

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
October 19, 2016, 8:30 a.m.

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

EMPLOYEE SERVICE AWARDS

NEXT RESOLUTION NO. 2037

CONSENT CALENDAR (Items 1 to 6)

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

1. MINUTES

- a. September 7, 2016 Workshop Board Meeting
- b. September 21, 2016 MWDOC Water Facilities Corporation Board Meeting
- c. September 21, 2016 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: September 6, 2016
- b. Administration & Finance Committee: September 14, 2016
- c. Public Affairs & Legislation Committee: September 19, 2016
- d. Executive Committee Meeting: September 22, 2016

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of September 30, 2016
- b. MWDOC Disbursement Registers (September/October)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of August 31, 2016
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the period ending August 31, 2016

Recommendation: Receive and file as presented.

5. RECORDS MANAGEMENT POLICIES

Recommendation: Approve the Trustworthy Electronic Documents Policy, the Electronic Mail (E-Mail) Policy, and revisions to the Administrative Code, as presented.

6. HEALTH SAVINGS ACCOUNT ELECTIONS FOR 2017

Recommendation: (1) Establish contributions to the Health Savings Accounts (HSA) as follows:

Plan	2017 Recommended Annual HSA Contributions by District		
	<i>Employee only</i>	<i>Employee +1</i>	<i>Family</i>
<i>Kaiser CDHP</i>	<i>\$1,150</i>	<i>\$2,050</i>	<i>\$2,400</i>
<i>Anthem PPO CDHP</i>	<i>\$1,300</i>	<i>\$2,600</i>	<i>\$2,400</i>

(2) Establish the frequency of contributions to the participant's HSA on an annual basis at the beginning of each calendar year for existing employees, and upon eligibility for new hires on a prorated basis.

– End Consent Calendar –

ACTION ITEMS**7-1 CONSIDER ADOPTING AN OPPOSE POSITION ON PROPOSITIONS, INCLUDING PROP. 53**

Recommendation: The Public Affairs & Legislation Committee will review this item on October 17, 2016 and make a recommendation to the Board.

7-2 CONSIDER ADOPTING SUPPORT POSITION ON THE CALIFORNIA WATER FIX

Recommendation: The Public Affairs & Legislation Committee will review this item on October 17, 2016 and make a recommendation to the Board.

7-3 ADOPT RESOLUTION HONORING DIRECTOR SUSAN HINMAN ON THE OCCASION OF HER RETIREMENT FROM THE MWDOC BOARD**RES. NO. _____**

Recommendation: Adopt the Resolution honoring Director Hinman on the occasion of her retirement from the MWDOC Board.

7-4 CONSIDERATION OF GENERAL MANAGER'S COMPENSATION

Recommendation: Review, discuss, and take action as appropriate.

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

8. GENERAL MANAGER'S REPORT, OCTOBER 2016 (ORAL AND WRITTEN)

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

9. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

CLOSED SESSIONS**10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

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

11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

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

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California*; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California *in April 2016, et al.*, former Los Angeles Superior Court, Case No. BS161729, transferred to San Francisco Superior Court.

ADJOURNMENT

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

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

September 7, 2016

At 8:30 a.m. President Osborne called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWDOC) at the District facilities located in Fountain Valley. General Manager Rob Hunter led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Joe Berg, Dir. of Water Use Efficiency
Jonathan Volzke, Public Affairs Manager
Melissa Baum-Haley, Sr. Water Resource Analyst

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman (absent)

OTHERS PRESENT

Debra Man
Mark Monin
William Kahn
Ken Vecchiarelli
Paul Shoenberger
Don Froelich
Doug Reinhart
Steve LaMar
Peer Swan
Paul Cook
Paul Weghorst
John Kennedy
Adam Hutchinson
Ray Miller
Saundra Jacobs
Rick Erkeneff
Bill Green
Dennis Erdman
Andy Brunhart
Marc Marcantonio
Ed Means
Kelly Rowe
Richard Gardner
Richard Eglash

Metropolitan Water District of So. Cal.
El Toro Water District
El Toro Water District
Golden State Water Company
Mesa Water
Moulton Niguel Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Orange County Water District
Orange County Water District
San Juan Capistrano
Santa Margarita Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Means Consulting

Brady & Associates

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

No items were presented.

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

President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting with General Manager Hunter responding no items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No items were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS

President Osborne requested reports from the MET Directors and comments, questions, or input from the audience.

Director Sandra Jacobs (Santa Margarita Water District) highlighted the Colorado River issues under negotiation currently and suggested the MET Directors provide a report later in the meeting.

In response to a question by Director Swan (Irvine Ranch Water District), it was noted that the Assessed Valuation (AV) numbers were released and that although there were slight changes to the AV, no Directors were added or taken away from the MET Board.

Director Hinman referenced MET's current efforts relative to conducting an earthquake analysis for the Edmonston Pumping Plant (possible impacts in the event of an earthquake). Ms. Debra Man (MET) responded that MET has initiated a dialogue with the Department of Water Resources (DWR) on long-term planning (in the event of a disaster) for the State Water Project (SWP) facilities. Director Dick commended MET and their efforts with respect to planning ahead and caring for its facilities, noting that the condition of the SWP facilities would be in much better condition if MET was responsible for the maintenance.

Director McKenney commented on MET's IRP, how MET is evaluating supplies long-term, defining reliability, and the need and importance of redundant supplies (as well as conservation) for long-term planning.

General Manager Hunter commented on the importance of knowing how long the State Water Project facilities will be out of commission in the event of an earthquake; he suggested a push by the water community to get this analysis done.

Director Bill Green (South Coast Water District) highlighted the Doheny Desalination Project, and the possibility (if any) of partnering with MET on this project. Director Barbre highlighted the importance of developing additional supplies (especially in MWDOC's service area), noting that MET could possibly execute a Local Resources Program agreement with SCWD on this issue. Mr. Barbre also highlighted the need for additional storage (similar to Diamond Valley Lake). Mr. Green noted that SCWD is also open to partnerships other than MET.

Considerable discussion ensued regarding storage, the SMWD Optimization Plan, the Delta Fix (and the need to not lose focus of other projects as a result of the Fix efforts), the need for additional supplies, and the levels in the Orange County groundwater basin, and the need to fill the basin. Mr. Hunter provided a brief overview of MET's activities with respect to storing water in the basin.

YLWD General Manager Marc Marcantonio referenced an Urban Advisory Group (State Water Resources Control Board and Department of Water Resources), wherein they will be reviewing the emergency regulations (drought). He advised that Deven Upadhyay (MET) has been proactive on this issue and is in need of additional help and he encouraged all to get involved.

**PRESENTATION BY DEBRA MAN (METROPOLITAN) REGARDING MET'S
INTEGRATED RESOURCES PLAN AND THE CARSON REGIONAL RECYCLING
PROJECT**

Ms. Debra Man provided information regarding the Carson Regional Recycling Project, which creates the development of a new regional water source and the opportunity for replenishment and storage in the groundwater basins, has a significant favorable impact on future probabilities of regional supply shortages, increases diversity per the IRP, and provides emergency storage benefits. Ms. Man reviewed the background of the Project, IRP targets (including dry-year targets), the benefits of the Demonstration Plant, the feasibility report methodology, and operational scenarios. She also provided an overview of the full-scale Advanced Water Treatment (AWT) base case, noting it would receive unchlorinated, non-nitrified secondary effluent from the Carson Joint Water Pollution Control Plant, would produce high-quality water suitable for groundwater recharge, and would use a tertiary Membrane Bioreaction Treatment process to achieve pathogen log reduction and minimize membrane fouling.

Discussion ensued regarding the information presented, with specific emphasis on the cost of the Project, possible financing scenarios, the distribution of water, indirect potable reuse, treatment options (to make direct potable reuse), the schedule for completion (10 years out), and the percentage of recoverable water (85%).

IRWD Director Swan suggested the Second Lower Cross Feeder be repurposed for the distribution of this type of water which would cut construction time significantly.

The Board received and filed the report.

ORANGE COUNTY'S WATER SUPPLY AND PERFORMANCE REPORT FOR JUNE 2016

Associate General Manager, Harvey De La Torre, reported on Orange County's water supply conditions and performance report for June 2016, noting that for the month of June, Orange County saved 22.90%, far exceeding the MWDOC Countywide saving goal of 10%. He also reviewed supply conditions, reservoir storage, snowpack levels, and the Table A State Water Project allocations for 2016 (currently set at 60%).

The Board received and filed the report.

LOCATION AND DATE FOR 2017 OC WATER SUMMIT

President Osborne advised that as a result of the Joint OC Water Summit Ad Hoc Committee's vote to hold the 2017 Summit on June 16 at the Disney Grand Californian (which is not in the MWDOC service area and is approximately 1 month later than the traditional date), he would like the Board's input. He advised that he was the lone vote against the location and date in the Ad Hoc Committee discussions, preferring the third Friday in May at the Westin, South Coast Plaza.

Considerable discussion ensued, with Director Hinman sharing Mr. Osborne's belief on date and location, noting parking was difficult at the Grand Californian. Directors Dick and Thomas stated that although they would prefer the location to be in MWDOC's service area, it was OCWD's turn as lead agency and, as such, believed MWDOC should support their efforts and support the date and location they choose. Mr. Thomas suggested a shuttle service be utilized to assist with parking. Mr. Osborne suggested OCWD provide the same support for MWDOC when MWDOC is the lead agency.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (5-1), the Board supported that the 2017 OC Water Summit be held on June 16, 2017 at the Grand Californian. Directors Barbre, Dick, Finnegan, Osborne, and Thomas voted in favor; Director Hinman opposed; and Director Tamaribuchi was absent.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

SMWD Director Sandra Jacobs highlighted (c) above, Colorado River Issues, asking how the proposed strategy to reduce supplies to MET by 25% to avoid Lake Mead reaching critically low levels would affect deliveries to MWDOC. She asked how the MWDOC MET Directors feel about this strategy. Directors Dick and Barbre commented that Mr. Bill Hasencamp (MET

Colorado River Manager) is involved in these discussions and that their prime goals are to (1) maintain California's senior priority on the Colorado River, (2) increase our flexibility (e.g. use Intentionally Created Surplus), and (3) protect our Hoover power generation.

Discussion was also held regarding the State Water Resources Control Board hearings, and the status of South County Projects.

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No new information was presented.

CLOSED SESSION

At 10:46 a.m., Legal Counsel Byrne announced that pursuant to Government Code Section 54956.9(d)(4), the Board would adjourn to closed session for a conference with legal counsel regarding anticipated litigation (one case).

RECONVENE

The Board reconvened at 11:37 a.m., and Legal Counsel Byrne announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 11:37 a.m.

Maribeth Goldsby
Board Secretary

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER FACILITIES CORPORATION
September 21, 2016

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

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Sr. Water Resources Analyst
Harvey De La Torre, Associate General Manager
Joe Berg, Dir. Of Water Use Efficiency
Jonathan Volzke, Public Affairs Manager
Laura Loewen, Public Affairs Assistant

ALSO PRESENT

Larry McKenney
Linda Ackerman
Mark Monin
William Kahn
Doug Reinhart
Ray Miller
Dennis Erdman
Rick Erkeneff
Andy Brunhart
Gary Melton
Richard Eglash
Chris Palmer

MWDOC MET Director
MWDOC MET Director
El Toro Water District
El Toro Water District
Irvine Ranch Water District
San Juan Capistrano
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates
California Special Districts Association

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were received.

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

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

No information was presented.

