

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
September 10, 2014, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director J. Finnegan
Director Osborne

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

Ex Officio Member: L. Dick

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

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

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – August 2014
 - b. Disbursement Approval Report for the month of September 2014
 - c. Disbursement Ratification Report for the month of August 2014
 - d. GM Approved Disbursement Report for the month of August 2014
 - e. Water Use Efficiency Projects Cash Flow – August 31, 2014
 - f. Consolidated Summary of Cash and Investment – July 2014
 - g. OPEB Trust Fund monthly statement (to be emailed separately)
2. FINANCIAL REPORT
 - a. Preliminary Financial Report for Fiscal Year 2013-14 (Unaudited)
 - b. Audit Report for FY 2013-14

ACTION ITEMS

3. 2014 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW
4. APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER

DISCUSSION ITEM

5. DISCUSSION REGARDING THE CSDA DISTRICT OF DISTINCTION AWARD

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

6. DIRECTOR ACTIVITY REPORT (REVISED FROM AUGUST MEETING)
7. MWDOC WATER FACILITIES CORPORATION ANNUAL MEETING
 - a. 2014 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation
 - b. Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation
8. DISPOSAL OF FIXED ASSETS
9. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFORMATION
10. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
11. LIABILITY RISK ASSESSMENT STUDY (oral update)

OTHER ITEMS

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

ADJOURNMENT

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

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

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

WATER REVENUES

Date	From	Description	Amount
08/01/14	City of Buena Park	June 2014 Water deliveries	401,749.85
08/01/14	City of Huntington Beach	June 2014 Water deliveries	937,757.68
08/05/14	City of Newport Beach	June 2014 Water deliveries	240,278.00
08/06/14	City of La Habra	June 2014 Water deliveries	15,806.87
08/07/14	City of La Palma	June 2014 Water deliveries	5,734.52
08/07/14	Trabuco Canyon Water District	June 2014 Water deliveries	15,599.48
08/08/14	El Toro Water District	June 2014 Water deliveries	957,115.68
08/08/14	City of Fountain Valley	June 2014 Water deliveries	22,191.62
08/08/14	South Coast Water District	June 2014 Water deliveries	542,568.51
08/12/14	Serrano Water District	June 2014 Water deliveries	2,013.07
08/12/14	City of San Juan Capistrano	June 2014 Water deliveries	587,928.65
08/12/14	Santa Margarita Water District	June 2014 Water deliveries	2,854,000.33
08/13/14	Laguna Beach County Water District	June 2014 Water deliveries	353,644.92
08/13/14	East Orange County Water District	June 2014 Water deliveries	655,137.01
08/13/14	City of Westminster	June 2014 Water deliveries	395,376.20
08/14/14	Santiago Aqueduct Commission	June 2014 Water deliveries	187,935.58
08/14/14	Yorba Linda Water District	June 2014 Water deliveries	888,836.09
08/14/14	City of Orange	June 2014 Water deliveries	683,870.13
08/14/14	Mesa Water	June 2014 Water deliveries	681,205.80
08/15/14	Orange County Water District	June 2014 Water deliveries	2,264,925.38
08/15/14	Irvine Ranch Water District	June 2014 Water deliveries	98,773.77
08/15/14	Moulton Niguel Water District	June 2014 Water deliveries	2,483,226.31
08/15/14	Golden State Water Company	June 2014 Water deliveries	721,170.81
08/25/14	City of San Juan Capistrano	July 2014 Water deliveries	491,112.51
08/29/14	City of Buena Park	July 2014 Water deliveries	234,347.28
08/29/14	City of Brea	July 2014 Water deliveries	458,560.56
08/29/14	City of Huntington Beach	July 2014 Water deliveries	1,399,032.61
08/29/14	City of San Clemente	July 2014 Water deliveries	999,487.55
TOTAL REVENUES			\$ 19,579,386.77

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
08/12/14	Michael Baker/ RBF Consulting	7/30/14 Water policy dinner	75.00
08/22/14	3 Checks	7/30/14 Water policy dinner	235.00
08/25/14	Aleshire & Wynder	7/30/14 Water policy dinner	85.00
08/28/14	Paypal	7/30/14 Water policy dinner	619.31
08/29/14	CADIZ Inc	7/30/14 Water policy dinner	600.00
08/29/14	City of Stanton	7/30/14 Water policy dinner	75.00
08/28/14	Paypal	10/2/14 Water policy dinner	1,017.42
08/01/14	Metropolitan Water District	7/30/14, 10/2/14 & 02/15 Water policy dinner	2,250.00
08/28/14	Paypal	ISDOC registrations	57.66
08/29/14	Susan Hunt	September 2014 COBRA medical premium	669.19
08/22/14	Stan Sprague	September 2014 Retiree medical premium	259.97
08/29/14	Lorraine Roy	October 2014 Retiree medical premium	13.20
08/04/14	Analida Crouch	Movie tickets	48.00
08/07/14	Trung Pham	Movie tickets	160.00
08/12/14	Grisel Rodriguez	Movie tickets	80.00
08/25/14	2 Checks	Movie tickets	176.00
08/01/14	Pat Meszaros	Postage purchase	19.70
08/18/14	Conexis	Forfeiture refund	0.06
08/22/14	CA Landscape Contractors Association	Reimbursement for refreshments for Drought Landscape workshop	387.65
08/29/14	US Bank	CAL Card rebate check	132.83
08/12/14	Mesa Water	June 2014 Smart Timer rebate program	225.00
08/13/14	City of Westminster	June 2014 Smart Timer rebate program	19.97
08/15/14	City of Fullerton	June 2014 Smart Timer rebate program	75.00
08/15/14	South Coast Water District	June 2014 Smart Timer rebate program	225.00
08/29/14	City of Santa Ana	June 2014 Smart Timer rebate program	157.68
08/15/14	2 Checks	June 2014 Turf Removal rebate program	1,378.00
08/22/14	City of La Habra	June 2014 Turf Removal rebate program	105.00
08/25/14	City of San Juan Capistrano	June 2014 Turf Removal rebate program	735.00
08/04/14	Santa Margarita Water District	May 2014 Smart Timer & Turf Removal rebate program	1,079.20
08/13/14	Laguna Beach County Water District	June 2014 Smart Timer & Turf Removal rebate program	1,130.00
08/15/14	City of San Clemente	June 2014 Smart Timer & Turf Removal rebate program	1,965.00
08/18/14	2 Checks	June 2014 Smart Timer & Turf Removal rebate program	2,009.93
08/18/14	El Toro Water District	June 2014 Rotating Nozzle & Smart Timer rebate May 2014 So Cal Watersmart Residential rebate program	238.00
08/04/14	Santa Margarita Water District	June 2014 So Cal Watersmart Residential rebate program	3,703.00
08/04/14	Golden State Water Company	June 2014 So Cal Watersmart Residential rebate program	1,739.00
08/05/14	Irvine Ranch Water District	June 2014 So Cal Watersmart Residential rebate program	28,904.47
08/07/14	El Toro Water District	June 2014 So Cal Watersmart Residential rebate program	2,479.00
08/07/14	City of Anaheim	Jan-Jun 2014 School billing	26,470.08
08/05/14	Metropolitan Water District	Jan-Mar 2014 Foundational Actions Doheny Desal	1,255.85
08/18/14	City of Santa Ana	FY 13-14 Choice billing	3,225.38
08/01/14	City of Brea	FY 14-15 Annual Retail Service Connection charge	126,819.00
08/01/14	City of Buena Park	FY 14-15 Annual Retail Service Connection charge	196,665.00
08/01/14	City of San Clemente	FY 14-15 Annual Retail Service Connection charge	180,999.00
08/04/14	City of Seal Beach	FY 14-15 Annual Retail Service Connection charge	56,479.50
08/04/14	Golden State Water Company	FY 14-15 Annual Retail Service Connection charge	445,431.00
08/04/14	Moulton Niguel Water District	FY 14-15 Annual Retail Service Connection charge	552,436.50
08/06/14	City of La Habra	FY 14-15 Annual Retail Service Connection charge	130,357.50
08/08/14	City of La Palma	FY 14-15 Annual Retail Service Connection charge	45,475.50
08/12/14	Santa Margarita Water District	FY 14-15 Annual Retail Service Connection charge	538,324.50
08/13/14	City of Westminster	FY 14-15 Annual Retail Service Connection charge	211,050.00
08/13/14	East Orange County Water District	FY 14-15 Annual Retail Service Connection charge	218,190.00

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

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
08/13/14	Laguna Beach County Water District	FY 14-15 Annual Retail Service Connection charge	90,709.50
08/14/14	Mesa Water	FY 14-15 Annual Retail Service Connection charge	246,078.00
08/20/14	Irvine Ranch Water District	FY 14-15 Annual Retail Service Connection charge	1,020,369.00
08/04/14	Las Virgenes Municipal Water District	Partial Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resources Issues - Ron Gastellum	625.00
08/04/14	City of Torrance	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
08/04/14	Eastern Municipal Water District	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
08/08/14	Inland Empire Utilities Agency	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
08/14/14	City of Anaheim	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
08/29/14	West Basin Municipal Water District	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
08/22/14	City of Santa Ana	WEROC Funding for FY 14-15	9,708.00
08/29/14	SOCWA	WEROC Funding for FY 14-15	9,708.00
TOTAL MISCELLANEOUS REVENUES			<u>\$ 4,204,130.55</u>
TOTAL REVENUES			<u>\$ 23,783,517.32</u>



Robert J. Hunter, General Manager



Hilary Chumplitzi, Deputy Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	<i>Richard Ackerman</i>	
1044	August 2014 Legal consulting on water policy issues	1,437.50
	*** Total ***	1,437.50
	<i>ACWA Joint Powers</i>	
M005-LIABILITY	10/1/14-10/1/15 Auto and general liability insurance	78,718.00
	*** Total ***	78,718.00
	<i>Aleshire & Wynder LLP</i>	
29483	July 2014 Legal services	2,454.04
	*** Total ***	2,454.04
	<i>Alta FoodCraft Coffee & Refreshment</i>	
514071596	7/22/14 Coffee & tea supplies	255.54
514081525	8/19/14 Coffee & tea supplies	270.03
	*** Total ***	525.57
	<i>Best Best and Krieger LLP</i>	
55401-JUL14	July 2014 Legal services	8,110.11
	*** Total ***	8,110.11
	<i>CDW Government</i>	
NM52760	Black photoconductor unit for Ricoh color printer	152.31
NM96606	Color photoconductor unit for Ricoh color printer	460.32
NV11329	4 Desktop HP computers	3,126.07
NV62726	1 Apple iPad	656.40
	*** Total ***	4,395.10
	<i>CSU Fullerton ASC</i>	
AR163590	1st Quarter F/Y 14-15 Center for Demographic Research support	9,990.25
	*** Total ***	9,990.25
	<i>Demsey, Filliger & Associates, LLC</i>	
2707	August 2014 Actuarial and consulting services to research and write OPEB buyout letter	1,500.00
	*** Total ***	1,500.00
	<i>Finley & Cook PLLC</i>	
SI0003631	10/1/14-9/30/15 Annual phone support for Navision software	6,675.14
	*** Total ***	6,675.14

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Fry's Electronics</i>	
20383625	8/20/14 Computer supplies	32.37
20407710	9/4/14 Computer supplies	25.89
	*** Total ***	58.26
	<i>Ronald R. Gastelum</i>	
AUG14	August 2014 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	<i>GovConnection, Inc.</i>	
51646402	20 Licenses for MS Office 2013	4,903.40
51690645	Windows Server 2012 license	581.40
	*** Total ***	5,484.80
	<i>Independent Special District of Orange County</i>	
052914A	5/29/14 ISDOC meeting registration for D. Micalizzi, paid to MWDOC	20.00
073114B	August 2014 PayPal receipts for 7/31/14 ISDOC meeting	57.66
	*** Total ***	77.66
	<i>Edward G. Means III</i>	
MWDOC-1022	August 2014 Support on MET issues & strategic guidance to Engineering department	3,437.50
	*** Total ***	3,437.50
	<i>New Horizons</i>	
INV-185624-BCNX8T	Implementing Cisco Unified Communications training class for P. Dinh	2,097.00
	*** Total ***	2,097.00
	<i>Norco Delivery Services</i>	
631368	8/10/14 Delivery charges for Board packets	125.34
	*** Total ***	125.34
	<i>Orange County Water District</i>	
14214	July 2014 50% share of WACO expenses	244.23
081914	10/9/14 Health & Wellness Expo sponsorship	250.00
14254	July 2013-June 2014 Shared expenses for mail pickup and delivery	528.95
'14252	July 2014 Postage, shared office & maintenance expense	9,826.53
	*** Total ***	10,849.71
	<i>Office Solutions</i>	
I-00662786	8/25/14 Office supplies	630.53
I-00664739	8/28/14 Office supplies	23.06
	*** Total ***	653.59
	<i>Patricia Kennedy Inc.</i>	
5668	September 2014 Plant maintenance	214.00
	*** Total ***	214.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>South Coast Water District</i>	
JAN-MAR14	January-March 2014 MET Reimbursement from Doheny Ocean Desalination Foundational Actions Funding program	1,255.85
	*** Total ***	1,255.85
	<i>Staples Advantage</i>	
8031129247	8/30/14 Office supplies	26.99
	*** Total ***	26.99
	<i>Top Hat Productions</i>	
89254	8/21/14 Lunch for Managers' meeting	403.38
	*** Total ***	403.38
	<i>Townsend Public Affairs, Inc.</i>	
10312	August 2014 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	<i>Tustin Irvine Medical Group</i>	
00761953	8/1/14 New hire pre-employment exam	160.00
	*** Total ***	160.00
	<i>Total Core Expenditures</i>	153,649.79

Choice Expenditures:

	<i>Bryton Printing Inc.</i>	
10998	2,500 Printed bill inserts for WUE programs	315.40
	*** Total ***	315.40
	<i>Hydro-Scape Irrigation & Landscape Supplies</i>	
HA-1406-120	20,000 Custom irrigation repair flags for WUE	1,749.60
	*** Total ***	1,749.60
	<i>Top Hat Productions</i>	
89200	8/7/14 Lunch for WUE Workgroup meeting	508.90
	*** Total ***	508.90
	<i>Ultimate Image Printing</i>	
23012	5,000 Printed Home Certification program flyers	388.80
	*** Total ***	388.80
	<i>Total Choice Expenditures</i>	2,962.70

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Other Funds Expenditures:		
	Best Best and Krieger LLP	
55401-JUL14	July 2014 Legal services	534.00
	*** Total ***	534.00
	Hotel Program	
S2DC18894	Montage Laguna Beach	5,151.92
	*** Total ***	5,151.92
	Mission RCD	
1680	July 2014 Field verifications for Water Use Efficiency rebate programs	14,006.16
	*** Total ***	14,006.16
	Office Solutions	
I-00660336	8/19/14 Office supplies for WEROC	275.80
I-00664462	8/28/14 Office supplies for WEROC	107.37
I-00665637	9/2/14 Office supplies for WEROC	47.51
	*** Total ***	430.68
	Spray to Drip Program	
S2D1080	D. Chappell	350.00
S2D1638	M. Keller	105.00
S2D17779	D. Doctor	1,933.60
S2D21566	T. Nugent	55.60
S2D27293	B. Espinoza	350.00
S2D32317	S. Schwab	350.00
S2D32627	A. Small	350.00
S2D33845	P. Lim	493.43
S2D34818	R. King	240.63
S2D35077	M. Renert	569.20
S2DC18894	Montage Laguna Beach	5,294.80
	*** Total ***	10,092.26
	Turf Removal Program	
TR4-GSWC-031	J. Klaus	1,622.00
TR4-GSWC-032	Ji. Klaus	968.00
TR4-GSWC-036	F. Morris	528.00
TR4-HB-030	J. Pyle	787.00
TR4-HB-032	R. Schnabel	675.00
TR4-IRWD-052	J. Matisheck	1,332.00
TR4-IRWD-054	G. Picard	3,721.42
TR4-IRWD-080	N. Cohen	8,158.00
TR4-IRWD-089	N. Dubois	1,004.00
TR4-IRWD-097	R. Thakur	2,112.00
TR4-IRWD-103	M. Lavacot	462.52
TR4-IRWD-109	T. Chang	808.00
TR4-IRWD-110	L. Chang	600.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR4-IRWD-113	C. Josephs-Cowan	596.00
TR4-IRWD-116	B. Coats	1,078.00
TR4-IRWD-124	S. McGlinchey	668.00
TR4-MN-025	A. Robertson	404.00
TR4-MN-053	J. Hohman	1,721.00
TR4-NWPT-001	D. Ballard	658.00
TR4-O-025	A. Benun	2,081.00
TR4-SC-020	V. Price	944.00
TR4-SJC-015	T. Jameson	2,567.00
TR4-SM-031	Serabrisa Maintenance Corporation (Rancho Santa Margarita)	74,561.00
TR4-SM-034	L. Cortright	1,530.00
TR4-SM-044	A. Pringle	600.00
TR4-SM-054	J. Rose	1,470.00
TR4-SOCO-022	J. Witting	785.00
TR5-ET-007	N. Alden	1,020.00
TR5-ET-010	K. Knight	2,382.00
TR5-ET-011	S. Pehl	1,500.00
TR5-GSWC-039	C. Mendoza	1,524.00
TR5-GSWC-046	C. Driscoll	4,600.00
TR5-HB-042	K. Keller	1,490.00
TR5-IRWD-138	Y. Chuang	1,224.00
TR5-IRWD-139	M. Tohid	1,024.28
TR5-IRWD-146	J. Gutierrez	624.00
TR5-IRWD-152	M. Stein	854.00
TR5-IRWD-154	D. Bradley	1,544.00
TR5-IRWD-155	D. Eskridge	1,120.00
TR5-IRWD-162	M. Lee	556.00
TR5-IRWD-164	G. Tran	7,374.00
TR5-IRWD-165	C. Teoh	834.00
TR5-IRWD-168	M. Kershberg	2,434.00
TR5-IRWD-177	B. Souza	2,126.00
TR5-IRWD-192	R. Patterson	1,240.00
TR5-IRWD-193	K. Davis	922.00
TR5-IRWD-203	A. Tran	600.00
TR5-MESA-028	S. Rush	2,376.00
TR5-MESA-034	D. Couch	2,712.00
TR5-MN-061	B. Barber	1,200.00
TR5-MN-074	M. Dube	890.00
TR5-MN-086	J. Puma	904.00
TR5-MN-088	J. Stern	2,518.00
TR5-NWPT-001	M. Kaufman	2,114.00
TR5-SC-035	J. Brody	1,308.00
TR5-SC-043	L. Domash	1,178.00
TR5-SJC-019	R. McCartney	816.00
TR5-SM-065	W. Grover	2,808.00
TR5-SM-069	Y. Yoseph	890.00
TR5-SM-070	G. Rand	748.00
TR5-SM-071	W. Kim	1,496.00

