

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
October 8, 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 – September 2014
 - b. Disbursement Approval Report for the month of October 2014
 - c. Disbursement Ratification Report for the month of September 2014
 - d. GM Approved Disbursement Report for the month of September 2014
 - e. Water Use Efficiency Projects Cash Flow – September 30, 2014
 - f. Consolidated Summary of Cash and Investment – August 2014
 - g. OPEB Trust Fund monthly statement – to be emailed separately
2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the period ending August 31, 2014

3. DISTRICT CONFERENCES – CSDA Special District Leadership Academy Conference November 17, 18, and 19 a.m., 2014 - Anaheim

ACTION ITEMS

4. EXTENSION OF CONSULTING CONTRACT WITH DICK ACKERMAN
5. EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP
6. BOARD SUPPORT FOR LARRY MCKENNEY TO SERVE ON THE ACWA REGION 10 BOARD OF DIRECTORS

DISCUSSION ITEM

7. LIABILITY RISK ASSESSMENT STUDY

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.)

8. RENEWAL OF DISTRICT HEALTH PLANS
9. SEMI-ANNUAL TRANSPARENCY DISCLOSURE
10. STATUS REPORT RE IMPLEMENTATION OF THE SETTLEMENT AGREEMENT BETWEEN MWDOC AND ITS MEMBER AGENCIES (oral report)
11. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFORMATION
12. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology

OTHER ITEMS

13. 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
September 2014

WATER REVENUES

Date	From	Description	Amount
09/02/14	City of La Palma	July 2014 Water deliveries	5,732.00
09/03/14	City of La Habra	July 2014 Water deliveries	13,597.88
09/04/14	City of Garden Grove	July 2014 Water deliveries	753,688.99
09/05/14	Trabuco Canyon Water District	July 2014 Water deliveries	16,660.76
09/05/14	South Coast Water District	July 2014 Water deliveries	545,652.91
09/08/14	City of Fountain Valley	July 2014 Water deliveries	23,374.22
09/08/14	Serrano Water District	July 2014 Water deliveries	686.14
09/09/14	Santa Margarita Water District	July 2014 Water deliveries	3,098,326.49
09/09/14	City of Newport Beach	July 2014 Water deliveries	515,086.29
09/10/14	Laguna Beach County Water District	July 2014 Water deliveries	371,850.41
09/10/14	City of Seal Beach	July 2014 Water deliveries	275,634.61
09/10/14	City of Westminster	July 2014 Water deliveries	189,703.94
09/11/14	El Toro Water District	July 2014 Water deliveries	1,002,730.08
09/11/14	City of Orange	July 2014 Water deliveries	759,682.04
09/12/14	Mesa Water	July 2014 Water deliveries	213,384.32
09/15/14	East Orange County Water District	July 2014 Water deliveries	644,122.44
09/15/14	Orange County Water District	July 2014 Water deliveries	3,659,159.31
09/15/14	Irvine Ranch Water District	July 2014 Water deliveries	1,296,124.98
09/15/14	Moulton Niguel Water District	July 2014 Water deliveries	2,695,456.10
09/15/14	Yorba Linda Water District	July 2014 Water deliveries	727,974.70
09/15/14	Golden State Water Company	July 2014 Water deliveries	594,395.16
09/15/14	Santiago Aqueduct Commission	July 2014 Water deliveries	197,972.30
09/23/14	City of Garden Grove	August 2014 Water deliveries	1,124,450.47
09/26/14	City of Buena Park	August 2014 Water deliveries	394,512.83
09/26/14	City of Huntington Beach	August 2014 Water deliveries	968,564.91

TOTAL REVENUES \$ 20,088,524.28

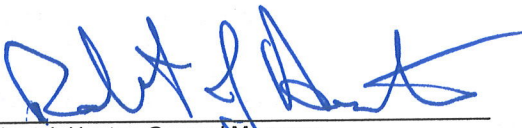
Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2014


MISCELLANEOUS REVENUES

Date	From	Description	Amount
09/02/14	John Biesak	7/30/14 Water policy dinner	150.00
09/09/14	RBF Consulting	7/30/14 Water policy dinner	750.00
09/12/14	Yorba Linda Water District	7/30/14 Water policy dinner	75.00
09/26/14	Jemal Public Affairs	7/30/14 Water policy dinner	75.00
09/29/14	Westbound Communication	7/30/14 Water policy dinner	75.00
09/02/14	HDR Engineering	10/2/14 Water policy dinner	150.00
09/03/14	Best, Best & Krieger	10/2/14 Water policy dinner	225.00
09/11/14	Michael Baker/ RBF Consulting	10/2/14 Water policy dinner	375.00
09/19/14	Serrano Water District	10/2/14 Water policy dinner	300.00
09/22/14	City of Laguna Woods	10/2/14 Water policy dinner	150.00
09/29/14	Paypal	10/2/14 Water policy dinner	5,813.86
09/29/14	Moulton Niguel Water District	10/2/14 Water policy dinner	600.00
09/29/14	Paypal	ISDOC Registrations	310.64
09/19/14	Susan Hunt	Oct 2014 COBRA medical premium	669.19
09/26/14	Phil Letrong	Oct- Dec 2014 Retiree medical premium	39.60
09/30/14	Judy Pfister	Oct- Dec 2014 Retiree medical premium	113.88
09/03/14	Christina Fuller	Movie tickets	32.00
09/02/14	Moulton Niguel Water District	June 2014 Smart Timer rebate program	270.00
09/03/14	Irvine Ranch Water District	June 2014 Smart Timer rebate program	684.98
09/12/14	Yorba Linda Water District	June 2014 Smart Timer rebate program	75.00
09/05/14	City of Fullerton	July 2014 Smart Timer rebate program	346.30
09/12/14	City of Brea	July 2014 Smart Timer rebate program	69.00
09/19/14	Irvine Ranch Water District	July 2014 Smart Timer rebate program	225.00
09/22/14	2 Checks	July 2014 Smart Timer rebate program	594.98
09/26/14	Yorba Linda Water District	July 2014 Smart Timer rebate program	138.00
09/03/14	Irvine Ranch Water District	June 2014 Turf Removal rebate program	5,797.50
09/08/14	Golden State Water Company	July 2014 Turf Removal rebate program	2,205.00
09/19/14	Irvine Ranch Water District	July 2014 Turf Removal rebate program	2,861.00
09/05/14	City of Garden Grove	July 2014 Smart Timer & Turf Removal rebate program	810.00
09/08/14	City of Orange	July 2014 Smart Timer & Turf Removal rebate program	1,020.00
09/19/14	City of San Clemente	July 2014 Smart Timer & Turf Removal rebate program	2,145.00
09/09/14	Irvine Ranch Water District	July 2014 So Cal Watersmart Commercial rebate program	900.00
09/08/14	Golden State Water Company	July 2014 So Cal Watersmart Residential rebate program	1,145.00
09/09/14	Irvine Ranch Water District	July 2014 So Cal Watersmart Residential rebate program	30,121.71
09/15/14	El Toro Water District	July 2014 So Cal Watersmart Residential rebate program	1,576.00
09/09/14	Irvine Ranch Water District	June 2014 Landscape Performance Certification program	750.00
09/12/14	State of California	Refund for unused portion of deposit for Doheny Desal project	2,045.46
09/26/14	Orange County Water District	FY 14-15 Choice Programs	1,684.45
09/26/14	South Coast Water District	FY 14-15 Choice Programs	76,785.39
09/26/14	City of Fullerton	FY 14-15 Choice Programs	239.55
09/29/14	El Toro Water District	FY 14-15 Choice Programs	56,753.32
09/29/14	Golden State Water Company	FY 14-15 Choice Programs	40,173.46
09/30/14	City of Garden Grove	FY 14-15 Choice Programs	21,454.13
09/12/14	City of Fullerton	WEROC Funding for FY 14-15	9,708.00
09/15/14	Orange County Sanitation District	WEROC Funding for FY 14-15	24,015.00
09/15/14	Orange County Water District	WEROC Funding for FY 14-15	64,126.00
09/19/14	City of Anaheim	WEROC Funding for FY 14-15	9,708.00
09/22/14	Calleguas Municipal Water District	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00

TOTAL MISCELLANEOUS REVENUES \$ 376,456.40

TOTAL REVENUES \$ 20,464,980.68


 Robert J. Hunter, General Manager


 Hilary Chumipitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Aleshire & Wynder LLP	
29926	August 2014 Legal services	305.75
	*** Total ***	305.75
	ALTA FoodCraft	
514091474	9/17/14 Coffee & tea supplies	253.49
	*** Total ***	253.49
	Awards & Trophies Co., Inc.	
11427	Name plate for L. Parson	15.88
11477	Name plate for K. Hostert	15.88
	*** Total ***	31.76
	Best Best and Krieger LLP	
55401-AUG14	August 2014 Legal services	18,722.94
	*** Total ***	18,722.94
	Bickmore	
BRS-0011012	Consulting services for Liability Risk Assessment	6,000.00
	*** Total ***	6,000.00
	California Municipal Treasurers Assoc.	
FY14-15	FY 14-15 Annual membership renewal	155.00
	*** Total ***	155.00
	Costco Wholesale	
7345-2014	2014 Annual membership renewal	110.00
	*** Total ***	110.00
	CSU Fullerton ASC	
AR163642	Demographic research for East Orange County Water District population estimates	403.13
AR163643	Demographic research to create demographic scenarios	3,201.38
AR163644	Map of MWDOC Retail Agencies	418.38
AR163645	Map of proposed Poseidon Huntington Beach desalinization plant	1,504.88
	*** Total ***	5,527.77
	Dissinger Associates	
AP-MWD-AUG14	August 2014 Pension plan distribution processing fees	50.00
	*** Total ***	50.00
	Fraser Communications	
15189	August 2014 Consulting for Water Communication Plan focus groups	18,455.00
	*** Total ***	18,455.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Fry's Electronics</i>	
20428214	9/17/14 Computer supplies	99.36
20441801	9/26/14 Computer supplies	383.81
	*** Total ***	483.17
	<i>Ronald R. Gastelum</i>	
SEP14	September 2014 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	<i>Independent Special District of Orange County</i>	
103014-SEP14	September 2014 PayPal receipts for 10/30/14 ISDOC meeting	310.64
	*** Total ***	310.64
	<i>James C. Barker, P.C.</i>	
105-0814	August 2014 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<i>Karen's Detail Custom Frames</i>	
2549	Custom framing for K. Lyon's employee service award	97.20
2559	Custom Framing for 3 resolutions	330.48
	*** Total ***	427.68
	<i>Lewis Consulting Group, LLC</i>	
1366	August 2014 Professional services	2,250.00
	*** Total ***	2,250.00
	<i>Edward G. Means III</i>	
MWDOC-1023	September 2014 Support on MET issues & strategic guidance to Engineering department	1,500.00
	*** Total ***	1,500.00
	<i>Norco Delivery Services</i>	
636629	8/29/14 Delivery charges for Board packets	154.17
642097	9/12/14 Delivery charges for Board packets	154.17
	*** Total ***	308.34
	<i>NWRI/OCWD Children's Water Ed Festival</i>	
2015	Platinum Sponsorship for 2015 Children's Water Education Festival	2,500.00
	*** Total ***	2,500.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-00669682	9/10/14 Office supplies	16.68
I-00672328	9/16/14 Office supplies	558.18
I-00673016	9/17/14 Office supplies	79.35
I-00677771	9/29/14 Office supplies	264.60
I-00678238	9/30/14 Office supplies	272.12
I-00678951	10/01/14 Office supplies	225.82
	*** Total ***	1,416.75
	Orange County Fast Print, Inc.	
49969	Business cards for L. Parson	59.00
50094	Business cards for K. Hostert	59.00
	*** Total ***	118.00
	Orange County Water District	
14277	August 2014 50% share WACO expense	182.50
14326	August 2014 Postage, shared office & maintenance expense	9,255.23
	*** Total ***	9,437.73
	Petty Cash	
093014	August-September 2014 Petty Cash reimbursement	186.92
	*** Total ***	186.92
	SDRMA	
48334	July-September 2014 Worker's Compensation Insurance	3,988.00
	*** Total ***	3,988.00
	SmartDraw Group, LLC	
978269	5 Licenses for SmartDraw CI Business edition software	1,398.60
	*** Total ***	1,398.60
	Staples Advantage	
8031224930	9/6/14 Office supplies	11.19
8031302712	9/13/14 Office supplies	46.95
	*** Total ***	58.14
	Top Hat Productions	
89308	9/9/14 Lunch for Legislative meeting	252.72
89360	9/17/14 Lunch for Managers' meeting	370.98
	*** Total ***	623.70
	Townsend Public Affairs, Inc.	
10369	September 2014 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Tustin Irvine Medical Group</i>	
00769353	9/4/14 New hire pre-employment exam	65.00
00769402	9/8/14 New hire pre-employment exam	160.00
	*** Total ***	225.00
	<i>Union Bank, N.A.</i>	
882834	June-August 2014 Custodial Bank fees	625.00
	*** Total ***	625.00
	<i>USA Fact</i>	
2268331-IN	6/30/14 New hire background check	18.16
2313596-IN	9/15/14 New hire background check	33.48
	*** Total ***	51.64
	<i>Vavrinek, Trine, Day & Co., LLP</i>	
0107956-IN	August 2014 Services for audit of F/Y 13-14 Financial Statement	6,900.00
	*** Total ***	6,900.00
	<i>Total Core Expenditures</i>	<hr/> 105,421.02

Choice Expenditures:

	<i>Autumn Print Group</i>	
1633	16 signs printed for the Public Spaces program	829.44
	*** Total ***	829.44
	<i>Petty Cash</i>	
093014	August-September 2014 Petty Cash reimbursement	32.39
	*** Total ***	32.39
	<i>Top Hat Productions</i>	
89291	9/4/14 Lunch for WUE Workgroup meeting	458.46
	*** Total ***	458.46
	<i>Total Choice Expenditures</i>	<hr/> 1,320.29

Other Funds Expenditures:

	<i>AquaFicient Consulting</i>	
02-063	July 2014 Landscape Performance Certification program funded by IRWD & MET	1,500.00
02-064	August 2014 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	3,000.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	ConserVision Consulting, LLC	
LPCP-221	July 2014 Consulting services for Landscape Performance Certification program	6,704.00
LPCP-222	August 2014 Consulting services for Landscape Performance Certification program	6,959.25
	*** Total ***	13,663.25
	Hotel Program	
Y612311	J. Stovall / Best Western Anaheim Inn	12,400.00
Y612824	V. Rumbellow / Robin Hood Motel	50.00
Y613033	Jeet Investments LLC / Newport Channel Inn	224.40
Y613119	Montage Resort & Spa	15,000.00
	*** Total ***	27,674.40
	Mission RCD	
1689	August 2014 Field verifications for Water Use Efficiency rebate programs	30,794.12
	*** Total ***	30,794.12
	Quick Signs	
5274	605 Signs printed for the Turf Removal program	1,973.27
	*** Total ***	1,973.27
	Spray to Drip Program	
S2D1005	J. Chao	91.09
S2D1088	R. Richards	525.00
S2D1094	P. Sheehan	525.00
S2D1096	H. McCurdy	387.76
S2D32300	B. Gray	175.00
S2D32412	C. Gray	175.00
S2D32502	J. Rose	525.00
S2D32591	J. Taylor	215.61
S2D33749	A. Dove	233.10
	*** Total ***	2,852.56
	SurveyGizmo	
487977	Annual subscription for online application and database tool for WUE programs	675.00
	*** Total ***	675.00
	Turf Removal Program	
TR4-IRWD-074	J. Baker	3,118.00
TR4-IRWD-084	P. Henry-Sigler	1,058.00
TR4-IRWD-099	F. Wessel	5,124.00
TR4-IRWD-119	R. Ferguson	802.00
TR4-IRWD-120	S. Cheng	922.00
TR4-IRWD-122	M. Bachtold	1,860.00
TR4-IRWD-125	D. Wiener	1,478.00
TR4-IRWD-133	R. Marquis	1,340.00
TR4-LB-009	A. Tankersley	760.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR4-LB-011	D. Kluver	4,316.00
TR4-MN-009	M. Farjadi	236.49
TR4-MN-020	J. Ferguson	1,033.00
TR4-MN-023	Highland Park Community Association (Mission Viejo)	76,051.00
TR4-MN-033	Highland Park Community Association (Mission Viejo)	1,200.00
TR4-MN-035	GRI-Regency, LLC (Laguna Niguel)	20,554.00
TR4-MN-043	A. Rowe	912.00
TR4-SC-021	S. Arcaro	944.00
TR4-SM-052	J. Rydel	1,728.00
TR4-SM-053	C. Quintero	861.60
TR4-TC-006	R. Morgan	1,200.00
TR5-EBSD-001	M. Jaeger	3,260.00
TR5-FV-009	C. Wettengel	2,112.00
TR5-GSWC-058	J. Schwantes	780.00
TR5-HB-051	M. Denny	642.00
TR5-IRWD-144	S. Hodson	1,112.00
TR5-IRWD-163	R. Castro	724.00
TR5-IRWD-170	R. Chang	2,910.00
TR5-IRWD-182	R. Schaefer	1,700.00
TR5-IRWD-183	D. Robb	828.00
TR5-IRWD-188	J. Olstad	550.00
TR5-IRWD-189	J. Gustafson	654.00
TR5-IRWD-200	S. Longacre	622.00
TR5-IRWD-204	H. Huang	1,916.00
TR5-IRWD-217	R. Agnihotri	1,290.00
TR5-MESA-025	L. Irey	3,756.00
TR5-MESA-027	P. Long	2,438.00
TR5-MESA-032	L. Vaughan	1,320.00
TR5-MESA-033	E. Dibble	3,274.00
TR5-MESA-035	P. Barrett	2,850.00
TR5-MESA-041	K. Anderson	1,320.00
TR5-MN-054	Nellie Gail Ranch HOA (Laguna Hills)	22,451.28
TR5-MN-055	Nellie Gail Ranch HOA (Laguna Hills)	1,272.00
TR5-MN-061	B. Barber	1,360.00
TR5-MN-062	H. Modarressi	2,714.00
TR5-MN-069	M. Hehn	3,648.00
TR5-MN-076	K. Capel	3,117.00
TR5-MN-082	T. Nakamoto	748.00
TR5-MN-087	B. Schippel	1,090.00
TR5-MN-090	K. Cahill	678.00
TR5-MN-097	M. Litterelle	1,380.00
TR5-MNT-105	T. Enoch	5,258.00
TR5-MNT-107	R. Lee	952.00
TR5-MNT-112	R. Sells	5,174.00
TR5-NWPT-004	M. Goldstein	872.00
TR5-O-020	Orange Park Community Association (Orange)	185,709.38