FINANCIAL REPORT

a. Annual Filing of Tax Compliance Reports

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board authorized the annual filing of the tax compliance reports as presented. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas voted in favor; Director Finnegan was absent.

ANNUAL REORGANIZATION OF BOARD OFFICERS FOR THE MWDOC WATER FACILITIES CORPORATION

President Osborne announced that the Board would consider the annual reorganization of Board officers.

Upon MOTION by Director Dick, seconded by Director Barbre, and carried (6-0), the Board appointed Satoru Tamaribuchi as MWDOC WFC President and Director Joan Finnegan as MWDOC WFC Vice President to serve a one-year term. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas voted in favor; Director Finnegan was absent.

ADJOURNMENT

There being no further business to come before the Board, MWDOC WFC President Osborne adjourned the meeting at 8:32 a.m.

Respectfully Submitted:

Maribeth Goldsby, Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
September 21, 2016**

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

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Sr. Water Resources Analyst
Harvey De La Torre, Associate General Manager
Joe Berg, Dir. Of Water Use Efficiency
Jonathan Volzke, Public Affairs Manager
Laura Loewen, Public Affairs Assistant

ALSO PRESENT

Larry McKenney
Linda Ackerman
Mark Monin
William Kahn
Doug Reinhart
Ray Miller
Dennis Erdman
Rick Erkeneff
Andy Brunhart
Gary Melton
Richard Eglash
Chris Palmer

MWDOC MET Director
MWDOC MET Director
El Toro Water District
El Toro Water District
Irvine Ranch Water District
San Juan Capistrano
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates
California Special Districts Association

SPECIAL DISTRICT LEADERSHIP FOUNDATION PRESENTATION TO MWDOC BOARD OF DIRECTORS

Mr. Chris Palmer, on behalf of the California Special Districts Association and the Special District Leadership Foundation (SDLF), presented the MWDOC Board with the SDLF District Transparency Certificate of Excellence award.

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were received.

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

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

No information was presented.

CONSENT CALENDAR

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

Director Hinman asked that the August 8, 2016 Public Affairs & Legislation Committee meeting minutes be revised to reflect that she teleconferenced in to the meeting; the Board agreed.

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

MINUTES

The following minutes were approved.

August 3, 2016 Workshop Board Meeting
August 6, 2016 Special Board Meeting
August 17, 2016 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: August 1, 2016
Administration & Finance Committee Meeting: August 10, 2016
Public Affairs & Legislation Committee Meeting: August 8, 2016 (as revised)
Executive Committee Meeting: August 18, 2016

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of August 31, 2016
MWDOC Disbursement Registers (August/September)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of July 31, 2016

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending June 30, 2016

WATER LOSS CONTROL TECHNICAL ASSISTANCE

The Board (1) authorized the General Manager to enter into agreements with McCall's Meters, Inc. and Westerly Meter Service Company for up to five years to provide meter accuracy testing services to interested member agencies, and (2) authorized the General Manager to enter into Choice-based-cost-sharing agreements with agencies wishing to access meter accuracy testing services.

APPROVE AMENDMENTS TO RECORDS RETENTION SCHEDULE

The Board approved the proposed changes to the District's Records Retention Schedule as presented.

2016 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW

The Board approved the changes to the District's Conflict of Interest Code and authorized staff to submit the 2016 Biennial Review Code changes to the Orange County Clerk of the Board of Supervisors.

APPROVAL/RATIFICATION OF PARTICIPATION IN THE CENTER FOR DEMOGRAPHIC RESEARCH

The Board ratified participation in the Center for Demographic Research for fiscal years 2014/15 (\$39,961), 2015/16 (\$39,739.50), and approve participation for fiscal year 2016/17 (\$39,971.50). (These amounts were included in the budgets for each of the aforementioned fiscal years).

END CONSENT CALENDAR

ACTION CALENDAR**ISDOC ELECTIONS**

President Osborne advised that the Public Affairs & Legislation Committee reviewed this item and recommended the President cast the District's ballot. He noted that several of the Directors have communicated with him, indicating their favored candidates.

Director Thomas thanked ETWD Director Mark Monin for attending and commended him on his efforts with respect to ISDOC.

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (6-0), the Board authorized President Osborne to cast the District's ballot on the District's behalf. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi & Thomas voted in favor; Director Finnegan was absent.

INFORMATION CALENDAR**GENERAL MANAGER'S REPORT, SEPTEMBER 2016**

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

Director Hinman highlighted the Baker Treatment Plant and asked that staff provide an update on the water quality and an overview of agency participation in this project at an upcoming meeting.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS**BOARD OF DIRECTORS**

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

Director Hinman advised that she attended all of MWDOC's Board and Committee meetings, as well as the San Juan Basin Authority meeting, the Women in Water breakfast, the ACCOC Water Committee meeting, and the WACO meeting.

Director Thomas highlighted his attendance at the MET meetings, the OC Taxpayers Association meeting, the WACO meeting, the Administration & Finance Committee meeting, the OC Water Summit planning meeting(s), a meeting with representatives from South Orange County, and two events featuring Congresswoman Mimi Walters.

Director Tamaribuchi noted his attendance at the Executive Committee and Public Affairs & Legislation Committee meetings, as well as a meeting with representatives from South Orange County (and a meeting with staff regarding the agenda for the South County meeting), the Delta

Environmental Leaders inspection trip, and a meeting with staff regarding the State Water Project pumping operations.

Director Barbre reported on attending the following meetings in his role as MET Director: MET Board and Committee meetings, a meeting with Ken Vecchiarelli (Golden State Water Company issues), MET Directors luncheon meeting, a meeting with Gary Breaux, Andy Kingman, and Scott Maloni regarding Local Resources Program, a meeting with Scott Maloni and Shawn Dewane regarding MET desalination activities, the MWDOC MET Director meeting, the MET Caucus, and a meeting with representatives from YLWD and the City of Yorba Linda regarding the Little Hoover Commission letter. He also reported on attending the following meetings in his role as MWDOC Director: Executive Committee, Planning & Operations Committee, Administration & Finance Committee, and Public Affairs & Legislation Committee meetings, as well as a joint meeting between MWDOC and OCWD, a meeting with Evan Chafee, the Workshop and Regular Board meetings, and the Yorba Linda Water District Board meeting.

Director Dick reported on his attendance at the Executive Committee, Planning & Operations Committee, Administration & Finance Committee, and Public Affairs & Legislation Committee meetings, as well as the Workshop and Regular Board meetings, the joint meeting between MWDOC and OCWD, the Caucus, the WACO and WACO Planning meetings, the OC Taxpayers Association meeting, the MET Board and Committee meetings, and the Urban Water Institute Planning Committee meetings.

Director Osborne stated that he attended the Workshop and Regular Board meetings, as well as the Executive Committee, Planning & Operations Committee, Administration & Finance Committee, and Public Affairs & Legislation Committee meetings. He also attended the Department of Water Resources hearing (September 1), the WACO meeting, the Ad Hoc Committee meeting regarding the Water Summit (8/29), the Fountain Valley Mayors Breakfast (September 5), and the Urban Water Institute conference (August 24-26).

CLOSED SESSION

At 8:55 a.m., Legal Counsel Byrne announced that pursuant to Government Code Section 54957, the Board would adjourn to closed session to conduct the General Manager's performance evaluation.

RECONVENE

At 10:04 a.m., the Board reconvened and President Osborne announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 10:06 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATION COMMITTEE
September 6, 2016 - 8:30 a.m. to 9:40 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Larry Dick
Director Susan Hinman
Director Finnegan

Staff:

Robert Hunter, Karl Seckel, Joe Berg
Harvey De La Torre, Katie Davanaugh,
Jonathan Volzke, Kelly Hubbard,
Bryce Roberto, Tiffany Baca

Also Present:

Director Wayne Osborne
Director Brett Barbre
Paul Weghorst, Irvine Ranch Water District
Don Froelich, Moulton Niguel Water District
Bill Kahn, El Toro Water District
Mark Monin, El Toro Water District
Doug Reinhart, Irvine Ranch Water District

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

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

ACTION ITEMS

WATER LOSS CONTROL TECHNICAL ASSISTANCE

Joe Berg provided a presentation on the Water Loss Control program, which the MWDOC board approved in October 2015. Mr. Berg noted that 17 of MWDOC member agencies will be subscribing to the technical assistance of Water Systems Optimization (WSO) through this program. Some of the agencies not participating in the MWDOC program will be conducting their own program.

Mr. Berg's presentation reviewed WSO team members, state requirements, water auditing, types of water loss (apparent and real), performance indicators, water loss management and components of the water loss program which include assembling a working group, contracting shared services, evaluation of water losses, recovery strategies and establishing a national example for proactive water loss control.

The presentation went on to review volume of losses which are broken down into three categories of background leakage, unreported leakage and reported leakage. The water loss program evaluation includes determining loss volume, types of leaks, cost of losses and intervention strategies and implementation interventions to remedy the water losses. Mr. Berg also reviewed statistical data on regional results on infrastructure leakage, water losses per connection and data validity scoring. Next steps include customer meter testing, analysis of real losses, review of audit controls, documentation of uncertainty and data validity, and leak repair. It was noted that this is a MWDOC choice program, and as such, direct costs for meter accuracy testing will be paid for by member agencies choosing to access those services.

Mr. Berg will be providing a presentation at an upcoming CA-Nevada AWWA conference to exemplify the model of the water loss program currently underway in Orange County.

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the Water Loss Control Technical Assistance at the September 21, 2016 Board meeting. Directors Dick, Hinman and Finnegan all voted in favor.

DISCUSSION ITEMS

FOLLOW-UP FROM THE OC WATER RELIABILITY STUDY

Mr. Seckel noted that very few new comments were received during recent meetings with member agencies and that all comments have been incorporated into the report being completed by MWDOC's consultant, CDM Smith.

EMERGENCY SUPPLY NEEDS BY MWDOC'S MEMBER AGENCIES

The Committee reviewed the staff report, noting that the number of days of water supply that many south Orange County agencies have without the Diemer plant during an outage has increased over the year, noting the range between 8-45 days.

INFORMATION ITEMS

MET TURF PROGRAM AUDIT

It was noted that MET has contributed a significant amount of water savings towards the recent drought and that the turf program audit continues.

DECOMMISSIONING OF THE DOHENY DESAL PILOT PLANT AND LEASE OF THE MOBILE TEST FACILITY

It was noted that any funds remaining within the project budget will go towards the decommissioning of the project.

SUMMARY OF RECENT DOHENY COST WORKSHOP BY SOUTH COAST WATER DISTRICT

Mr. Seckel noted that the workshop was held at the West Street offices of South Coast Water District and was well attended by approximately 40 individuals. Three of the South Coast Board members expressed interest in bringing in their neighboring agencies into the project. Some of the risks identified included the topics of slant well flow and water quality. South Coast is reviewing information pertaining to the Monterey Peninsula Water Supply slant well to review lessons learned and anticipate any concerns that may arise.

2016 CALIFORNIA COASTAL CLEANUP DAY, SATURDAY, SEPTEMBER 17TH

It was noted that MWDOC will participate in the Coastal clean-up day which is spearheaded by the Coastkeepers. MWDOC will deliver conservation messaging to residents and volunteers attending the event. MWDOC will be hosting a booth with giveaways where the MWDOC mascot, Ricki the Raindrop will make an appearance.

STATUS REPORTS

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

The informational status reports were received and filed.