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

Invoice#	Vendor / Description	Amount to Pay
TR5-SM-077	C. Thomas	884.00
TR5-SM-081	T. Havens	680.00
TR5-SM-083	J. Farhadi	686.00
TR5-SM-085	M. Alvino	2,514.00
TR5-SM-089	J. Taylor	594.00
TR5-SM-092	S. Grady	500.00
TR5-SM-093	M. Sussman	3,248.00
TR5-SM-095	C. Ried	834.00
TR5-SM-097	K. Winn	760.00
TR5-SM-098	J. McLachlan	650.00
TR5-SM-100	J. Gonzales	1,574.00
TR5-SM-108	J. Eggert	400.00
TR5-SOCO-036	P. Lehrich	550.00
TR5-SOCO-040	F. Taylor	3,214.00
TR5-TUST-004	R. Santos	2,076.00
TR5-YLWD-001	D. Paul	1,848.00
	*** Total ***	190,403.22
	WaterWise Consulting, Inc.	
3266	August 2014 Professional services for Hotel program	1,250.00
	*** Total ***	1,250.00
	Total Other Funds Expenditures	221,868.24
	Total Expenditures	378,480.73

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
126083	8/4/14	TIMEWA 5210-AUG2014	Time Warner Cable August 2014 Telephone and internet expense ***Total ***	930.98 930.98
126084	8/4/14	USBANK 6533/6933-JUN14	U.S. Bank 5/23/14-6/23/14 Cal Card charges ***Total *** (See attached sheet for details)	3,731.72 3,731.72
126086	8/8/14	STAPLC 4362-JUL14	Staples Credit Plan 2 Meeting direction signs ***Total ***	66.18 66.18
126087	8/15/14	ACKEEX/ACKECO 073114	Linda Ackerman July 2014 Business expense	47.04
126088		JUL2014	July 2014 MET Director's compensation ***Total ***	2,443.30 2,490.34
126092	8/15/14	BELLRI 073114	Richard Bell July 2014 Business expense ***Total ***	30.00 30.00
126093	8/15/14	BURKED 072414 081014	Darcy M. Burke July 2014 Business expense July-August 2014 Business expense ***Total ***	77.56 289.52 367.08
126094	8/15/14	C3OFFI INV28650	C3 Office Solutions LLC August 2014 Cannon copier maintenance ***Total ***	216.72 216.72
126097	8/15/14	DELAGE 42069602B	De Lage Landen Public Finance August 2014 Copier lease ***Total ***	509.00 509.00
126098	8/15/14	DINHPA 073114	Patrick Dinh July 2014 Business Expense ***Total ***	67.20 67.20
126099	8/15/14	FAHLBE 073114	Beth Fahl July 2014 Business expense ***Total ***	19.60 19.60

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
126101	8/15/14	HOMED1 7785-JUL14	Home Depot Credit Services 7/18/14 Office supplies ***Total ***	10.74 10.74
126103	8/15/14	IRONMO KPW2976	Iron Mountain August 2014 Storage/retrieval of archived documents ***Total ***	453.66 453.66
126110	8/15/14	FRANKS 073014	Sarah Franks July 2014 Business expense ***Total ***	15.06 15.06
126114	8/15/14	TIMEWA 3564-AUG14	Time Warner Cable August 2014 Telephone expense for 4 analog fax lines ***Total ***	138.00 138.00
126117	8/15/14	VERIZO 9729213923	Verizon Wireless July 2014 4G Mobile broadband unlimited service ***Total ***	38.01 38.01
ACH001049	8/15/14	BARBCO JUL2014	Brett Barbre July 2014 MET Director's compensation ***Total ***	2,443.30 2,443.30
ACH001050	8/15/14	BERGJO 073014	Joseph Berg July 2014 Business expense ***Total ***	101.57 101.57
ACH001054	8/15/14	DELATO 072414	Harvey De La Torre July 2014 Business Expense ***Total ***	44.30 44.30
ACH001055 ACH001056	8/15/14	DICKCO/DICKEX JUL2014 073114	Larry Dick July 2014 MET Director's compensation July 2014 Business expense ***Total ***	2,443.30 190.96 2,634.26
ACH001060	8/15/14	FINNEG 073114	Joan Finnegan July 2014 Business expense ***Total ***	119.80 119.80
ACH001062	8/15/14	CHUMPI 073114	Hilary Chumpitazi July 2014 Business expense ***Total ***	30.00 30.00

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001073	8/15/14	OUWERK 073114	Jessica H. Ouwerkerk June-July 2014 Business expense ***Total ***	 269.13 269.13
ACH001075	8/15/14	HUNTER 071514	Robert J. Hunter July 2014 Business expense ***Total ***	 100.72 100.72
ACH001076	8/15/14	THOMAS 073114	Jeffery Thomas July 2014 Business expense ***Total ***	 134.47 134.47
126222	8/29/14	SECKEL 073114	Karl Seckel June-July 2014 Business expense ***Total ***	 203.85 203.85
126224	8/29/14	USBANK 6533/6933-JUL14	U.S. Bank 6/23/14-7/22/14 Cal Card charges ***Total *** (See attached sheet for details)	 6,375.94 6,375.94
Total Core Disbursements				<hr/> 21,541.63

Choice Disbursements:

126084	8/4/14	USBANK 6933-JUN14	U.S. Bank 5/23/14-6/23/14 Cal Card charges ***Total *** (See attached sheet for details)	 811.03 811.03
126099	8/15/14	FAHLBE 073114	Beth Fahl July 2014 Business expense ***Total ***	 135.00 135.00
ACH001050	8/15/14	BERGJO 073014	Joseph Berg July 2014 Business expense ***Total ***	 640.29 640.29
126224	8/29/14	USBANK 6933-JUL14	U.S. Bank 6/23/14-7/22/14 Cal Card charges ***Total *** (See attached sheet for details)	 303.14 303.14
Total Choice Disbursements				<hr/> 1,889.46

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Other Funds Disbursements:				
126081	8/4/14	ATTEOC	AT&T	
		8200-JUL14	July 2014 N. EOC telephone expense	87.42
		4492-JUL14	July 2014 S. EOC telephone expense	150.97
		0532-JUL14	July 2014 N. EOC dedicated phone line	55.76
			***Total ***	294.15
126082	8/4/14	SDG&E	SDG&E	
		49159257768-	6/18/14-7/20/14 Electrical service for Doheny Ocean Desal project	220.15
			***Total ***	220.15
126084	8/4/14	USBANK	U.S. Bank	
		6933-JUN14	5/23/14-6/23/14 Cal Card charges	614.00
			***Total ***	614.00
			(See attached sheet for details)	
126090	8/15/14	ATTUVEOC	AT&T	
		8599-JUL14	July 2014 U-verse internet service for N. EOC	11.25
			***Total ***	11.25
126102	8/15/14	HUBBAR	Kelly Hubbard	
		063014	June 2014 Business expense	57.31
			***Total ***	57.31
126105	8/15/14	TOMALO	Louay Toma	
		081314	July 2014 Business expense	36.68
			***Total ***	36.68
126216	8/29/14	ATTEOC	AT&T	
		8200-AUG14	August 2014 N. EOC telephone expense	194.35
		4492-AUG14	August 2014 S. EOC telephone expense	258.72
		0532-AUG14	August 2014 N. EOC dedicated phone line	56.11
			***Total ***	509.18
126217	8/29/14	ATTUVEOC	AT&T	
		8599-AUG14	August 2014 U-verse internet service for N. EOC	22.50
			***Total ***	22.50
126218	8/29/14	CATALI	Catalina Island Conservancy	
		10425	August 2014 WEROC radio repeater site lease	1,484.32
			***Total ***	1,484.32

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
126220	8/29/14	HUBBAR 073114	Kelly Hubbard July 2014 Business expense	76.10
			***Total ***	76.10
126221	8/29/14	SDG&E 49159257768-	SDG&E 7/20/14-8/18/14 Electrical service for Doheny Ocean Desal project	232.00
			***Total ***	232.00
ACH001084	8/29/14	SANTAM 071514	Santa Margarita Water District June 2014 SCP Operation surcharge	32,864.44
			***Total ***	32,864.44
ACH001085	8/29/14	SPRINT 320982721-120	Sprint August 2014 WEROC cell phone expense	41.82
			***Total ***	41.82
WIRE140829	8/29/14	METWAT 8064	Metropolitan Water District June 2014 Water deliveries	17,521,674.69
			***Total ***	17,521,674.69
Total Other Funds Disbursements				17,558,138.59
Total Disbursements				17,581,569.68



Robert J. Hunter, General Manager



Hilary Chumplitazi, Treasurer

Cal Card Statement Detail
Statement Date: June 23, 2014
Payment Date: August 4, 2014

Date	Description	Amount
<u>Karl's Card</u>		
05/22/14	Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Registration for J. Berg	\$ 285.00
05/22/14	Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Airfare for J. Berg	205.00
05/23/14	Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Accommodations deposit for J. Berg	84.00
05/23/14	5 Toner cartridges	376.27
05/24/14	FedEx delivery charges to O.C. Registrar of Voters on May 22, 2014	16.60
05/27/14	UPS delivery charges for Board & Committee packets on May 15, 2014	7.47
05/28/14	Lunch for O.C. MET Managers' meeting	148.22
05/29/14	Employment advertising for WEROC Coordinator position	200.00
05/30/14	Sympathy flowers for staff member	93.93
05/30/14	Orange County Water Association meeting in Irvine, CA on Jun. 18, 2014 - Registration for K. Hubbard	30.00
06/03/14	UPS delivery charges for Board & Committee packets on May 27, 2014	6.07
06/04/14	Staff development lunch	353.44
06/05/14	Lunch for Joint PAW & WUE meeting	431.57
06/05/14	Lunch for MET Directors caucus	290.32
06/06/14	Care & Maintenance of Southern California Native Plant Gardens book	53.99
06/10/14	Urban Water Institute conference in San Diego, CA from Aug. 13-15, 2014 - Registration for R. Hunter	250.00
06/10/14	UPS delivery charges for Board & Committee packets on Jun. 5, 2014	6.07
06/10/14	Facebook marketing for WUE programs	325.47
06/11/14	California Landscape Contractors Association sponsorship	600.00
06/17/14	UPS delivery charges for Board & Committee packets on May 13, 27 & Jun. 10, 2014	104.20
06/18/14	FedEx delivery charges to Land Management Division on Jun. 16, 2014	24.87
06/18/14	2 Toner cartridges	82.38
06/19/14	License fee & maintenance for WUE statistical evaluation software	584.00
06/19/14	Office supplies from Costco	310.28
Total		<u>\$ 4,869.15</u>

Cal Card Statement Detail
Statement Date: June 23, 2014
Payment Date: August 4, 2014

Date	Description	Amount
<u>Rob's Card</u>		
5/23/14-6/23/14	Meals for R. Hunter's meetings on various dates	287.60
Total		<u>\$ 287.60</u>

Cal Card Statement Detail
Statement Date: July 22, 2014
Payment Date: August 29, 2014

Date	Description	Amount
<u>Karl's Card</u>		
06/24/14	UPS delivery charges for Board & Committee packets on Jun. 12 & 13, 2014	\$ 52.74
06/24/14	Domain name registration for ocwatersmart.com	149.70
06/24/14	Bay Delta Inspection trip from Oct. 28-30, 2014 - Airfare for Director Barbre	154.00
06/26/14	Bond Buyer's Annual conference in San Diego, CA from Oct. 8-10, 2014 - Registration for Director Barbre	170.00
06/26/14	Bond Buyer's Annual conference in San Diego, CA from Oct. 8-10, 2014 - Registration for Director Thomas	170.00
06/26/14	AWWA conference in Monterey, CA from Jun. 23-26, 2014 - Accommodations for R. Bell	657.06
06/26/14	Workers' Comp and Paid Family Leave pamphlets	35.50
07/01/14	Facebook marketing for WUE programs	153.44
07/01/14	UPS delivery charges for Board & Committee packets on Jun. 27, 2014	7.20
07/01/14	Prepaid Regal movie tickets for employee purchase	408.00
07/01/14	Prepaid Cinemark movie tickets for employee purchase	408.50
07/03/14	Lunch for MET Directors caucus	357.91
07/03/14	Legislative activities in Washington DC from Nov. 19-24, 2014 - Airfare for Director Barbre	482.00
07/07/14	Lunch for media training workshop	199.17
07/08/14	UPS delivery charges for Board & Committee packets on Jun. 27, 2014	22.61
07/08/14	Breakfast for media training workshop	108.00
07/11/14	Employment advertising for Government Affairs Manager position	175.00
07/11/14	Employment advertising for WEROC Program Coordinator position	175.00
07/14/14	Network printer for WUE department	569.74
07/14/14	California Nevada Section, AWWA Board of Directors meeting in Sacramento, CA on Jul. 17, 2014 - Airfare for D. Burke	255.50
07/14/14	State Water Resources Control Board hearing in Sacramento, CA on Jul. 15, 2014 - Airfare for R. Hunter	386.00
07/15/14	UPS delivery charges for Board & Committee packets on Jun. 19, 2014	53.23
07/17/14	California Society of Municipal Finance Officers meeting in Irvine, CA on Aug. 21, 2014 - Registration for H. Chumpitazi	30.00
07/17/14	Get well flowers for Director	92.43
07/18/14	ACWA State Legislative Committee meeting in Sacramento, CA on Aug. 8, 2014 - Airfare for H. Baez	191.00
07/18/14	FedEx delivery charges to CalPERS on Jul. 15, 2014	23.29
07/19/14	FedEx delivery charges for Board & Committee packets on Jul. 16, 2014	49.79
07/19/14	Employment advertising for Associate Water Resources Analyst position	200.00
Total		<u>\$ 5,736.81</u>

Cal Card Statement Detail
Statement Date: July 22, 2014
Payment Date: August 29, 2014

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Rob's Card</u>		
6/23/14-7/22/14	Meals for R. Hunter's meetings on various dates	613.81
06/24/14	Dinner for MET Director appointment meeting	211.62
06/30/14	Litigation meeting in Los Angeles, CA on Jun. 30, 2014 - Parking for R. Hunter	37.00
07/15/14	State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Transportation for R. Hunter	39.60
07/15/14	State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Meal for R. Hunter	18.11
07/15/14	State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Parking for R. Hunter	22.13
Total		<u>\$ 942.27</u>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
126085	8/4/14	ALLIS 241846	Alliant Insurance Services, Inc. July-September 2014 Worker's Compensation Insurance	4,654.93
			***Total ***	4,654.93
			Total Core Disbursements	<u>4,654.93</u>
Choice Disbursements:				
			Total Choice Disbursements	<u>0.00</u>
Other Funds Disbursements:				
126085	8/4/14	ALLIS 241846	Alliant Insurance Services, Inc. July-September 2014 Worker's Compensation Insurance	210.43
			***Total ***	210.43
			Total Other Funds Disbursements	<u>210.43</u>
			Total Disbursements	<u><u>4,865.36</u></u>



