the Value of Water Communications Plan.</p> <p>Darcy and Jessica observed MWDOC's Focus Groups on June 4, 9 and 10. A total of 8 focus groups were held in Irvine and included the general market, the Asian Market, the Latino Market and two groups of "Mavens". Results from the focus groups will be provided to the Public Affairs and Legislation Committee at the July meeting.</p> <p>Darcy is reviewing the Orange County Grand Jury Report and drafting MWDOC's response.</p> <p>Jessica submitted an award for MWDOC's Open Government site through ACC-OC's "Golden Hub of Innovation" awards program. The application was submitted under the Technology/ eGovernment category. Winners will be announced at the June 26 ACC-OC event held at Discovery Science Center.</p> <p>Jessica and I met to discuss the draft Communications Plan outline for all MWDOC's communication efforts outside of (but in coordination with) the Value of Water Communication Plan for FY2014-15.</p>

Water-Use Efficiency Marketing	<p>Jessica is working with a graphic designer to develop bill inserts promoting the outdoor/landscape-related rebates and the Home Certification Program.</p> <p>Jessica is working with MWDOC's website developer to create a new Water Use Efficiency microsite that would serve as a user-friendly portal for all water use efficiency rebate programs and resources.</p> <p>Jessica worked with WUE staff to update MWDOC's Spray-to-Drip advertisement</p>
Legislative Affairs	<p>Darcy provided a PowerPoint presentation and speaking points for President Dick for Senator Huff's Water Forum which was held on Friday, June 6, 2014 at the Brea Embassy Suites. Darcy and I attended the event with President Dick. The forum had over 100 attendees.</p> <p>Darcy and Townsend Public Affairs continue to have their bi-weekly meetings.</p> <p>Darcy, Karl, Cathy, Harvey and I participated in interviews for the Government Affairs Manager position.</p>
Regulatory Affairs	<p>Darcy provided background materials and regulatory procedure information on Hexavalent Chromium for Director Barbre in preparation for an on-camera interview with Dave Nazar, PBS – Southern California.</p> <p>Darcy has been asked to facilitate a strategic planning session for Operator Certification for California- Nevada American Water Works Association. The session will focus on current mandatory certification programs, voluntary certification programs, emerging issues and technologies and accepted best practices. The session is scheduled for June 27 in Sacramento.</p>

pat meszaros
6/12/14

INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

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