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-O-033	B. Brown	460.00
TR5-O-037	C. Cederstrand	1,150.00
TR5-SC-032	G. Klasse	4,102.00
TR5-SJC-017	M. Man	5,478.43
TR5-SJC-021	Golf Villas of Marbella Association (San Juan Capistrano)	1,664.00
TR5-SM-060	T. Downs	1,708.00
TR5-SM-061	V. Brown	1,218.00
TR5-SM-072	J. Jacobs	2,240.00
TR5-SM-075	D. Schoen	4,400.00
TR5-SM-079	T. Manning	3,184.00
TR5-SM-080	A. Espinoza	2,245.37
TR5-SM-096	R. Allen	2,450.00
TR5-SM-099	E. Hafiz	1,264.00
TR5-SM-109	J. Donofrio	3,172.00
TR5-SM-112	T. Carlson	1,980.00
TR5-SM-124	W. Adams	894.00
TR5W-O-1323	D. Docter	3,370.00
TR5W-SM-1082	A. Cheever	868.00
TR5W-SM-1170	A. Coury	1,440.00
	*** Total ***	439,267.55
 <i>URS Corporation Americas</i>		
6018178	July 2014 Professional services for Industrial Process Water Use Reduction program	1,415.00
	*** Total ***	1,415.00
	 <i>Total Other Funds Expenditures</i>	 521,315.15
	 <i>Total Expenditures</i>	 628,056.46

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
126225	9/9/14	TIMEWA	Time Warner Cable	
		5210-SEP14	September 2014 Telephone and internet expense	962.18
			***Total ***	962.18
126229	9/15/14	BACATI	Tiffany Baca	
		073014	7/30/14 Business expense	42.21
			***Total ***	42.21
126230	9/15/14	C3OFFI	C3 Office Solutions LLC	
		INV29789	September 2014 Canon copier maintenance	238.39
			***Total ***	238.39
126231	9/15/14	DELAGE	De Lage Landen Public Finance	
		42427343	September 2014 Canon copier lease	509.00
			***Total ***	509.00
126232	9/15/14	DOSREI	Denise Dos Reis	
		082014	08/20/14 Business expense	64.40
			***Total ***	64.40
126233	9/15/14	FAHLBE	Beth Fahl	
		083114	August 2014 Business expense	44.41
			***Total ***	44.41
126234	9/15/14	BAEZHE	Heather Baez	
		082014	August 2014 Business expense	30.00
			***Total ***	30.00
126237	9/15/14	IRONMO	Iron Mountain	
		KSZ2700	September 2014 Storage/retrieval of archived documents	453.66
			***Total ***	453.66
126238	9/15/14	LYONKE	Keith Lyon	
		083114	July-August 2014 Business expense	100.30
			***Total ***	100.30
126241	9/15/14	FRANKS	Sarah Franks	
		082814	August 2014 Business expense	22.58
			***Total ***	22.58
126253	9/15/14	TIMEWA	Time Warner Cable	
		3564-SEP14	September 2014 Telephone expense for 4 analog fax lines	137.88
			***Total ***	137.88

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
126333	9/15/14	VERIZO 9730917063	Verizon Wireless August 2014 4G Mobile broadband unlimited service ***Total ***	38.01 38.01
ACH001090 ACH001091	9/15/14	BARBCO AUG2014 083114	Brett Barbre August 2014 MET Director's compensation August 2014 Business expense ***Total ***	2,443.30 65.16 2,508.46
ACH001098 ACH001099	9/15/14	DICKCO AUG2014 083114	Larry Dick August 2014 MET Director's compensation August 2014 Business expense ***Total ***	977.32 106.96 1,084.28
ACH001101	9/15/14	FINNEG 083114	Joan Finnegan August 2014 Business expense ***Total ***	115.48 115.48
ACH001106	9/15/14	HINMAN 073114	Susan Hinman July 2014 Business expense ***Total ***	178.42 178.42
126336	9/30/14	BACATI 091214	Tiffany Baca August-September 2014 Business expense ***Total ***	113.41 113.41
126337	9/30/14	BELLRI 083114	Richard Bell August 2014 Business expense ***Total ***	196.21 196.21
126339	9/30/14	BURKED 092214	Darcy M. Burke August-September 2014 Business expense ***Total ***	308.93 308.93
126341	9/30/14	DINHPA 091914	Patrick Dinh August-September 2014 Business expense ***Total ***	71.68 71.68
126342	9/30/14	NAMELI 082114	Elizabeth Nam August 2014 Business expense ***Total ***	15.00 15.00
126344	9/30/14	SDG&E 7768-SEP14	SDG&E 8/18/14-9/18/14 Electrical service for Doheny Ocean Desal project ***Total ***	286.37 286.37

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
126345	9/30/14	SECKEL 091714	Karl Seckel August-September 2014 Business expense	179.24
			***Total ***	179.24
126352	9/30/14	USBANK 6533/6933-AUG14	U.S. Bank 7/22/14-8/22/14 Cal Card charges	5,008.87
			***Total *** (See attached sheet for details)	5,008.87
ACH001120	9/30/14	BERGJO 083114	Joseph Berg August 2014 Business expense	78.86
			***Total ***	78.86
ACH001123	9/30/14	CHUMPI 082914	Hilary Chumpitazi August 2014 Business expense	11.76
			***Total ***	11.76
ACH001124	9/30/14	HINMAN 083114	Susan Hinman August 2014 Business expense	33.11
			***Total ***	33.11
ACH001129	9/30/14	OUWERK 083114	Jessica H. Ouwerkerk August 2014 Business expense	181.28
			***Total ***	181.28
ACH001133	9/30/14	THOMAS 083114	Jeffery Thomas August 2014 Business expense	125.49
			***Total ***	125.49
Total Core Disbursements				13,139.87

Choice Disbursements:

126352	9/30/14	USBANK 6933-AUG14	U.S. Bank 7/22/14-8/22/14 Cal Card charges	562.91
			***Total *** (See attached sheet for details)	562.91
Total Choice Disbursements				562.91

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Other Funds Disbursements:				
126340	9/30/14	CATALI 10544	Catalina Island Conservancy September 2014 WEROC radio repeater site lease ***Total ***	1,484.32 1,484.32
126350	9/30/14	ATTUVEOC 8599-SEP14	AT&T September 2014 U-verse internet service for N. EOC ***Total ***	22.50 22.50
126352	9/30/14	USBANK 6933-AUG14	U.S. Bank 7/22/14-8/22/14 Cal Card charges ***Total *** (See attached sheet for details)	1,616.14 1,616.14
ACH001131	9/30/14	SANTAM JUL2014	Santa Margarita Water District July 2014 SCP Operation surcharge ***Total ***	35,314.59 35,314.59
ACH001132	9/30/14	SPRINT 320982721-121	Sprint September 2014 WEROC cell phone expense ***Total ***	41.82 41.82
WIRE-140930	9/30/14	METWAT 8092	Metropolitan Water District July 2014 Water deliveries ***Total ***	21,136,551.17 21,136,551.17
Total Other Funds Disbursements				21,175,030.54
Total Disbursements				21,188,733.32



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: August 22, 2014
Payment Date: September 30, 2014

Date	Description	Amount
<u>Karl's Card</u>		
07/21/14	Office supplies from Costco	\$ 416.86
07/22/14	California-Nevada Section AWWA Annual Fall conference in Reno, NV from Oct. 20-23, 2014 - Registration for D. Burke	445.00
07/22/14	UPS delivery charges for Board & Committee packets and City of Garden Grove on Jul. 11 & 15, 2014	57.70
07/22/14	Get well flowers for Director - Refund for overcharge of sales tax	(0.64)
07/24/14	3 Toner cartridges and 1 fuser assembly unit for printer repair	465.70
07/25/14	Computer supplies	70.06
07/28/14	2 Toner cartridges and 3 rollers for printer repair	105.30
07/29/14	Lunch for WEROC liaison training	118.59
07/29/14	State Water Resources Control Board - Ocean Plan Amendment meeting in Sacramento, CA from Aug. 5-6, 2014 - Airfare for R. Bell	422.20
07/30/14	Domain name 5 year registration for getsmartaboutwater.com	63.85
07/30/14	California Urban Water Conservation Council meeting in Sacramento, CA on Aug. 13, 2014 - Airfare for J. Berg	147.20
07/31/14	Urban Water Institute conference in San Diego, CA from Aug. 13-15, 2014 - Refund for R. Hunter registration	(200.00)
07/31/14	7/1/14-7/20/14 Facebook marketing for WUE programs	435.21
07/31/14	Employee recognition gift card	203.45
08/01/14	California Emergency Services Association - Southern Chapter Fall program in Cerritos, CA on Aug. 14, 2014 - Registration for K. Hubbard	35.00
08/01/14	California Emergency Services Association - Annual Training conference in Indian Wells, CA from Sep. 8-11, 2014 - Registration for K. Hubbard	681.57
08/01/14	California Emergency Services Association 2014 membership for L. Parson	75.00
08/01/14	California Emergency Services Association - Annual Training conference in Indian Wells, CA from Sep. 8-11, 2014 - Registration for L. Parson	706.57
08/02/14	FedEx delivery charges for Board & Committee packets on Jul. 31, 2014	49.79
08/05/14	FedEx delivery charges for Board & Committee packets on Aug. 1, 2014	32.53
08/07/14	Sympathy flowers for staff member	73.69
08/07/14	State Water Resources Control Board - Ocean Plan Amendment meeting in Sacramento, CA from Aug. 5-6, 2014 - Accommodations for R. Bell	338.25
08/08/14	Domain name 5 year registration for rickiraindrop.com	63.85
08/09/14	FedEx delivery charges for Board & Committee packets on Aug. 7, 2014	52.91
08/11/14	State Water Resources Control Board - Ocean Plan Amendment meeting in Sacramento, CA on Aug. 19, 2014 - Airfare for R. Bell	394.20
08/12/14	FedEx delivery charges for Board & Committee packets on Aug. 8, 2014	52.91
08/12/14	UPS delivery charges for Board & Committee packets on Jul. 29, 2014	29.76
08/13/14	Legislative activities in Sacramento, CA on Aug. 26, 2014 - Airfare for Director Barbre	179.70
08/17/14	Computer supplies	63.60
08/17/14	Computer supplies	56.74
08/18/14	OneStop job posting for Public Affairs intern position	220.00

Cal Card Statement Detail
Statement Date: August 22, 2014
Payment Date: September 30, 2014


Date	Description	Amount
08/18/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for Director Thomas	695.00
08/19/14	UPS delivery charges for Board & Committee packets on Jul. 29 & Aug. 7, 2014	32.34
08/19/14	Sympathy fruit tray for staff member	55.41
08/20/14	FedEx delivery charges for Board & Committee packets on Aug. 15, 2014	49.79
08/20/14	Lunch for WEROC liaison training	118.00
	Total	<u>\$ 6,807.09</u>

Cal Card Statement Detail
Statement Date: August 22, 2014
Payment Date: September 30, 2014

Date	Description	Amount
<u>Rob's Card</u>		
7/23/14-8/22/14	Meals for R. Hunter's meetings on various dates	380.83
Total		<u><u>\$ 380.83</u></u>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
126242	9/15/14	SECRET 091114	Secretary of State Copy of articles for MWDOC Water Facilities Corporation ***Total ***	30.00 30.00
126334	9/15/14	WESTIN 18553-7/30/14	The Westin South Coast Plaza 7/30/14 Water Policy dinner banquet facilities ***Total ***	14,207.21 14,207.21
126338	9/30/14	BICKMORE BRS-0010818	Bickmore Consulting services for Liability Risk Assessment ***Total ***	6,000.00 6,000.00
126351	9/30/14	COLEMA 09/24/14	John Coleman 10/2/14 Water Policy dinner speaker's airfare expense ***Total ***	198.60 198.60
Total Core Disbursements				<u>20,435.81</u>
Choice Disbursements:				
Total Choice Disbursements				<u>0.00</u>
Other Funds Disbursements:				
126349	9/30/14	TURFRP TR4-IRWD-105	Turf Removal Program Gerral Property Trust Account ***Total ***	6,942.00 6,942.00
Total Other Funds Disbursements				<u>6,942.00</u>
Total Disbursements				<u><u>27,377.81</u></u>


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 9/30/14**

Cash - Beginning Balance	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
\$	\$ 219,916.10	\$ 150,103.91	\$ 117,766.90	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	
REVENUES:													
City of Brea	3,448.00	328.00	69.00										\$ 3,845.00
City of Fullerton	75.00	75.00	346.30										\$ 496.30
City of Garden Grove		255.00	810.00										\$ 1,065.00
City of La Habra		105.00											\$ 105.00
City of San Clemente	600.00	1,965.00	2,145.00										\$ 4,710.00
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	1,020.00										\$ 2,700.00
City of Westminster		19.97											\$ 19.97
El Toro Water District	2,703.99	2,717.00	1,576.00										\$ 6,996.99
Golden State Water Company	2,671.00	3,493.93	3,350.00										\$ 9,514.93
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19										\$ 135,627.71
Laguna Beach County Water District	328.00	1,130.00											\$ 1,458.00
Mesa Water District		225.00	75.00										\$ 300.00
Metropolitan Water District		142,191.56	1,183.00										\$ 143,374.56
Moulton Niguel Water District			789.98										\$ 789.98
Santa Margarita Water District	1,092.20	4,782.20											\$ 5,874.40
South Coast Water District	75.00	225.00											\$ 300.00
Yorba Linda Water District			213.00										\$ 213.00
Miscellaneous Revenues													
Miscellaneous	5,950.50												5,950.50
Interest Revenue	171.77												171.77
Total Revenues	83,233.51	188,359.81	52,917.47	-	-	-	-	-	-	-	-	-	\$ 324,510.79
EXPENDITURES:													
Aquacient	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	2,988.00												2,988.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92										5,151.92
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	14,006.16										33,479.98
Pay to Drip program		975.00	10,100.26										11,075.26
Tank Removal	108,189.95	183,408.30	197,345.22										488,943.47
USGS		12,580.00											12,580.00
Waterwise Consulting		1,250.00	1,250.00										2,500.00
Miscellaneous Expenses													
Interest Expense													-
Salary & Benefit													-
Total Expenditures	153,045.70	220,696.82	227,853.56	-	-	-	-	-	-	-	-	-	\$ 601,596.08
Cash - Ending Balance	\$ 150,103.91	\$ 117,766.90	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	



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

August 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	10.93%
Grant & Project Cash Flow	1,000,000	6.47%
Building Repair	239,491	1.55%
Total Designated Reserves	2,927,056	18.95%
General Fund	6,768,957	43.82%
Water Fund	5,348,848	34.63%
Conservation Fund	117,767	0.76%
Desalination Feasibility Study Fund	220,340	1.43%
WEROC Fund	71,246	0.46%
Trustee Activities	-7,540	-0.05%
Total	\$15,446,674	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	2.18%	\$335,990	\$335,990
Short-term investment			
• LAIF	43.00%	\$6,642,565	\$6,642,565
• OCIP	34.73%	5,364,992	5,364,992
Long-term investment			
• Misc. Securities	12.97%	2,003,127	2,051,152
• Certificates of Deposit	7.12%	1,100,000	1,096,339
Total	100.00%	\$15,446,674	\$15,491,038

The average number of days to maturity/call as of August 31, 2014 equaled 141 and the average yield to maturity is .079%. During the month, the District's average daily balance was \$21,523,416.28. 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 August 2014.