Robert J. Hunter, General Manager



Hilary Chumoitazi, Treasurer

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

**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 7/31/14**

	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
Cash - Beginning Balance	\$ 219,916.20	\$ 149,932.24	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	
REVENUES:													
City of Brea	3,448.00	328.00											\$ 3,776.00
City of Fullerton	75.00	75.00											\$ 150.00
City of Garden Grove		255.00											\$ 255.00
City of La Habra		105.00											\$ 105.00
City of San Clemente	600.00	1,965.00											\$ 2,565.00
City of San Juan Capistrano	105.00	735.00											\$ 840.00
City of Santa Ana		157.68											\$ 157.68
City of Orange	630.00	1,050.00											\$ 1,680.00
City of Westminster		19.97											\$ 19.97
El Toro Water District	2,703.99	2,717.00											\$ 5,420.99
Golden State Water Company	2,671.00	3,493.93											\$ 6,164.93
Irvine Ranch Water District	65,383.05	28,904.47											\$ 94,287.52
Laguna Beach County Water District	328.00	1,130.00											\$ 1,458.00
Mesa Water District		225.00											\$ 225.00
Metropolitan Water District		142,191.56											\$ 142,191.56
Santa Margarita Water District	1,092.20	4,782.20											\$ 5,874.40
South Coast Water District	75.00	225.00											\$ 300.00
Miscellaneous Revenues													
Miscellaneous	5,950.50												5,950.50
Interest Revenue													-
Total Revenues	83,061.74	188,359.81	-	-	-	-	-	-	-	-	-	-	\$ 271,421.55
EXPENDITURES:													
Aquaticent	1,500.00	1,500.00											3,000.00
Conservation Consulting, LLC	7,544.25	7,411.50											14,955.75
City of Newport Beach	2,968.00												2,968.00
Executive Information Systems		584.00											584.00
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20												7,988.20
MESA	2,119.50												2,119.50
Mission RCD	6,485.80	12,988.02											19,473.82
Spray to Drip program		975.00											975.00
Turf Removal	108,189.95	183,408.30											291,598.25
URS		12,580.00											12,580.00
Waterwise Consulting		1,250.00											1,250.00
Miscellaneous Expenses													
Interest Expense													-
Salary & Benefit													-
Total Expenditures	153,045.70	220,696.82	-	-	-	-	-	-	-	-	-	-	\$ 373,742.52
Cash - Ending Balance	\$ 149,932.24	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	\$ 117,595.23	



Municipal Water District of Orange County Consolidated Summary of Cash and Investment July 31, 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

Larry D. Dick
President
Wayne S. Osborne
Vice President
Brett R. Barbre
Director
Wayne A. Clark
Director
Joan C. Finnegan
Director
Susan Hinman
Director
Jeffery M. Thomas
Director
Robert J. Hunter
General Manager

MEMBER AGENCIES

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$1,687,565	16.97%
Grant & Project Cash Flow	1,000,000	10.06%
Building Repair	239,491	2.41%
Total Designated Reserves	2,927,056	29.44%
General Fund	2,981,152	29.98%
Water Fund	3,520,563	35.41%
Conservation Fund	149,932	1.51%
Desalination Feasibility Study Fund	313,427	3.15%
WEROC Fund	55,718	0.56%
Trustee Activities	-4,869	-0.05%
Total	\$9,942,979	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.93%	\$92,695	\$92,695
Short-term investment			
• LAIF	44.08%	\$4,382,565	\$4,382,565
• OCIP	23.78%	2,364,349	2,364,349
Long-term investment			
• Misc. Securities	20.15%	2,003,370	2,054,630
• Certificates of Deposit	11.06%	1,100,000	1,095,755
Total	100.00%	\$9,942,979	\$9,989,994

The average number of days to maturity/call as of July 31, 2014 equaled 226 and the average yield to maturity is 1.028%. During the month, the District's average daily balance was \$19,973,245.16. 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 July 2014.

The \$47,015 difference between the book value and the market value on July 31, 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
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary

July 31, 2014

7/31/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,095,754.50	1,100,000.00	11.17	1323	1.459
Local Agency Investment Funds	4,382,565.22	4,382,565.22	4,382,565.22	44.51	1	0.244
Miscellaneous Securities - Coupon	2,000,000.00	2,054,630.00	2,003,370.49	20.31	380	3.346
Orange County Investment Pool	2,364,348.92	2,364,348.92	2,364,348.92	24.01	1	0.320
Total Investments	9,846,914.14	9,897,298.64	9,850,284.63	100.00%	226	1.028

Cash						
Passbook Checking	92,694.86	92,694.86	92,694.86		1	0.00
Total Cash and Investments	9,939,609.00	9,989,993.50	9,942,979.49		226	1.028

Total Earnings	Month Ending June	Fiscal Year to Date
Current Year	9,568.70	9,568.70
Average Daily Balance	18,642,751.02	
Effective Rate of Return	1.028%	

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.

[Signature]

Robert J. Hunter, General Manager

Date

9-5-14

[Signature]
Hilary Chumipitazi, Treasurer

9/4/2014

Date

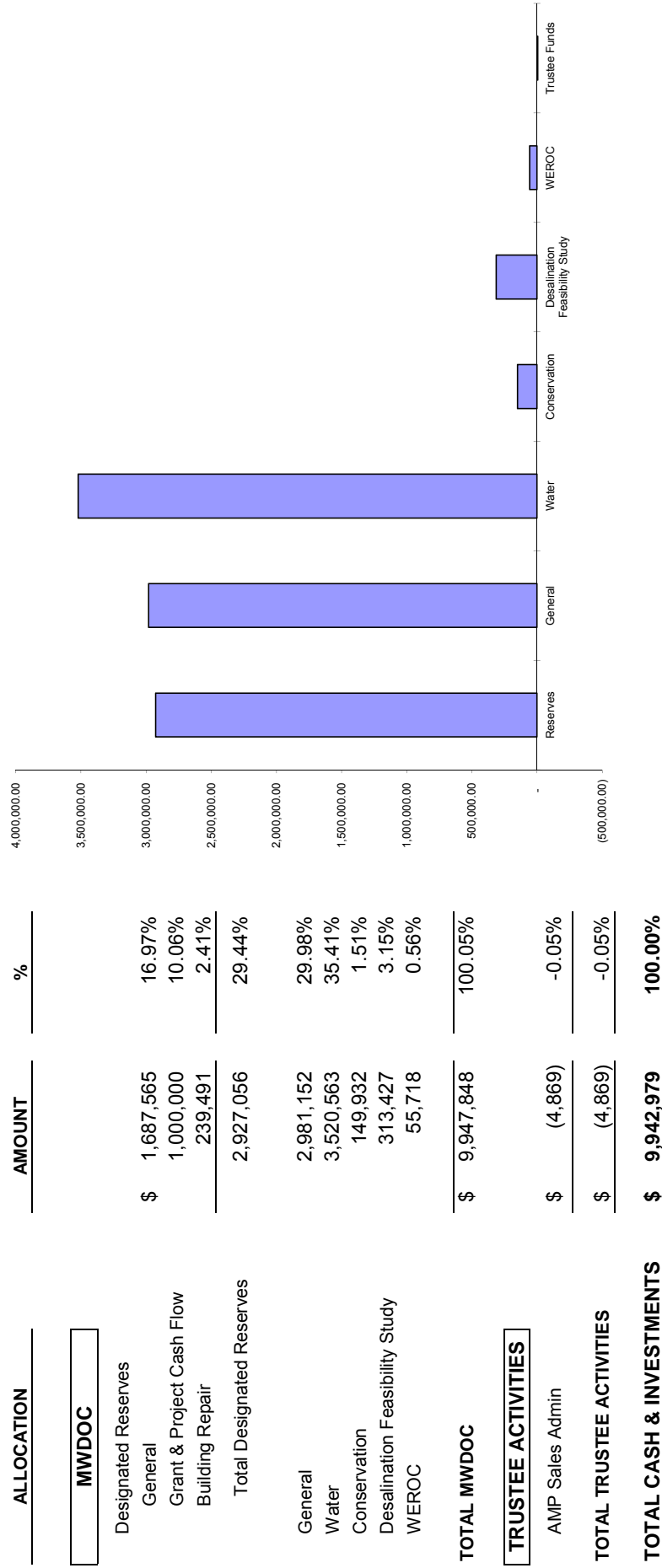
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
July 31, 2014

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									
Ally Bank	02006LFV0	7/23/2014	250,000.00	249,015.00	250,000.00	1.150	1.150	1089	7/24/2017
Discover Bank	2546712V5	7/23/2014	250,000.00	248,747.50	250,000.00	1.600	1.600	1453	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	249,010.00	250,000.00	1.200	1.200	1090	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,067.00	100,000.00	1.050	1.050	907	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	248,915.00	250,000.00	2.050	2.050	1825	7/30/2019
Sub Total			1,100,000.00	1,095,754.50	1,100,000.00	1.459	1.459	1323	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	257,782.50	251,754.55	3.700	3.000	397	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	256,367.50	251,469.53	3.400	2.700	328	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	517,105.00	500,787.11	3.125	3.007	529	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	515,650.00	499,662.30	3.450	3.508	459	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	507,725.00	499,697.00	3.875	4.020	168	1/15/2015
Sub Total			2,000,000.00	2,054,630.00	2,003,370.49	3.500	3.346	380	
Total Investments			3,100,000.00	3,150,384.50	3,103,370.49	2.776	2.677	714	
Total Earnings									
Current Year			6,157.89		6,157.89				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
July 31, 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	4,382,565.22	4,382,565.22	4,382,565.22	0.244	0.244	1	N/A
Sub Total			4,382,565.22	4,382,565.22	4,382,565.22	0.244	0.244	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	2,364,348.92	2,364,348.92	2,364,348.92	0.320	0.320	1	N/A
Sub Total			2,364,348.92	2,364,348.92	2,364,348.92	0.320	0.320	1	
Total Investments			6,746,914.14	6,746,914.14	6,746,914.14	0.271	0.271		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	92,194.86	92,194.86	92,194.86	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			92,694.86	92,694.86	92,694.86	0.000	0.000	1	
Total Cash and Investments			6,839,609.00	6,839,609.00	6,839,609.00	0.271	0.271	1	
Total Earnings									
Current Year			3,410.81		Fiscal Year To Date	3,410.81			

Municipal Water District of Orange County
Cash and Investments at July 31, 2014





Memorandum

DATE: September 10, 2014

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

FROM: Hilary Chumpitazi

SUBJECT: **Preliminary Financial Report for Fiscal Year 2013-14 (Unaudited)**

The following reports are attached for the Fiscal Year 2013-2014 Financial Reports:

- Projected versus Budget variance analysis report
- Revenue and expenditures actual versus budget for the General Fund
- Revenue and Expenditures Actual vs Budget Detailed Comparative Report for the General Fund.
- Revenue and Expenditures Actual Versus Budget for the Other Funds
- Revenue and Expenditures Actual Versus Budget for the Water Use Efficiency Funds
- Revenue and Expenditures Actual Versus Budget for the Water Fund

Municipal Water District of Orange County
Projected versus Budget Variance Analysis report
Fiscal Year 2013-2014

General Fund

Revenues:

<u>Water Rate Revenues</u>	Water increment charges are \$55,000 higher than Budget due to drier and warmer weather conditions and increased sales volume.
<u>Interest Income</u>	\$33,000 lower than Budget due to lower than anticipated interest earnings and water bills being paid by our member agencies closer to the due date.
<u>Choice Programs</u>	Choice billing \$47,000 under due to fewer children attending the School Program; Lower activity on Poseidon Ocean Desalination and Water Use Efficiency had some expenses roll over to FY 14/15.
<u>School Contracts</u>	City of Santa Ana increased their participation by \$20,000 during the year.

Expenses:

<u>Personnel Expenses</u>	\$169,000 under Budget due to: <ul style="list-style-type: none"> - Salaries and Benefits under due to open staff positions and not filling the Director of Finance position - Salaries (Grant Recovery) recovered more in the early stages of the grant due to more time spent upfront - Higher OPEB annual contribution to prefund within 10 years - Training Expense lower due to no formal training sessions being held - Lower tuition reimbursement
<u>Professional fees:</u>	\$130,000 under Budget (not counting \$8,000 unbudgeted recovery from grants) <ul style="list-style-type: none"> - Engineering under and carrying-over \$105,000 for the Reliability Study to begin 3rd quarter - Legal over by \$32,000 due to San Diego County Water Authority and MET Litigation; Grants and Agreement Review; Public Records Requests and other potential litigation issues - Audit Expense under due to no Single Audit for FY 12/13 - Professional Services under by \$49,000 due to \$52,000 of a \$133,000 Value of Communication Plan contract being carried over to FY 14/15
<u>Travel & Conference:</u>	\$19,000 under Budget due to less conferences attended by staff and Directors
<u>General & Administrative expenses:</u>	\$82,000 under Budget due to: <ul style="list-style-type: none"> - Lower Postage/Mail Delivery due to items being sent electronically - Lower Reproduction Expense by \$5,900 due to a briefing book being converted to an electronic, interactive version and delivered via thumb drives and an additional \$35,000 to reprint brochures was postponed - Less Software licenses were purchased due to the implementation of a virtual infrastructure - Insurance over by \$11,000 due to higher insurance premium - Lower Miscellaneous expenses required in a number of programs
<u>Building</u>	\$96,000 less due to market price on bids for HVAC System lower than anticipated
<u>Capital Acquisition</u>	\$6,000 less due to not needing an additional server due to the implementation of a virtual infrastructure
<u>Transfer-out to Reserve:</u>	Based on the above results, the District anticipates to transfer \$472K (less carryover expenses) to the Reserves, an increase of \$56K over the projected actual transfer. The Reserve Fund ending balance as of June 30, 2014 is estimated to be at \$ 3,399,055

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year 2013-2014
(\$000 Omitted)
General Fund

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail connection fees	5,130	5,122	8
Water rate increment	764	710	55
Subtotal	5,894	5,832	63
Other Revenues:			
Interest income	105	138	(33)
Choice Programs	861	908	(47)
Other income	93	73	20
Subtotal	1,059	1,119	(60)
 TOTAL REVENUES	 6,953	 6,951	 2
<u>EXPENSES</u>			
Personnel expenses (inc. Dir.)	4,205	4,366	161
Professional services	753	818	65
Outside engineering	64	170	106
Legal expense	336	305	(32)
Travel & Conference	46	65	19
Dues and Memberships	125	127	3
General & Administrative expenses	559	641	82
Building	219	315	96
Capital acquisition	17	24	6
 TOTAL EXPENSES	 6,324	 6,830	 506
 Transfer from (to) Reserve	 (629)	 (120)	 (508)

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Detailed Comparative Report
Fiscal Year 2013-2014
General Fund

	ACTUAL	BUDGET	Variance
<u>REVENUES</u>			
Retail Connection Charge	5,129,804	5,121,824	7,980
Water Increment	764,447	709,840	54,607
Water rate revenues	5,894,252	5,831,664	62,588
Interest Revenue	104,857	138,000	(33,143)
Subtotal	104,857	138,000	(33,143)
Choice Programs	860,963	907,846	(46,883)
Miscellaneous Income	2,549	3,000	(451)
School Contracts	90,207	70,000	20,207
Delinquent Payment Penalty	57	0	57
Subtotal	953,776	980,846	(27,070)
TOTAL REVENUES	6,952,884	6,950,510	2,374
Transfer to Reserve	(629)	(120)	(508)
Total Revenues and Reserve Transfer	6,952,256	6,950,390	1,866

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Detailed Comparative Report
Fiscal Year 2013-2014
General Fund

	ACTUAL	BUDGET	Variance
<u>EXPENSES</u>			
Salaries & Wages	2,778,186	2,848,711	70,525
less Recovery from Grants	(28,125)	(20,851)	7,274
Directors' Compensation	173,988	200,357	26,369
MWD Representation	81,793	114,490	32,697
Employee Benefits	834,554	962,227	127,673
OPEB Annual Contribution	229,436	111,112	(118,324)
Director Benefits	85,074	87,592	2,518
Health Ins \$'s for Retirees	44,546	44,463	(83)
Training Expense	2,273	11,600	9,327
Tuition Reimbursement	3,092	6,000	2,908
Personnel Expenses	4,204,816	4,365,701	160,885
Engineering Expense	64,147	170,000	105,853
Legal Expense	336,475	304,500	(31,975)
Audit Expense	15,400	23,000	7,600
Professional Services	746,461	795,313	48,852
less Recovery from Grants	(8,384)	-	8,384
Professional Fees	1,154,098	1,292,813	138,715
Conference-Staff	8,840	12,520	3,680
Conference-Directors	3,224	7,960	4,736
Travel & Accom.-Staff	21,540	28,360	6,820
Travel & Accom.-Directors	12,270	15,950	3,680
Travel & Conference	45,874	64,790	18,916
Membership/Sponsorship	84,709	88,087	3,378
CDR Support	39,959	39,140	(819)
Dues & Memberships	124,668	127,227	2,559
Automotive Expense	15,936	15,590	(346)
Business Expense	6,178	7,000	822
Maintenance Office	95,595	104,880	9,285
Building Repair & Maintenance	10,965	-	(10,965)
Rents & Leases	13,975	14,309	334
Office Supplies	25,270	24,000	(1,270)
Postage/Mail Delivery	9,545	15,100	5,555
Outside Printing, Subscription & Books	27,789	70,987	43,198
Maintenance-Computers	4,665	7,500	2,835
Software Support & Expense	50,336	63,900	13,564
Insurance Expense	106,514	96,000	(10,514)
Utilities - Telephone	14,420	16,900	2,480
Miscellaneous Expense	68,920	96,310	27,390
MWDOC's Contribution To WEROC	108,820	108,820	-
Other Expenses	558,927	641,296	82,369
Building	218,725	315,000	96,275
Capital Acquisition	17,109	23,500	6,391
TOTAL EXPENSES	6,324,218	6,830,327	506,109

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year 2013-2014

Other Funds

	<u>Actual</u>	<u>Budget</u>	<u>% Used</u>
<u>WUE Master Plan</u>			
Revenues	3,314	-	0%
Expenditures	<u>3,329</u>	<u>-</u>	0%
Excess of Revenues over Expenditures	(15)	-	
 <u>WEROC</u>			
Revenues	223,736	213,577	105%
Expenditures	<u>217,504</u>	<u>213,577</u>	102%
Excess of Revenues over Expenditures	6,232	-	
 <u>WEROC Water Trailers</u>			
Revenues	464,150	-	0%
Expenditures	<u>464,150</u>	<u>-</u>	0%
Excess of Revenues over Expenditures	-	-	
 <u>WUE Projects</u> (details on page 5)			
Revenues	1,734,104	2,071,135	84%
Expenditures	<u>1,735,673</u>	<u>2,071,135</u>	84%
Excess of Revenues over Expenditures	(1,569)	-	
 <u>RPOI Distribution</u>			
Revenues	4,452,487	1,619,665	275%
Expenditures	<u>4,452,487</u>	<u>1,619,665</u>	275%
Excess of Revenues over Expenditures	-	-	
 <u>Ocean Desalination</u>			
Revenues	67,595	115,459	59%
Expenditures	<u>67,595</u>	<u>115,459</u>	59%
Excess of Revenues over Expenditures	-	-	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Landscape Performance Certification</u>					
Revenues	137,447		107,000	128.45%	114,500
Expenditures	<u>137,447</u>		<u>107,000</u>	128.45%	<u>114,500</u>
Excess of Revenues over Expenditures	-	0%	-		

Actual Variance: No comment needed

Budget Variance: Increased activity due to drought response.