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:40 a.m.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the **ADMINISTRATION & FINANCE (A&F) COMMITTEE**
September 14, 2016 – 8:30 a.m. to 8:47 a.m.
MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan
Director Brett Barbre

Staff:

Harvey DeLaTorre, Maribeth Goldsby,
Katie Davanaugh, Cathy Harris, Sarah Sherman,
Hilary Chumpitazi, Jonathan Volzke

Also Present:

Director Wayne Osborne
Director Larry Dick
Linda Ackerman, MWDOC MET Director
Andrew Hamilton, Mesa Water
Bill Kahn, El Toro Water District

Director Barbre called the meeting to order at 8:30 a.m., noting that Director Thomas has not yet arrived, Director Osborne acted as Committee member.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

It was noted that item 3 (Records Retention Schedule) had supplemental information and 6b (Water Facilities Corporation) had a revision.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – August 2016
- b. Disbursement Approval Report for the month of September 2016
- c. Disbursement Ratification Report for the month of August 2016
- d. GM Approved Disbursement Report for the month of August 2016
- e. Water Use Efficiency Projects Cash Flow – August 31, 2016
- f. Consolidated Summary of Cash and Investment – July 2016
- g. OPEB Trust Fund monthly statement

Following review of the Treasurer's Report and upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the September 21, 2016 Board meeting. Directors Barbre, Osborne and Finnegan all voted in favor.

There was incidental discussion pertaining to the number of fax machines utilized at the District as well as promotional materials purchased for District sponsored events, booths and exhibits.

Director Thomas arrived at this time, and took over chairing the meeting.

FINANCIAL REPORT

- a. Combined Financial Statements And Budget Comparative For The Period Ending July 31, 2016
- b. Quarterly Budget Review

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Financial Reports for approval at the September 21, 2016 Board meeting. Directors Barbre, Thomas and Finnegan all voted in favor.

ACTION ITEMS

APPROVE AMENDMENTS TO RECORDS RETENTION SCHEDULE

Mrs. Harris noted that staff has been working with a consultant to improve upon the District's current records management practices and procedures. The first step in the process has been a review of the retention schedule which was attached in the staff report. Discussion was held on the goals of the project, a list of tasks to be completed by the end of the current fiscal year, moving records to a cloud based system, and removing unnecessary paper from the office.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the revised records retention schedule at the September 21, 2016 Board meeting. Directors Barbre, Thomas and Finnegan all voted in favor.

2016 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (3-0), the Committee recommended approval of the 2016 Conflict of Interest Code at the September 21, 2016 Board meeting. Directors Barbre, Thomas and Finnegan all voted in favor.

APPROVAL/RATIFICATION OF PARTICIPATION IN THE CENTER FOR DEMOGRAPHIC RESEARCH (CDR)

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (3-0), the Committee recommended approval of the ratification of participation in the Center for Demographic Research at the September 21, 2016 Board meeting. Directors Barbre,

Thomas and Finnegan all voted in favor.

Director Finnegan noted that CDR will be holding an open house on October 13 at Cal State Fullerton.

INFORMATION ITEMS

MWDOC WATER FACILITIES CORPORATION ANNUAL MEETING

- a. 2016 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation
- b. Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation

It was noted that the Water Facilities Corporation will be agendized for the September 21st Board meeting where a decision will be made to determine candidacy for President and Vice President.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFO.

The informational reports were received and filed.

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 8:47 a.m.

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

Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

September 19, 2016 - 8:30 a.m. to 9:50 a.m.

MWDOC Conference Room 101

Committee:

Director Brett Barbre
Director Susan Hinman
Director Sat Tamaribuchi

Staff:

Rob Hunter, Heather Baez, Laura Loewen,
Jonathan Volzke, Pat Meszaros,
Tiffany Baca, Harvey De La Torre

Also Present:

Joan Finnegan, MWDOC Director
Wayne Osborne, MWDOC Director
Linda Ackerman, MWDOC MET Director
Dick Ackerman, Ackerman Consulting
John Lewis, Lewis Consulting
Syrus Devers, BBK
Steve Lamar, Irvine Ranch Water District
Paul Weghorst, Irvine Ranch Water District
Jim Leach, Santa Margarita W.D.
Lori Kiesser, OC Dept. of Ed.
Tony Solorzano, Discovery Cube
Stacy Taylor, Mesa Water District
Mark Gaughan

Chair Tamaribuchi called the meeting to order at 8:30 a.m.

PUBLIC PARTICIPATION

No items were presented.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (Barker)

Director Barbre reported that he was back in DC in August and the Senate was in recess and it's likely the President will stop the Valadao bill.

Mr. Hunter reported that the WRDA Bill did pass out of the Senate.

b. State Legislative Report (BBK)

Mr. Syrus Devers presented his report on the end of session which was rather quiet as far as water interests were concerned. The only exception was an attempt by Senator Wolk (D-Davis) to insert language into a budget trailer bill that would have prevented funds from the Cap-and-Trade auction to be used for any Delta restoration projects in the Governor's EcoRestore program. BBK joined in opposition with MET based on MWDOC's support for the California Fix and Delta restoration, and the offending language was removed.

Mr. Devers reported that he'd be having knee surgery and would not be available in person for the October meeting.

c. County Legislative Report (Lewis)

Mr. John Lewis reported that relations at the Board of Supervisors have gotten worse. There has been a long simmering feud between Supervisors Todd Spitzer and Shawn Nelson and most recently, sparks have flown between Todd Spitzer and Lisa Bartlett as well. Mr. Lewis included in his report the Trump effect in Orange County. For weeks, Hillary Clinton was enjoying a sizable lead (7 points), however, recently, the polls have tightened. The LA Times poll now has Trump vs. Clinton in a one point race. Director Dick inquired whether polls are now making contact on cell phones rather than land lines to which Mr. Lewis responded in the affirmative—50% are cell phones.

d. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman reported on the 70 million tree deaths which have occurred over the past five years due to the drought, deadly insects and organisms. This condition makes fire loss more devastating and probable, changes carbon dioxide and greenhouse gases, creates potential landslides when rain or snow are added and alters the overall eco system. Mr. LaMar commented on what a big problem it is figuring out what to do with all the dead trees. SB 559 required utilities to put them into biomass facilities.

e. MWDOC Legislative Matrix

f. Metropolitan Legislative Matrix

The reports were received and filed.

EXECUTIVE ORDER B-37-16 MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE

Ms. Baez reported that the Executive Order has four main areas of focus: Use Water More Wisely, Eliminate Water Waste, Strengthen Local Drought Resilience, and Improve Agricultural Water Use Efficiency and Drought Planning. In August, State agencies convened an Urban Advisory Group (UAG) to begin developing recommendations for urban water use throughout the state. UAG members, including Joe Berg, were appointed by state agencies, including DWR and SWRCB. The timeline to implement all 13 actions contained in the Executive Order is January 10, 2017. The UAG is scheduled to conclude its work by October 20, 2016 and, on October 28, a

public vetting process will begin with a draft report and public workshop.

There was discussion on Mr. Brandon Goshi's (of MET) alternative proposal. Ms. Baez noted that Mr. Goshi's proposal is attached as Item e, beginning on page 86. Mr. Hunter reported that it doesn't give you a comparison of how it backed off from what the State required. Mr. Devers reported that unless you're a member of the working group, you're not aware of what is going on. His source for information was MWDOC's website--he got most of his info from Joe's committee information items. Director Tamaribuchi stated that DWR staff seems to rely on Joe for input and he requested that Joe come to the next P&O committee meeting and make a presentation on what's happening. He requested that Ms. Joone Lopez and Mr. Brandon Goshi also attend. Mr. Hunter also noted that this would be an excellent topic for the Elected Officials Forum.

Discussion ensued on agencies' frustration with ACWA for not taking a stronger position on this issue. Director McKenney inquired whether Mr. Steve Lamar is involved on the ACWA committee. Mr. LaMar responded that he is not but he's still getting calls of frustration with ACWA over this issue.

ACTION ITEMS

ISDOC ELECTIONS

Mr. Hunter stated that we had a number of individuals seeking our support for the ISDOC Executive Committee. Their letters and candidate statements are included in the packet. Ms. Baez reported that the action requested is that President Osborne will vote on MWDOC's behalf and will fill out the ballot on Wednesday at the Board meeting.

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee recommended authorizing President Wayne Osborne to vote on MWDOC's behalf at the September 21, 2016 Board meeting. Directors Hinman, Tamaribuchi and Barbre all voted in favor.

INFORMATION ITEMS

LITTLE HOOVER COMMISSION HEARING ON SPECIAL DISTRICTS

Ms. Baez reported that the Little Hoover Commission held a public hearing on special districts on August 25, 2016. It was the first hearing on the subject since the Commission's 2000 report and its purpose was to see what special districts have done since their report in 2000. One of their issues is reserves and they focused a lot on those districts who receive property tax or float a bond, etc. The Commission also stated there were too many special districts and why isn't LAFCO doing more consolidating.

Discussion ensued on Consumer Confidence Reports with Director Dick initiating discussion by inquiring who the responsible parties are in Flint or Fresno regarding water quality. Mr. Hunter stated that as a result of the lead and copper rule, retailers are required to do testing. The requirement now to sample and analyze is with the regional agency and part of the problem is that states have taken a somewhat loose approach. It is generally the permit holder so it's the retail agencies and it's the State who oversees the retail agencies.

Mr. Hunter discussed the Flint situation further and stated that there were a few areas in Flint where they fudged this process, two of which were line flushing—i.e., running the water for 10 to 15 minutes before you get the sample, and there was an issue with the configuration of the size of the mouth of the bottle which affects the sample.

UPDATE ON MWDOC CHOICE EDUCATION PROGRAMS

UPDATE ON POTENTIAL SAN JUAN CAPISTRANO UTILITIES CONSOLIDATION

UPDATE ON WATER POLICY DINNER

OC WATER SUMMIT RECAP (ATTENDEES)

PUBLIC AFFAIRS ACTIVITIES REPORT

The reports were received and filed.

OTHER ITEMS

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

No items were presented.

ADJOURNMENT

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

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
September 22, 2016, 8:30 a.m. to 10:30 a.m.
Conference Room 102

Committee:

Director Osborne, President
Director Barbre, Vice President
Director Dick

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Tamaribuchi
Director Hinman

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

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No comments were received.

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

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

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

Discussion ensued regarding the process for creating the agendas (staff creates the agendas as a result of input/comments from the Board in the prior month, as well as issues that arise during the month, and then draft agendas are presented to the Executive Committee for approval/input), the need for each Committee chair to provide input as to the content of the agendas, and whether it would be prudent for each Committee chair to meet with the General Manager to review the agendas. Following discussion, the Committee suggested the process be left as is.

a. Planning & Operations Committee Meeting

Considerable discussion was held regarding the OC Flood Control issue, with staff advising that this issue will be discussed at the Manager's Meeting later in the day. The Committee requested the name of the County attorney handling this be included in the write up for the P&O Committee.

b. Workshop Board Meeting

Following a review of the agenda, Director Dick suggested a standing item be added to the Water Supply Report indicating the year-to-date amount of water that was lost to the ocean as a result of Delta pumping restrictions and that this information be included on monthly basis.

Director Tamaribuchi agreed with Mr. Dick's suggestion, indicating it would be prudent for staff to develop an information piece with the 5 most compelling reasons to approve the California Water Fix (e.g., earthquakes, etc.).

c. Administration & Finance Committee

No new information was added.

d. Public Affairs & Legislation Committee

The Committee discussed MWDOC's Policy Principles, and asked that the Principles be included in the packet.