The \$44,364 difference between the book value and the market value on August 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 August 31, 2014

8/31/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,096,338.50	1,100,000.00	7.28	1292	1.459
Local Agency Investment Funds	6,642,565.22	6,642,565.22	6,642,565.22	43.97	1	0.260
Miscellaneous Securities - Coupon	2,000,000.00	2,051,152.50	2,003,127.20	13.24	349	3.346
Orange County Investment Pool	5,364,991.47	5,364,991.47	5,364,991.47	35.51	1	0.344
Total Investments	15,107,556.69	15,155,047.69	15,110,683.89	100.00%	141	0.786

Cash						
Passbook Checking	335,990.22	335,990.22	335,990.22		1	0.00
Total Cash and Investments	15,443,546.91	15,491,037.91	15,446,674.11		141	0.786

Total Earnings	Month Ending June	Fiscal Year to Date
Current Year	11,282.29	20,850.99
Average Daily Balance	21,523,416.28	
Effective Rate of Return	0.786%	

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


Robert J. Hunter, General Manager

10-2-14
Date


Hilary Chumipitazi, Treasurer

10/2/14
Date

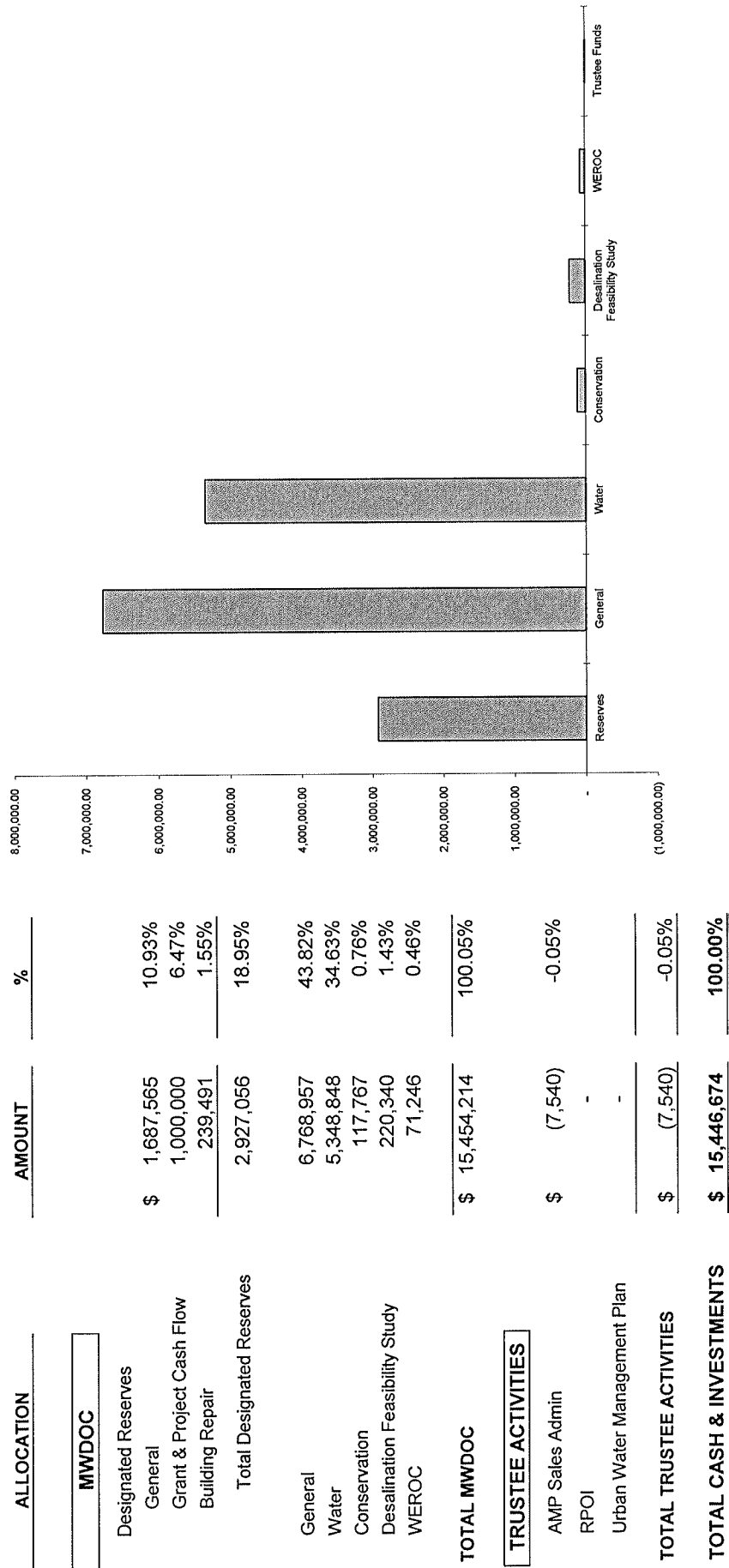
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
August 31, 2014

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	248,892.50	250,000.00	1.150	1.150	1058	7/24/2017
Discover Bank	2546712V5	7/23/2014	250,000.00	249,067.50	250,000.00	1.600	1.600	1422	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	248,885.00	250,000.00	1.200	1.200	1059	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,151.00	100,000.00	1.050	1.050	876	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,342.50	250,000.00	2.050	2.050	1794	7/30/2019
Sub Total			1,100,000.00	1,096,338.50	1,100,000.00	1.459	1.459	1292	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	257,370.00	251,617.54	3.700	3.000	366	9/1/2015
JPMorgan Chase	46825HHR4	11/23/2010	250,000.00	255,737.50	251,330.65	3.400	2.700	297	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	516,490.00	500,740.99	3.125	3.007	498	1/1/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	515,155.00	499,685.11	3.450	3.508	428	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	506,400.00	499,752.91	3.875	4.020	137	1/15/2015
Sub Total			2,000,000.00	2,051,152.50	2,003,127.20	3.500	3.346	349	
Total Investments			3,100,000.00	3,147,491.00	3,103,127.20	2.776	2.677	683	
Total Earnings									
Current Year			6,953.18	Fiscal Year To Date			13,111.07		

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
August 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	6,642,565.22	6,642,565.22	6,642,565.22	0.260	0.260	1	N/A
Sub Total			6,642,565.22	6,642,565.22	6,642,565.22	0.260	0.260	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	5,364,991.47	5,364,991.47	5,364,991.47	0.344	0.344	1	N/A
Sub Total			5,364,991.47	5,364,991.47	5,364,991.47	0.344	0.344	1	
Total Investments			12,007,556.69	12,007,556.69	12,007,556.69	0.298	0.298		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	335,490.22	335,490.22	335,490.22	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			335,990.22	335,990.22	335,990.22	0.000	0.000	1	
Total Cash and Investments			12,343,546.91	12,343,546.91	12,343,546.91	0.298	0.298	1	
Total Earnings									
Current Year			Month Ending June	Fiscal Year To Date					
			4,329.11	7,739.92					

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



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

**Municipal Water District of Orange County
Combined Balance Sheet
As of August 31, 2014**

<u>ASSETS</u>	Amount
Cash in Bank	335,990.22
Investments	15,110,683.89
Accounts Receivable	38,384,156.16
Accounts Receivable - Other	201,696.30
Accrued Interest Receivable	25,496.19
Prepays/Deposits	723,368.33
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,499,452.95)
	<hr/>
TOTAL ASSETS	\$55,832,448.04
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	33,153,942.41
Accrued Salaries and Benefits Payable	359,898.17
Other Liabilities	1,596,572.52
Other post employment benefits (OPEB) liabilities	2,743.00
Unearned Revenue	1,095,020.32
Total Liabilities	<hr/> 36,208,176.42 <hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	1,012,390.92
Total Restricted Fund Balances	<hr/> 1,012,390.92 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,574,312.61
Grant & Project Cash Flow	1,000,000.00
Building Repair	350,000.00
Total Designated Reserves	<hr/> 2,924,312.61 <hr/>
GENERAL FUND	2,065,740.50
WEROC	55,774.88
Total Unrestricted Fund Balances	<hr/> 5,045,827.99 <hr/>
Excess Revenue over Expenditures	
Operating Fund	5,582,099.73
Other Funds	7,983,952.98
Total Fund Balance	<hr/> 19,624,271.62 <hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$55,832,448.04
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	<u>12,409.86</u>	<u>40,699.93</u>	<u>103,564.00</u>	<u>39.30%</u>	<u>0.00</u>	<u>62,864.07</u>
Water rate revenues	12,409.86	6,481,231.93	6,544,096.00	99.04%	0.00	62,864.07
Interest Revenue	<u>11,004.10</u>	<u>20,298.83</u>	<u>138,000.00</u>	<u>14.71%</u>	<u>0.00</u>	<u>117,701.17</u>
Subtotal	<u>23,413.96</u>	<u>6,501,530.76</u>	<u>6,682,096.00</u>	<u>97.30%</u>	<u>0.00</u>	<u>180,565.24</u>
Choice Programs	0.00	0.00	1,261,086.00	0.00%	0.00	1,261,086.00
Choice Prior Year Carry Over	0.00	94,000.00	0.00		0.00	(94,000.00)
Miscellaneous Income	132.89	146.02	3,000.00	4.87%	0.00	2,853.98
School Contracts	0.00	0.00	70,000.00	0.00%	0.00	70,000.00
Transfer-Out To Reserve	<u>0.00</u>	<u>0.00</u>	<u>(84,374.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(84,374.00)</u>
Subtotal	<u>132.89</u>	<u>94,146.02</u>	<u>1,249,712.00</u>	<u>7.53%</u>	<u>0.00</u>	<u>1,155,565.98</u>
TOTAL REVENUES	<u>23,546.85</u>	<u>6,595,676.78</u>	<u>7,931,808.00</u>	<u>83.15%</u>	<u>0.00</u>	<u>1,336,131.22</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	246,404.35	497,512.30	2,995,855.00	16.61%	0.00	2,498,342.70
Salaries & Wages - Grant Recovery	0.00	0.00	(16,437.00)	0.00%	0.00	(16,437.00)
Directors' Compensation	12,705.16	26,143.31	210,342.00	12.43%	0.00	184,198.69
MWD Representation	3,420.62	10,750.52	120,197.00	8.94%	0.00	109,446.48
Employee Benefits	67,599.06	135,250.27	961,916.00	14.06%	0.00	826,665.73
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Director's Benefits	7,036.88	13,933.02	119,356.00	11.67%	0.00	105,422.98
Health Ins \$'s for Retirees	2,858.34	7,279.38	50,244.00	14.49%	0.00	42,964.62
Training Expense	0.00	0.00	18,000.00	0.00%	0.00	18,000.00
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	340,024.41	690,868.80	4,598,804.00	15.02%	0.00	3,905,410.00
Engineering Expense	3,437.50	14,838.26	355,000.00	4.18%	47,286.74	292,875.00
Legal Expense	19,028.69	29,592.84	329,000.00	8.99%	299,407.16	0.00
Audit Expense	6,900.00	6,900.00	23,000.00	30.00%	14,225.00	1,875.00
Professional Services	44,151.65	118,285.10	1,065,200.00	11.10%	38,940.56	907,974.34
Professional Fees	73,517.84	169,616.20	1,772,200.00	9.57%	399,859.46	1,202,724.34
Conference-Staff	275.00	335.00	13,925.00	2.41%	0.00	13,590.00
Conference-Directors	695.00	1,120.00	8,650.00	12.95%	0.00	7,530.00
Travel & Accom.-Staff	1,514.48	3,282.16	38,300.00	8.57%	0.00	35,017.84
Travel & Accom.-Directors	210.70	846.70	29,600.00	2.86%	0.00	28,753.30
Travel & Conference	2,695.18	5,583.86	90,475.00	6.17%	0.00	84,891.14
Membership/Sponsorship	5,155.00	41,956.26	90,437.00	46.39%	0.00	48,480.74
CDR Support	9,990.25	9,990.25	39,961.00	25.00%	29,970.75	0.00
Dues & Memberships	15,145.25	51,946.51	130,398.00	39.84%	29,970.75	48,480.74
Business Expense	423.77	1,378.20	7,000.00	19.69%	0.00	5,621.80
Maintenance Office	430.72	10,063.94	118,768.00	8.47%	103,704.06	5,000.00
Building Repair & Maintenance	0.00	473.92	10,800.00	0.00%	10,326.08	0.00
Storage Rental & Equipment Lease	962.66	1,925.32	16,708.00	11.52%	13,782.68	1,000.00
Office Supplies	2,583.49	4,132.56	24,288.00	17.01%	2,681.54	17,473.90
Postage/Mail Delivery	617.54	1,612.38	11,100.00	14.53%	3,849.89	5,637.73
Subscriptions & Books	146.02	146.02	1,600.00	9.13%	0.00	1,453.98
Reproduction Expense	0.00	61.25	90,625.00	0.07%	3,500.00	87,063.75
Maintenance-Computers	32.37	502.11	6,000.00	8.37%	1,967.63	3,530.26
Software Purchase	1,980.00	6,883.40	25,515.00	26.98%	0.00	18,631.60
Software Support	991.07	4,322.14	28,869.00	14.97%	0.00	24,546.86
Computers and Equipment	3,972.87	5,140.11	9,300.00	55.27%	0.00	4,159.89
Automotive Expense	695.19	1,411.99	13,300.00	10.62%	0.00	11,888.01
Toll Road Charges	13.25	103.92	1,250.00	8.31%	0.00	1,146.08
Insurance Expense	7,108.93	18,872.79	97,000.00	19.46%	11,455.07	66,672.14
Utilities - Telephone	1,222.78	2,446.44	16,900.00	14.48%	0.00	14,453.56
Bank Fees	923.97	1,804.22	10,700.00	16.86%	0.00	8,895.78
Miscellaneous Expense	2,428.80	5,156.83	109,700.00	4.70%	33.48	104,509.69
MWDOC's Contrb. To WEROC	10,709.00	21,418.00	128,508.00	16.67%	0.00	107,090.00
Depreciation Expense	3,124.24	7,706.14	0.00	0.00%	0.00	(7,706.14)
Other Expenses	38,366.67	95,561.68	727,931.00	13.13%	151,300.43	481,068.89
Election Expense	0.00	0.00	444,000.00	0.00	0.00	444,000.00
Building Repair & Maintenance	0.00	0.00	168,000.00	0.00%	0.00	168,000.00
TOTAL EXPENSES	469,749.35	1,013,577.05	7,931,808.00	12.78%	581,130.64	6,337,100.31
NET INCOME (LOSS)	(446,202.50)	5,582,099.73	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	18,754,939.30	38,426,211.30	163,874,103.00	23.45%	125,447,891.70
Readiness to Serve Charge	1,161,520.50	2,323,041.00	13,946,682.00	16.66%	11,623,641.00
Capacity Charge CCF	304,941.67	609,883.34	3,659,300.00	16.67%	3,049,416.66
SCP Surcharge	34,270.21	69,584.80	361,200.00	19.26%	291,615.20
Revenue - Other	8,144,234.18	8,144,234.18	0.00		(8,144,234.18)
Interest	249.76	481.60	4,275.00	11.27%	3,793.40
TOTAL WATER REVENUES	28,400,155.62	49,573,436.22	181,845,560.00	27.26%	132,272,123.78
<u>WATER PURCHASES</u>					
Water Sales	18,754,939.30	38,426,211.30	163,874,103.00	23.45%	125,447,891.70
Readiness to Serve Charge	1,161,520.50	2,323,041.00	13,946,682.00	16.66%	11,623,641.00
Capacity Charge CCF	304,941.67	609,883.34	3,659,300.00	16.67%	3,049,416.66
SCP Surcharge	34,270.21	69,584.80	361,200.00	19.26%	291,615.20
TOTAL WATER PURCHASES	20,255,671.68	41,428,720.44	181,841,285.00	22.78%	140,412,564.56
EXCESS OF REVENUE OVER EXPENDITURES	8,144,483.94	8,144,715.78	4,275.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	5,705.06	116,000.00	4.92%
Expenses	<u>9,042.00</u>	<u>116,000.00</u>	7.79%
Excess of Revenues over Expenditures	(3,336.94)	0.00	
SmarTimer Program			
Revenues	2,099.76	50,467.00	4.16%
Expenses	<u>34,549.16</u>	<u>50,467.00</u>	68.46%
Excess of Revenues over Expenditures	(32,449.40)	0.00	
Industrial Water Use Reduction			
Revenues	0.00	113,980.00	0.00%
Expenses	<u>1,430.90</u>	<u>113,980.00</u>	1.26%
Excess of Revenues over Expenditures	(1,430.90)	0.00	
Spray To Drip Conversion			
Revenues	0.00	65,342.47	0.00%
Expenses	<u>976.18</u>	<u>65,342.47</u>	1.49%
Excess of Revenues over Expenditures	(976.18)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	1,248,000.00	0.00%
Expenses	<u>13.60</u>	<u>1,248,000.00</u>	0.00%
Excess of Revenues over Expenditures	(13.60)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	27,143.00	0.00%
Expenses	<u>0.00</u>	<u>27,143.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	10,820.71	132,250.00	8.18%
Expenses	<u>10,377.08</u>	<u>132,250.00</u>	7.85%
Excess of Revenues over Expenditures	443.63	0.00	
HECW Rebate Program			
Revenues	26,900.00	403,000.00	6.67%
Expenses	<u>36,755.00</u>	<u>403,000.00</u>	9.12%
Excess of Revenues over Expenditures	(9,855.00)	0.00	
CII Rebate Program			
Revenues	900.00	159,250.00	0.57%
Expenses	<u>0.00</u>	<u>159,250.00</u>	0.00%
Excess of Revenues over Expenditures	900.00	0.00	
Large Landscape Survey			
Revenues	1,891.98	32,000.00	5.91%
Expenses	<u>26,171.71</u>	<u>32,000.00</u>	81.79%
Excess of Revenues over Expenditures	(24,279.73)	0.00	
Indoor-Outdoor Survey			
Revenues	660.07	5,200.00	12.69%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	660.07	0.00	
Turf Removal Program			
Revenues	113,165.95	725,000.00	15.61%
Expenses	<u>303,304.11</u>	<u>725,000.00</u>	41.84%
Excess of Revenues over Expenditures	(190,138.16)	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	0.00	258,690.00	0.00%
Expenses	0.00	258,690.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Home Certification and Rebate			
Revenues	0.00	248,050.00	0.00%
Expenses	2,097.47	248,050.00	0.85%
Excess of Revenues over Expenditures	(2,097.47)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	145,960.00	0.00%
Expenses	0.00	145,960.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WEROC			
Revenues	148,391.00	248,622.00	59.69%
Expenses	28,310.60	248,622.00	11.39%
Excess of Revenues over Expenditures	120,080.40	0.00	
WUE Projects			
Revenues	162,143.53	3,730,332.47	4.35%
Expenses	424,717.21	3,730,332.47	11.39%
Excess of Revenues over Expenditures	(262,573.68)	0.00	
RPOI Distributions			
Revenues	0.00	4,921.00	0.00%
Expenses	0.00	4,921.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Ocean Desalination			
Revenues	0.00	94,000.00	0.00%
Expenses	0.00	94,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	

**ACTION ITEM**

October 15, 2014

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

Robert J. Hunter, General Manager

Staff Contact: Pat Meszaros

SUBJECT: **CSDA Special District Leadership Academy Conference**
November 17, 18, and 19 a.m., 2014 - Anaheim**STAFF RECOMMENDATION**

Staff recommends the Board of Directors consider authorizing attendance by Directors and appropriate staff.