<u>SmarTimers Rebate</u>					
Revenues	120,845		125,200	96.52%	115,000
Expenditures	<u>114,814</u>		<u>125,200</u>	91.70%	<u>115,000</u>
Excess of Revenues over Expenditures	6,031	4.99%	0		

Actual Variance: No comment needed

Budget Variance: No comment needed.

<u>Industrial Water Use Reduction</u>					
Revenues	94,093		113,478	82.92%	115,000
Expenditures	<u>101,692</u>		<u>113,478</u>	89.61%	<u>115,000</u>
Excess of Revenues over Expenditures	(7,600)	-8.08%	0		

Actual Variance: Grant Billing in October to cover expenses

Budget Variance: Slower than anticipated activity due to the nature of the program. Industrial projects are slow to materialize.

<u>Rotating Nozzle Rebate</u>					
Revenues	152,564		0	0.00%	
Expenditures	<u>152,564</u>		<u>0</u>	0.00%	
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established.

<u>Hotel Water Use Reduction Program</u>					
Revenues	92,271		189,484	48.70%	75,000
Expenditures	<u>92,271</u>		<u>189,484</u>	48.70%	<u>75,000</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Less than expected activity. Term extension was granted which will allow for full program implementation.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Spray to Drip Conversion</u>					
Revenues	2,661		45,124	5.90%	
Expenditures	<u>2,661</u>		<u>45,124</u>	5.90%	
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Expected rollout of the program was delayed from the expected start date. Realized initial program participation was slow. Full Program activity to occur in FY14/15.

Water Smart Landscape for Public Property

Revenues	35,476		1,000,838	3.54%	
Expenditures	<u>35,476</u>		<u>1,000,838</u>	3.54%	
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Public property projects were due to begin during the last six months of the fiscal year. These projects have been slow in rolling out due to public contracting procedures and city approval process. It is now expected all will materialize in fiscal year 14/15.

Member Agency Administered Passthru

Revenues	4,875		-	0.00%	
Expenditures	<u>4,875</u>		<u>-</u>	0.00%	
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established.

ULFT Rebate Program

Revenues	85,955		40,000	214.89%	55,000
Expenditures	<u>85,955</u>		<u>40,000</u>	214.89%	<u>55,000</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Increased activity due to drought response.

HECW Rebate Program

Revenues	310,455		380,000	81.70%	380,000
Expenditures	<u>310,455</u>		<u>380,000</u>	81.70%	<u>380,000</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Mid-year the MET rebate was reduced which caused less than expected program activity.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>CII Rebate Program</u>					
Revenues	64,986		0	0.00%	
Expenditures	<u>64,986</u>		<u>0</u>	0.00%	
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established. Newport Beach and Laguna Beach requested MET funding for a direct install program.

Large Landscape Survey

Revenues	74,729		21,600	345.97%	55,000
Expenditures	<u>74,729</u>		<u>21,600</u>	345.97%	<u>55,000</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Program activity is tied to the commercial smart timer program which saw a larger than expected activity in the second half of the fiscal year due to the drought response.

Indoor-Outdoor Survey

Revenues	5,276		12,150	43.42%	3,500
Expenditures	<u>5,276</u>		<u>12,150</u>	43.42%	<u>3,500</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: The \$7K difference is tied to the Home Certification and Rebate program which started up in the last quarter of the year.

Turf Removal Program

Revenues	539,875		105,000	514.17%	375,000
Expenditures	<u>539,875</u>		<u>105,000</u>	514.17%	<u>375,000</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Through aggressive marketing of the program and the State Drought Declaration, The program saw a significant increase in program activity. Also the rebate level increased from \$1/sq/ft to \$2/sq/ft in the last quarter of the fiscal year.

Home Certification and Rebate

Revenues	12,596		120,745	10.43%	0
Expenditures	<u>12,596</u>		<u>120,745</u>	10.43%	<u>0</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: No comment needed.

Budget Variance: Rollout of the program was delayed from the expected start date due to the creation of an online report generator process that reduce staff time development. Realized initial program participation was slow.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Water Funds
Fiscal Year 2013-2014

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Water Revenues</u>			
Water sales	179,640,723	145,306,842	34,333,881
Ready to Serve Charge	12,287,595	10,293,552	1,994,043
Capacity Charge Flat Rate	3,396,050	3,132,800	263,250
SCP Surcharge	335,487	354,112	(18,625)
Interest	<u>2,826</u>	<u>4,630</u>	<u>(1,804)</u>
Total Water Revenues	<u>195,662,681</u>	<u>159,091,936</u>	<u>36,570,745</u>
 <u>Water Purchases</u>			
Water sales	179,640,723	145,306,842	34,333,881
Ready to Serve Charge	12,287,595	10,293,552	1,994,043
Capacity Charge	3,396,050	3,132,800	263,250
SCP Surcharge	<u>335,487</u>	<u>354,112</u>	<u>(18,625)</u>
Total Water Purchases	<u>195,659,855</u>	<u>159,087,306</u>	<u>36,572,549</u>
EXCESS OF REVENUES OVER			
EXPENDITURES	<u>2,826</u>	<u>4,630</u>	<u>(1,804)</u>



July 25 2014

To the Board of Directors
Municipal Water District of Orange County

We are engaged to audit the financial statements of the Municipal Water District of Orange County (District) for the year ended June 30, 2014. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and OMB Circular A-133

As stated in our engagement letter dated July 25, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with OMB Circular A-133, we will examine, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the District's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis and the other post-employment benefit plan schedule of funding progress, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the schedule of expenditures of federal awards. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

If any member of the Board is aware of matters that have a material bearing on the financial statements taken as a whole (such as those described above in items 1-4), please contact me at (949) 768-0833 or by email at ralfaro@vtdcpa.com by September 9, 2014. We expect to begin our audit on approximately August 6, 2014 and we expect to issue our reports during November 2014.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Roger Alfaro
Of Vavrinek, Trine, Day & Co., LLP



CONSENT CALENDAR ITEM

September 17, 2014

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Maribeth Goldsby

SUBJECT: 2014 CONFLICT OF INTEREST CODE -- BIENNIAL REVIEW

STAFF RECOMMENDATION

Staff recommends the Board of Directors: (1) Review the District's Conflict of Interest Code; (2) determine whether updates are needed; and (3) authorize staff to submit the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors indicating that revisions are necessary (no later than October 1, 2014).

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

The Board of Supervisors for the County of Orange (MWDOC's Code Reviewing Body) assists the District in reviewing its Conflict of Interest Codes every two years, pursuant to Fair Political Practices Commission (FPPC) requirements.

A preliminary staff and legal counsel review, indicates that one title be added (WEROC Programs Manager) and that the disclosure category for that position be included. As a result of this change, and in effort to comply with the FPPC disclosure category requirements, a more detailed review and appropriate revisions will be performed by Best, Best & Krieger. This review will ultimately result in revisions to the Code and its appendices.

All that is required at this time (by the FPPC) is that the Board acknowledge and notify the FPPC that changes to the Code are necessary. This notification is due no later than October 1st.

Staff will present the proposed changes to the Code in November.

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

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

CONFLICT OF INTEREST AND DISCLOSURE OF PERSONAL FINANCES	§7000-§7006
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§7000 GENERAL REQUIREMENTS

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

§7001 MWDOC CONFLICT OF INTEREST CODE

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

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

Res. No. 1874 – 2/17/10

§7002 FILING OFFICER/OFFICIAL

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

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

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

§7003 FILING OF STATEMENTS OF ECONOMIC INTERESTS

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

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

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

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

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

Motion - 4/20/94;

§7004 OPINIONS OF LEGAL COUNSEL

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

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

Motion 4/20/94

§7005 DESIGNATED POSITIONS AND CATEGORIES

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

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

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

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

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

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

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

DISCLOSURE CATEGORIES
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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

EXHIBIT B: CATEGORIES

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

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

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

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

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

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

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

§7006 ARTICLE 2, POLITICAL REFORM ACT

Pursuant to Article 2 of the Political Reform Act (Government Code Section 87200 et seq.) those positions which involve the management of public investments are required to report their economic interests under the provisions of Article 2 rather than under MWDOC's Conflict of Interest Code, on Form 700. Those positions with MWDOC who are required to

report their economic interests are as follows:

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

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

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



ACTION ITEM
September 17, 2014

TO: Board of Directors

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

SUBJECT: APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt Resolution reappointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey, Mary Snow as Alternate Deputy Treasurers, and appointing Lina Gunawan as an additional Alternate Deputy Treasurer. Said Resolution also outlines signatory authority.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

Due to an evaluation of day-to-day activities in the Accounting Department, staff believes it would be prudent to add Lina Gunawan as an additional Deputy Treasurer. Additionally, it would be prudent to outline banking signature authority due to the recent changes in positions.

Attached is the proposed Resolution.

RESOLUTION NO. _____

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPOINTMENT OF TREASURER, DEPUTY TREASURER, AND
ALTERNATE DEPUTY TREASURERS AND
AUTHORIZATION OF SIGNATORIES ON DISTRICT BANK ACCOUNTS**

WHEREAS, by Resolution No. 1434, the Board of Directors created the office of Alternate Deputy Treasurer and delegated to such office the authority to direct the investment of District funds when the Treasurer and Deputy Treasurer may be unavailable; and

WHEREAS, by Resolution No. 1985, the Board of Directors appointed Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Mary Snow and Jeffrey Stalvey as Alternate Deputy Treasurers; and

WHEREAS, due to her involvement in the regular day-to-day investment activities of the District, it appears prudent to appoint Lina Gunawan as an additional Alternate Deputy Treasurer.

NOW, THEREFORE, be it resolved by the Board of Directors of Municipal Water District of Orange County as follows:

1. **Lina Gunawan** (Accountant) is hereby appointed to the office of Alternate Deputy Treasurer, and shall have and exercise that authority which is delegated to the office of Alternate Deputy Treasurer under Resolution No. 1434, subject to the investment policy established by the Board of Directors in Resolution No. 1942 as amended from time to time. No additional compensation shall be given for the office of Alternate Deputy Treasurer.
2. **Hilary Chumpitazi** (Accounting Manager) remains appointed as Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board, and no additional compensation shall be given for the office of Treasurer.
3. **Robert Hunter** (General Manager) remains 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 no additional compensation shall be given for the office of Deputy Treasurer.
4. **Jeff Stalvey** (Financial Analyst) remains 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 no additional compensation shall be given for the office of Alternate Deputy Treasurer.

5. **Mary Snow** (Accountant) remains 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 no additional compensation shall be given for the office of Alternate Deputy Treasurer.
6. That each member of the Board of Directors, the General Manager/ Deputy Treasurer, and the Assistant General Manager, as designated on Exhibit "A", attached hereto, are hereby authorized to draw checks on the District's bank accounts at Bank of America NT & SA No. 14582-50547 (General Account) and No. 14588-50549 (Payroll Account). The Secretary of the District is hereby directed to cause signature cards in the form provided by Bank of America NT & SA to be completed with the authorized officers' signatures and duly certified and delivered to the Bank of America NT & SA.
7. Bank of America NT & SA is hereby authorized to honor and pay any and all checks and drafts duly executed by the authorized signatories, including those drawn to the individual order of any officer or person authorized to sign checks. Checks drawn on the District's General Account must bear the signatures of two of the authorized signatories, provided that not more than one authorized signature may be by facsimile as shown on the signature card certified to the Bank of America NT & SA by the Secretary of Municipal Water District of Orange County.
8. Bank of America NT & SA is hereby authorized to honor and pay any and all checks and drafts drawn on the District's payroll account (No. 14588-50549) which are duly executed by an authorized signatory, including checks drawn to the individual order of any officer or person authorized to sign checks. Checks drawn on the District's payroll account must be signed by one authorized signatory, provided that the signature may be by facsimile as shown on the signature card duly certified to the Bank of America NT & SA by the Secretary of Municipal Water District of Orange County.

Said Resolution was adopted this _____ day of _____ 2014, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

c:\wp60\docs\mwdoc\tresappt.res

MARIBETH GOLDSBY, Secretary of the
Municipal Water District of Orange County

EXHIBIT "A" TO RESOLUTION NO. _____

WAYNE A. CLARK
Director

JOAN FINNEGAN
Director

WAYNE OSBORNE
Director

JEFFERY M. THOMAS
Director

LARRY D. DICK
Director

BRETT BARBRE
Director

SUSAN HINMAN
Director

ROBERT J. HUNTER
General Mgr/ Deputy Treasurer

KARL W. SECKEL
Asst. General Mgr/Dist. Engineer

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



DISCUSSION ITEM
September 10, 2014

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

FROM: Rob Hunter, General Manager

Staff Contact: Maribeth Goldsby

SUBJECT: APPLICATION FOR CSDA's "DISTRICT OF DISTINCTION"

STAFF RECOMMENDATION

Staff recommends the Committee review, discuss and make a recommendation on whether to pursue CSDA'S District of Distinction award.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In June 2014, the District applied for, and was awarded, the California Special Districts Association (CSDA) Special District Leadership Foundation's (SDLF) "District Transparency Certificate of Excellence" award. Subsequently, staff was asked to review the requirements for the SDLF "Districts of Distinction" award.

In addition to much of the material supplied for the "Transparency Certificate of Excellence" and pursuant to the Districts of Distinction application, the following requirements will need to be met before MWDOC can apply for the award:

- Governance Training. Each Board member, the General Manager, and other executive staff (as designated by the District), must complete six hours of basic governance training. *To date 3 directors have completed this requirement.*

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

- Ethics Training (all Board members and the General Manager are up to date); however one Board member is due in September.
- Harassment Prevention Training. Each Board member, the General Manager, and other executive staff (as designated by the District), must complete Harassment Prevention Training (2 hours).

To meet the Governance Training, there is one more opportunity in 2014 (at the CSDA conference on September 29th in Palm Springs). Although future governance training sessions have not been scheduled, and the locations will vary between Northern and Southern California, the anticipated 2015 dates are:

- How to be an Effective Board Member (anticipated in January)
- Setting Direction/Community Leadership (April or May)
- Board's Role in Finance & Fiscal Accountability (January or February)
- Board's Role in Human Resources (February or March)

The Harassment Prevention Training can be done on-line; Katie can supply the web link so that you may take this training at your convenience.

A financial benefit for receiving the District of Distinction award is a discount (of approximately \$750) on the District's Worker's Compensation Insurance.

Attached is the checklist that CSDA provides for obtaining the award. Staff is requesting direction from the Board on whether to pursue this award and if so, staff would be happy to make the appropriate reservations for Board attendance at the September conference.



SHOWCASE YOUR COMMITMENT TO EXCELLENCE

Districts Of Distinction Application

The Districts of Distinction program is an accreditation program that enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply for designation as a District of Distinction by submitting financial audits, policies and procedures and proof of training received by directors and executive staff.

Requirements:

FINANCIAL AUDITS

Districts must demonstrate they undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.

What to submit:

- ☐ Copies of the three most recent district audits, including financial statements and management letters. Each audit, including findings and recommendations, will be reviewed by a member of the Certification & Audit Review Advisory Committee. Committee members are volunteers from the special district community, including district controllers, directors of finance and SDA certified general managers.

POLICIES AND PROCEDURES

Districts must demonstrate that their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual. Policies and procedures should focus on governance, ethics, board conduct, district finances, reserves, reimbursement/compensation, etc.

What to submit:

- ☐ Copy of your district's current approved policies and procedures manual.
- ☐ Copy of your district's Board minute action adopting and/or having reviewed the policies and procedures manual within the past year.

Training

Districts must demonstrate that all directors/trustees, general manager and executive staff (as designated by the district) have received training in governance as well as compliance with AB 1234 Ethics Training and AB 1825 Harassment Prevention Training.