Discussion was also held regarding the process for the RFP for Local Government Advocacy (fall 2016).

e. Executive Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Following discussion, the Committee recommended the next Elected Officials Forum be held in January (possibly January 5).

Director Tamaribuchi provided an overview of the recent State Water Project inspection trip he attended which included members of the environmental community.

MEMBER AGENCY RELATIONS

No new information was presented.

GENERAL MANAGER'S REPORTS

No new information was presented.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

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

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2016**

WATER REVENUES

Date	From	Description	Amount
09/06/16	City of La Palma	July 2016 Water deliveries	98,411.33
09/06/16	City of San Juan Capistrano	July 2016 Water deliveries	627,459.33
09/08/16	City of Garden Grove	July 2016 Water deliveries	595,129.79
09/08/16	City of La Habra	July 2016 Water deliveries	9,604.67
09/09/16	City of San Clemente	July 2016 Water deliveries	753,889.19
09/12/16	El Toro Water District	July 2016 Water deliveries	761,024.58
09/12/16	South Coast Water District	July 2016 Water deliveries	517,011.03
09/12/16	Santa Margarita Water District	July 2016 Water deliveries	2,784,382.99
09/14/16	City of Buena Park	July 2016 Water deliveries	163,385.23
09/14/16	Laguna Beach County Water District	July 2016 Water deliveries	362,883.38
09/14/16	East Orange County Water District	July 2016 Water deliveries	446,607.17
09/14/16	City of Westminster	July 2016 Water deliveries	245,882.62
09/14/16	City of Orange	July 2016 Water deliveries	508,998.51
09/15/16	Orange County Water District	July 2016 Water deliveries	4,244,942.73
09/15/16	Moulton Niguel Water District	July 2016 Water deliveries	2,538,539.99
09/15/16	Yorba Linda Water District	July 2016 Water deliveries	626,511.12
09/15/16	Golden State Water Company	July 2016 Water deliveries	496,883.70
09/15/16	Irvine Ranch Water District	July 2016 Water deliveries	1,511,351.17
09/15/16	Santiago Aqueduct Commission	July 2016 Water deliveries	134,534.40
09/27/16	Serrano Water District	August 2016 Water deliveries	92,563.02
09/29/16	Trabuco Canyon Water District	August 2016 Water deliveries	17,891.48
09/30/16	City of Fountain Valley	August 2016 Water deliveries	30,844.47
09/30/16	City of Brea	August 2016 Water deliveries	258,000.61

TOTAL REVENUES **\$ 17,826,732.51**

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
September 2016

MISCELLANEOUS REVENUES

Date	From	Description	Amount
09/12/16	Great Lakes Services/ Great Wolf Lodge	5/20/16 OC Water Summit	1,600.00
09/02/16	Darcy Burke	August 2016 COBRA Health insurance	1,293.82
09/15/16	Judy Pfister	Oct-Dec 2016 Retiree Health insurance	103.05
09/19/16	Stan Sprague	October 2016 Retiree Health insurance	211.41
09/15/16	3 Checks	Movie tickets	253.00
09/02/16	US Bank	CAL Card rebate check	524.34
09/30/16	Paypal	ISDOC Registrations	742.89
09/26/16	Alliance Resources Consulting	Refund for professional fee	4,500.00
09/12/16	Metropolitan Water District	Jan 2015-Mar 2016 FAFP San Juan Basin Authority	140,954.66
09/02/16	Mesa Water	July 2016 Smartimer rebate program	80.00
09/06/16	City of Newport Beach	July 2016 Smartimer rebate program	238.99
09/06/16	Golden State Water Company	July 2016 Smartimer rebate program	75.00
09/09/16	City of Huntington Beach	July 2016 Smartimer rebate program	519.99
09/12/16	El Toro Water District	July 2016 Smartimer rebate program	75.00
09/19/16	Santa Margarita Water District	July 2016 Smartimer rebate program	6,022.34
09/23/16	City of Brea	July 2016 Smartimer rebate program	144.99
09/26/16	Moulton Niguel Water District	July 2016 Smartimer rebate program	16,729.42
09/14/16	City of Buena Park	July 2016 Turf Removal rebate program	111.00
09/14/16	City of Garden Grove	July 2016 Turf Removal rebate program	222.00
09/15/16	City of Orange	July 2016 Turf Removal rebate program	333.00
09/26/16	City of San Juan Capistrano	July 2016 Turf Removal rebate program	111.00
09/26/16	Irvine Ranch Water District	July 2016 Turf Removal rebate program	7,262.01
09/29/16	City of La Habra	July 2016 Turf Removal rebate program	111.00
09/13/16	Irvine Ranch Water District	Additional Jan-Mar 2016 So Cal Watersmart rebate program	52,991.28
09/13/16	Irvine Ranch Water District	Additional June 2016 So Cal Watersmart rebate program	71,842.30
09/19/16	Santa Margarita Water District	Additional June 2016 So Cal Watersmart rebate program	4,715.00
09/26/16	Moulton Niguel Water District	Additional June 2016 So Cal Watersmart rebate program	550.00
09/29/16	Trabuco Canyon Water District	Jul 2016 So Cal Watersmart Residential rebate program	200.00
09/06/16	City of La Palma	Water Loss Control technical assistance - WSO, Inc	9,432.00
09/02/16	City of San Clemente	Addition to the Choice School program FY 15-16	40.15
09/02/16	City of Anaheim	WEROC Funding for FY 16-17	11,430.00
TOTAL MISCELLANEOUS REVENUES			\$ 333,419.64
TOTAL REVENUES			\$ 18,160,152.15


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1118	September 2016 Consulting for legal & regulatory matters	2,175.00
	*** Total ***	2,175.00
	ACWA	
INV003636	Employment ad for Director of Public Affairs position	400.00
	*** Total ***	400.00
	ACWA Joint Powers	
M005-2016LIAB	10/1/16-10/1/17 Auto and General Liability insurance	85,805.00
	*** Total ***	85,805.00
	Aleshire & Wynder LLP	
38944	August 2016 Legal services	1,036.00
39268	September 2016 Legal services	2,795.00
	*** Total ***	3,831.00
	ALTA FoodCraft	
516090628	9/1/16 Coffee & tea supplies	86.66
516091051	9/12/16 Coffee & tea supplies	321.70
	*** Total ***	408.36
	Arcadis US, Inc.	
0806261	7/1/16-8/15/16 Services for development of Urban Water Management plan	3,897.00
	*** Total ***	3,897.00
	Best Best and Krieger LLP	
779980	August 2016 State legislative advocacy services	7,500.00
55401-AUG16	August 2016 Legal services	11,650.48
	*** Total ***	19,150.48
	Boy Scouts of America	
081916	Sponsorship for Soil & Water Conversation merit badge	5,000.00
	*** Total ***	5,000.00
	CDW Government	
FJP2633	1 Storage area network device with software and support	10,126.36
	*** Total ***	10,126.36
	Demsey, Filliger & Associates, LLC	
3121	October 2016 Actuarial valuation for OPEB	3,000.00
	*** Total ***	3,000.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Drapery Works</i>	
092916	Balance of roller shades for refurbished offices 105 & 107	545.00
	*** Total ***	545.00
	<i>Executive Information Systems, LLC</i>	
1-DLLOI	8/15/16-2/14/17 Addition of 1 user license for JMP statistical software	494.00
	*** Total ***	494.00
	<i>Fry's Electronics</i>	
21600281	9/15/16 Computer supplies	97.19
	*** Total ***	97.19
	<i>GovConnection, Inc.</i>	
54087635	1 Fujitsu FI-6770 flatbed duplex scanner	5,793.68
54117482	1 ImageFormula scanner	943.21
54130415	1 9.7 iPad Pro	849.61
54134628	AppleCare Plus extended warranty for 9.7 iPad Pro	75.00
	*** Total ***	7,661.50
	<i>Independent Special Dist of OC</i>	
092916-SEP16	September 2016 PayPal receipts for 9/29/16 meeting	742.89
ISDOC092916	9/29/16 ISDOC Meeting registration for Directors Barbre, Dick, Hinman, Osborne and Tamaribuchi	85.00
	*** Total ***	827.89
	<i>James C. Barker, P.C.</i>	
105-0916	September 2016 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<i>Kustom Imprints</i>	
22963	6 Jackets embroidered with MWDOC logo for Public Affairs and Government Affairs staff	321.24
	*** Total ***	321.24
	<i>Lewis Consulting Group, LLC</i>	
2016-148	September 2016 Consulting services	2,750.00
	*** Total ***	2,750.00
	<i>Edward G. Means III</i>	
MWDOC-1041	September 2016 Support for MET issues & guidance to Engineering staff	1,009.72
	*** Total ***	1,009.72
	<i>Norco Delivery Services</i>	
706418	9/1/16 Delivery for Board packets	141.73
	*** Total ***	141.73

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-01023948	9/12/16 Office supplies	151.41
I-01030925	9/22/16 Office supplies	49.24
I-01033428	9/28/16 Office supplies	631.23
I-01033583	9/28/16 Office supplies	345.99
I-01037506	10/5/16 Office supplies	27.00
	*** Total ***	1,204.87
	Orange County Fast Print, Inc.	
53413	500 Business cards for Director Finnegan	59.00
53447	500 Business cards for C. Busslinger	59.00
	*** Total ***	118.00
	Orange County Water District	
16694	August 2016 50% share of WACO expense	229.22
16695	August 2016 Postage, shared office & maintenance expense	7,471.53
092116	2016 Health & Wellness Expo sponsorship	100.00
16763	September 2016 50% share of WACO expense	227.50
	*** Total ***	8,028.25
	Patricia Kennedy Inc.	
21006	October 2016 Plant maintenance	214.00
	*** Total ***	214.00
	Petty Cash	
093016	July-September 2016 Petty Cash reimbursement	157.73
	*** Total ***	157.73
	Quick Signs & Graphics	
45514	2 Pull-up banners with water saving and rebate information for MWDOC events	422.28
	*** Total ***	422.28
	Staples Advantage	
8040822529	9/3/16 Office supplies	31.63
	*** Total ***	31.63
	Top Hat Productions	
92071	9/22/16 Lunch for Managers' meeting	435.78
	*** Total ***	435.78
	U. S. HealthWorks Medical Group	
2990633-CA	9/20/16 Pre-employment exam	160.00
	*** Total ***	160.00
	Union Bank, N.A.	
999040	June-August 2016 Custodial Bank fees	625.00
	*** Total ***	625.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	USAFact, Inc.	
6093128	9/23/16 Pre-employment background check	35.56
	*** Total ***	35.56
	WaterWise Consulting, Inc.	
4784	September 2016 Turf Removal program surveys and audits	600.00
	*** Total ***	600.00
	Total Core Expenditures	<hr/> 167,674.57

Choice Expenditures:

	Bryton Printing Inc.	
12934	85,000 Orange County Association of Realtors water conservation door hangers	4,441.24
	*** Total ***	4,441.24
	Geoscience Support Services	
15025-16-05	September 2016 Doheny Ocean Desal Slant Well decommissioning	9,194.25
	*** Total ***	9,194.25
	Orange County Water District	
16695	August 2016 Postage for rebate programs	105.43
	*** Total ***	105.43
	Total Choice Expenditures	<hr/> 13,740.92

Other Funds Expenditures:

	Claris Strategy	
10160100-01	July-September 2016 WEROC EOC assessment	16,744.64
	*** Total ***	16,744.64
	ConserVision	
LPCP-238	January 2013-November 2015 Retention payment	28,894.25
	*** Total ***	28,894.25
	Mega Maids Cleaning Service	
8123	September 2016 WEROC S. EOC cleaning services	85.00
8124	September 2016 WEROC N. EOC cleaning services	85.00
	*** Total ***	170.00
	Power Plus	
S39816-680795	9/27/16 Inspection and load bank test for generator at WEROC N. EOC	775.07
	*** Total ***	775.07