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

SUMMARY

The CSDA Special District Leadership Academy (SDLA) Conference is based on the groundbreaking, curriculum-based continuing education program which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance responsibilities. This 2½ day conference provides essential tools and information to effectively govern and work as a team. Attendees will learn attributes and characteristics of highly effective boards; the board's role in finance and fiscal accountability and setting direction for the district.

This conference satisfies all four modules of the Special District Leadership Academy. Cost to attend is \$600; and \$400 for additional attendees from the same district.

Embassy Suites Anaheim – South
11767 Harbor Boulevard
Garden Grove, CA 92840

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



ACTION ITEM
October 15, 2014

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH DICK ACKERMAN

STAFF RECOMMENDATION

Staff recommends the Board of Directors to consider extending the contract with Dick Ackerman for specialized services.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Dick Ackerman provides specialized, professional services to MWDOC Board of Directors and staff in the areas of CEQA reform/exemption, desalination, legal and regulatory matters and others on an as requested basis.

Specifically:

Settlement Agreement

Assist in interpretation of the MWDOC Agreement including core and choice issues as requested.

Budgeted (Y/N): Yes	Budgeted amount: \$36,000; 2014-2015 Fiscal year expenditure	Core X__	Choice __
Action item amount: \$36,000		Line item:	
Fiscal Impact (explain if unbudgeted):			

CEQA Reform

Continue to monitor and keep MWDOC informed on opportunities to participate in strategic CEQA Reform initiatives.

Poseidon Project Investigation

Assist MWDOC in analyzing institutional options for possible implementation of the Poseidon Huntington Beach Ocean desalination Project.

Update on selected legal and regulatory matters.

Mr. Ackerman will continue working within the scope of services helping MWDOC identify priorities and opportunities in the outlined areas as needed. Compensation is to be on a "time and material" basis.

STANDARD AGREEMENT FOR CONSULTANT SERVICES

Legal Consulting on Water Policy Issues

This **AGREEMENT** for consulting services, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, Ackerman Consulting hereinafter referred to as "**CONSULTANT**" for legal consulting hereinafter referred to as "**SERVICES**."¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**", dated July 1, 2014. The **PARTIES** agree as follows:

I **PURPOSE AND SCOPE OF WORK**

A. Consulting Work.

DISTRICT hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "B"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

B. Independent Contractor.

CONSULTANT is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

C. Changes in Scope of Work

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "B"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "B,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "B."** **DISTRICT** shall have no responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

II **TERM**

¹ Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as Exhibit "A" and incorporated herein by this reference.

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "B"** or, if no time is specified, until terminated on thirty (30) days notice as provided herein.

III BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS

A. Budgeted Amount for SERVICES

CONSULTANT is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "B."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon invoicing the **DISTRICT** 80% of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

B. Fees

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "B"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "B"** shall continue to apply unless and until modified by consent of the **PARTIES**.

C. Notification Clause

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or communication shall be given changes, written notice of such change shall be given, in accordance with this section, within five(5) working days.

Notices shall be made as follows:

Municipal Water District of Orange County
Robert J. Hunter, General Manager
18700 Ward Street, P.O.Box 20895
Fountain Valley, CA 92708

Ackerman Consulting
Dick Ackerman, President
2 Mineral King
Irvine, CA 92602-1075

D. Billing and Payment

CONSULTANT's fees shall be billed by the 10th day of the month and paid by **DISTRICT** on or before the 10th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

DISTRICT shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

E. **Billing Records**

CONSULTANT shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

IV **DOCUMENTS**

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

V **TERMINATION**

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this **AGREEMENT** at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

VI **INSURANCE REQUIREMENTS**

CONSULTANT shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

A. **Workers' Compensation Insurance**

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

CONSULTANT and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT**. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

B. Professional Liability Insurance

CONSULTANT shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein.

D. Expiration of Coverage

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

INDEMNIFICATION

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the work hereunder, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of **CONSULTANT** to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

CONSULTANT shall defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT**.

CONSULTANT shall pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

CONSULTANT shall reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethic's Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "A."**

VIII **PERMITS AND LICENSES**

CONSULTANT shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

IX **LABOR AND MATERIALS**

CONSULTANT shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "B"** to the **AGREEMENT**.

Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit "B"** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, unless agreed upon and listed in **Exhibit "B"**.

X **CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

A. Confidential Nature of Materials

CONSULTANT understands that all documents, records, reports, data, or other materials (collectively "**MATERIALS**") provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

B. No Disclosure of Confidential Materials

CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT's** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** hereunder, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

C. Protections to Ensure Control Over Materials

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

XI OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its right, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and to authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

XII EQUAL OPPORTUNITY

DISTRICT is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT** whom the **DISTRICT** knows or has reason to know are violating this policy. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

XIII INTEGRATION OF ALL OTHER AGREEMENTS

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes of this **AGREEMENT** may be made without the written consent of both **PARTIES**.

XIV ATTORNEYS' FEES

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

XV JURISDICTION AND VENUE SELECTION

In all matters concerning the validity, interpretation, performance, or effect of this **AGREEMENT**, the laws of the State of California shall govern and be applicable. The **PARTIES** hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

IN WITNESS WHEREOF, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

APPROVED BY:

CONSULTANT ACCEPTANCE:

Date _____

Date _____

Robert J. Hunter, General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708
(714) 963-3058

Dick Ackerman
Ackerman Consulting
2 Mineral King
Irvine, CA 92602-1075
Phone: (714) 322-2710
Tax I.D. #

EXHIBIT "A"

ETHICS POLICY	§7100-§7111
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§7100 PURPOSE

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

§7101 RESPONSIBILITIES OF BOARD MEMBERS

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

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

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

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

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

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

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

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-

designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

§7104 GIFTS

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

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

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

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

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

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

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

Motion - 7/21/93; Motion - 8/18/93;

§7106 USE OF CONFIDENTIAL INFORMATION

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

§7107 POLITICAL ACTIVITIES

Employees are free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC.

§7108 IMPROPER ACTIVITIES

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the General Manager for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination. If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

During the first quarter of the year immediately following an election (every two years), the Board shall meet to review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct.

EXHIBIT "B"

SCOPE OF WORK, TERMS OF AGREEMENT AND TERMS AND CONDITIONS FOR BILLING

Dick Ackerman Ackerman Consulting 2 Mineral King Irvine, CA 92602-1075 Phone: (714) 322-2710 Tax I.D. #
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1. **Term** – Commencement: July 1, 2014 Termination: June 30, 2015
2. **Fees/Rates** to be billed - \$250/hour
3. **Budgeted Amount** – Compensation is to be on a “time and material” basis, not to exceed \$36,000.00. **CONSULTANT’s** fees shall be billed by the 25th day of the month and paid by the **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.
4. Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a “cost to complete” estimate for the remaining work.
5. **Scope of Work/Services** –

Task 1: Settlement Agreement
Assist in interpretation of the MWDOC Agreement including core and choice issues as requested.
Task 2 – CEQA Reform
Continue to monitor and keep MWDOC informed on opportunities to participate in strategic CEQA Reform initiatives.
Task 3: Poseidon Project Investigation
Assist MWDOC in analyzing institutional options for possible implementation of the Poseidon Huntington Beach Ocean desalination Project.
Task 4 – Update on selected legal and regulatory matters.
6. **Consultant Representative:** Dick Ackerman



ACTION ITEM
October 15, 2014

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP

STAFF RECOMMENDATION

Staff recommends the Board of Directors to consider extending the contract with Lewis Consulting Group for specialized services.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Lewis Consulting Group provides specialized, professional services to MWDOC Board of Directors and staff on matters related to the County of Orange, local government, and regional issues. They will continue to assist the Board and staff, as requested, in the coordination and preparation for meetings with the County of Orange officials and staff, assisting with strategy development on local policy issues that may arise and other requests as needed.

Specifically:

Provide strategic issue consultation to MWDOC on legislative, organizational and political issues of interest as requested.

Budgeted (Y/N): Yes	Budgeted amount: \$48,000; 2014-2015 Fiscal year expenditure	Core X__	Choice __
Action item amount: \$48,000		Line item:	
Fiscal Impact (explain if unbudgeted):			

Monitor, track, and analyze issues, proactively and as requested, that relate to MWDOC.

Provide strategic guidance and recommendations to assist MWDOC and maximize its policy influence and achieve goals and objectives.

Update on selected issues related to MWDOC.

Lewis Consulting Group will continue working within the scope of services helping MWDOC identify priorities and opportunities in the outlined areas as needed. Compensation is to be on a “time and material” basis.

STANDARD AGREEMENT FOR CONSULTANT SERVICES

Strategic Issues' Consulting

This **AGREEMENT** for consulting services, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, **LEWIS CONSULTING GROUP** hereinafter referred to as "**CONSULTANT**" for **STRATEGIC ISSUE CONSULTING** hereinafter referred to as "**SERVICES**."¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**." The **PARTIES** agree as follows:

I PURPOSE AND SCOPE OF WORK

A. Consulting Work.

DISTRICT hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "B"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

B. Independent Contractor.

CONSULTANT is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

C. Changes in Scope of Work

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "B"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "B,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "B."** **DISTRICT** shall have no

¹ Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as Exhibit "A" and incorporated herein by this reference.

responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

II TERM

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "B"** or, if no time is specified, until terminated on thirty (30) days notice as provided herein.

III BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS

A. Budgeted Amount for SERVICES

CONSULTANT is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "B."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon invoicing the **DISTRICT** 80% of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

B. Fees

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "B"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "B"** shall continue to apply unless and until modified by consent of the **PARTIES**.

C. Notification Clause

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or communication shall be given changes, written notice of such change shall be given, in accordance with this section, within five(5) working days.

Notices shall be made as follows:

Municipal Water District of O.C.
Robert J. Hunter
General Manager
10500 Ellis Avenue POB 20895
Fountain Valley, CA 92708

Lewis Consulting Group, LLC
Honorable John W. Lewis
President
1914 W. Orangewood Avenue, Suite 201
Orange, CA 92868

D. Billing and Payment

CONSULTANT's fees shall be billed by the 10th day of the month and paid by **DISTRICT** on or before the 10th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

DISTRICT shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

E. Billing Records

CONSULTANT shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

IV DOCUMENTS

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

V TERMINATION

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this **AGREEMENT** at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

VI INSURANCE REQUIREMENTS

CONSULTANT shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

A. Workers' Compensation Insurance

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

CONSULTANT and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT**. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage

must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

B. Professional Liability Insurance

CONSULTANT shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein.

D. Expiration of Coverage

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

VII INDEMNIFICATION

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the work hereunder, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of **CONSULTANT** to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.

CONSULTANT shall defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of very kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT**.

CONSULTANT shall pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

CONSULTANT shall reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VIII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethic's Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "A."**

IX PERMITS AND LICENSES

CONSULTANT shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

X LABOR AND MATERIALS

CONSULTANT shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "B"** to the **AGREEMENT**.

Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit "B"** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, unless agreed upon and listed in **Exhibit "B"**.

XI CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE

A. Confidential Nature of Materials

CONSULTANT understands that all documents, records, reports, data, or other materials (collectively "**MATERIALS**") provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

B. No Disclosure of Confidential Materials

CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT's** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under

the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** hereunder, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

C. Protections to Ensure Control Over Materials

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

XII OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its right, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and to authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

XIII EQUAL OPPORTUNITY

DISTRICT is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT** whom the **DISTRICT** knows or has reason to know are violating this policy. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

XIV INTEGRATION OF ALL OTHER AGREEMENTS

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes of this **AGREEMENT** may be made without the written consent of both **PARTIES**.

XV ATTORNEYS' FEES

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

XVI JURISDICTION AND VENUE SELECTION

In all matters concerning the validity, interpretation, performance, or effect of this **AGREEMENT**, the laws of the State of California shall govern and be applicable. The **PARTIES** hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

IN WITNESS WHEREOF, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

APPROVED BY:

CONSULTANT ACCEPTANCE:

Date _____
Robert Hunter, General Manager
Municipal Water District of Orange County
10500 Ellis Avenue, POB 20895
Fountain Valley, CA 92708
714/963-3058

Date _____
John A. Lewis, President
Lewis Consulting Group, LLC
1614 W. Oranewood #201
Orange, CA 92868
Phone: 937-1005
Tax I.D. #

Internal Use Only:	
Program No.	_____
Line Item:	_____
Funding Year:	_____
Contract Amt.:	_____
Purchase Order #	_____

EXHIBIT "A"

ETHICS POLICY	§7100-§7111
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§7100 PURPOSE

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

§7101 RESPONSIBILITIES OF BOARD MEMBERS

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

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

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

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

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

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

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

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

§7104 GIFTS

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

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

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

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

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

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

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

Motion - 7/21/93; Motion - 8/18/93;

§7106 USE OF CONFIDENTIAL INFORMATION

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

§7107 POLITICAL ACTIVITIES

Employees are free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC.

§7108 IMPROPER ACTIVITIES

Employees shall not interfere with the proper performance of the official duties of others, but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the General Manager for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination. If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

During the first quarter of the year immediately following an election (every two years), the Board shall meet to review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct.

Please note If using Consultant's proposal as Exhibit "B" to supplement or the standard Exhibit "B" Form below, BOTH Parties must verify that all sections of this form are FULLY ADDRESSED and the appropriate Exhibit is attached and labeled accordingly

EXHIBIT "B"

SCOPE OF WORK, TERMS OF AGREEMENT AND TERMS AND CONDITIONS FOR BILLING

Company: Lewis Consulting Group Name: John Lewis Address: 1914 W. Oranewood Ave., #201 Phone: 714/937-1005 Tax I.D. #
--

1. **Term** – Commencement July 1, 2014 Termination June 30, 2015
2. **Fees/Rates** to be billed - \$250/hour
3. **Budgeted Amount** – Compensation is to be on a "time and material" basis, not to exceed \$48,000. **CONSULTANT's** fees shall be billed by the 25th day of the month and paid by the **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.
4. Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining work.
5. **Scope of Work/Services** –

Provide strategic issue consultation to MWDOC on legislative, organizational and political issues of interest as requested.

Monitor, track, analyze issues, proactively and as requested, that relate to MWDOC

Provide strategic guidance and recommendations to assist MWDOC and maximize its policy influence and achieve goals and objectives.

Provide updates on selected issues related to MWDOC as directed.
6. **Consultant Representatives:** John Lewis and Matt Holder



Item No. 6

ACTION ITEM October 15, 2014

TO: Board of Directors

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

Robert J. Hunter, General Manager

**SUBJECT: BOARD SUPPORT FOR LARRY MCKENNEY TO SERVE ON THE ACWA
REGION 10 BOARD OF DIRECTORS**

STAFF RECOMMENDATION

It is recommended that the Board of Directors adopt resolution supporting Director Larry McKenney's efforts to serve on the ACWA Region 10 Board of Directors

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Director Larry McKenney is serving as Board member for ACWA Region 10 for the 2014-15 term as a result of his nomination by Moulton Niguel Water District.

Per the terms of Mr. McKenney's recent appointment as MWDOC's MET Director, he will be resigning from the Moulton Niguel Water District Board of Directors. As a result, a vacancy will occur on the Region 10 Board and Mr. McKenney has expressed his desire to continue to serve on the ACWA Region 10 Board.

To assist the process for filling the vacancy created, it is necessary for MWDOC to adopt a Resolution supporting the nomination of Larry McKenney to serve on the ACWA Region 10 Board. Attached is said Resolution.

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

RESOLUTION NO. _____
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
PLACING IN NOMINATION OF LARRY MCKENNEY
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION 10 BOARD MEMBER

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) AS FOLLOWS:

A. Recitals

- (i) The Board of Directors (Board) of Municipal Water District of Orange County (MWDOC) does encourage and support the participation in the affairs of the Association of California Water Agencies (ACWA).
- (ii) MWDOC MET Director Larry McKenney has indicated a desire to serve as a Board member of ACWA Region 10.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF MWDOC,

- (i) Does place its full and unreserved support in the nomination of Larry McKenney for the position of Board member of ACWA Region 10.
- (ii) Does hereby determine that the expenses attendant with the service of Larry McKenney in ACWA Region 10 shall be borne by MWDOC.