What to submit:

Documentation showing class attendance, such as certificate of completion for each board member, general manager and other executive staff members (as identified by the board) in the following areas:

- ☐ **Governance Training:** Six hours of basic governance training within the past five years. Governance Foundations, offered by CSDA's Special District Leadership Academy, satisfies this requirement. Other courses may qualify as well, however will need to be submitted for review by SDLF.
- ☐ **Ethics Training:** Documentation verifying completion of AB 1234 ethics compliance training within the last two years.
- ☐ **Harassment Prevention Training:** Documentation verifying completion of AB 1825 harassment prevention training within the last two years.

Other

Districts must also include the following items with the accreditation/re-accreditation application:

What to submit:

- ☐ Board of Directors roster
- ☐ List of executive staff, including titles
- ☐ Proof of current compliance with CA State Controller reporting requirements including district financial and compensation data
- ☐ Completed application for accreditation/re-accreditation
- ☐ Accreditation/re-accreditation application fee
- ☐ Completed SDLF District Transparency Certificate of Excellence

Frequently Asked Questions (FAQs)

Who should apply to be a District of Distinction?

Any California special district that wants to demonstrate publicly the effectiveness of its operations. Applying for this designation shows that your district understands and respects the responsibilities inherent to providing essential public services in a fiscally responsible manner.

What does a district receive for completing the program?

Districts of Distinction earn the right to use the program's seal on district materials and a plaque honoring their accomplishment. SDFL will also write and issue press releases and notify legislators on a district's behalf.

How does a district apply?

Districts interested in earning the Districts of Distinction designation must complete the application and submit it along with the required documentation. Applications must also be accompanied by an application fee.

If my district is a member of the Special District Risk Management Authority (SDRMA), will getting a District of Distinction accreditation save me money on my premiums?

Yes. SDRMA offers Credit Incentive Points (CIPs) if your district earns the District of Distinction accreditation which can provide significant premium discounts. For more information, contact SDRMA at 800.537.7790 or visit www.sdrma.org.

RE-ACCREDITATION

For how long is the designation valid?

The Districts of Distinction designation is valid for two years and a district may be re-accredited by submitting the application and all current required documents for review along with the re-accreditation fee.

Fees

The fees are on a sliding scale, based on a district's ability to pay:



Is your district a District of Distinction?

INITIAL ACCREDITATION

<i>Annual operating budget</i>	<i>Fee</i>
\$0-299,999	\$200
\$300,000-749,999	\$400
\$750,000-999,999	\$600
\$1,000,000--2,999,999	\$800
\$3,000,000 or more	\$1,000

RE-ACCREDITATION

<i>Annual operating budget</i>	<i>Fee</i>
\$0-299,999	\$125
\$300,000-749,999	\$150
\$750,000-999,999	\$175
\$1,000,000--2,999,999	\$200
\$3,000,000 or more	\$250

Submit Application

Submit this application along with all required documentation and payment to:

SPECIAL DISTRICT LEADERSHIP FOUNDATION
1112 I Street, Suite 200
Sacramento, CA 95814

Phone: 916-231-2939 • Fax: 916-442-7889 • www.sdlf.org

DISTRICT:		
MAILING ADDRESS:		
CITY:	STATE:	ZIP:
CONTACT NAME:		
CONTACT TITLE:		
PHONE:	FAX:	
EMAIL:	WEBSITE:	
ASSEMBLY MEMBER(S)*:		
SENATOR*:		
LOCAL NEWSPAPER(S):		
I CERTIFY THAT THE INFORMATION SUBMITTED IS ACCURATE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.		SIGNATURE:
PAYMENT		
TOTAL: \$	<input type="checkbox"/> CHECK <input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER <input type="checkbox"/> AMERICAN EXPRESS	
ACCT. NAME:	ACCT. NUMBER:	
EXPIRATION DATE:	AUTHORIZED SIGNATURE:	

* Include all state legislators representing the district's area of operation.

**Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/13 to 06/30/14**

Activity Description	MWDOC Directors							MET Director's				Director's		
	Thomas	Barbre	Clark	Dick	Finnegan	Hinman	Osborne	Subtotal	Barbre	Ackerman	Foley	Dick	Subtotal	Total
<u>Per Diem</u> ⁽¹⁾														
MWDOC Committee & Board mtg	16,445	25,292	28,039	26,472	11,905	20,134	22,591	150,878	-	3,828	-	1,431	5,259	156,137
MET Committee & Board mtg	-	-	-	416	300	-	-	716	10,018	8,831	931	10,029	29,809	30,524
Meetings with Member Agencies	6,798	11,074	2,593	966	4,304	2,789	-	28,524	-	489	-	-	489	29,012
Other Misc meetings & activities	23,400	12,194	7,642	19,627	4,637	10,192	7,362	85,056	18,604	12,868	465	14,299	46,237	131,293
Benefit Reimbursement by Director	-	-	-	-	(2,620)	(3,418)	-	(6,038)	-	-	-	-	-	(6,038)
Subtotal-Per Diem	46,643	48,560	38,274	47,481	18,527	29,696	29,954	259,135	28,622	26,016	1,396	25,760	81,793	340,928
<u>Travel & Conferences</u> ⁽²⁾														
ACWA	1,080	87	75	40	-	2,592	-	3,874	-	87	-	-	87	3,961
AWWA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CRWUA	1,609	20	-	-	-	-	-	1,629	-	-	-	-	-	1,629
CSDA	-	-	-	-	-	225	225	450	-	-	-	-	-	450
Bond Buyers Conf	-	180	-	-	-	-	-	180	-	-	-	-	-	180
Legislative Activity in Sacramento	-	1,389	-	-	-	-	-	1,389	-	-	-	-	-	1,389
Washington DC Legislat Trips	-	6,988	-	-	-	-	-	6,988	-	-	-	-	-	6,988
ISDOC	20	57	17	17	34	-	54	199	-	-	-	-	199	199
MET Legislative	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NWRA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCWA	-	-	-	-	-	170	-	170	-	-	-	-	-	170
Urban Water Coalition	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Urban Water Institute	-	-	-	-	-	50	495	545	-	-	-	-	-	545
So Cal Water Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Education Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Travel Expenses	40	-	-	63	-	-	-	103	-	-	-	-	-	103
Mileage	1,589	300	1,161	2,051	574	3,085	118	8,878	-	738	-	-	738	9,616
Toll Charges	193	-	-	-	-	550	-	743	-	-	-	-	-	743
Subtotal-Travel & Conferences	4,531	9,021	1,253	2,171	608	6,672	892	25,147	-	825	-	-	825	25,973
Total	51,174	57,581	39,528	49,651	19,134	36,368	30,846	284,283	28,622	26,841	1,396	25,760	82,618	366,901

(1) Per Diem for MWDOC Directors includes benefits

(2) Includes convenience registration, travel, lodging, meals, transportation, mileage and other miscellaneous related costs; does not include Per Diem.



Item No. 7a

WFC ACTION ITEM

September 17, 2014

TO: Board of Directors, MWDOC Water Facilities Corporation

FROM: Robert Hunter, General Manager Staff Contact: Jeffrey Stalvey

SUBJECT: 2014 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation

STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize the annual filing of the Water Facilities Corporation tax compliance reports as presented.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

To maintain the Water Facilities Corporation ("Corporation") as an active entity, the following tax compliance reports will be filed on behalf of the Corporation for FY 2013-14, upon review of the Administration & Finance Committee, and concurrence by the Corporation Board of Directors:

- Return of Organization Exempt from Income Tax (IRS Form 990)
- California Exempt Organization Annual Information Return (CA Form 199)
- Annual Registration Renewal Fee Report to Attorney General of California (CA Form RRF-1)

•

The Corporation Board of Directors approved filing these reports for FY 2012-13 on September 18, 2013.

Attachments

- IRS Form 990
- CA Form 199
- CA Form RRF-1

Budgeted (Y/N): N/A	Budgeted Amount: N/A	Core ____	Choice ____
Action Item Amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted): N/A			

Short Form**Return of Organization Exempt From Income Tax**

OMB No. 1545-1150

2013**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at www.irs.gov/form990.

A For the 2013 calendar year, or tax year beginning July 1, 2013, and ending June 30, 2014	
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Municipal Water District of Orange County - Water Facilities Corporation Number and street (or P.O. box, if mail is not delivered to street address) Room/suite P.O. Box 20895 City or town, state or province, country, and ZIP or foreign postal code Fountain Valley, California 92728
D Employer identification number 959-350079	E Telephone number 714-593-5022
F Group Exemption Number ▶	
G Accounting Method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶	
I Website: ▶ mwdoc.com	
J Tax-exempt status (check only one) — <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other	
L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ 0	

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)Check if the organization used Schedule O to respond to any question in this Part I ☐

Revenue	1 Contributions, gifts, grants, and similar amounts received	1	0
	2 Program service revenue including government fees and contracts	2	0
	3 Membership dues and assessments	3	0
	4 Investment income	4	0
	5a Gross amount from sale of assets other than inventory	5a	
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6 Gaming and fundraising events		
	a Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
b Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b		
c Less: direct expenses from gaming and fundraising events	6c		
d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d		
7a Gross sales of inventory, less returns and allowances	7a		
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c	0	
8 Other revenue (describe in Schedule O)	8	0	
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶	9	0	
Expenses	10 Grants and similar amounts paid (list in Schedule O)	10	
	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	
	13 Professional fees and other payments to independent contractors	13	
	14 Occupancy, rent, utilities, and maintenance	14	
	15 Printing, publications, postage, and shipping	15	
	16 Other expenses (describe in Schedule O)	16	
17 Total expenses. Add lines 10 through 16 ▶	17	0	
Net Assets	18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	0
	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	
	20 Other changes in net assets or fund balances (explain in Schedule O)	20	
	21 Net assets or fund balances at end of year. Combine lines 18 through 20 ▶	21	0

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form **990-EZ** (2013)

Check if the organization used Schedule O to respond to any question in this Part II ☐

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	0	22 0
23	Land and buildings	0	23 0
24	Other assets (describe in Schedule O)	0	24 0
25	Total assets	0	25 0
26	Total liabilities (describe in Schedule O)	0	26 0
27	Net assets or fund balances (line 27 of column (B) must agree with line 21) . . .	0	27 0

Check if the organization used Schedule O to respond to any question in this Part III . . . ☐

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses
(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

28	_____		

	(Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	28a	
29	_____		

	(Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	29a	
30	_____		

	(Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	30a	
31	Other program services (describe in Schedule O)		
	(Grants \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	31a	
32	Total program service expenses (add lines 28a through 31a) <input type="checkbox"/>	32	

Check if the organization used Schedule O to respond to any question in this Part IV ☐

[illegible]

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V ☐

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O	33	✓
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)	34	✓
35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?	35a	✓
b If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O	35b	✓
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III	35c	✓
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36	✓
37a Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a		
b Did the organization file Form 1120-POL for this year?	37b	✓
38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	✓
b If "Yes," complete Schedule L, Part II and enter the total amount involved 38b		
39 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on line 9 39a		
b Gross receipts, included on line 9, for public use of club facilities 39b		
40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ ; section 4912 ▶ ; section 4955 ▶		
b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	✓
c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶		
d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e	✓
41 List the states with which a copy of this return is filed ▶		
42a The organization's books are in care of ▶ <u>Hilary Chumpitazi</u> Telephone no. ▶ <u>714.593.5019</u> Located at ▶ <u>18700 Ward Street</u> <u>Fountain Valley, CA</u> ZIP + 4 ▶ <u>92708</u>		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .	42b	✓
c At any time during the calendar year, did the organization maintain an office outside the U.S.? If "Yes," enter the name of the foreign country: ▶	42c	✓
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43		
44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	✓
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	✓
c Did the organization receive any payments for indoor tanning services during the year?	44c	✓
d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	✓
45a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	✓
45b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	✓

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

	Yes	No
46		<input checked="" type="checkbox"/>

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

	Yes	No
47		

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

48		
-----------	--	--

49a Did the organization make any transfers to an exempt non-charitable related organization?

49a		
------------	--	--

b If "Yes," was the related organization a section 527 organization?

49b		
------------	--	--

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation

f Total number of other employees paid over \$100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation

d Total number of other independent contractors each receiving over \$100,000 ▶

52 Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A ▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	Date
	Jeffrey Stalvey, Deputy Treasurer Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no. ▶			

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☐ Yes ☐ No

2013**California Exempt Organization
Annual Information Return****199**Calendar Year 2013 or fiscal year beginning (mm/dd/yyyy) 07/01/2013, and ending (mm/dd/yyyy) 06/30/2014

Corporation/Organization Name

Municipal Water District of Orange County - Water Facilities Corporation

California corporation number

0 8 4 4 3 8 6

Address (suite, room, or PMB no.)

P.O. Box 20895

FEIN

9 5 3 5 0 0 7 3 9

City

Fountain Valley

State

CA

ZIP Code

92728**A** First Return. ☐ Yes ☒ No**B** Amended Information Return. ☒ Yes ☐ No**C** IRC Section 4947(a)(1) trust. ☐ Yes ☒ No**D** Final Information Return? ☒ Dissolved ☐ Surrendered (Withdrawn)☐ Merged/ReorganizedEnter date: (mm/dd/yyyy) ☐ ____ / ____ / ____**E** Check accounting method:(1) ☐ Cash (2) ☒ Accrual (3) ☐ Other**F** Federal return filed?(1) ☒ 990T (2) ☐ 990 PF (3) ☐ Sch H (990)**G** Is this a group filing for the subordinates/affiliates? ☐ Yes ☒ No

If "Yes," attach a roster. See instructions

H Is this organization in a group exemption? ☐ Yes ☒ No

If "Yes," what is the parent's name?

I Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? ☐ Yes ☒ No

If "Yes," explain, and attach copies of revised documents.

J If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign, or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? ☐ Yes ☒ No
If "Yes," complete and attach form FTB 3509.**K** Is the organization exempt under R&TC Section 23701g? ☐ Yes ☒ No
If "Yes," enter the gross receipts from nonmember sources. \$ _____**L** If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. No filing fee is required. ☐**M** Is the organization a Limited Liability Company? ☐ Yes ☒ No**N** Did the organization file Form 100 or Form 109 to report taxable income? ☐ Yes ☒ No**O** Is the organization under audit by the IRS or has the IRS audited in a prior year? ☐ Yes ☒ No**Part I Complete Part I unless not required to file this form. See General Instructions B and C.**

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8.	1	0	00
	2	Gross dues and assessments from members and affiliates.	2	0	00
	3	Gross contributions, gifts, grants, and similar amounts received.	3	0	00
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Instruction B.	4	0	00
	5	Cost of goods sold.	5	00	
	6	Cost or other basis, and sales expenses of assets sold.	6	00	
	7	Total costs. Add line 5 and line 6.	7	0	00
	8	Total gross income. Subtract line 7 from line 4.	8	0	00
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18.	9	0	00
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8.	10	0	00
Filing Fee	11	Filing fee \$10 or \$25. See General Instruction F.	11	0	00
	12	Total payments.	12	0	00
	13	Penalties and Interest. See General Instruction J.	13	0	00
	14	Use tax. See General Instruction K.	14	0	00
	15	Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result.	15	0	00

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Signature of officer <input type="checkbox"/>	Title <u>Deputy Treasurer</u>	Date <u>8-19-2014</u>
Paid Preparer's Use Only	Preparer's signature <input type="checkbox"/>	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address		
May the FTB discuss this return with the preparer shown above? See instructions.			<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information.