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of October 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
23728	<i>Sandor's Gourmet Catering, Inc.</i>	
	9/29/16 Lunch for WEROC training	306.45
	*** Total ***	306.45
	<i>Total Other Funds Expenditures</i>	<u>46,890.41</u>
	<i>Total Expenditures</i>	<u><u>228,305.90</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
135970	9/6/16	TIMEWA 5210-SEP16	Time Warner Cable September 2016 Telephone and internet expense ***Total ***	 1,280.57 1,280.57
135971	9/6/16	VERIZO 9770886837	Verizon Wireless August 2016 4G Mobile broadband unlimited service ***Total ***	 76.02 76.02
135983	9/15/16	FINNEG 083116	Joan Finnegan August 2016 Business expense ***Total ***	 122.06 122.06
135986	9/15/16	HINMAN 083116	Susan Hinman August 2016 Business expense ***Total ***	 34.47 34.47
135989	9/15/16	IRONMO MYS7504	Iron Mountain September 2016 Archived document storage fees ***Total ***	 372.62 372.62
135995	9/15/16	OSBORN 083116	Wayne S. Osborne August 2016 Business expense ***Total ***	 187.00 187.00
135998	9/15/16	TIMEWA 3564-SEP16	Time Warner Cable September 2016 Telephone expense for 4 ***Total ***	 143.17 143.17
135999	9/15/16	USBANK 4140/5443-AUG16	U.S. Bank 7/22/16-8/22/16 Cal Card charges ***Total *** (See attached sheet for details)	 14,323.02 14,323.02
136001	9/15/16	VOLZKE 083116	Jonathan Volzke August 2016 Business expense ***Total ***	 228.88 228.88
ACH002133	9/15/16	ACKEEX 083116	Linda Ackerman August 2016 Business expense ***Total ***	 45.36 45.36
ACH002135	9/15/16	KANZLE 082616	Andrew Kanzler July-August 2016 Business expense ***Total ***	 175.19 175.19

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002137	9/15/16	BACATI 083116	Tiffany Baca July-August 2016 Business expense ***Total ***	 344.92 344.92
ACH002138	9/15/16	BARBRE 083116	Brett Barbre August 2016 Business expense ***Total ***	 254.34 254.34
ACH002139	9/15/16	BERGJO 073116	Joseph Berg July 2016 Business expense	112.55
ACH002140	9/15/16	083016	August 2016 Business expense ***Total ***	123.59 236.14
ACH002144	9/15/16	CHUMPI 083116	Hilary Chumpitazi August 2016 Business expense ***Total ***	 100.00 100.00
ACH002145	9/15/16	DICKEX 083116	Larry Dick August 2016 Business expense ***Total ***	 184.14 184.14
ACH002146	9/15/16	DINHPA 083116	Patrick Dinh August 2016 Business expense ***Total ***	 50.22 50.22
ACH002152	9/15/16	LOEWEN 083116	Laura Loewen August 2016 Business expense ***Total ***	 158.85 158.85
ACH002163	9/15/16	ROBERT 073116	Bryce Roberto July 2016 Business expense	36.20
ACH002164	9/15/16	083116	August 2016 Business expense ***Total ***	163.02 199.22
ACH002167	9/15/16	THOMAS 083116	Jeffery Thomas August 2016 Business expense ***Total ***	 170.10 170.10
136007	9/30/16	STALVE 091416	Jeff Stalvey September 2016 Business expense ***Total ***	 11.88 11.88
136079	9/30/16	RICOHMA 5044329227	Ricoh USA, Inc. June-August 2016 Reproduction costs ***Total ***	 740.21 740.21

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002174	9/30/16	FAHLBE 093016	Beth Fahl September 2016 Business expense	17.50
			***Total ***	17.50
			Total Core Disbursements	19,455.88
Choice Disbursements:				
136006	9/30/16	SDGE 7768-SEP16	San Diego Gas and Electric 8/18/16-9/19/16 Electric service for Doheny Ocean Desal project	159.94
			***Total ***	159.94
			Total Choice Disbursements	159.94
Other Funds Disbursements:				
135969	9/6/16	ATTEOC 0532-AUG16 4492-AUG16 8200-AUG16	AT&T August 2016 WEROC N. EOC dedicated phone line August 2016 WEROC S. EOC telephone expense August 2016 WEROC N. EOC telephone expense	66.02 323.53 258.78
			***Total ***	648.33
135971	9/6/16	VERIZO 9770886837	Verizon Wireless August 2016 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
135975	9/15/16	ATTUVEOC 8599-SEP16	AT&T September 2016 U-verse internet service for WEROC N. EOC	55.00
			***Total ***	55.00
135999	9/15/16	USBANK 4140-AUG16	U.S. Bank 7/22/16-8/22/16 Cal Card charges	1,369.44
			***Total *** (See attached sheet for details)	1,369.44
ACH002139	9/15/16	BERGJO 073116	Joseph Berg July 2016 Business expense	4.50
ACH002140	9/15/16	083016	August 2016 Business expense	4.50
			***Total ***	9.00
ACH002153	9/15/16	MESAWA JUL2016	Mesa Water July 2016 Credit for Local Resources program	80,852.07
			***Total ***	80,852.07

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002165	9/15/16	HAGESH 083116	Shenandoah Hage August 2016 Business expense ***Total ***	 114.47 114.47
136002	9/30/16	ATTEOC 4492-SEP16 8200-SEP16 0532-SEP16	AT&T September 2016 WEROC S. EOC telephone expense September 2016 WEROC N. EOC telephone expense September 2016 WEROC N. EOC dedicated phone line ***Total ***	 254.33 189.56 65.12 509.01
136003	9/30/16	CATALI 0013211	Catalina Island Conservancy September 2016 WEROC radio repeater site lease ***Total ***	 1,636.47 1,636.47
		TURFPR	Turf Removal Program	
136009	9/30/16	TR8-R-IRWD-2015-1959	P. Kumar	1,296.00
136010	9/30/16	TR7-R-SJC-4594-4512	V. Malinowski	4,096.00
136011	9/30/16	TR8-R-MNT-7292-7229	W. Hwang	3,422.50
136012	9/30/16	TR7-R-SM-4721-4641	G. Kunst	464.00
136013	9/30/16	TR7-R-MNT-4636-4555	M. Wetterau	6,782.00
136014	9/30/16	TR7-R-YLWD-4579-4499	L. Ma	4,810.00
136015	9/30/16	TR8-R-MNT-5129-5061	E. Seniura	4,602.50
136016	9/30/16	TR8-R-IRWD-5142-5071	S. Patsenhann	600.00
136017	9/30/16	TR8-R-MNT-5246-5177	E. Mercado	6,861.50
136018	9/30/16	TR7-R-MNT-4740-4658	W. Williams	992.00
136019	9/30/16	TR7-R-HB-4424-4342	J. Lee	3,632.00
136020	9/30/16	TR7-R-IRWD-4771-4690	S. Tase	1,060.00
136021	9/30/16	TR8-R-IRWD-4968-4897	M. Bahia	2,042.00
136022	9/30/16	TR8-R-IRWD-5199-5128	Q. Nguyen	2,080.00
136023	9/30/16	TR8-R-MNT-5224-5154	E. Hall	1,909.50
136024	9/30/16	TR8-R-MNT-5225-5155	G. Thompson	2,935.50
136025	9/30/16	TR7-R-WEST-4650-4568	V. Luu	1,572.00
136026	9/30/16	TR7-R-SOCO-4546-4466	E. Weitz	784.00
136027	9/30/16	TR8-R-MNT-5033-4959	R. Casey	4,551.00
136028	9/30/16	TR7-MNT-24938-28642	M. Koosha	630.00
136029	9/30/16	TR8-R-MNT-6302-6229	D. Heyman	767.50
136030	9/30/16	TR7-R-IRWD-4339-4263	L. Sun	506.00
136031	9/30/16	TR7-R-SM-4415-4333	T. Samiadji	1,536.00
136032	9/30/16	TR7-R-MNT-4444-4366	D. Cole	10,500.00
136033	9/30/16	TR8-R-MNT-4595-4513	J. Salorio	1,536.00
136034	9/30/16	TR7-R-GG-4289-4217	T. Dinh	2,140.00
136035	9/30/16	TR7-R-GG-4287-4215	K. Nguyen	2,368.00
136036	9/30/16	TR8-IRWD-24838-6	H. Walujono	856.00
136037	9/30/16	TR7-R-GG-4410-4330	K. Nguyen	2,090.00
136038	9/30/16	TR7-R-HB-4688-4625	J. Pritchett	1,460.98
136039	9/30/16	TR7-R-ETWD-4729-4648	S. Humphrey	828.00
136040	9/30/16	TR7-R-SM-4633-4552	D. Nguyen	740.00
136041	9/30/16	TR7-R-YLWD-4238-4632	C. Caswell	2,200.00
136042	9/30/16	TR7-R-SC-4684-4602	D. Rall	712.00

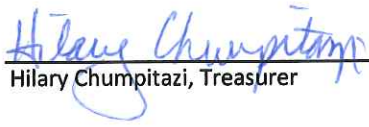
**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
136043	9/30/16	TR7-R-BREA-4714-4634	J. Wood	1,008.00
136044	9/30/16	TR7-R-IRWD-4752-4669	J. Liao	980.00
136045	9/30/16	TR8-R-MNT-6293-6222	C. Marcoux	2,041.00
136046	9/30/16	TR7-R-MNT-4813-4733	R. Rice	3,331.00
136047	9/30/16	TR8-R-IRWD-4850-4773	H. Pham	952.00
136048	9/30/16	TR8-R-MNT-4868-4794	D. Cline	3,757.00
136049	9/30/16	TR8-R-MNT-5164-5093	L. Leite	1,200.00
136050	9/30/16	TR8-R-MNT-4936-4861	M. Maez	940.00
136051	9/30/16	TR8-R-MNT-5002-4931	G. Craig	992.00
136052	9/30/16	TR8-R-IRWD-4944-4870	R. Lu	2,412.00
136053	9/30/16	TR8-R-IRWD-4950-4876	C. Cheung	770.00
136054	9/30/16	TR8-R-MNT-7315-7255	B. Patterson	1,893.50
136055	9/30/16	TR8-R-MNT-6301-6228	T. Cawein	1,183.00
136056	9/30/16	TR8-R-MNT-5209-5138	N. Walsh	2,506.00
136057	9/30/16	TR8-R-MNT-5116-5047	K. Azarbal	876.00
136058	9/30/16	TR8-R-IRWD-5170-5100	D. Soeder	418.00
136059	9/30/16	TR8-R-IRWD-5218-5148	W. Smika	1,508.00
136060	9/30/16	TR8-R-MNT-5150-5079	E. Mudry	2,583.50
136061	9/30/16	TR7-SM-10692-27333	K. Anetsberger	3,652.00
136062	9/30/16	TR8-R-MNT-5220-5150	B. Hufford	1,130.50
136063	9/30/16	TR7-TUST-10661-1291	R. Eidson	1,600.00
136064	9/30/16	TR8-R-MNT-5151-5080	A. Amador	1,080.50
136065	9/30/16	TR8-R-IRWD-5119-5050	M. Wong	1,052.00
136066	9/30/16	TR8-R-MNT-5166-5095	S. Stephens	3,870.00
136067	9/30/16	TR8-R-IRWD-5203-5133	P. Philips	800.00
136068	9/30/16	TR8-R-IRWD-5179-5109	M. Boyes	706.00
136069	9/30/16	TR8-R-IRWD-5162-5091	M. Kraemer	690.00
136070	9/30/16	TR8-R-IRWD-6255-6184	U. Rashid	2,184.00
136071	9/30/16	TR8-R-MNT-5221-5151	G. Mccollom	4,823.00
136072	9/30/16	TR8-R-MNT-7289-7225	L. Taylor	4,265.00
136073	9/30/16	TR8-R-MNT-5239-5168	D. Campbell	4,692.00
136074	9/30/16	TR8-R-MNT-7278-7205	J. Dang	526.00
136075	9/30/16	TR8-R-MNT-6259-6188	J. Leffler	1,929.00
136076	9/30/16	TR8-R-MNT-6296-7228	J. Oren	3,594.00
136077	9/30/16	TR8-R-MNT-7323-7274	A. Nadi	1,479.00
136078	9/30/16	TR7-MESA-23856-1575	Gateway Costa Mesa, Inc. (Costa Mesa)	25,000.00
136080	9/30/16	TR5-MESA-079	E. Shepard (re-issue)	2,746.00
136081	9/30/16	TR7-R-MNT-4336-4260	R. Sadeed (re-issue)	309.23
			***Total ***	178,842.21
		HUBBAR	Kelly Hubbard	
ACH002175	9/30/16	083116	August 2016 Business expense	141.29
ACH002176	9/30/16	073116	July 2016 Business expense	80.61
			***Total ***	221.90
		HAGESH	Shenandoah Hage	
ACH002183	9/30/16	093016	September 2016 Business expense	29.80
			***Total ***	29.80