Adopted and approved this _____ day of _____, 2014.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

I hereby certify the foregoing is a true and correct copy of Resolution No. _____ adopted by the Board of Directors at its meeting held _____, 2014.

Maribeth Goldsby, District Secretary
Municipal Water District of Orange County



DISCUSSION ITEM

October 8, 2014

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Exec. Asst. /HR Specialist

SUBJECT: MWDOC LIABILITY INSURANCE RISK ASSESSMENT REPORT

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the Liability Risk Assessment Report and based on the information presented direct staff to receive and file the report as presented; and direct the General Manager to notify JPIA of MWDOC's intent to rescind its notice to withdraw from the Liability, Crime and Property Programs.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

An independent risk assessment of the District's liability insurance coverage to evaluate the appropriate insurance coverage limits based on the District's current operations and business practices was completed.

The District hired Bickmore Insurance Services to perform the Liability Insurance Risk Assessment. Bickmore met with staff, talked to JPIA (the District's current program), evaluated District documents and quotes previously obtained through Alliant Insurance Services. Bickmore's detailed report is attached for review (Attachment 1). The Liability Insurance Risk Assessment evaluated the following:

- Exposure Analysis
- Alternative Insurance Carriers
- Coverage Offered
- Limits

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

- Deductibles
- Financial Strength
- Minimum Participation
- Withdrawal Notification
- Claims Handling
- Dividends/Assessments
- Price Indication
- Other Factors for Consideration

Bickmore's Risk Assessment noted the following:

- The District has modest exposure to liability loss. While there is no guarantee the District will not have a liability claim in the future, such claims are extremely unlikely, but the exposure to claims is continually present.
- Bickmore evaluated three programs (including JPIA), Special Liability Insurance Program (SLIP) and Special District Risk Management Authority (SDRMA). (Details outlined in Exhibit 1).
- Based on its evaluation of MWDOC's operations, Bickmore recommends that MWDOC should carry no less than \$15 million in liability protection with an upper limit of \$25 million. The District's current Liability insurance carrier is JPIA and the current limit is \$60 million.
- All three programs evaluated offer a reasonable scope of coverage for the District's current operations. SLIP and SDRMA offer a base limit of \$10 million. Higher limits can be built to meet a higher limit. JPIA does not offer options for a lower limit.
- SLIP is a commercial insurance program designed for small and medium sized public agencies and the program is exclusive to Alliant. SLIP's proposed annual cost is \$9,800 less than JPIA.
- SDRMA's proposed annual cost is \$4,800 more than JPIA.
- JPIA's proposed annual cost is \$68,729. This includes an estimated dividend adjustment. Based on dividends over the most recent 10-year period.
- In comparing the coverages, JPIA provides the broadest coverage, extending to failure to supply water claims and inverse condemnation actions, with minor limitations.

Staff held a conference call with Legal Counsel (Russ Behrens) and Bickmore (Michael Kaddatz) to discuss the lack of inverse condemnation coverage by providers other than JPIA. It was stated that even with MWDOC's limited visibility and culpability, the possibility of being named in a suit exists. In moving away from JPIA, the District would have a lower liability limit and no coverage extending to inverse condemnation or failure to supply water, at an estimated annual cost savings of \$9,800. Legal Counsel advised against changing carriers and losing the inverse condemnation coverage.

Staff contacted JPIA to inquire about considering lower limits for small agencies with limited exposure. JPIA responded that it would not be likely since a pool has to be big enough to take advantage of its size (using economies of scale) to be successful. There are not enough agencies to make a large enough pool.

JPIA will be performing calculations at the end of December for the 2010-11 policy years and older. The District will be notified of premium dividends sometime in February.

September 29, 2014

Ms. Katie Davanaugh
Municipal Water District of Orange County
P.O. Box 20895 Fountain
Valley, CA 92728
kdavanaugh@mwdoc.com

RE: Liability Risk Assessment

The purpose of this study is to evaluate the Municipal Water District of Orange County's (the District's) exposures to liability loss and to determine which of three liability coverage programs best suits the District's liability risk profile. The programs are the current program provided by Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA), and two programs proposed by the insurance brokerage firm, Alliant:

- Special District Risk Management Authority (SDRMA), and
- Special Liability Insurance Program (SLIP).

To conduct this analysis we interviewed District personnel and stakeholders, spoke with brokers and JPA managers, conducted research as needed on coverage issues and liability losses, and reviewed the following documents:

- Annual reports, budget documents
- Audited financial statements
- Policy forms, memorandums of coverage and JPA agreements
- Program descriptions & marketing material
- Loss runs
- JPA agendas, meeting minutes

A. Exposure Analysis

The District is a wholesale water supplier and resource planning agency serving cities and water agencies of Orange County. The District purchases imported water from the Metropolitan Water District of Southern California (Metropolitan) and provides the water to its 28 member agencies who then provide retail water services to over 2 million residents.

As a wholesale water supplier, the District does not physically transport, store, treat or condition water. Since 1995 when the District ceased operating and maintaining a water line, it has not owned or operated facilities associated with water operations. The District does not own or lease vehicles or heavy equipment. The District does not own transmission or distribution lines, reservoirs, tanks or treatment plants. Water purchased on behalf of the District's members is transmitted, stored and treated in infrastructure owned by Metropolitan or a member agency.

The District owns its office building. Constructed in 1992, the District's building is on land leased from a sister agency, the Orange County Water District (OCWD). As we understand the lease terms, each party is responsible for its own liability insurance. The lease contains mutual hold harmless provisions as well.

The District does have 33 full-time equivalent employees. The employees perform executive, analytical, and administrative activities. Employees travel mostly in California to meetings, conferences and other events associated with the water community. The balance of their time is largely in the office.

Two staff administer the Water Emergency Response Organization of Orange County (WEROC), a program that promotes planning and preparedness in the event of a major disaster. The program is supported by virtually every public water agency in the County.

Staff is involved in various outreach efforts, such as community events. Employees participate in Metropolitan-organized tours of water facilities, helping to host people from the community to provide knowledge about water issues and promote goodwill. The School Education Program is carried out through a contract with Discovery Science Center.

An affiliated entity, Water Facilities Corp. (WFC), exists to issue bonds for capital projects. At the present time there are no bonds outstanding.

Assessing the liability potential from operations is a necessary step in determining what limit of liability insurance to carry. In reviewing the District's operations, we judge it has a modest exposure to liability loss. In the past, it has had very few liability claims. We understand there have been no liability losses incurred in the last ten years. While member districts have been pulled into expensive litigation, MWDOC has not been named in those suits to date.

The District's role in the water community does not put it in a position of easy visibility or culpability when things go wrong. Thus, it is insulated from liability loss potential. As new issues arise, the District could be involved in new initiatives, such as evaluating desalinization projects, purchasing storage in the Central Valley and other strategies to better serve the water consuming public. But the expectation in these new areas is that MWDOC's role will continue to be supportive, not operational.

Given this background, we judge the most likely event to cause a large tort liability claim against the District is an automobile accident. While the District neither owns nor leases vehicles, its employees do drive their own or rental vehicles on District business. If a District employee-driver is in an accident and found negligent, damages could be assessed against the employee and the District. Because most employees do not carry significant limits of coverage, plaintiffs and their counsel could be motivated in these cases to involve the District as a “deep pocket” defendant.

No comprehensive liability loss data base exists to give one a clear cost range for judgments and settlements on serious injury cases. But from a variety of sources, we have developed a partial list of California large cases against public agencies. Reported judgment and settlement amounts for the cases on our list center around \$10 million. One Orange County case went as high as \$50 million, for serious injuries to two women. This case is, we hope, a rare exception. While it involved a vehicle accident, the negligence issues revolved around road design versus negligent vehicle operation. Yet it illustrates the level of damages a vehicle accident could generate.

The District’s not having had serious liability claims is no guarantee it will not have them in the future. Such claims are extremely unlikely. But in the wrong fact scenario in just a single case, damages can escalate rapidly. In affluent Orange County, where high income-earners are numerous and are potential claimants, the exposure to claims of \$10 million or more is continually present.

We looked for benchmarks for the liability insurance carried by other public agencies. Except for the very largest California cities, we note that cities throughout California carry between \$20 million and \$50 million in liability coverage limits. Cities clearly have much higher likelihood of liability claims than the District, given their range of functions and facilities. Police, fire, public works and recreation functions generate liability claims of high incidence and high value. Ordinary water and irrigation districts tend to carry \$60 million liability limits, which may be because of their utilizing heavy equipment, exposure to reservoir failure and responsibility for the safety of individuals using their lakes, streams and canals.

Other special districts, such as those in SDRMA’s program, typically carry \$10 million in liability coverage limits. Only 5 of SDRMA’s 450 members, for example, carry more than the base \$10 million offered by SDRMA.

Considering all of the above information and giving weight to its Orange County location, we judge that MWDOC should carry no less than \$15 million in liability protection. The range of prudent limits might extend to \$25 million on the upper end. We hasten to add, however, that one can always construct an accident scenario, where even \$60 million (the current limit) is not sufficient.

B. Alternatives

Since 1990, the District has procured liability protection directly from a joint powers authority, ACWA-JPIA. A stable program since it began in 1979, ACWA-JPIA serves water and irrigation districts throughout California. We evaluated two other programs proposed by Alliant, an insurance broker:

- Special Liability Insurance Program (SLIP) – a commercial insurance program designed for small and medium public agencies. The program is exclusive to Alliant.
- Special District Risk Management Authority (SDRMA) – affiliated with the California Special Districts Association, this program is a joint powers authority that serves special districts of all types. Out of about 450 members currently, about 50 are water agencies.

Key features of the three programs are compared in the Exhibit 1 attached to this letter and explained below.

1. Coverage Offered

All three programs offer broad public entity liability coverage, of the type common to California. Overall, we judge ACWA-JPIA's form to be the broadest, extending to failure to supply water claims and inverse condemnation actions, with minor limitations. The nature of the District's operations does not obviously expose it to these type of claims, so the coverage advantage of ACWA-JPIA is of nominal value.

SLIP and SDRMA have coverage extensions to protect against liability and costs associated with data breaches, where someone's electronic data (such as social security numbers, credit card numbers or health information) is released by the District. This coverage advantage of SLIP and SDRMA is also of nominal value, given the District does not maintain a significant amount of such data.

On balance, all three programs offer a reasonable scope of coverage for the District's current operations.

2. Limits

SLIP and SDRMA offer a base limit of \$10 million. From this base, higher limits can be built to meet a higher objective at the approximate cost of \$10,000 per \$5 million in limits. ACWA-JPIA offers \$60 million. While a participant can buy higher limits, ACWA-JPIA does not offer options below its \$60 million limit base. Since the District questions its need for \$60 million in protection, as do we, the lack of flexibility presents an unnecessary cost to the District.

3. Deductibles

SLIP and SDRMA have relatively nominal deductibles and ACWA-JPIA has none. This is only a slight advantage for ACWA-JPIA, since in a typical year, the District has no losses.

4. Financial Strength

SLIP has an independent financial strength rating from A.M. Best of A (Excellent), XI (\$750 to \$1,000 million in policy holder surplus). A.M. Best labels this a secure rating. SDRMA has accreditation with excellence from the California Association of Joint Powers Authorities (CAJPA). The rating indicates SDRMA passes all of the financial ratios that signify financial solvency and that SDRMA follows the best practices of the JPA industry. ACWA-JPIA has no independent rating. However, in reviewing their audited financial statements, we ran the typical ratios that measure solvency and ACWA-JPIA passed on the conservative side. In short, all three programs are solid, reliable sources of coverage.

5. Minimum Participation

ACWA-JPIA and SDRMA each require new members to participate for three years, minimum. The District has satisfied this requirement with ACWA-JPIA, but would have to remain in SDRMA for at least three years. Thus, flexibility would be lost for the District in that time frame. SLIP has no minimum period of participation.

6. Withdrawal Notification

ACWA-JPIA requires a 1 year advance notice of intent to withdraw from its members. The District has satisfied this requirement for the possibility of withdrawal on October 1, 2015. If the District decides not to withdraw, it must formally rescind its withdrawal notice by July 1, 2015. SDRMA only requires a 90 day notice of withdrawal. SLIP has no advance notice requirement on its insureds.

7. Claims Handling

ACWA-JPIA and SDRMA have in-house staff that handle liability claims and are well versed on claims of the type their members have. SLIP uses a contract claims administrator, Carl Warren & Company. There is no significant advantage to the JPAs here, since Carl Warren has an excellent reputation for professional services on the claims of public entities of all types.

8. Dividends/Assessments

Both JPAs return surplus revenues from one year to the participants of that year. For the last 10 years, ACWA-JPIA's dividends to the District have averaged 20% of the District's contributions to the JPIA. While the dividend is not guaranteed, ACWA-JPIA's steady delivery of dividends is

impressive and symbolic of a well-run JPA. Exhibit 2 attached summarizes the history of the District's dividends and premiums while participating in ACWA-JPIA.

While SDRMA grants surplus refunds to its members as well, it was less willing to share details of calculations and its track record. Rather than return the money in check form, SDRMA grants continuity credits to their members' renewal contributions, based on how long they've been a member. We were unable to garner enough information to calculate potential dividends (or credits) by SDRMA.

Both of the JPAs also can assess their members. That is, in a year where claims and expenses exceed premiums, the JPA has the right to assess addition funds from that year's participants. In the last 20 years, ACWA-JPIA has assessed the District only in one year. The amount was small in relation to the dividends the District has received. SDRMA reports it has not assessed its members in the last 10 years. The assessable feature of the JPAs can be looked at as a positive in that it is a mechanism that keeps JPAs solvent. On the other hand, it can present a surprise bill to the District. In the long run, the District (and other JPA members) is jointly and severally liable for the solvency of either of these JPAs. Given the stability of both JPAs, we do not see this potential as a major risk.

The SLIP program offers neither a dividend nor the possibility of assessment. We give the advantage to SLIP because of its guaranteed cost feature and its record of long term stability. SLIP does not have the reputation some insurance programs do of being an inconsistent source of insurance.

9. Price Indication

We compared the current cost of ACWA-JPIA to price indications from SDRMA and SLIP obtained by Alliant. The cost for the base limits of each program, before adjustments, favors SLIP. We next adjusted the base costs for:

- ACWA-JPIA's likely dividend, based on the JPA's most recent 10 year history of dividends & assessments.
- The estimated cost of property insurance that is automatically included in SDRMA's price indication.
- The estimated cost to increase the base limits of SDRMA and SLIP to the upper limit of the prudent range we recommend be considered.

On a cost-adjusted basis, SLIP is approximately \$10,000 less expensive for coverage of \$25 million compared to \$60 million for ACWA-JPIA. This cost delta should be considered approximate and subject to change from year to year.

C. Other Considerations

The objective factors, in total, seem to favor moving to SLIP from ACWA-JPIA. While we think none impose a serious threat, the District should weigh four other considerations.

1. *Perceptions in the Water Community*

ACWA-JPIA grew out of an initiative in the water community to overcome an unstable and high-cost insurance market. The program is heavily subscribed to, and probably includes most of the District's members. Will the image of the District incur any significant injury if it leaves the program? Or will the decision be viewed as a business choice by the District supported by objective analysis?

2. *Unified Defense of Claims*

As indicated above, the District has not been named in lawsuits against its members, even where it may have facilitated the delivery of water that is alleged to have caused some damage to a third party. If the District is unexpectedly named as a defendant in such claims in the future, would its defense be stronger if unified with the defense of its co-defendant member agency? If the District is in a commercial insurance program, the insurer will make defense decisions based on what's best for its bottom line. If the District is in the ACWA-JPIA, the JPIA is more likely to make defense decisions based on what's best for the water community.

3. *Unexpected Return of the Hard Insurance Market*

ACWA-JPIA and other JPAs were formed in a hard insurance market where insurance was less available, more restrictive and unreasonably expensive. The JPAs permitted participants to say, "NO!!!" to unreasonable insurance terms and replace it with a stable source of protection. At present, no one is predicting a return of the hard market, even though it has been relatively soft for a long period of time. But some risk remains that a severely hard market will return. If so, it could affect the cost and terms of the SLIP program adversely and the District may have to turn to a JPA for coverage. Will the JPA penalize the return?

4. *Lack of Inverse Condemnation Coverage by Providers other than ACWA-JPIA*

In California, following an event that results in significant property damage possibly caused or exacerbated by a public agency's facilities, plaintiffs' attorneys often bring an action under a special

provision in the law called inverse condemnation. In such cases the plaintiffs contend that it was the public agency's facility that caused or contributed to the damages they incurred. Different from traditional tort liability claims, the plaintiffs who plead inverse condemnation do not have to prove the public agency was negligent. Instead courts have ruled that the damage resulting from the failed public facility was a "taking" of the property under the law and that the public agency has strict liability for the damages.

Of the three coverage providers in this analysis, only ACWA-JPIA covers such claims. It does so, by clarifying in its coverage form that claims brought under inverse condemnation and similar laws are covered, unless they arise from the deliberate acts of (in this case) the MWDOC Board. Hypothetically, if the Board took an action to build a water treatment plant in a certain neighborhood, and the neighbors sued (under inverse condemnation) for the loss of value of their homes due to the nearby existence of the plant, such suit would not be covered by ACWA-JPIA. On the other hand, if water from the plant flooded the neighborhood causing damage to the neighbors' property, resulting inverse condemnation claims would be covered.