Receipts from Other Sources	1 Gross sales or receipts from all business activities. See instructions.	●	1	0	00
	2 Interest.	●	2		00
	3 Dividends.	●	3		00
	4 Gross rents.	●	4		00
	5 Gross royalties.	●	5		00
	6 Gross amount received from sale of assets (See Instructions).	●	6		00
	7 Other income. Attach schedule.	●	7		00
	8 Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1.	●	8	0	00
Expenses and Disbursements	9 Contributions, gifts, grants, and similar amounts paid. Attach schedule.	●	9		00
	10 Disbursements to or for members.	●	10		00
	11 Compensation of officers, directors, and trustees. Attach schedule.	●	11		00
	12 Other salaries and wages.	●	12		00
	13 Interest.	●	13		00
	14 Taxes.	●	14		00
	15 Rents.	●	15		00
	16 Depreciation and depletion (See instructions).	●	16		00
	17 Other Expenses and Disbursements. Attach schedule.	●	17		00
	18 Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.	●	18	0	00

Schedule L Balance Sheets		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1 Cash			0	●	0
2 Net accounts receivable				●	
3 Net notes receivable.				●	
4 Inventories				●	
5 Federal and state government obligations.				●	
6 Investments in other bonds.				●	
7 Investments in stock.				●	
8 Mortgage loans.				●	
9 Other investments. Attach schedule				●	
10 a Depreciable assets.					
b Less accumulated depreciation	()		()		
11 Land				●	
12 Other assets. Attach schedule.				●	
13 Total assets.			0		0
Liabilities and net worth					
14 Accounts payable				●	
15 Contributions, gifts, or grants payable				●	
16 Bonds and notes payable.				●	
17 Mortgages payable				●	
18 Other liabilities. Attach schedule					
19 Capital stock or principle fund.				●	
20 Paid-in or capital surplus. Attach reconciliation				●	
21 Retained earnings or income fund				●	
22 Total liabilities and net worth.			0		0

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

1 Net income per books	●	0	7 Income recorded on books this year not included in this return. Attach schedule.	●	0
2 Federal income tax.	●		8 Deductions in this return not charged against book income this year. Attach schedule	●	0
3 Excess of capital losses over capital gains.	●		9 Total. Add line 7 and line 8.		0
4 Income not recorded on books this year. Attach schedule	●		10 Net income per return. Subtract line 9 from line 6.		0
5 Expenses recorded on books this year not deducted in this return. Attach schedule	●				
6 Total. Add line 1 through line 5.		0			

FEDERAL STATEMENTS
Municipal Water District of Orange County
Water facilities Corporation
95-3500739
Year 2013

STATEMENT 1
FORM 990EZ, PART IV
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Name and Address	Title & average hrs/week devoted to position	Compensation	Contributions to employee benefits & def comp	Expense a/c & other allowances
Brett Barbre [REDACTED] [REDACTED]	Director	0	0	0
Wayne Clark [REDACTED] [REDACTED]	Director	0	0	0
Larry Dick [REDACTED] [REDACTED]	President	0	0	0
Joan Finnegan [REDACTED] [REDACTED]	Director	0	0	0
Susan Hinman [REDACTED] [REDACTED]	Director	0	0	0
Wayne Osborne [REDACTED] [REDACTED]	Vice President	0	0	0
Jeffery Thomas [REDACTED] [REDACTED]	Director	0	0	0



WFC ACTION ITEM

September 17, 2014

TO: Board of Directors, MWDOC Water Facilities Corporation

FROM: Robert Hunter, General Manager Staff Contact: Maribeth Goldsby

SUBJECT: Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation

STAFF RECOMMENDATION

Staff recommends that the Board of Directors consider reorganization of Board Officers for the MWDOC Water Facilities Corporation.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

In December 2010, the Board of Directors adopted the Amended and Restated By-Laws for the Water Facilities Corporation ("Corporation"). An annual reorganization of Corporation Board Officers shall be conducted in accordance with Article IV., Sections 4.02 and 4.03, as excerpted below.

Section 4.02. Appointment. The officers shall be chosen at the annual meeting each year by the Board of Directors and each shall hold their office until they shall resign, be removed, or otherwise disqualified to serve, or a successor shall be qualified and appointed.

Section 4.03. Term of Office. Unless otherwise determined at the discretion of the Board of Directors, the term of office of the President and Vice President of the Corporation shall be for one year. The term of office of the General Manager, Secretary and Treasurer of the Corporation, respectively, shall coincide with each individual's term of employment with the District.

Currently Director Dick serves as President and Director Osborne serves as Vice President of the MWDOC Water Facilities Corp.

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



INFORMATION ITEM

September 10, 2014

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

**SUBJECT: Disposal of Surplus Personal Property Pursuant to District
Administrative Code Section 9500**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this report.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Staff identified obsolete, non-functional, or surplus fixed assets which no longer meet the District's needs. The attached list details these items. All of these items have no current book value as they have been fully depreciated.

Pursuant to Section 9500 of the Administrative Code, the General Manager has declared the fixed assets attached as surplus and authorized these items to be written off the District's fixed asset ledger. And we are informing the Administration & Finance Committee of the intent to write off or dispose of any items declared as surplus.

Staff has either disposed of these items or sold it to OCWD.

Attachments

- List of Obsolete, Nonfunctional and Disposed Fixed Assets

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

Municipal Water District of Orange County
Obsolete, Nonfunctional Fixed Asset to be Written-off
Date 6/30/14

Asset Nbr	Group Nbr	Acquisition Date	Vendor	Asset Description	Cost	Life	Accumulated Depreciation	Book Value
<u>Furniture & Fixtures</u>								
1011	200	9/4/1973	TIDE OFFICE SUPPLY	HOLGA 2 DRW LEGAL FILE CAB, BLK	91.58	10.00	91.58	-
1042	200	5/31/1984	ORANGE COUNTY OFFICE FURN	KIMBALL SECRETARY DESK	886.06	5.00	886.06	-
1108	200	8/28/1990	PARAMOUNT STATIONERS INC	DELUX COMPUTER STAND, WALNUT	90.32	5.00	90.32	-
				Total Furniture & Fixtures	1,067.96		1,067.96	0.00
<u>Equipment</u>								
3028	300	4/29/1994	OFFICE DEPOT	IBM PERSONAL WHEELWRITER 15	647.19	5.00	647.19	-
3035	300	6/30/1997	OFFICE DEPOT	IBM PERSONAL WHEELWRITER 2	541.98	5.00	541.98	-
				Total Equipment	1,189.17		1,189.17	0.00
<u>Computer Equipment</u>								
5150	500	6/30/2003	Helwelt-Packard	HP Server, Intel Xeon 2.8GHz	5,317.46	3.00	5,317.46	-
				Total Computer Equipment	5,317.46		5,317.46	0.00
<u>WEROC Equipment</u>								
				Total WEROC Equipment	0.00		0.00	0.00
				Total Write-offs	7,574.59		7,574.59	0.00

disposed or with last group of
obsolete computer equipment,
but was not removed from
books.

Approval to write-off


Hilary Chumplazi, Accounting Manager

8/5/14
Date


Robert J. Hunter, General Manager

8-8-14
Date



Item No. -

INFORMATION ITEM

September 10, 2014

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

FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre

SUBJECT: Monthly Water Usage Data, Tier 2 Projection, and Water Supply Info.

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee receive and file this information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The attached figures show the recent trend of water consumption in Orange County (OC), an estimate of Tier 2 volume for MWDOC, and selected water supply information.

Fig. 1 OC Water Usage, Monthly by Supply Groundwater was the main supply in July.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in July 2014 was above the average of the previous four Julys. This is consistent with warm weather, and with economic recovery.

Fig. 3 Historical OC Water Consumption OC water consumption of about 622,000 AF in FY 2013-14 was up about 3-½ % from FY 2012-13, but was still below the long-term average of about 630,000 AF/yr. Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts.

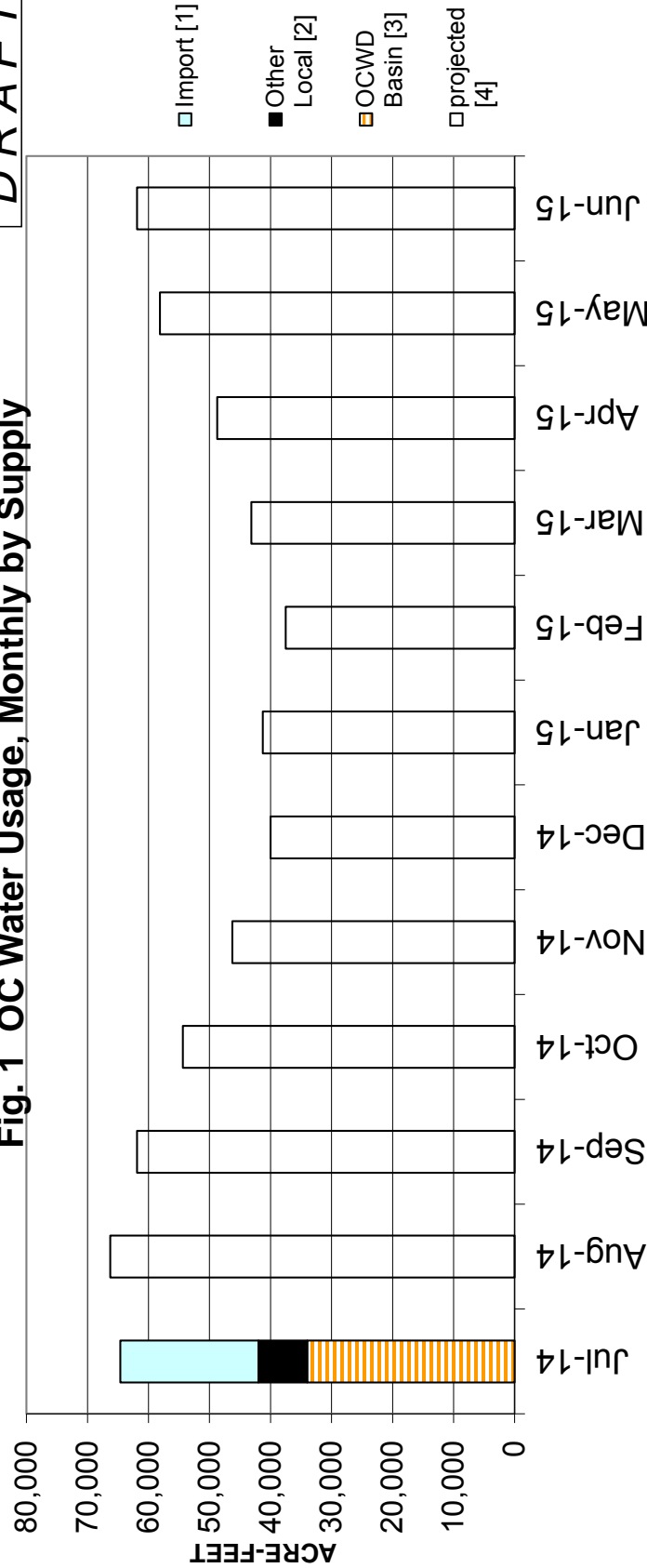
Fig. 4 MWDOC "Firm" Water Purchases, 2014 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2014.

Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data has implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1st through Sept. 30th.

- Orange County's accumulated rainfall in October through July was about one third of the average for this period. This continues the impact of the previous two hydrologic years' below-normal rainfall in reducing those local supplies that are derived from local runoff.
- Northern California accumulated precipitation in October through July was around 60% of normal for this period. The Northern California snowpack was 23% of normal as of April 1st, the date used for year-to-year comparison. This follows two below-average hydrologic years. The Governor has declared a Drought Emergency, and the State Water Project Contractors Table A Allocation is only 5% as of the end of July. This percentage may be increased a little, but it is certain that there will be less State Project water deliveries to MET and the other Contractors than in previous years.
- Colorado River Basin accumulated precipitation in October through July was a little under average for this period. The Upper Colorado Basin snowpack was 111% of average as of April 15th, the date used for year-to-year comparison. However, this follows two below-average hydrologic years, and this watershed is in a long-term drought. Lake Mead and Lake Powell combined have about 60% of their average storage volume for this time of year. If Lake Mead's level falls below a "trigger" limit, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. The USBR predicts that the "trigger" limit could be reached as early as 2015.

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Fig. 1 OC Water Usage, Monthly by Supply

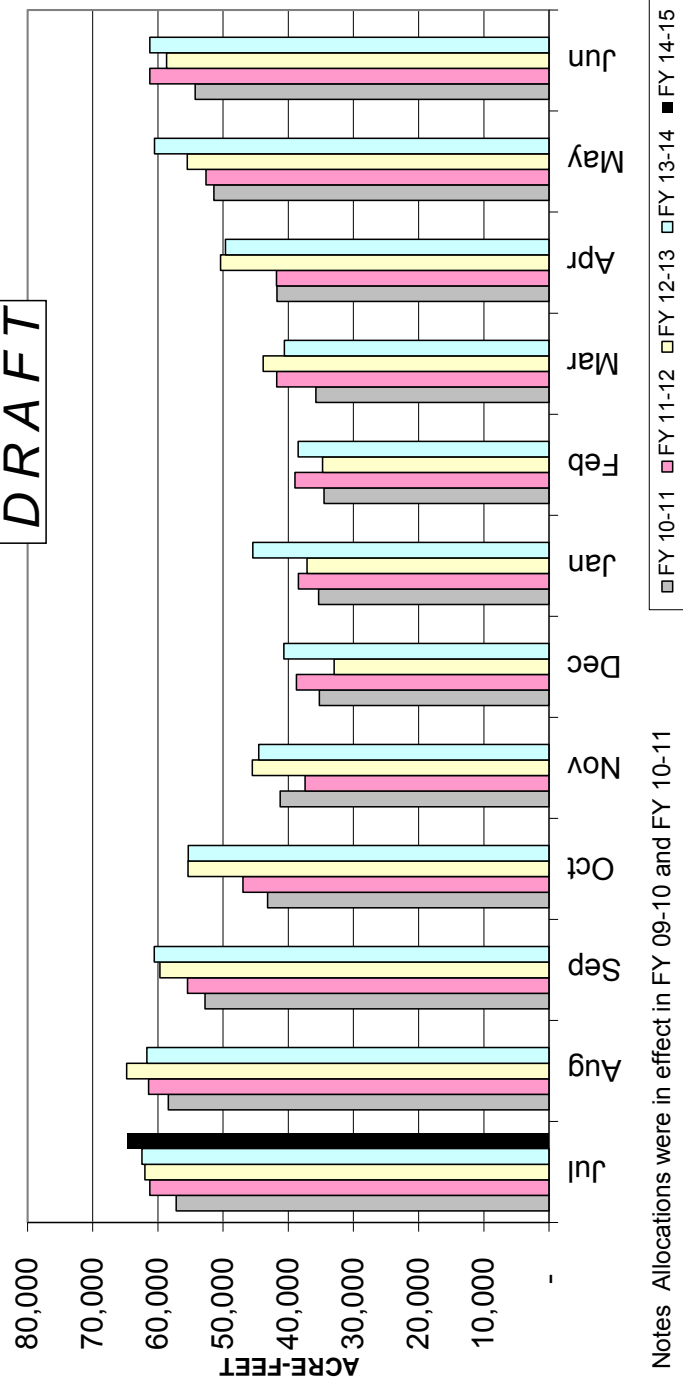


Note: values shown include some estimation and are subject to change.

- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '13-14 is 70%.
- [4] MWDOC's estimate of monthly demand is based on the projected FY 14-15 "Retail" water demand and historical monthly demand patterns.

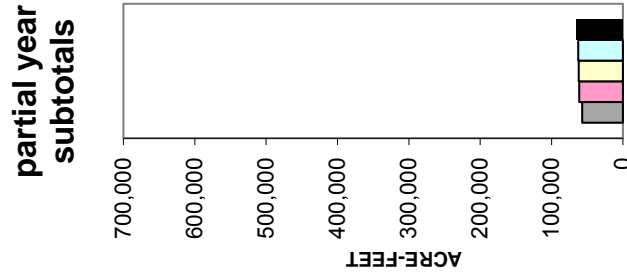
Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

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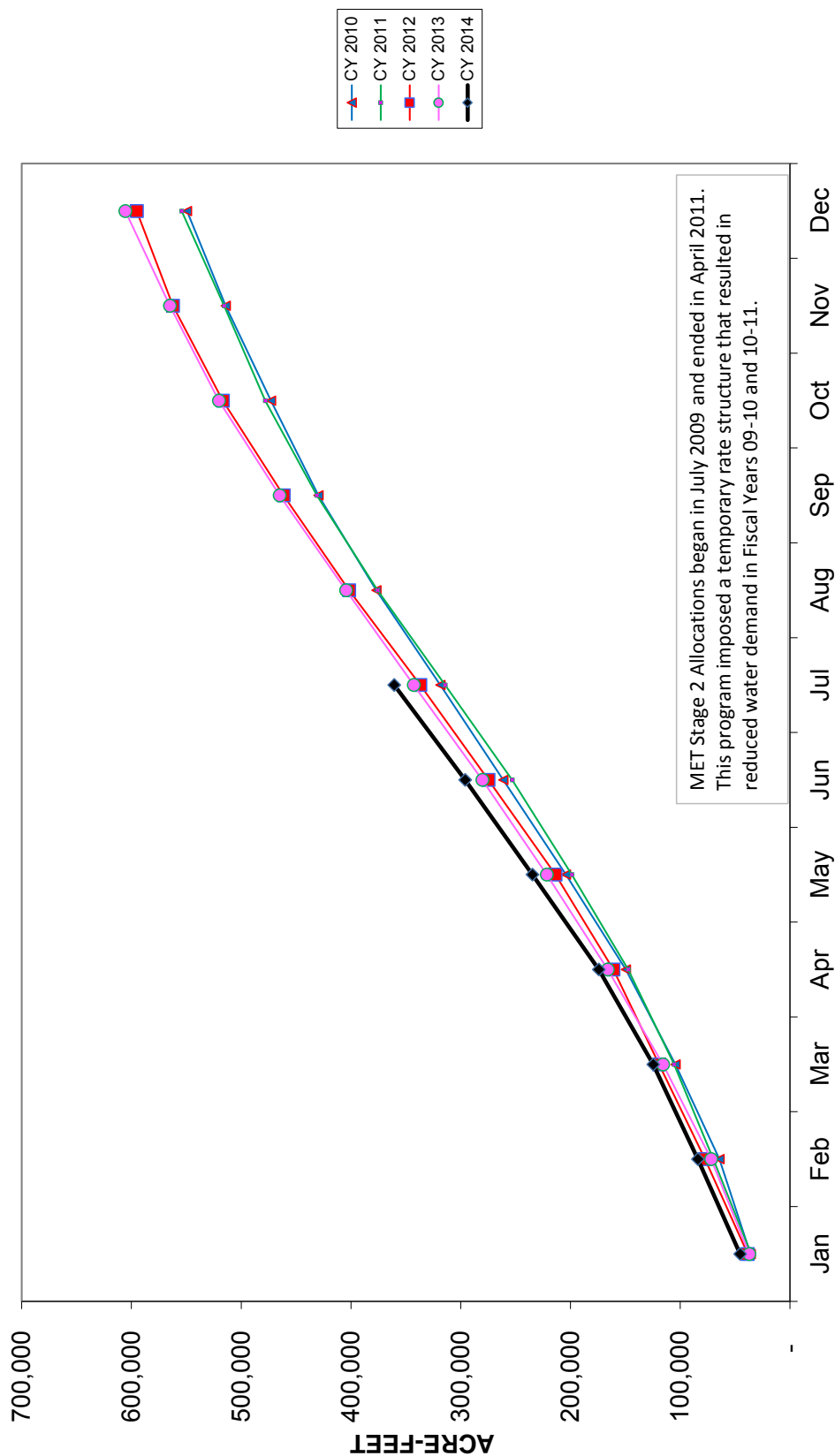
Notes: Allocations were in effect in FY 09-10 and FY 10-11

[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment projects.) Recent months numbers include some estimation.