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of September 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH002184	9/30/16	SANTAM JUL2016	Santa Margarita Water District July 2016 SCP Operation surcharge	34,744.77
			***Total ***	34,744.77
WIRE-160930	9/30/16	METWAT 8764	Metropolitan Water District July 2016 Water deliveries	17,436,989.09
			***Total ***	17,436,989.09
Total Other Funds Disbursements				<u>17,736,059.57</u>
Total Disbursements				<u><u>17,755,675.39</u></u>


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: August 22, 2016
Payment Date: September 15, 2016

Date	Description	Amount
<u>K. Seckel Card</u>		
07/22/16	Lunch for Records Management meeting	125.41
07/25/16	UPS delivery charges for Board & Committee packets on Jul. 15, 2016	49.68
07/25/16	Lunch for MET Directors' meeting	136.15
07/25/16	Cookies for MET Directors' meeting	30.00
07/27/16	Partition Magic Server software refund	(99.99)
07/27/16	California Emergency Services Association Annual Training and Conference in San Diego, CA from Oct. 4-7, 2016 - Registration for K. Hubbard	695.25
07/27/16	Lunch for Orange County MET Managers' meeting	114.87
07/27/16	Orange County Public Relations Society of America meeting in Anaheim, CA on Aug. 30, 2016 - Registration for T. Baca, L. Loewen, B. Roberto and J. Volzke	155.35
07/31/16	Facebook post employment ad for WEROC Coordinator position	19.97
08/01/16	Roundpeg Illustrator Training Essentials class in Newport Beach, CA from Aug. 22-23, 2016 - Registration for L. Loewen	795.00
08/01/16	4 Dell Inspiron touchscreen laptops	3,899.96 ¹
08/01/16	4 Dell laptop carry-case bags	91.96
08/01/16	UPS delivery charges for Board & Committee packets on Jul. 27, 2016	33.26
08/03/16	FedEx delivery charges for Board & Committee packets on Jul. 29, 2016	33.57
08/03/16	1 Camelbak replacement reservoir for use with Ricki Raindrop costume	31.94
08/03/16	1 Glacier Tek Classic Cool vest for use with Ricki Raindrop costume	193.19
08/03/16	California Emergency Services Association Annual Training and Conference in San Diego, CA from Oct. 4-7, 2016 - Accommodations for K. Hubbard	631.08
08/03/16	Orange County Register annual subscription renewal	95.47
08/04/16	1 Mountain Summit Gear hydration pack for use with Ricki Raindrop costume	31.62
08/04/16	100 Regal movie tickets for employee purchase	858.00
08/05/16	Water District Jobs employment ad for WEROC Coordinator position	145.00
08/05/16	ACWA Legislative meeting in Sacramento, CA on Aug. 12, 2016 - Airfare for H. Baez	513.94
08/07/16	FedEx delivery charges for Board & Committee packets on Aug. 3, 2016	33.73

Cal Card Statement Detail
Statement Date: August 22, 2016
Payment Date: September 15, 2016

Date	Description	Amount
08/08/16	UPS delivery charges for Board & Committee packets on Jul. 29 & Aug. 3, 2016	85.80
08/08/16	State Water Resources Control Board meeting in Sacramento, CA on Aug. 15, 2016 - Airfare for J. Berg	437.96
08/09/16	FedEx delivery charges for Board & Committee packets on Aug. 5, 2016	33.73
08/12/16	Food for Staff development meeting	29.98
08/12/16	Lunch for East Orange County Feeder #2 meeting	79.20
08/15/16	California Society of Municipal Finance Officers meeting in Irvine, CA on Sep. 1, 2016 - Registration for H. Chumpitazi	30.00
08/15/16	UPS delivery charges for Board & Committee packets on Aug. 5, 2016	45.41
08/16/16	FedEx delivery charges for Board & Committee packets on Aug. 12, 2016	33.73
08/17/16	Office supplies from Costco	365.08
08/17/16	5 Dell XPS 8900 Desktop computers	4,960.68
08/17/16	Brown and Caldwell employment ad for Water Use Efficiency Specialist position	200.00
08/18/16	Lunch for Managers' meeting	536.78
Total		<u>15,452.76</u>

1 Credit for price reduction \$432.00 received on 8/24/16

R. Hunter Card

07/22/16-08/22/16	Meals for R. Hunter's meetings	239.70
Total		<u>239.70</u>

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of September 2016

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
135976	9/15/16	AYALAS 083016	Sam Ayala August 2016 Atrium landscape maintenance	140.00
			***Total ***	140.00
135981	9/15/16	ECSIMA 11724	ECS Imaging, Inc. 1 Fujitsu and 1 Canon scanner	5,935.80
			***Total ***	5,935.80
ACH002166	9/15/16	SPECIAL 54340	Special Dist. Risk Mgmt. Auth. FY 15-16 Year end audit balance	2,328.31
			***Total ***	2,328.31
ACH002172	9/16/16	USBANK-PARS 081716	U.S. Bank N.A. OPEB Contribution	400,000.00
			***Total ***	400,000.00
136005	9/30/16	MISCEL 092816	Community Food Pantry of Murrieta Donation in honor of D. Burke's father, 50% collected from Directors and Staff	250.00
			***Total ***	250.00
			Total Core Disbursements	408,654.11
Choice Disbursements:				
			Total Choice Disbursements	-
Other Funds Disbursements:				
135992	9/15/16	MEGAMA 7986	Mega Maids Cleaning Service July 2016 WEROC S. EOC cleaning services	94.00
		7998	July 2016 WEROC N. EOC cleaning services	75.00
			***Total ***	169.00
			Total Other Funds Disbursements	169.00
			Total Disbursements	408,823.11



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
 August 31, 2016

Street Address:
 18700 Ward Street
 Fountain Valley, California 92708

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Wayne S. Osborne
President

Brett R. Barbre
Vice President

Larry D. Dick
Director

Joan C. Finnegan
Director

Susan Hinman
Director

Sat Tamaribuchi
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,494,603	14.40%
Grant & Project Cash Flow	1,480,000	8.54%
Election Expense	215,463	1.24%
Building Repair	500,407	2.89%
Total Designated Reserves	4,690,473	27.07%
General Fund	8,619,291	49.75%
Water Fund	5,818,592	33.58%
Conservation Fund	(2,268,050)	(13.09%)
Desalination Feasibility Study Fund	222,385	1.28%
WEROC Fund	236,362	1.36%
Trustee Activities	8,660	0.05%
Total	\$17,327,713	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.73%	\$300,141	\$300,141
Short-term investment			
• LAIF	0.91%	\$157,777	\$157,777
• OCIP	79.45%	13,766,811	13,766,811
Long-term investment			
• Corporate Bond	4.35%	752,984	764,150
• Certificates of Deposit	13.56%	2,350,000	2,383,722
Total	100.00%	\$17,327,713	\$17,372,601

The average number of days to maturity/call as of August 31, 2016 equaled 153 and the average yield to maturity is 0.941%. During the month, the District's average daily balance was \$25,503,985.20. 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 2016.

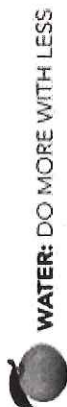
The \$44,888 difference between the book value and the market value on August 31, 2016 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, 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, 2016



8/31/2016	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate of Deposit	2,350,000.00	2,383,721.50	2,350,000.00	13.81	682	1.697
Local Agency Investment Funds	157,777.38	157,777.38	157,777.38	0.93	1	0.614
Corporate Bond	750,000.00	764,150.00	752,983.54	4.41	1,326	2.238
Orange County Investment Pool	13,766,811.34	13,766,811.34	13,766,811.34	80.85	1	0.745
Total Investments	17,024,588.72	17,072,460.22	17,027,572.26	100.00%	153	0.941

Cash						
Cash	300,140.97	300,140.97	300,140.97		1	0.00
Total Cash and Investments	17,324,729.69	17,372,601.19	17,327,713.23		153	0.941