Because MWDOC does not own or operate such facilities and has no plans to in the foreseeable future, we earlier stated this coverage advantage for ACWA-JPIA (i.e. SLIP and SDRMA completely exclude all inverse condemnation claims) is of nominal value. However, MWDOC's member districts are exposed to such claims and have been involved in events where the alleged damages and defense costs have reached eight figures. Though MWDOC has not been named in such suits in the past, a risk remains that it could be in the future solely because of its affiliation with the member districts. Even with MWDOC's limited visibility and culpability, the possibility of being named in a suit exists. If MWDOC were to become a defendant in such a case, the costs of defense alone might reach six figures.

We have placed this issue in the "other considerations" category, because it is not easily assigned a dollar value. The strong likelihood is that MWDOC will not be involved in a material way in claims of this nature. On the other hand, the financial consequences of just a single claim could be significant in relation to the \$10,000 cost savings of SLIP versus ACWA-JPIA. While having a claim and not having the coverage could be expensive, MWDOC's insulation from the operations of its members influences us to judge the resulting costs of no-coverage would not likely be catastrophic. Further \$10,000 in annual premium savings would accrue in the near term. In conjunction with legal counsel, MWDOC management should consider this indirect exposure to inverse condemnation claims and make its best judgment considering all factors.

D. Next Steps

If the District decides to move toward withdrawal from ACWA-JPIA in 2015, it should reconfirm the prices, coverage and financial soundness from all three sources discussed above in June of 2015, as July 1 is the deadline to rescind or confirm its withdrawal notice. Alliant should be queried about new sources in 2015 that should be contacted as well.

* * * * *

We appreciate the opportunity to perform this assignment. Questions concerning the analysis should be directed to Paul Cross or me.

Respectfully submitted,



Michael M. Kaddatz, CPCU, ARM
Director, Risk Management Consulting

Attachments:

EXHIBIT 1 – *Liability Coverage Comparison*

EXHIBIT 2 – *Premium & Dividend History with ACWA-JPIA*

EXHIBIT 1
Liability Coverage Comparison
Municipal Water District of Orange County

COMPARISON ELEMENT	ACWA-JPIA	ALLIANT (SLIP)	SDRMA
1 Coverages Offered			
a General Liability	Yes	Yes	Yes
b Automobile Liability	Yes	Yes	Yes
c Public Officials/Errors & Omissions	Yes	Yes	Yes
d Employment Practices	Yes	Yes	Yes
e Network Privacy & Security	Partial	Yes	Yes
f Failure to Provide Water	Yes (except Board decisions)	No	Yes (except Board decisions)
g Inverse Condemnation	Yes (except deliberate takings)	No	No
2 Limits			
a Per Occurrence	60,000,000	10,000,000	10,000,000
b Aggregate Limit	None	None	EPL only
3 Deductibles			
a General Liability	None	1,000	500
b Automobile Liability	None	1,000	1,000
c Public Officials/Errors & Omissions	None	1,000	None
d Employment Practices	None	10,000	None
4 Financial Strength	Not Accredited, but financially sound	A, XI Secure, by A.M. Best	Accredited with Excellence by CAJPA
5 Minimum Participation	3 years (MWDOC has satisfied)	Not applicable	3 full program years
6 Withdrawal Notification	1-yr advanced notice; 90 day confirmation/rescission	Not applicable	90 days before end of program year
7 Claims Handling	by JPA	by Third Party Administrator	by JPA
8 Dividends / Assessments	Yes (both).	Not applicable	Longevity discounts. Have not assessed in 10 years.
9 Price Indication			
a Liability Indication (from Alliant)	86,388	28,893	45,077
b Adjustment for Dividends *	(17,659)	0	0
c Adjustment for Property Inclusion	0	0	(1,500)
d Additional 15M xs 10M in Limits	0	30,000	30,000
<i>Total (sum a through d)</i>	<i>68,729</i>	<i>58,893</i>	<i>73,577</i>

* Based on average dividends over most recent 10-year period.

EXHIBIT 2
Premium & Dividend History with ACWA-JPIA
Municipal Water District of Orange County

POLICY YEAR	PREMIUM	DIVIDEND (ASSESSMENT)	NET COST
2014-15	-	-	-
2013-14	83,371	-	-
2012-13	86,388	-	-
2011-12	78,957	-	-
2010-11	78,946	-	-
2009-10	80,463	16,328	64,135
2008-09	81,850	(8,508)	90,358
2007-08	82,338	35,128	47,210
2006-07	73,957	15,662	58,295
2005-06	69,436	8,988	60,448
2004-05	68,552	749	67,803
2003-04	64,256	19,430	44,826
2002-03	57,340	17,179	40,161
2001-02	58,127	18,893	39,234
2000-01	53,558	17,173	36,385
1999-00	52,898	10,930	41,968
1998-99	48,251	19,289	28,962
1997-98	53,079	10,543	42,536
1996-97	58,178	14,086	44,092
1995-96	52,792	2,145	50,647
1994-95	51,552	3,539	48,013
1993-94	53,208	9,675	43,533
1992-93	52,208	10,755	41,453
1991-92	45,891	11,292	34,599
1990-91	42,009	5,103	36,906



Item No. ,

INFORMATION ITEM

October 8, 2014

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

FROM: **Robert Hunter, General Manager**

Staff Contacts: Cathy Harris, Administrative Services Manager &
Katie Davanaugh, Exec. Asst./HR Specialist

SUBJECT: **Renewal of District Health Plans**

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The District currently has medical, vision and the Employee Assistance Plan (EAP) benefits through Joint Powers Insurance Authority (JPIA).

Dental coverage is administered through the Special District Risk Management Authority (SDRMA) with coverage provided by Delta Dental.

WSP Benefits, Inc. is the District's broker for long-term disability and life insurance plans. These plans are up for renewal and staff is currently seeking proposals through our current Broker, WSP Inc. and Alliant Insurance Services. Plan information will be available in November.

The following table outlines each plan's rate increase/decrease for the 2015 plan year:

Budgeted (Y/N): Y	Budgeted amount: \$486,315	Core X__	Choice __
Action item amount: 0		Line item:	
Fiscal Impact (explain if unbudgeted):			

2014 to 2015 Health Insurance Rates Change				
	Plan	Single	Two-Party	Family
Employee or Retiree <u>without</u> Medicare	PPO	3.09%	-3.50%	3.12%
	HMO	7.44%	7.50%	7.51%
	Kaiser	-1.68%	-1.70%	-1.70%
	Dental	-4.08%	-4.01%	-4.02%
	Vision	0%	0%	0%
	EAP	0%	0%	0%

The amount budgeted for FY 14-15 for medical, dental, vision, and EAP benefits is \$486,315. Based on the plan premium increases/decreases for 2015, the estimated costs will be \$474,357 which results in an estimated savings of 2.5% or \$11,958.

This information is being presented for receive and file.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
SEMI-ANNUAL TRANSPARENCY DISCLOSURE
JANUARY 1, 2014 THRU JUNE 30, 2014

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/14 - 6/30/14

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
B. Barbre	Director	American Airlines	Legislative activities Washington DC - 1/8/14 - 1/12/14	Airfare	\$ 353.00
				B. Barbre Total:	\$ 353.00
S. Hinman	Director	S. Hinman	ACWA Spring conference Dana Point, CA to Monterey, CA	Transportation	\$ 233.52
		S. Hinman	ACWA Spring conference Monterey, CA to Dana Point, CA	Transportation	\$ 233.52
				S. Hinman Total:	\$ 467.04
J. Thomas	Director	Carrot Ink	N/A - 4/5/14	Toner cartridges	\$ 156.70
				J. Thomas Total:	\$ 156.70
R. Hunter	General Manager	Riviera Resort	Urban Water Institute Spring Water conference Palm Springs, CA - 2/19/14 - 2/20/14	Accommodations, meals & parking	\$ 177.82
				R. Hunter Total:	\$ 177.82
D. Burke	Director of Public Affairs	The Liaison	ACWA conference Washington, DC - 2/25/14	Accommodations	\$ 382.43
		The Liaison	ACWA conference Washington, DC - 2/26/14	Accommodations	\$ 382.43
		Southwest Airlines	California-Nevada AWWA meeting Sacramento, CA - 6/9/14	Airfare	\$ 276.00
				D. Burke Total:	\$ 1,040.86

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/14 - 6/30/14

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
J. Berg	WUE Program Manager	Hyatt Vineyard Creek Hotel	CUWCC ED Search & Plenary meeting Santa Rosa, CA - 12/10/13	Accommodations	\$ 130.16
		Hyatt Vineyard Creek Hotel	CUWCC ED Search & Plenary meeting Santa Rosa, CA - 12/11/13	Accommodations	\$ 130.16
		Hyatt Regency	CUWCC ED Search Sacramento, CA - 1/15/14	Accommodations	\$ 321.00
			J. Berg Total:	\$	581.32
R. Bell	Principal Engineer	R. Bell	AWWA Whole Water conference Santa Ana, CA to Monterey, CA	Transportation	\$ 203.84
		R. Bell	AWWA Whole Water conference Monterey, CA to Santa Ana, CA	Transportation	\$ 199.36
			R. Bell Total:	\$	403.20
J. Ouwerkerk	Public Affairs Supervisor	University of Southern California	Masters degree program 8/27/13 - 12/14/13	Tuition, books & fees	\$ 1,680.00
			J. Ouwerkerk Total:	\$	1,680.00
			Grand Total	\$	4,859.94



Item No. %%

INFORMATION ITEM

October 8, 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 June.

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.

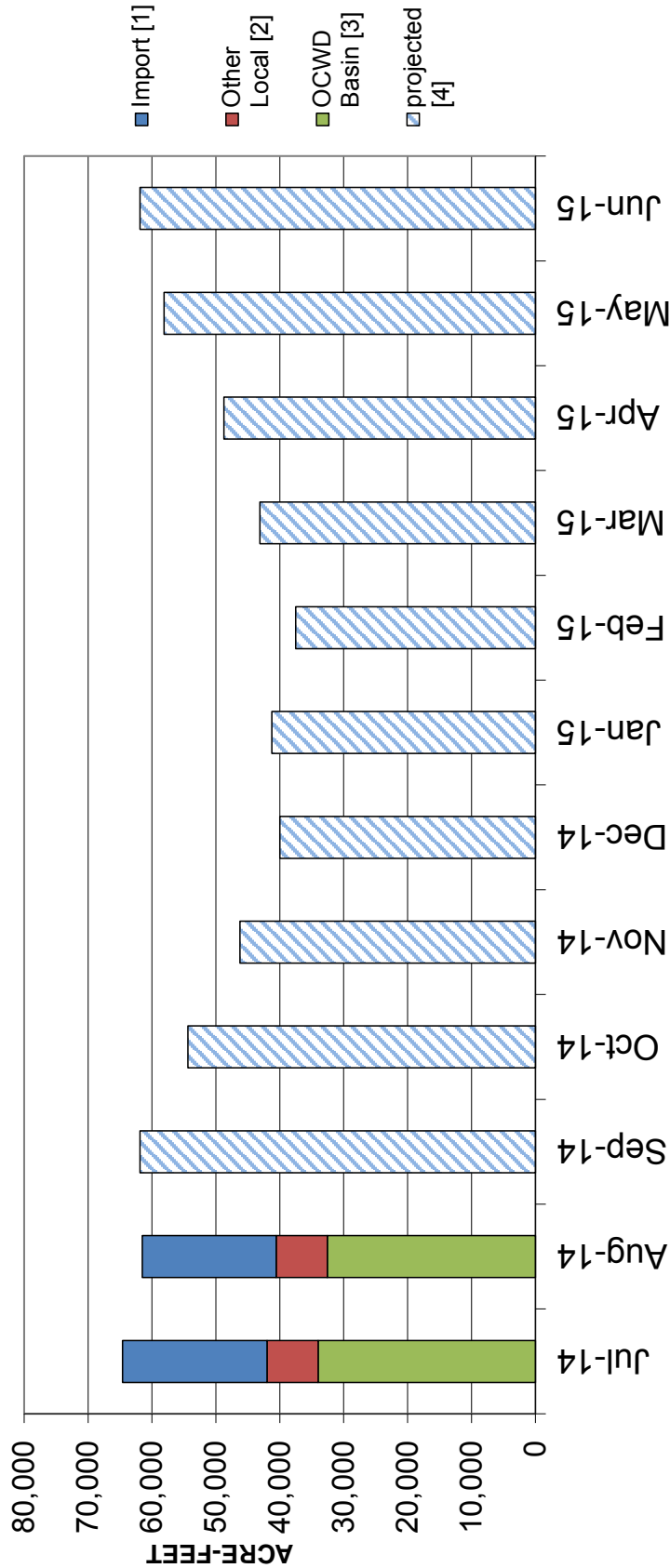
Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

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 September 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 September was around 63% 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 September 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
with projection to end of fiscal year**

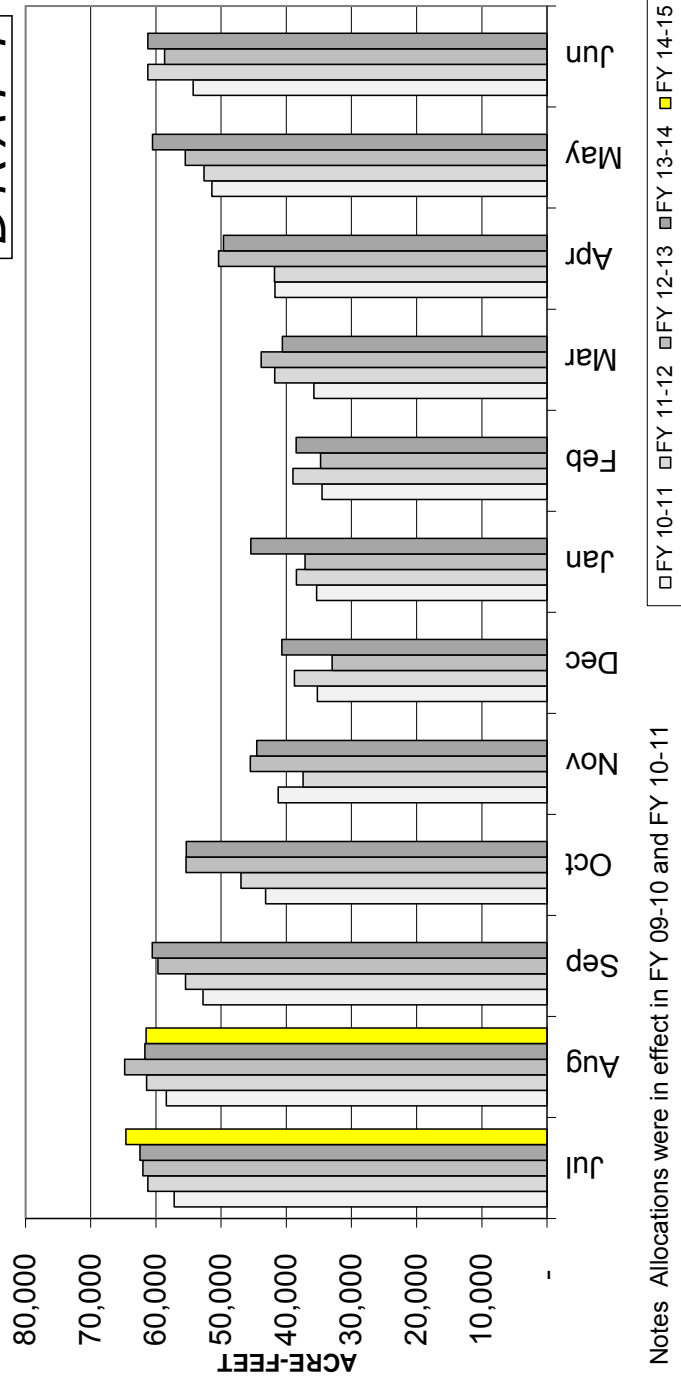


Note: values shown include some estimation and are subject to change.

- [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.