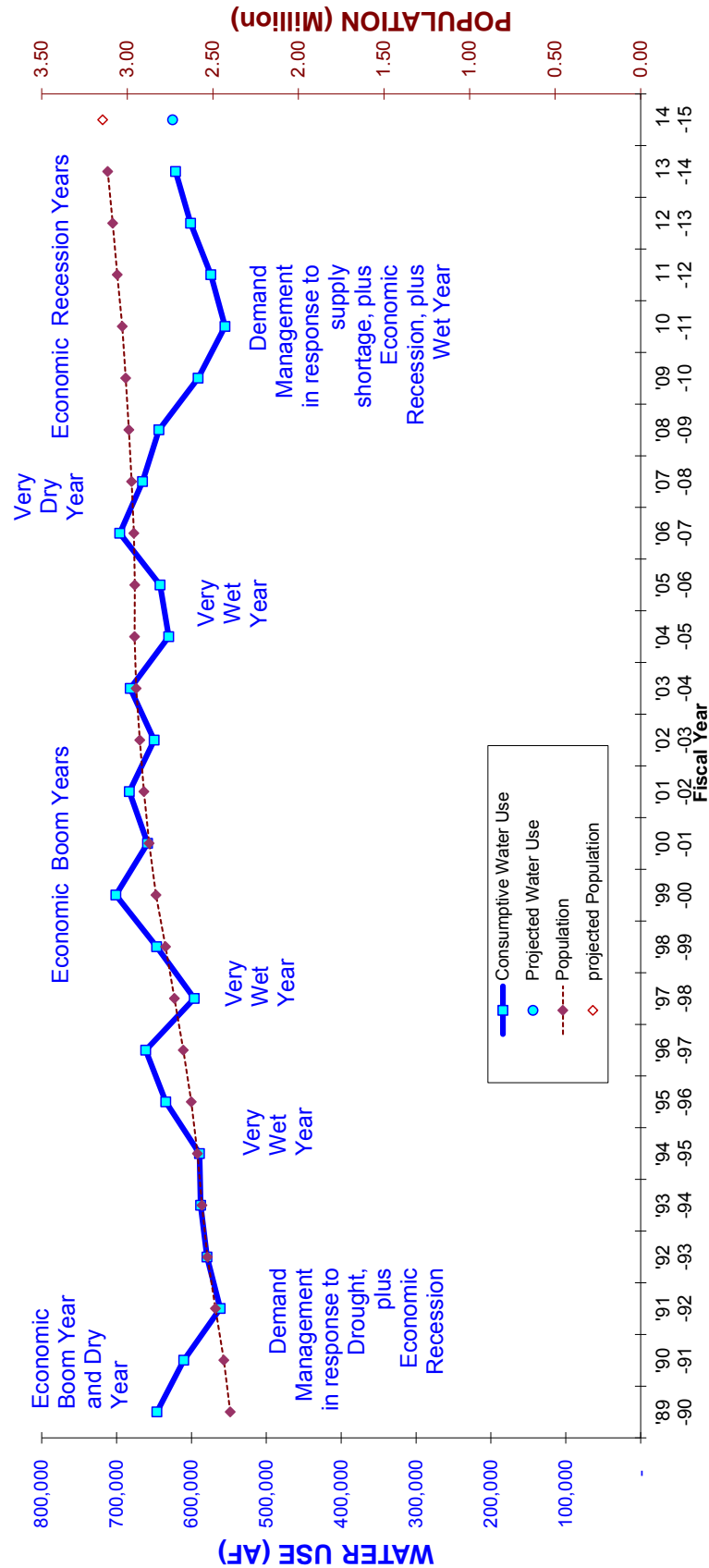
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Fig. 2B Orange County Cumulative Monthly Consumptive Water Usage [1]:
present year compared to last 4 calendar years



[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production and waste brine from water quality pumping projects).

Fig. 3 HISTORICAL WATER CONSUMPTION^[1] AND POPULATION^[2] IN OC

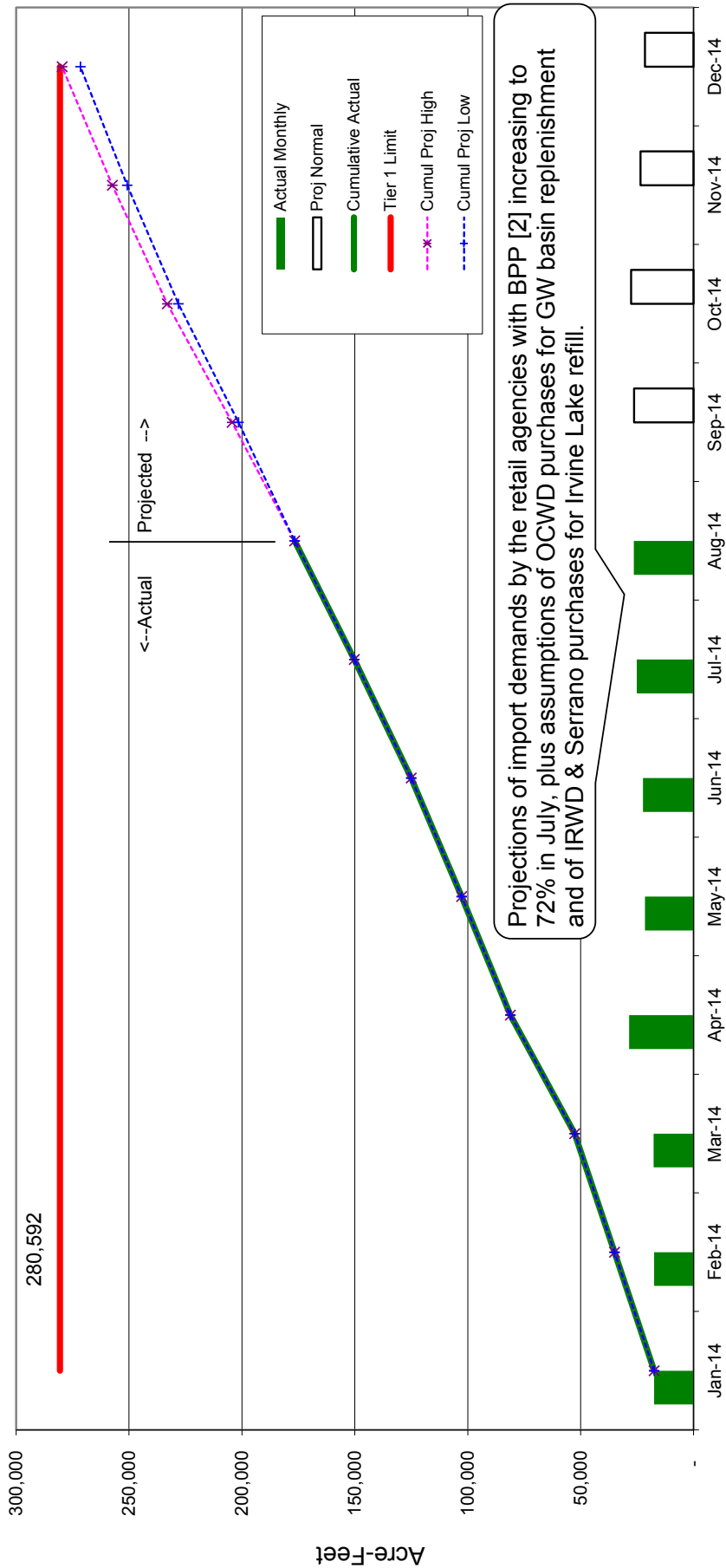


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.

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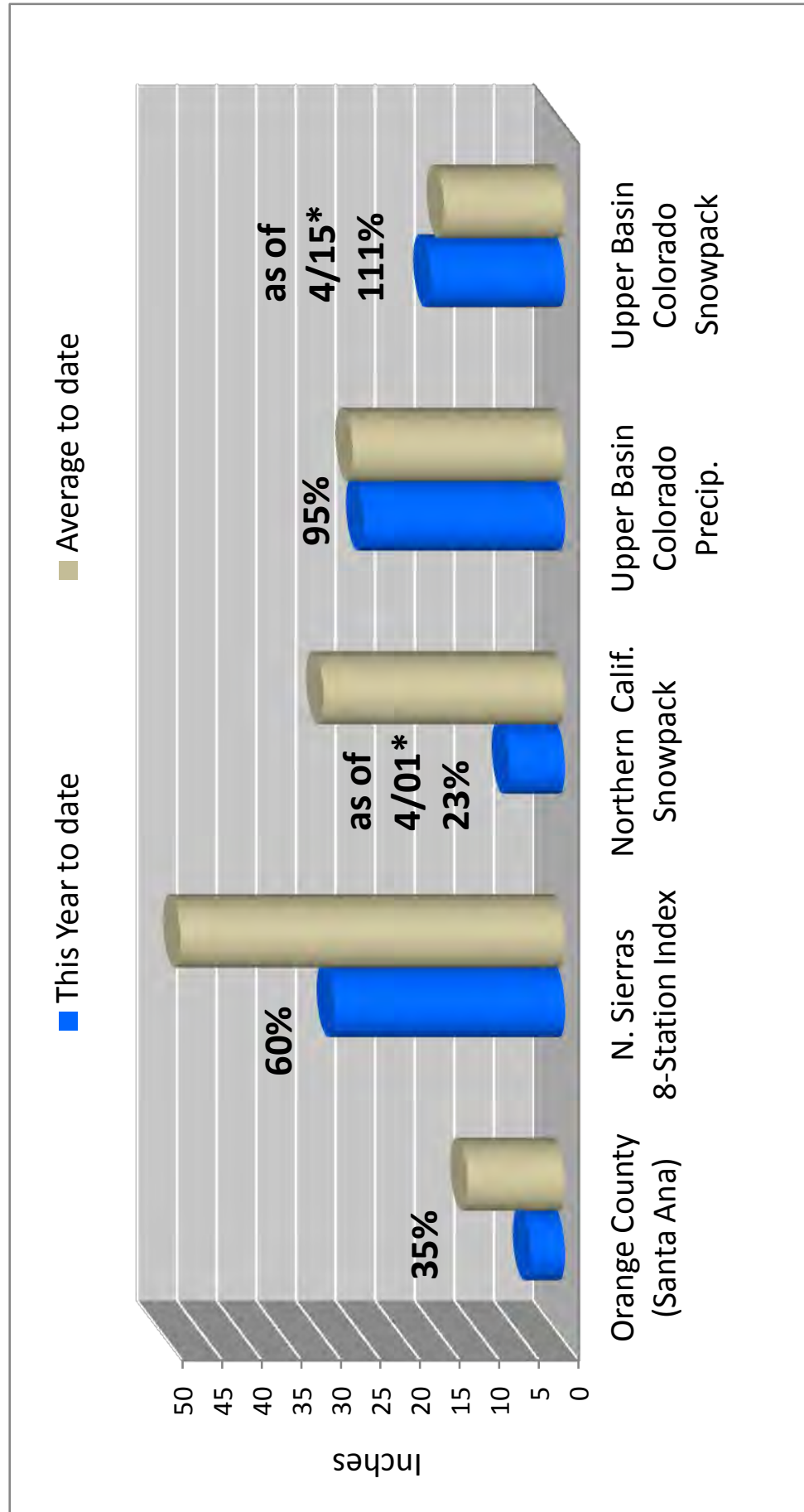
Fig. 4 MWDOC's Firm Water Purchases in CY 2014
Monthly Actual and Projected to CY Total



Accumulated Precipitation

for the Oct.-Sep. water year, through July 2014

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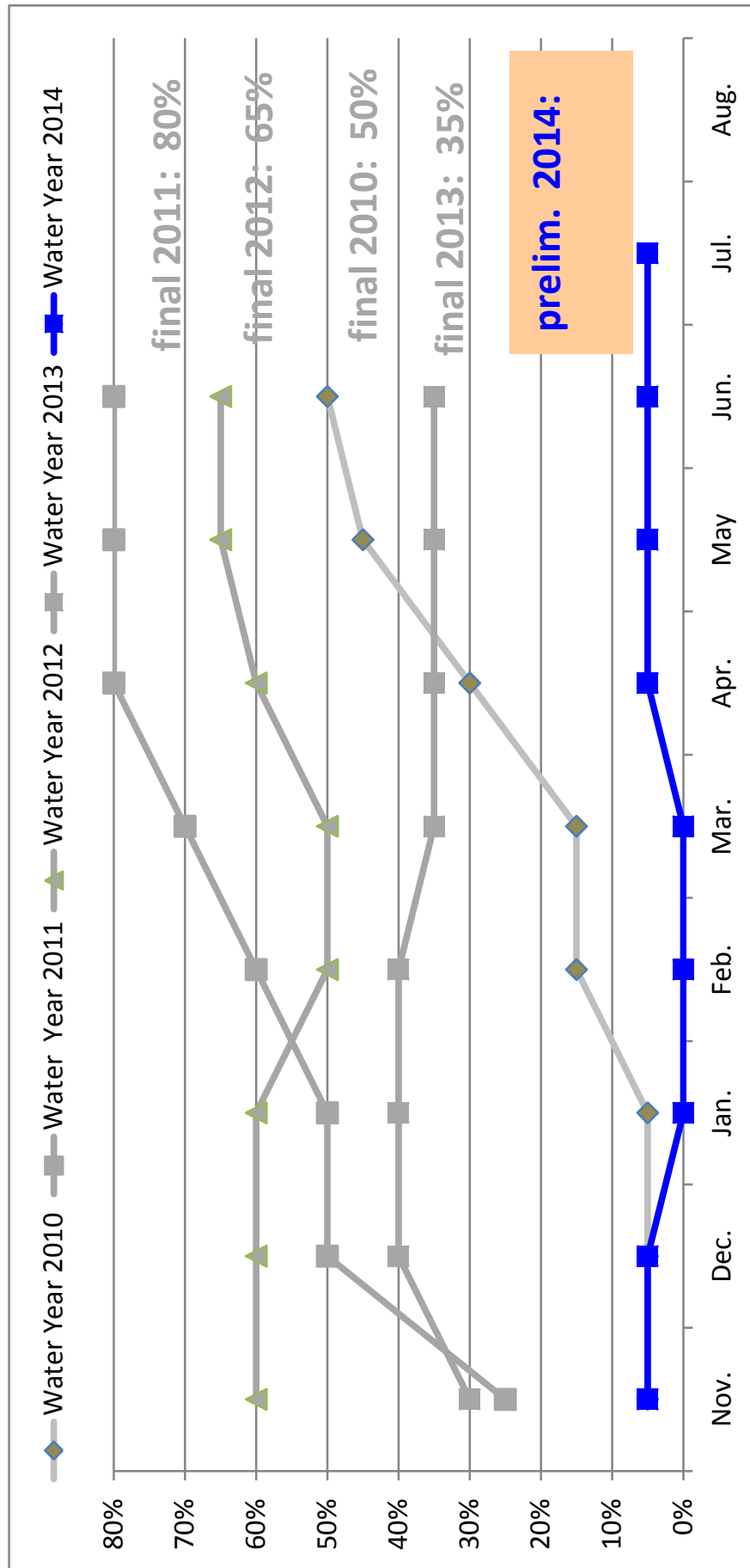


* The date of maximum snowpack accumulation (April 1st in Northern Calif., April 15th in the Upper Colorado Basin) is used for year to year comparison.