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

Current Year **18,797.19** **32,574.26**

Average Daily Balance **25,503,985.20**

Effective Rate of Return **0.941%**

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


Robert J. Hunter, General Manager

Date

10-6-2016


Hilary Chumtipitzi, Treasurer

Date

10/6/2016

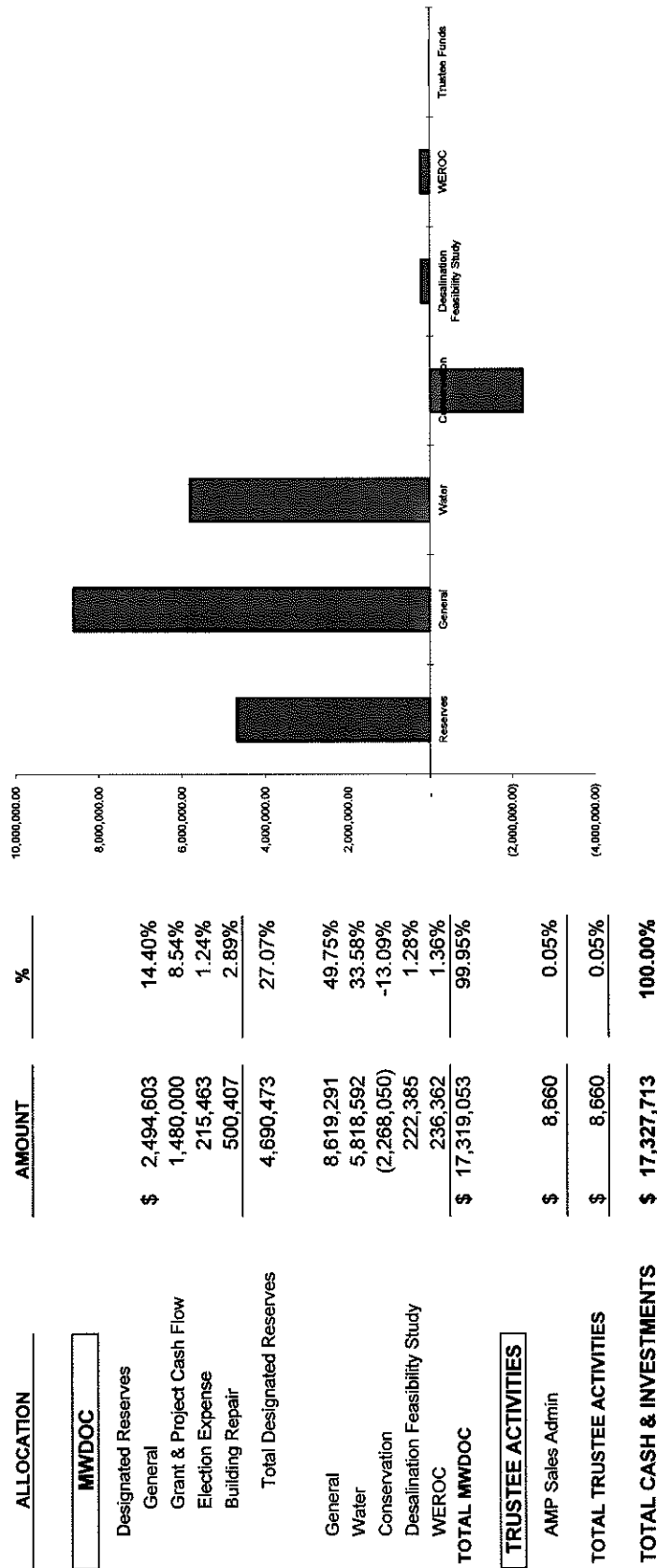
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
August 31, 2016

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate of Deposit									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,930.00	250,000.00	1.150	1.150	327	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	252,140.00	250,000.00	1.450	1.450	516	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	256,870.00	250,000.00	1.900	1.900	1118	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	253,097.50	250,000.00	1.700	1.700	705	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	257,187.50	250,000.00	1.950	1.950	1098	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	252,935.00	250,000.00	1.600	1.600	691	7/23/2018
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,209.00	100,000.00	1.050	1.050	145	1/23/2017
Goldman Sachs Bank	36163FJC8	7/25/2014	250,000.00	250,927.50	250,000.00	1.200	1.200	328	7/25/2017
HSBC Bank	40434AK65	1/21/2016	250,000.00	252,622.50	250,000.00	1.550	2.534	508	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	256,802.50	250,000.00	2.050	2.050	1063	7/30/2019
Sub Total			2,350,000.00	2,383,721.50	2,350,000.00	1.593	1.697	682	
Corporate Bond									
JPMorgan Chase	46625HKA7	11/2/2015	500,000.00	507,005.00	501,579.13	2.250	2.152	1,209	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	257,145.00	251,404.41	2.550	2.409	1,559	12/7/2020
Sub Total			750,000.00	764,150.00	752,983.54	2.350	2.238	1,326	
Total Investments			3,100,000.00	3,147,871.50	3,102,983.54	1.776	1.828	838	
Total Earnings									
Current Year		Month Ending August	4,579.92	Fiscal Year To Date	9,208.75				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
August 31, 2016

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	157,777.38	157,777.38	157,777.38	0.614	0.614	1	N/A
Sub Total			157,777.38	157,777.38	157,777.38	0.614	0.614	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/28/2005	13,766,811.34	13,766,811.34	13,766,811.34	0.745	0.745	1	N/A
Sub Total			13,766,811.34	13,766,811.34	13,766,811.34	0.745	0.745	1	
Total Investments			13,924,588.72	13,924,588.72	13,924,588.72	0.744	0.744		
Cash									
Bank of America Cash	CASH0547	7/1/2011	299,640.97	299,640.97	299,640.97	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			300,140.97	300,140.97	300,140.97	0.000	0.000	1	
Total Cash and Investments			14,224,729.69	14,224,729.69	14,224,729.69	0.744	0.744	1	
Total Earnings									
Current Year			14,217.27		23,365.51				

**Municipal Water District of Orange County
Cash and Investments at August 31, 2016**





MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program

Monthly Account Report for the Period
8/1/2016 to 8/31/2016

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

Account Summary

Source	Beginning Balance as of 8/1/2016	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 8/31/2016
Employer Contribution	\$1,430,436.59	\$0.00	\$5,678.10	\$300.00	\$0.00	\$0.00	\$1,435,814.69
Totals	\$1,430,436.59	\$0.00	\$5,678.10	\$300.00	\$0.00	\$0.00	\$1,435,814.69

Investment Selection

Moderate HighMark PLUS

Investment Objective

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

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
0.40%	3.53%	6.09%	6.09%	-	-	10/26/2011

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

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

Investment Return: Annualized rate of return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return.
Account balances are inclusive of Trust Administration (unless invoiced), Trustee and Investment Management fees

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS

Cash Flow as of 06/30/16

	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	TOTALS
Cash - Beginning Balance	\$ (2,257,966.95)	\$ (3,225,466.67)	\$ (2,271,560.26)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	
REVENUES:													
BUREC													\$ -
City of Brea	339.97		144.99										484.96
City of Buena Park	332.10		111.00										443.10
City of Fountain Valley													-
City of Fullerton		75.00											75.00
City of Garden Grove			222.00										222.00
City of Huntington Beach	640.85	49.99											1,210.83
City of La Habra	111.00		111.00										222.00
City of San Clemente		111.00											111.00
City of San Juan Capistrano	111.00		111.00										222.00
City of Santa Ana													-
City of Tustin	11,583.00	25,459.59											37,042.59
City of Newport Beach		450.00	238.99										688.99
City of Orange	2,869.43		333.00										3,202.43
City of Westminster													-
County of Orange													-
Department of Water Resources		40,479.67											40,479.67
East Orange County Water District													-
El Toro Water District	75.00	75.00											225.00
East Orange County Water District													-
Golden State Water Company	1,980.00		75.00										2,055.00
Irvine Ranch Water District	93,764.10	542,331.88											768,191.57
Laguna Beach County Water District	1,110.00	1,041.00	132,095.59										2,151.00
Mesa Water District	1,127.37		80.00										1,207.37
Metropolitan Water District			1,934,765.85										1,934,765.85
Moulton Niguel Water District	459,396.32	683,295.61	17,279.42										1,159,971.35
MWDCC													-
Santa Margarita Water District	6,821.55	3,703.49	10,737.34										21,262.38
Serrano Water District	75.00												75.00
South Coast Water District													-
Trabuco Canyon Water District	475.00	150.00	200.00										825.00
Yorba Linda Water District													-
Miscellaneous Revenues													-
Miscellaneous		103.68											103.68
Interest Revenue													-
Total Revenues	580,811.69	1,297,325.91	2,097,100.17	-	-	-	-	-	-	-	-	-	\$ 3,975,237.77
EXPENDITURES:													
Aquaficient	5,400.00												\$ 5,400.00
Autumn Print Group													-
Awards & Trophies													-
Conservation Consulting, LLC													-
City of Newport Beach													-
El Toro WD													-
Enterprise Information Systems													-
Golden State Water Company													-
Hotel Program													-
Industrial Program													-
Inline Ranch Water District													-
Karen's Detail Custom Frames													-
Laguna Beach CWD													-
Metropolitan Water District	229,162.49	111,028.73											340,191.22
MESA													-
Mission RCD	18,300.13	14,225.68	38,367.35										70,893.16
Public Spaces program													-
Santa Margarita Water District													-
South Coast Water District													-
Spray to Drip program													-
Turf Removal	1,287,489.27	214,655.09	175,786.98										1,677,931.34
US Bank													-
URS													-
Waterville Consulting													-
Miscellaneous Expenses													-
Interest Expense	7,579.92												7,579.92
Salary & Benefit	390.00	3,510.00											3,900.00
Total Expenditures	1,548,321.81	343,419.50	214,154.33	-	-	-	-	-	-	-	-	-	\$ 2,105,895.64
Cash - Ending Balance	\$ (3,225,466.67)	\$ (2,271,560.26)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	\$ (388,614.42)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2016 THRU AUGUST 31, 2016

**Municipal Water District of Orange County
Combined Balance Sheet
As of August 31, 2016**

<u>ASSETS</u>	Amount
Cash in Bank	300,140.97
Investments	17,027,572.26
Accounts Receivable	38,796,333.89
Accounts Receivable - Other	88,188.76
Accrued Interest Receivable	25,004.90
Prepays/Deposits	501,421.17
Leasehold Improvements	3,415,059.92
Furniture, Fixtures & Equipment	447,719.37
Less: Accum Depreciation	(2,655,055.28)
Net OPEB Asset	117,790.00
	<hr/>
TOTAL ASSETS	\$58,064,175.96
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	36,885,372.61
Accounts Payable - Other	569.80
Accrued Salaries and Benefits Payable	415,832.33
OCWD CUP Balance Payable	3,117,524.80
Other Liabilities	883,497.45
Unearned Revenue	2,076,778.49
Total Liabilities	<hr/> 43,379,575.48
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	963,691.80
Total Restricted Fund Balances	<hr/> 963,691.80
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,612,392.51
Grant & Project Cash Flow	1,480,000.00
Election Expense	215,463.03
Building Repair	500,407.45
Total Designated Reserves	<hr/> 4,808,262.99
GENERAL FUND	2,803,673.61
WEROC	101,241.62
Total Unrestricted Fund Balances	<hr/> 7,713,178.22
Excess Revenue over Expenditures	
Operating Fund	5,954,656.05
Other Funds	53,074.41
Total Fund Balance	<hr/> 14,684,600.48
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$58,064,175.96
	<hr/>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru August 2016

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,786,864.75	6,786,865.00	100.00%	0.00	0.25
Ground Water Customer Charge	<u>0.00</u>	<u>392,666.00</u>	<u>392,666.00</u>	<u>100.00%</u>	<u>0.00</u>	<u>0.00</u>
Water rate revenues	0.00	7,179,530.75	7,179,531.00	100.00%	0.00	0.25
Interest Revenue	<u>19,759.09</u>	<u>34,900.31</u>	<u>123,000.00</u>	<u>28.37%</u>	<u>0.00</u>	<u>88,099.69</u>
Subtotal	<u>19,759.09</u>	<u>7,214,431.06</u>	<u>7,302,531.00</u>	<u>98.79%</u>	<u>0.00</u>	<u>88,099.94</u>
Choice Programs	0.00	0.00	1,494,789.00	0.00%	0.00	1,494,789.00
Choice Prior Year Carry Over	0.00	0.00	44,416.00	0.00%	0.00	44,416.00
Miscellaneous Income	25.37	50.74	3,000.00	1.69%	0.00	2,949.26
School Contracts	0.00	0.00	70,000.00	0.00%	0.00	70,000.00
Transfer-In From Reserve	<u>0.00</u>	<u>0.00</u>	<u>535,873.00</u>	<u>0.00%</u>	<u>0.00</u>	<u>535,873.00</u>
Subtotal	<u>25.37</u>	<u>50.74</u>	<u>2,148,078.00</u>	<u>0.00%</u>	<u>0.00</u>	<u>2,148,027.26</u>
TOTAL REVENUES	<u>19,784.46</u>	<u>7,214,481.80</u>	<u>9,450,609.00</u>	<u>76.34%</u>	<u>0.00</u>	<u>2,236,127.20</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru August 2016