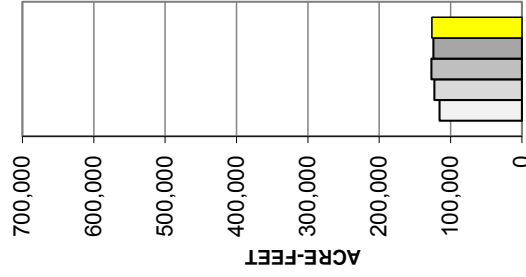
Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years

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

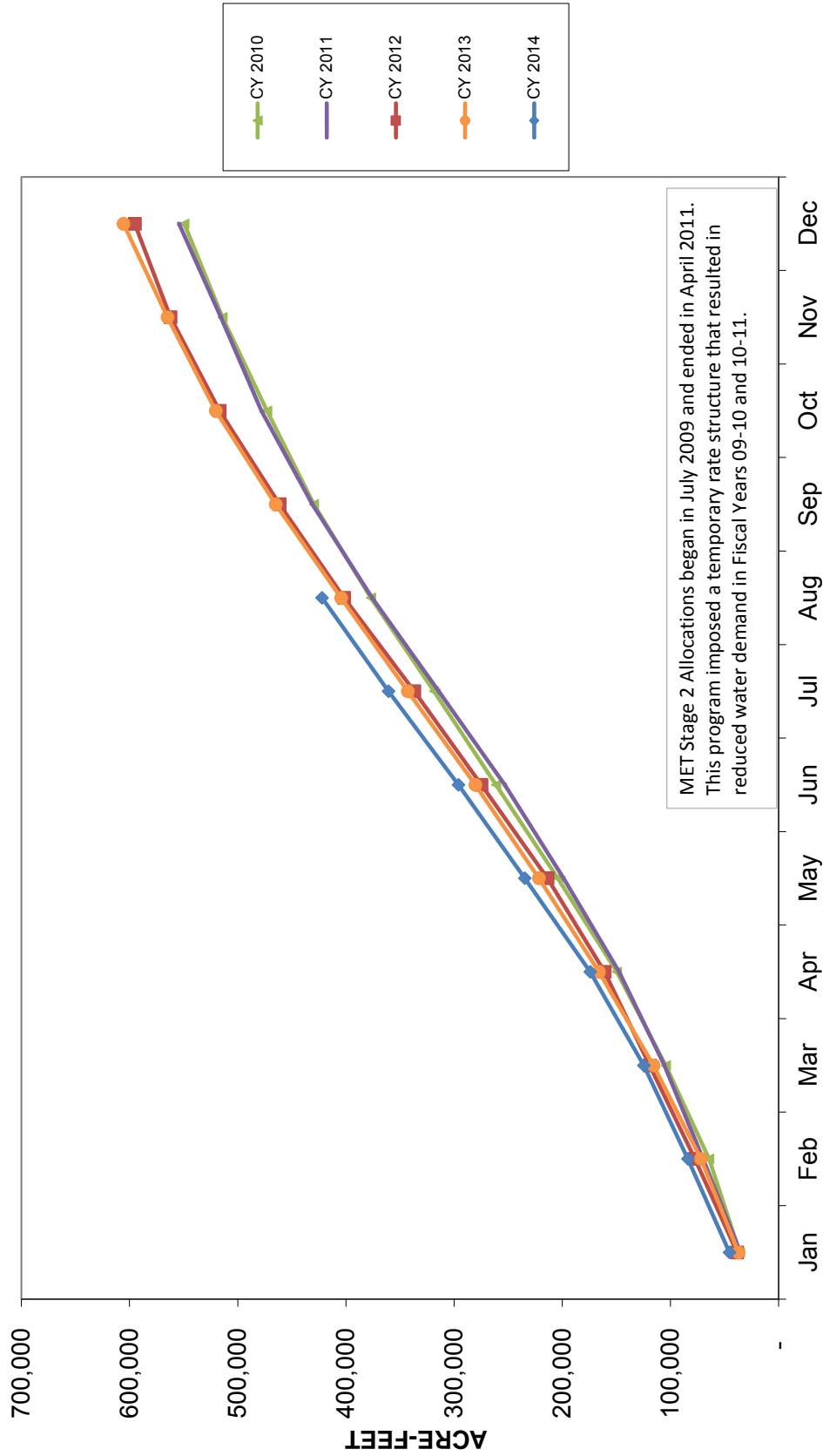
**partial year
subtotals**



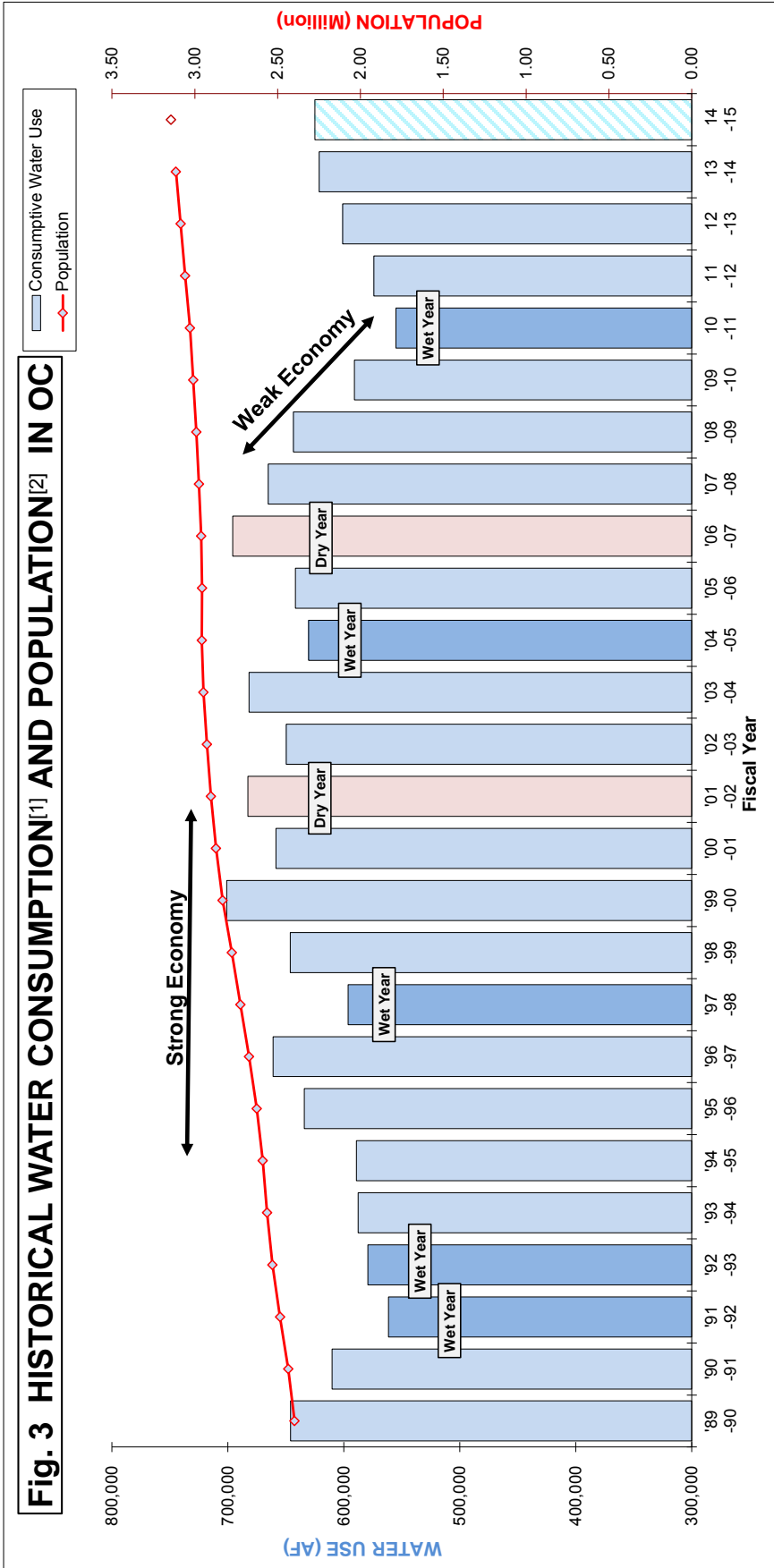
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment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

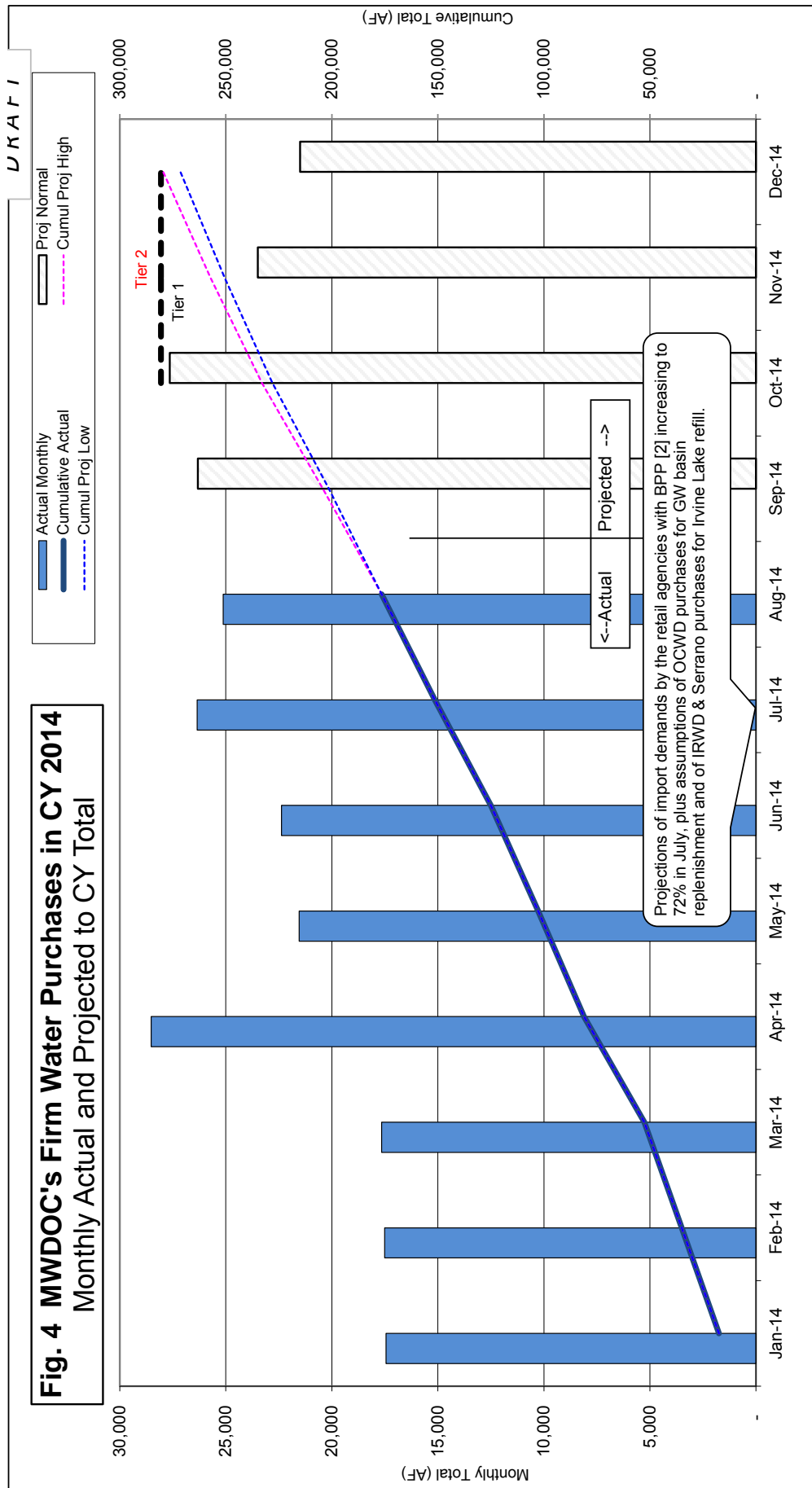


[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production and waste brine from water quality pumping projects).



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

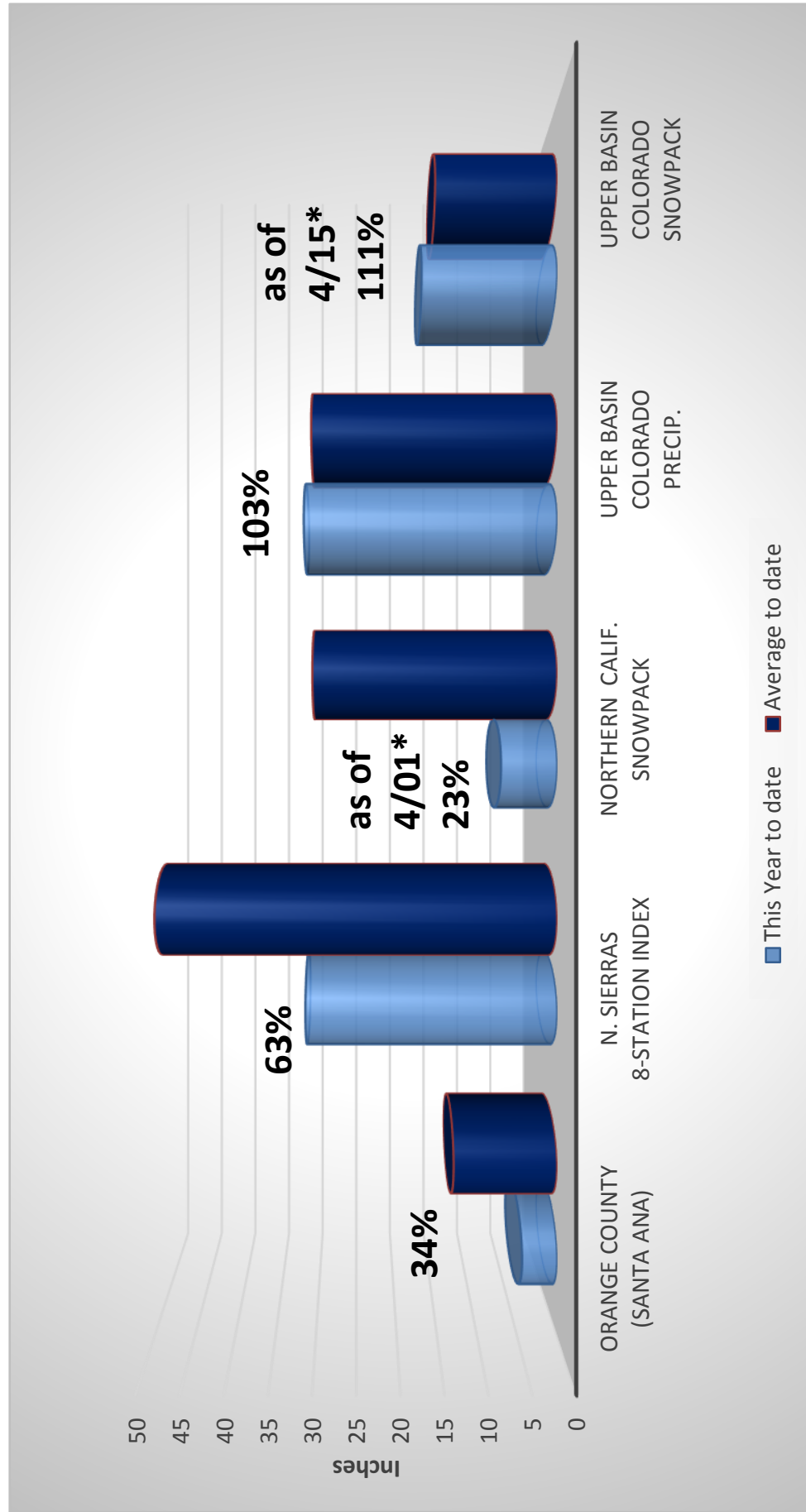
[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.



Accumulated Precipitation

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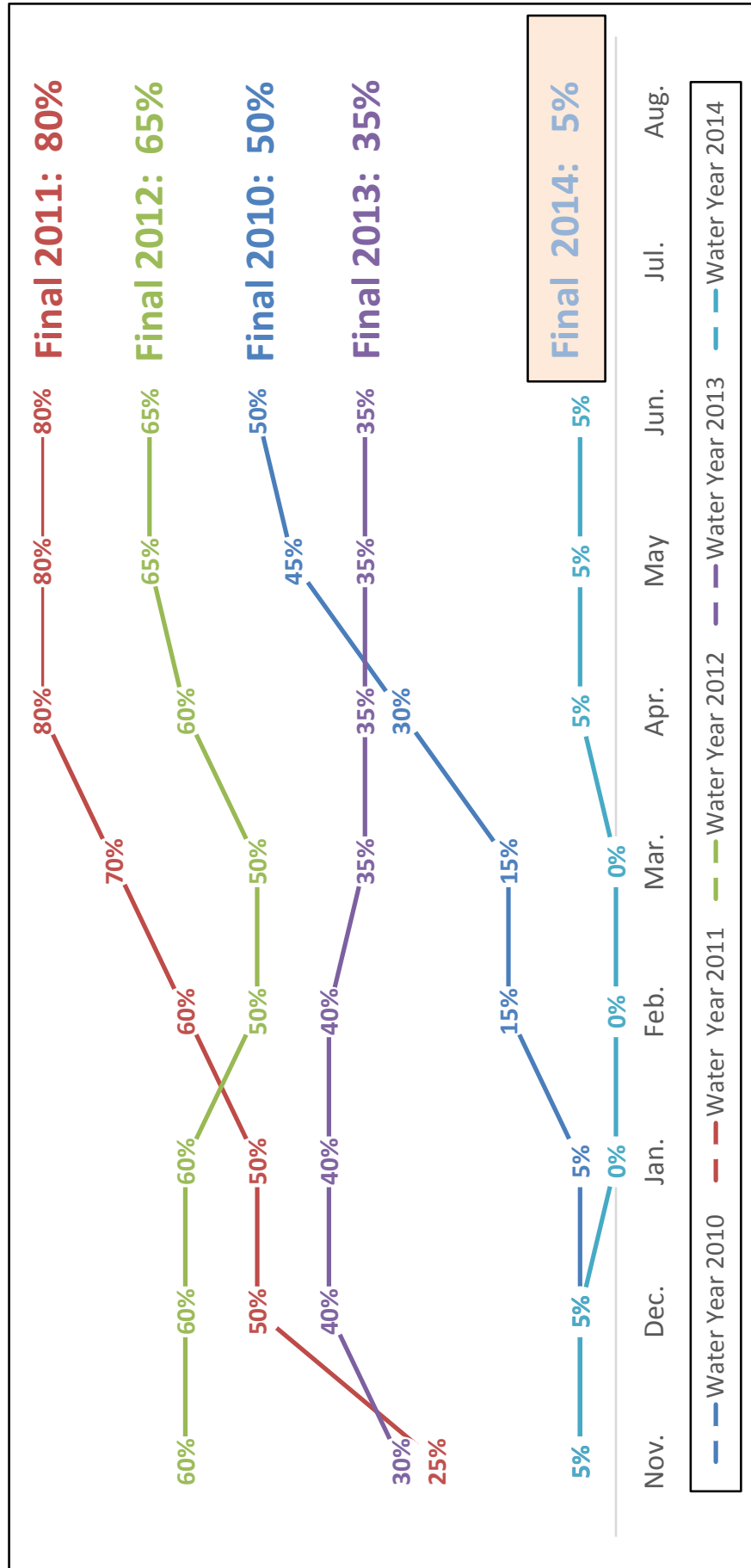
for the Oct.-Sep. water year, through September 2014



* 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.