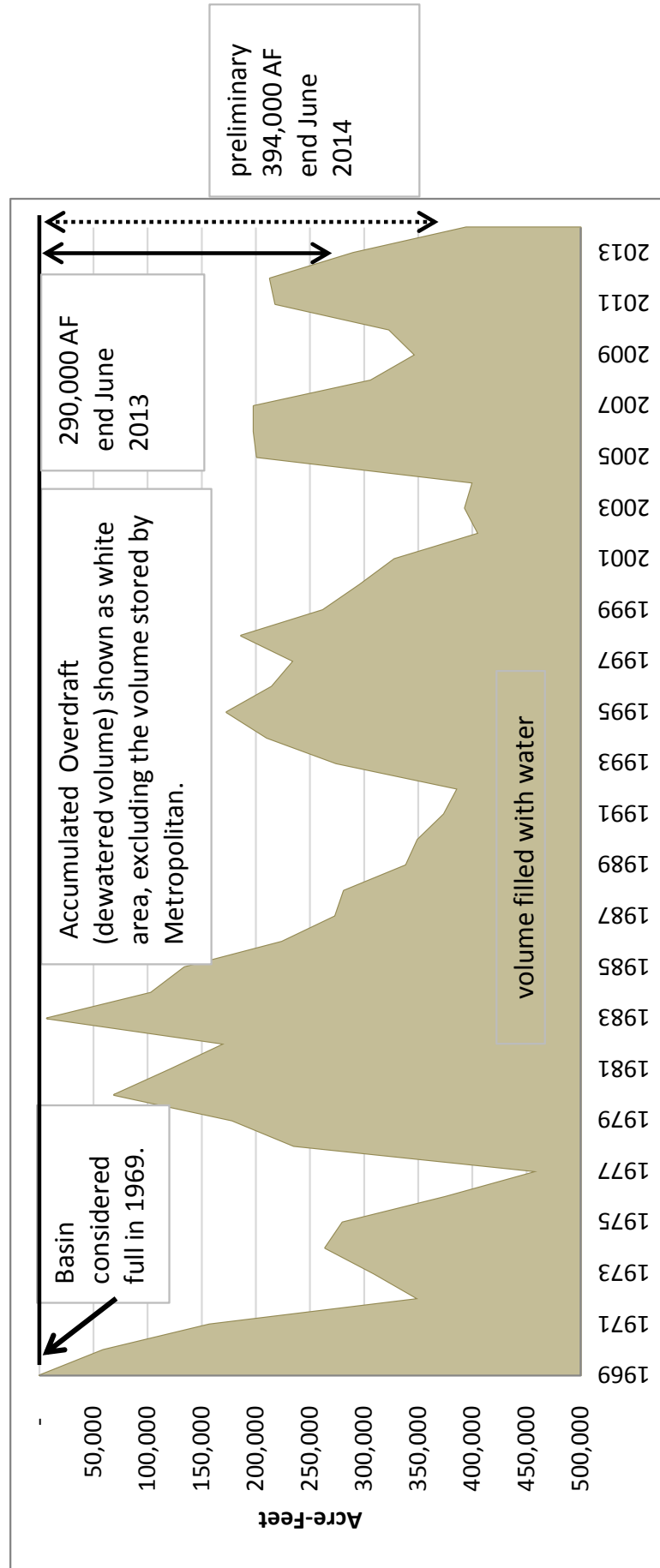
SWP Table A Allocation

for State Water Project Contractors



OCWD Basin Accumulated Overdraft

Annual, 1969 to present



values as of June 30th

source: OCWD

California, Colorado R., and MET Reservoir Storage

as of end of July 2014

Lake Oroville
1.26 Million AF
36% of Capacity
49% of Average

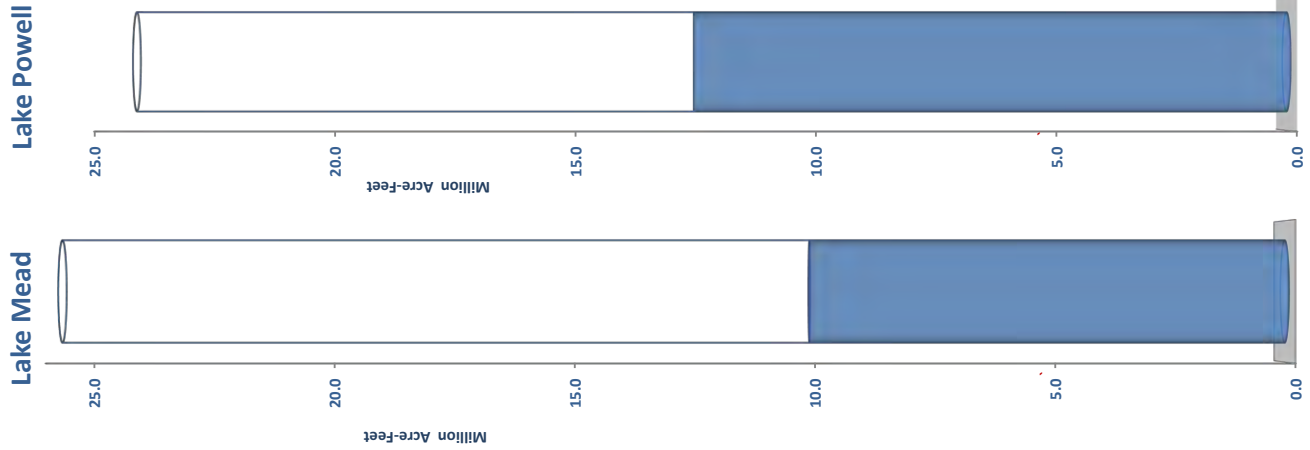
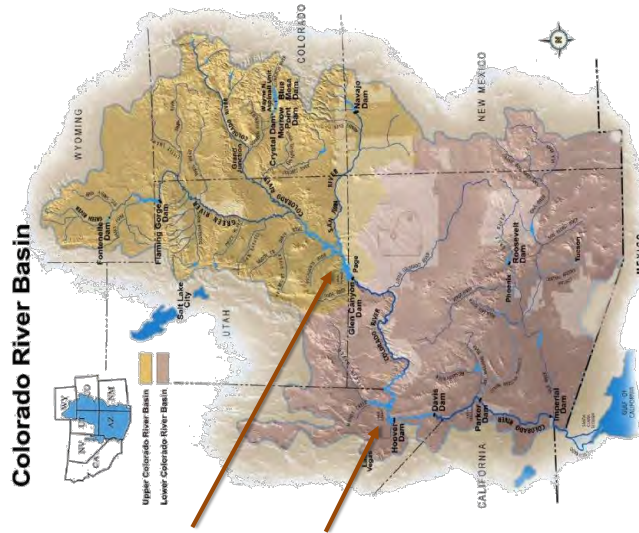
Lake Shasta
1.581 Million AF
35% of Capacity
49% of Average

Lake Powell
12.5 Million AF
52% of Capacity
66% of Average

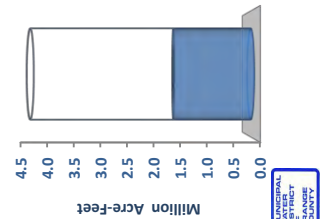
Lake Mead
10.1 Million AF
39% of Capacity
50% of Average

San Luis Resv.
0.46 Million AF
23% of Capacity

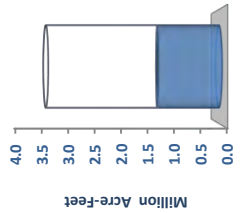
Diamond Valley Lake
0.45 Million AF
56% of Capacity



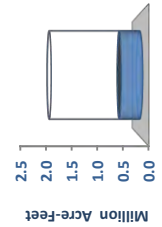
Lake Shasta



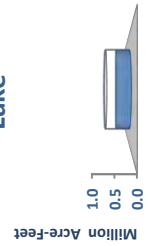
Lake Oroville



San Luis Resv.

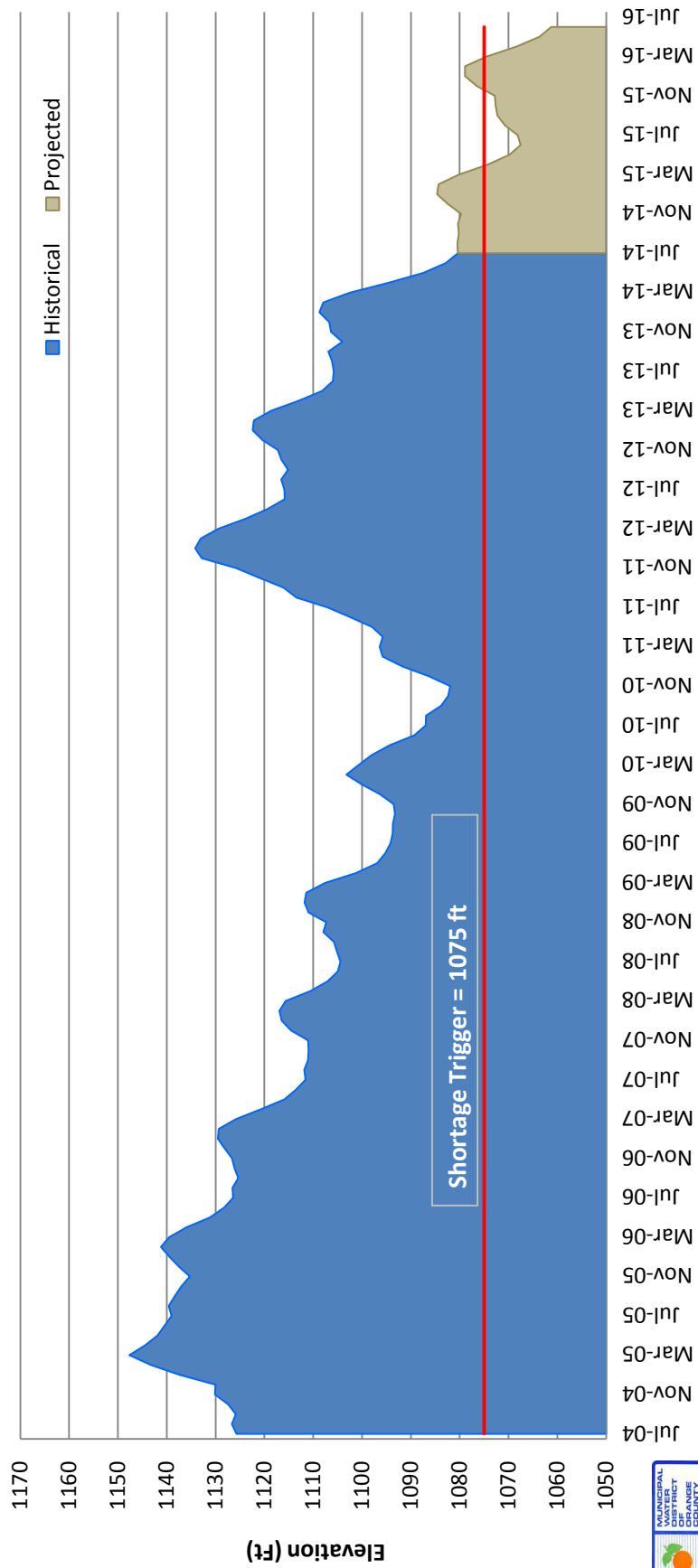


Diamond Valley Lake



Lake Mead Levels: Historical and Projected

projection per USBR 24-Month Study



**Administration Activities Report
August 5, 2014 to September 4, 2014**

Activity	Summary
Administration/Board	<ul style="list-style-type: none"> • Maribeth has been scheduling meetings for Rob Hunter and for various Ad Hoc Committees of the Board. • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as researching the District of Distinction requirements through CSDA. • Maribeth is working with legal counsel on amendments to the District's Conflict of Interest Code for the Board's review. • Maribeth has been meeting with the Ad Hoc Committee re the Admin Code and working on the amendments. • Maribeth responded to two Public Records Requests • Maribeth has been working with Sarah on updating the insurance certificates that accompany any Consultant Contract. • Maribeth has been working with Rob and Darcy on the logistics for the upcoming Elected Officials Forum. • Pat has been scheduling meetings for Karl, Kelly and Keith. • Pat is reviewing and cleaning-up lists in the District's Act database. • Pat began researching government rates for airline travel through the State of CA - Dept. of General Services. • Pat prepared various agreements and/or amendments for Richard as well as annual consulting agreements and purchase requisitions for Harvey. • Pat formatted a couple of letters for Heather.
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> • Save the Date-The Health Fair will be held on October 9th. Additional information will be provided as soon as it is complete. Flu shots will be available at no cost to employees and Directors.
Property/Liability/Workers Compensation Insurance	<ul style="list-style-type: none"> • Staff is anticipating receipt of the Risk Assessment regarding the general liability insurance coverage the week of September 8th and information will be presented to the Board in October.
Health Benefits	<ul style="list-style-type: none"> • Preparation for 2015 open enrollment is underway and information will be presented to all participants in the month of September, noting that an earlier and shorter enrollment period has been requested by ACWA/JPIA. All enrollees are strongly encouraged to review their enrollment selections through the bswift.com portal and make changes electronically. • Open enrollment is October 1 to November 14.

Activity	Summary
Records Management	<ul style="list-style-type: none"> • Sarah continues to enter new documents into the system as well as scan hard copy documents into the system. • Sarah is working with Maribeth on updating insurance certificates. • Sarah is also cross training Leah on processing and entering agreements into the Records Management System. • Sarah continues to purge and shred documents in accordance with the retention schedule. • Sarah is also working on purging documents in the District library.
CalPERS	CalPERS has announced that the Valuation Reports for the 2015/16 rates are scheduled for distribution to agencies the week of October 27 th .
Agency Inquiries	<ul style="list-style-type: none"> • No information to report for this month.
Recruitment /Departures	<ul style="list-style-type: none"> • Final interviews for the Associate Water Resources Analyst Position were held and a candidate was selected. Upon successful completion of the new hire process, it is anticipated the candidate will begin work on September 22nd. • Lisa Parson joined the District on August 18th as the WEROC Program Coordinator and was introduced at the August 20th Board meeting. • Recruitment is underway for a Public Affairs Intern to replace Vivian Lam who left the District on August 20th.
Other	
Projects and Activities	<ul style="list-style-type: none"> • Retiree Buyout Valuation was completed and information will be available in September. • Katie has been assisting with clean up of contact lists in the District's Act database and is also working with the upgraded cloud version to review that field data has transferred accurately to the new version of the software. • Katie has started preparing the RFP for the District's Compensation and Benefits Review which will be conducted during the December/January time frame with a final report to the Board anticipated in spring 2015. • Katie participated in a CSDA webinar on Performance Evaluations and Target Solutions Academy training on Safety. • The administrative staff assisted Public Affairs and Water Use Efficiency in gathering over 40,000 public information flyers and pamphlets for distribution to MWDOC member agencies. • The administrative staff also assisted WEROC in preparing emergency planning binders for an upcoming conference as well as training sessions. • Cathy and Katie are assisting Kelly and Lisa with a review of the documents that will be posted to the "In Case of Crisis" phone app that WEROC will be launching in the

Projects and Activities	<p>near future.</p> <ul style="list-style-type: none">• Administrative staff has been assisting the Water Use Efficiency Department with scanning and processing of turf rebate applications that are being received on a daily basis.• Cathy participated in a WEROC Liaison Role Meeting on August 26th.• Cathy is assisting in the coordination of the OCWA Workshop on the Use of Temporary Engineering Staff in Public Sector Agencies: Addressing CalPERS & Retiree Issues on September 24th at Gordon Hoyt Conference Center in Anaheim.• Katie is updating and revising the Illness Injury Prevention Program Manual for distribution to staff.
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INFORMATION ITEM

September 10, 2014

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects and department activities that are in-progress or to be completed during FY 2014-15.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California report	0%	11/30/14	Not Started
Implementation of WUE Landscape Programs Database for Member Agencies.	70%	6/30/15	In Progress
State Controller Report preparation	0%	11/30/14	Not Started
State Tax filing for Water Facilities	70%	9/30/14	In Progress
Annual financial audit conducted by Vavrinek, Trine, Day & Company	45%	11/30/14	Interim Fieldwork 8/06-8/07, went well. Single Audit on Water Trailers only 9/02-9/03. Final Audit 10/6-10/10.
Preparation of Audited Financial Statement Report	30%	11/30/14	All postings completed. Preparing information to go in Annual Report.
Preparation of documents for FY15-16 budget process.	0%	6/30/15	Not Started

Investment in OCIP	100%	8/15/2014	Invested \$3 million in OCIP from Retail Meter revenues. May need to transfer some back out in 6 months for operating expenses.
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<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade MS Office 2013 for remain Desktop Computers	20%	3/31/2015	In Progress
Implement Web Security for District Network	10%	6/30/2015	In Progress
Purchase and upgrade 2 Network Printers.	75%	12/31/2014	In Progress
Purchase and upgrade Network Attach Storage for Offsite Backup.	10%	3/31/2015	In Progress
Purchase and upgrade 4 Desktop Computers for Staff.	30%	12/31/2014	In Progress
Purchase and upgrade 3 laptops for Staff.	30%	12/31/2014	In Progress
Purchase and upgrade portable Projector.	10%	6/30/2015	In Progress
Purchase and upgrade 4 Desktop Computers for WEROC NEOC (hardware and software).	10%	6/30/2015	In Progress
Purchase and implement SmartDraw software for Public Affairs Dept.	50%	12/31/2015	In Progress
Implement and upgrade ACT software on a new Virtual Windows Server.	10%	6/30/2015	In Progress

FY 2014-15 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
Upgrade Serenic ERP Software from version 5 to version 7	100%	7/31/14	Completed
Research additional Investment options for Reserves	100%	8/31/14	Invested \$1,000,000 in four CD's; laddered terms. Approximate monthly gain of \$970.

Description	% of Completion	Completion date	Status
<u>Information Technology</u>			
Upgrade existing Windows Server Operating Systems from 2003 and 2008 versions to 2012 version (software upgrade).	100%	6/30/14	Completed
Purchase and upgrade District Record Management Database Server (hardware and software).	100%	6/30/14	Completed
Purchase and upgrade Finance database Server (hardware and software) to run new version of Serenic application (64-bit).	100%	6/30/14	Completed
Purchase and upgrade 4 Desktop Computers for WEROC SEOC (hardware and software).	100%	09/30/14	Completed