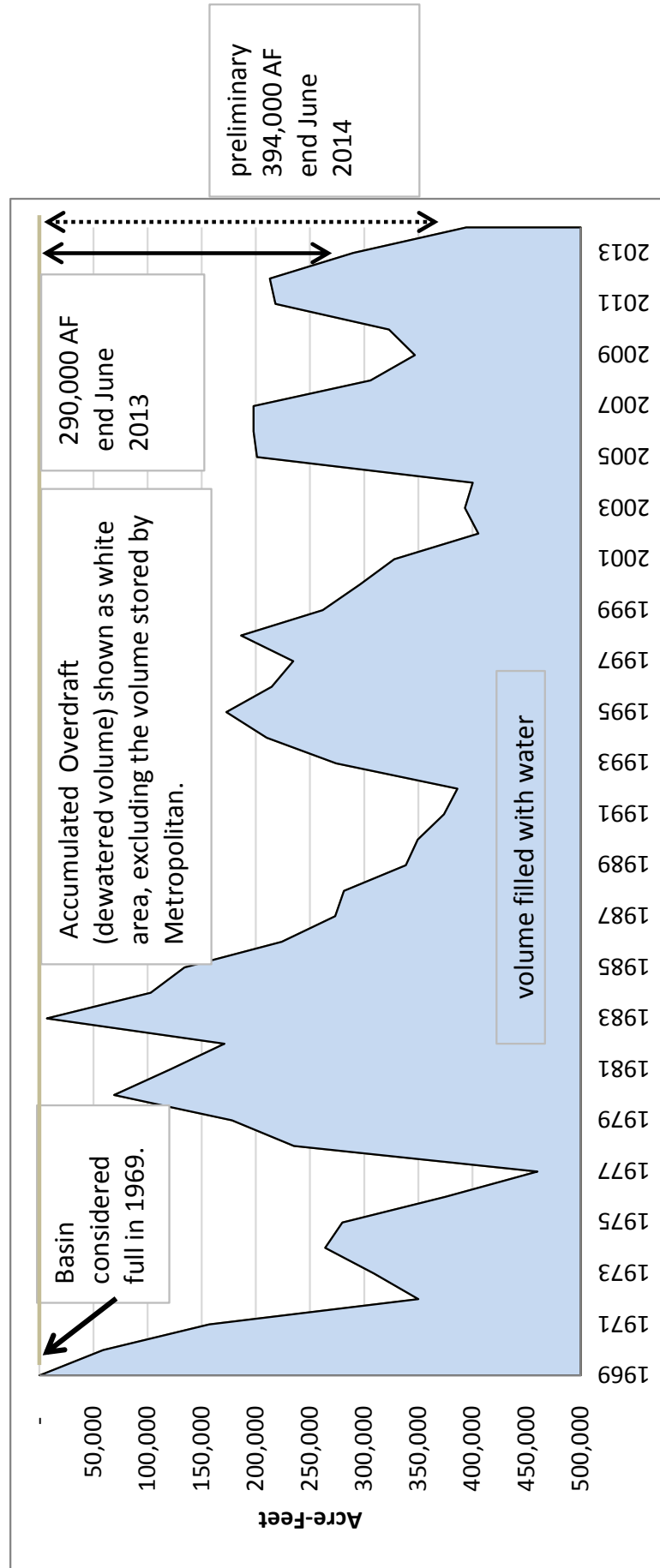
SWP Table A Allocation

for State Water Project Contractors



OCWD Basin Accumulated Overdraft

Annual, 1969 to present



values as of June 30th

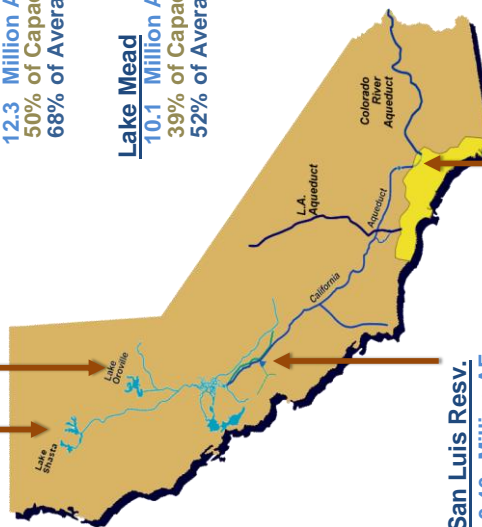
source: OCWD

California, Colorado R., and MET Reservoir Storage

as of end of September 2014

Lake Oroville
1.08 Million AF
31% of Capacity
49% of Average

Lake Shasta
1.169 Million AF
26% of Capacity
43% of Average

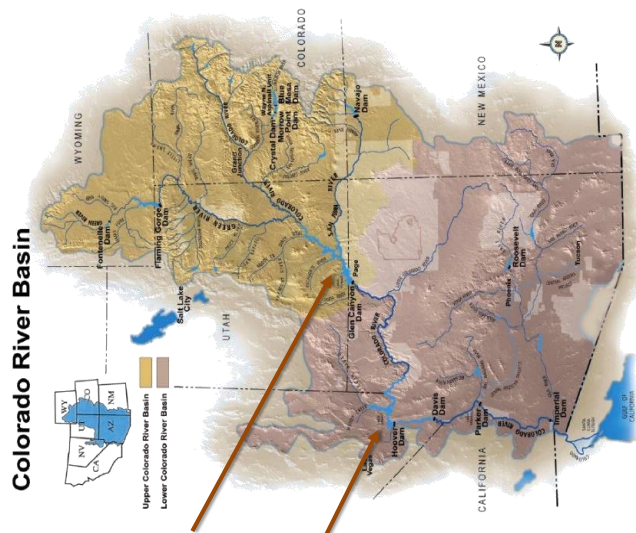


Lake Powell
12.3 Million AF
50% of Capacity
68% of Average

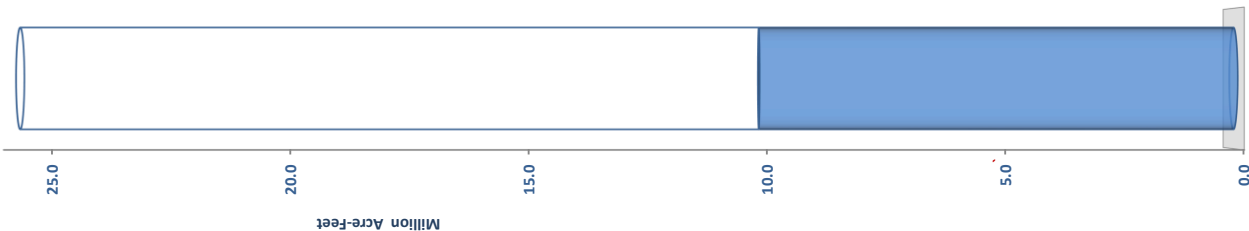
Lake Mead
10.1 Million AF
39% of Capacity
52% of Average

Diamond Valley Lake
0.41 Million AF
50% of Capacity

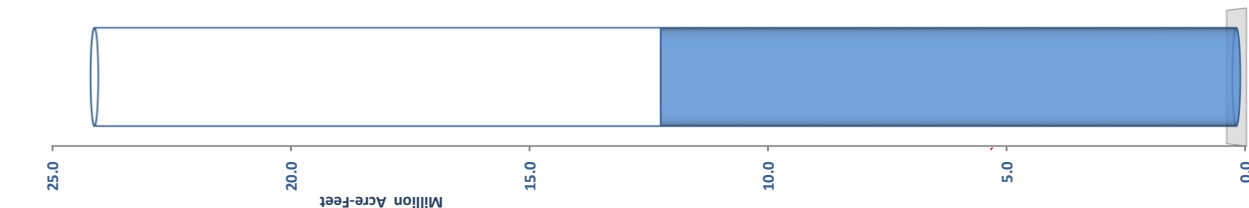
San Luis Resv.
0.46 Million AF
22% of Capacity
48% of Average



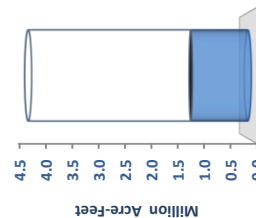
Lake Mead



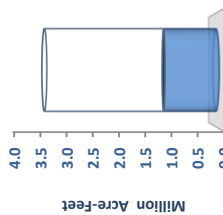
Lake Powell



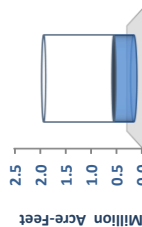
Lake Shasta



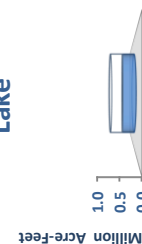
Lake Oroville



San Luis Resv.

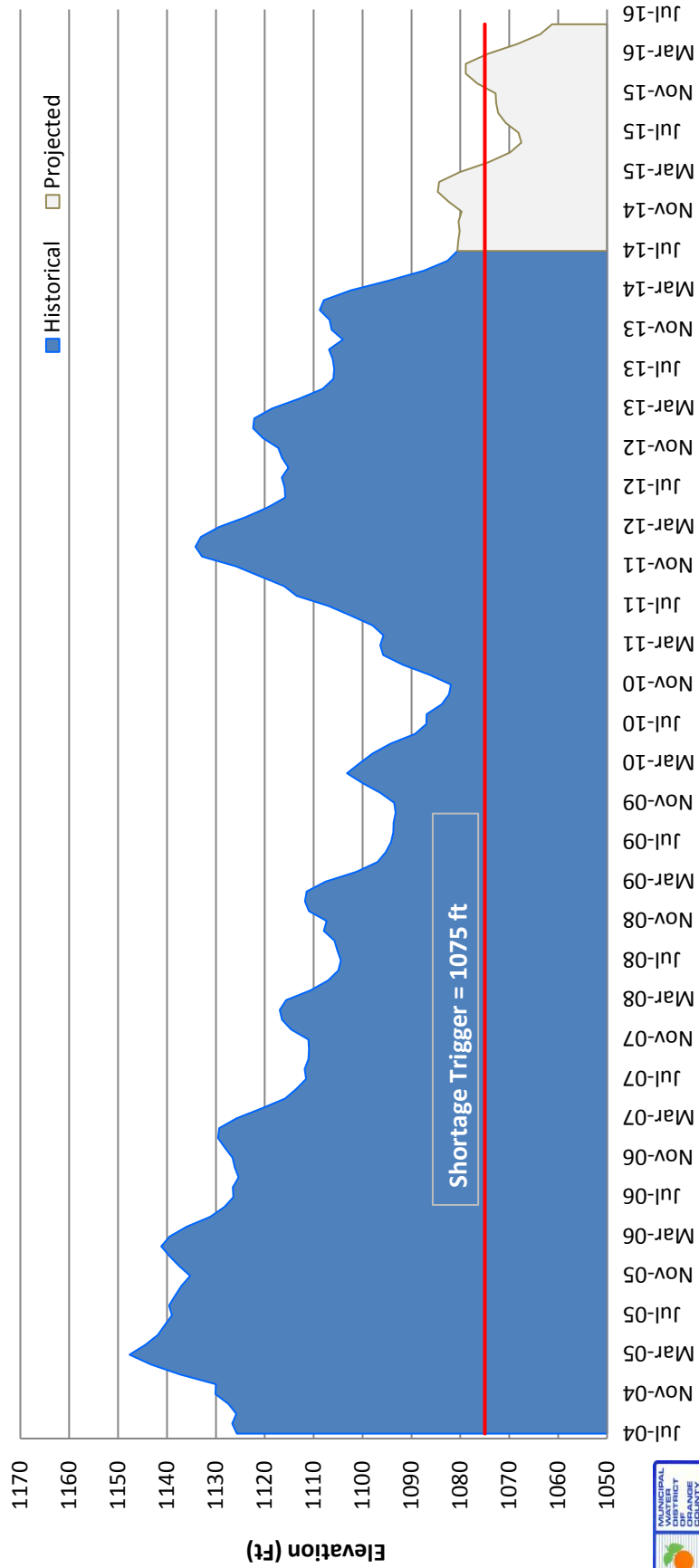


Diamond Valley Lake



Lake Mead Levels: Historical and Projected

projection per USBR 24-Month Study



**Administration Activities Report
September 5, 2014 to October 2, 2014**

Item 12a

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 has been assisting Hilary and Heather on Board related procedures, write-ups, etc. • 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 regarding the Admin Code and working on the amendments. • Maribeth responded to one Public Records Request • 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 and Keith. • Pat is reviewing and cleaning-up lists in the District's Act database. • Pat is researching government rates for airline travel through the State of CA - Dept. of General Services. • Pat has been scheduling travel for Fall Conferences which included preparation of purchase requisitions and back-up. • Pat prepared a merge for letters of invitation to the Elected Officials' Forum to Mayors and Board Presidents of MWDOC's member agencies with copies to city managers and water managers of cities and general managers of water districts. • Pat formatted a couple of letters to legislators for Heather. • Katie continues database administration in creating new groups for use by Public Affairs, updating contacts, and removing old data.
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> • Health Fair will be held on October 9th as well as a longevity screening lunch and learn on October 2nd. Flu shots are available at no cost to employees and Directors
Property/Liability/Workers Compensation Insurance	<ul style="list-style-type: none"> • The Liability Insurance Risk Assessment Study was completed and information is included in the Committee packet.

Health Benefits	<ul style="list-style-type: none"> • Open enrollment is currently underway October 1 to 31. If you have any questions or need assistance with changes, please see Katie or Cathy. • A summary of overall benefit increases and decreases is included in the Committee packet for information.
Records Management	<ul style="list-style-type: none"> • Sarah has been researching documents for Karl. • Sarah has been assisting with Administration coverage due to staffing shortage.
CalPERS	Hilary and Cathy attended a CalPERS Workshop in Orange to obtain information regarding the California Employers' Retiree Benefit Trust.
Agency Inquiries	<ul style="list-style-type: none"> • Responded to South Coast Water District regarding Educational Reimbursement Programs. • Eastern Municipal Water District requested salary and benefits information for the General Manager.
Recruitment /Departures	<ul style="list-style-type: none"> • On September 22, Kevin Hostert began his full-time position as MWDOC's new Associate Water Resources Analyst and was introduced to the Board at the October 1 Joint Workshop Meeting. • On September 29th Carmen Frias began her Public Affairs Internship. Carmen currently attends Cal State Long Beach to obtain her Master's in Public Administration. • On October 1, Bryce Roberto began his Public Affairs Internship. Bryce is currently studying Social Ecology at University of California Irvine and will be graduating in 2015. • Recruitment is currently underway for a part-time Sr. Administrative position to replace Grace Pester who left the District in April 2014. The posting is scheduled to end on October 10th.
Other	
Projects and Activities	<ul style="list-style-type: none"> • Retiree Buyout Valuation was completed and information will be presented. • Katie prepared a draft RFP for the District's Compensation and Benefits Study. The Study will be conducted during the December/January time frame with a final report to the Board anticipated in spring 2015. • Administrative staff continues to assist the Water Use Efficiency Department with scanning and processing of turf rebate applications that are being received on a daily basis. • Cathy participated in the Management Staff Workshop held off-site on September 19th. • Cathy participated in the OCWA Workshop on September 24th regarding the Use of Temporary Engineering Staff in Public Sector Agencies: Addressing CalPERS & Retiree Issues. • Katie rolled out the revised Illness Injury Prevention Program Manual for distribution to staff. The document was presented at the September 25th staff meeting. • MWDOC All-Staff Meeting was held on September 25th.

Projects and Activities (Continued)	<ul style="list-style-type: none"> • As part of the WEROC training, Cathy participated in WebEOC Training on September 25th and Situation Status Collection & Reporting on September 29th. • October 3rd has been scheduled for the Fountain Valley Fire Department annual building review and Katie will assist with the walk-through. • The annual employee holiday luncheon is scheduled for December 17th. • A review of the long term disability and life insurance policy renewals for 2015 is underway to determine best pricing and coverage. • Laura and Katie assembled the first draft report of the Budget Based Tiered Rates in Orange County for Water Management and Droughts for Karl. • Katie met with SDRMA consultant to conduct a workers' compensation risk analysis due to new carrier.

<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	75%	3/31/2015	In Progress
Implement Web Security for District Network	10%	6/30/2015	In Progress
Purchase and upgrade 2 Network Printers.	100%	12/31/2014	Completed
Purchase and upgrade Network Attach Storage for Offsite Backup.	10%	3/31/2015	In Progress
Purchase and upgrade 5 Desktop Computers for Staff.	80%	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.	75%	12/31/2015	In Progress
Implement and upgrade ACT software on a new Virtual Windows Server.	30%	6/30/2015	In Progress
Purchase and replace Projection Screen in Conference Room 102	10%	03/31/2014	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.
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.

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