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	258,236.26	505,100.98	3,444,620.00	14.66%	0.00	2,939,519.02
Salaries & Wages - Grant Recovery	0.00	0.00	(31,600.00)	0.00%	0.00	(31,600.00)
Salaries & Wages - Recovery	(2,948.40)	(3,276.00)	0.00	0.00%	0.00	3,276.00
Directors' Compensation	17,779.08	35,019.40	231,937.00	15.10%	0.00	196,917.60
MWD Representation	10,236.44	19,664.74	132,535.00	14.84%	0.00	112,870.26
Employee Benefits	67,053.90	134,273.92	968,160.00	13.87%	0.00	833,886.08
Employee Benefits - Recovery	(561.60)	(624.00)	0.00	0.00%	0.00	624.00
OPEB Annual Contribution	0.00	0.00	105,249.00	0.00%	0.00	105,249.00
Director's Benefits	5,404.53	10,374.97	66,297.00	15.65%	0.00	55,922.03
Health Ins \$'s for Retirees	2,042.03	5,641.00	50,326.00	11.21%	0.00	44,685.00
Training Expense	795.00	960.00	12,000.00	8.00%	0.00	11,040.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	358,037.24	707,135.01	4,984,524.00	14.19%	0.00	4,277,388.99
Engineering Expense	34,454.61	34,454.61	405,000.00	8.51%	126,444.95	244,100.44
Legal Expense	12,686.48	26,459.85	320,000.00	8.27%	293,540.15	0.00
Audit Expense	0.00	7,000.00	24,000.00	29.17%	11,437.00	5,563.00
Professional Services	34,504.71	78,292.49	1,496,997.00	5.23%	601,002.28	817,702.23
Professional Fees	81,645.80	146,206.95	2,245,997.00	6.51%	1,032,424.38	1,067,365.67
Conference-Staff	185.35	1,367.10	22,125.00	6.18%	0.00	20,757.90
Conference-Directors	0.00	1,100.00	10,725.00	10.26%	0.00	9,625.00
Travel & Accom.-Staff	1,186.04	3,340.01	71,130.00	4.70%	0.00	67,789.99
Travel & Accom.-Directors	187.00	1,050.46	38,250.00	2.75%	0.00	37,199.54
Travel & Conference	1,558.39	6,857.57	142,230.00	4.82%	0.00	135,372.43
Membership/Sponsorship	5,000.00	63,456.78	134,458.00	47.19%	0.00	71,001.22
CDR Support	9,992.88	9,992.88	39,972.00	25.00%	29,978.62	0.50
Dues & Memberships	14,992.88	73,449.66	174,430.00	42.11%	29,978.62	71,001.72
Business Expense	543.32	811.81	6,000.00	13.53%	0.00	5,188.19
Maintenance Office	6,718.63	12,895.61	123,185.00	10.47%	107,644.39	2,645.00
Building Repair & Maintenance	838.08	1,407.66	11,000.00	12.80%	6,592.34	3,000.00
Storage Rental & Equipment Lease	372.62	744.71	7,000.00	10.64%	5,255.29	1,000.00
Office Supplies	1,243.53	3,538.52	38,280.00	9.24%	2,971.77	31,769.71
Postage/Mail Delivery	731.16	1,497.19	11,400.00	13.13%	4,292.45	5,610.36
Subscriptions & Books	95.47	95.47	2,000.00	4.77%	0.00	1,904.53
Reproduction Expense	1,429.66	1,429.66	36,225.00	3.95%	8,259.79	26,535.55
Maintenance-Computers	0.00	183.58	10,000.00	1.84%	1,778.63	8,037.79
Software Purchase	0.00	12,375.80	31,300.00	39.54%	1,987.82	16,936.38
Software Support	10,809.92	15,667.64	46,000.00	34.06%	0.00	30,332.36
Computers and Equipment	13,179.02	13,179.02	32,500.00	40.55%	0.00	19,320.98
Automotive Expense	1,436.56	2,443.87	13,828.00	17.67%	0.00	11,384.13
Toll Road Charges	20.91	42.74	1,100.00	3.89%	0.00	1,057.26
Insurance Expense	10,993.44	19,366.86	90,000.00	21.52%	0.00	70,633.14
Utilities - Telephone	1,621.46	3,243.39	19,200.00	16.89%	0.00	15,956.61
Bank Fees	980.37	2,081.52	10,500.00	19.82%	0.00	8,418.48
Miscellaneous Expense	9,468.96	10,721.90	114,020.00	9.40%	613.98	102,684.12
MWDOC's Contrb. To WEROC	12,532.50	25,065.00	150,390.00	16.67%	0.00	125,325.00
Depreciation Expense	607.56	1,215.13	0.00	0.00%	0.00	(1,215.13)
Other Expenses	73,623.17	128,007.08	753,928.00	16.98%	139,396.46	486,524.46
Election Expense	0.00	0.00	592,000.00	0.00%	0.00	592,000.00
MWDOC's Building Expense	598.08	186,440.00	495,000.00	37.66%	4,004.14	304,555.86
Capital Acquisition	11,729.48	11,729.48	62,500.00	18.77%	10,126.36	40,644.16
TOTAL EXPENSES	542,185.04	1,259,825.75	9,450,609.00	13.33%	1,215,929.96	6,974,853.29
NET INCOME (LOSS)	(522,400.58)	5,954,656.05	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru August 2016

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	17,538,160.20	35,451,825.00	121,881,702.00	29.09%	86,429,877.00
Readiness to Serve Charge	1,055,607.64	2,111,215.28	12,674,093.00	16.66%	10,562,877.72
Capacity Charge CCF	402,482.50	804,965.00	4,829,790.00	16.67%	4,024,825.00
SCP Surcharge	33,255.15	67,999.92	365,000.00	18.63%	297,000.08
Interest	652.70	1,280.17	4,800.00	26.67%	3,519.83
TOTAL WATER REVENUES	19,030,158.19	38,437,285.37	139,755,385.00	27.50%	101,318,099.63
<u>WATER PURCHASES</u>					
Water Sales	17,538,160.20	35,451,825.00	121,881,702.00	29.09%	86,429,877.00
Readiness to Serve Charge	1,055,607.64	2,111,215.28	12,674,093.00	16.66%	10,562,877.72
Capacity Charge CCF	402,482.50	804,965.00	4,829,790.00	16.67%	4,024,825.00
SCP Surcharge	33,255.15	67,999.92	365,000.00	18.63%	297,000.08
TOTAL WATER PURCHASES	19,029,505.49	38,436,005.20	139,750,585.00	27.50%	101,314,579.80
EXCESS OF REVENUE OVER EXPENDITURES	652.70	1,280.17	4,800.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru August 2016

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	52.75	118,900.00	0.04%
Expenses	0.00	118,900.00	0.00%
Excess of Revenues over Expenditures	52.75	0.00	
Industrial Water Use Reduction			
Revenues	0.00	91,236.00	0.00%
Expenses	0.00	91,236.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Spray To Drip Conversion			
Revenues	0.00	468,552.34	0.00%
Expenses	6.52	468,552.34	0.00%
Excess of Revenues over Expenditures	(6.52)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	168,588.80	0.00%
Expenses	0.00	168,588.80	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Member Agency Administered Passthru			
Revenues	0.00	150,000.00	0.00%
Expenses	0.00	150,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	18,026.00	205,000.00	8.79%
Expenses	18,026.00	205,000.00	8.79%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	52,474.23	432,000.00	12.15%
Expenses	52,474.95	432,000.00	12.15%
Excess of Revenues over Expenditures	(0.72)	0.00	
CII Rebate Program			
Revenues	212,190.00	325,000.00	65.29%
Expenses	212,190.00	325,000.00	65.29%
Excess of Revenues over Expenditures	0.00	0.00	
Large Landscape Survey			
Revenues	200.90	30,000.00	0.67%
Expenses	0.00	30,000.00	0.00%
Excess of Revenues over Expenditures	200.90	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru August 2016

	Year to Date Actual	Annual Budget	% Used
Indoor-Outdoor Survey			
Revenues	0.00	3,500.00	0.00%
Expenses	6.78	3,500.00	0.19%
Excess of Revenues over Expenditures	(6.78)	0.00	
Turf Removal Program			
Revenues	264,518.30	1,750,000.00	15.12%
Expenses	313,186.54	1,750,000.00	17.90%
Excess of Revenues over Expenditures	(48,668.24)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	57,866.48	399,751.00	14.48%
Expenses	32,413.43	399,751.00	8.11%
Excess of Revenues over Expenditures	25,453.05	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	121,210.00	0.00%
Expenses	14,365.52	121,210.00	11.85%
Excess of Revenues over Expenditures	(14,365.52)	0.00	
WUE Projects			
Revenues	605,328.66	4,263,738.14	14.20%
Expenses	642,669.74	4,263,738.14	15.07%
Excess of Revenues over Expenditures	(37,341.08)	0.00	
WEROC			
Revenues	175,455.00	300,780.00	58.33%
Expenses	37,664.34	293,780.00	12.82%
Excess of Revenues over Expenditures	137,790.66	7,000.00	



CONSENT CALENDAR ITEM

October 19, 2016

TO: Board of Directors

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

Robert J. Hunter, General Manager

STAFF: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Sr. Executive Assistant

SUBJECT: RECORDS MANAGEMENT POLICIES

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve the following:

- 1) The Trustworthy Electronic Records Policy; and
- 2) Electronic Mail (E-Mail) Policy; and
- 3) Revisions to the Administrative Code, as presented.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

As part of the District Records Management Program goals established for 2016, to improve the current District Records Management Program processes and procedures, staff has been working with Records Management Consultant Diane Gladwell of Gladwell Governmental Services. One of the first steps in this process was to revise the District's Retention Schedule which was approved last month (September). The next step is establishing processes and procedures on how to handle files, official district records and e-mails. Based on its evaluation of the policies and current District practices, staff is proposing the following:

Budgeted (Y/N): Y	Budgeted amount: \$72,900	Core X	Choice __
Action item amount: 0		Line item: 2000-7040-12	
Fiscal Impact (explain if unbudgeted):			

- Implementation of a Trustworthy Electronic Records Policy. This policy provides guidance on the scanning, importing, creating, modifying, or deleting information whereby the electronic document is to serve as the District's official record.
- Approval of e-mail policy that addresses how e-mails are to be handled and implements a schedule in which the District will auto-delete e-mails left in mail boxes on a routine basis. Effective January 1, 2017, the District will begin auto-deleting e-mails kept longer than 24 months and thereafter, reducing the timeline until the period has been transitioned to a 90-day retention period effective July 1, 2018.
- Revisions to the District Administrative Code to reflect proposed changes in policies and procedures.
 - Staff is recommending deletion of Section 11102 to avoid duplication, as this information is currently addressed in the recently revised Records Retention Schedule.
 - In addition, rather than including the entire policy documents in the Administrative Code, a point of contact is included where applicable, referencing the Administrative Services Manager as the point of contact for the policies.
 - In streamlining processes and procedures and improving efficiencies, staff is recommending the Records Retention Schedule not be included in the Administrative Code. This will allow for consistency in obtaining all of the policy documents from one point of contact (Administrative Services Manager) who is responsible for overseeing the District records.

Staff is recommending the Board of Directors approve:

- 1) The Trustworthy Electronic Records Policy; and
- 2) Electronic Mail (E-Mail) Policy; and
- 3) Revisions to the Administrative Code, as presented.

TRUSTWORTHY ELECTRONIC RECORDS POLICY

PURPOSE

This policy provides guidance and applies to all District employees, contractors, and volunteers of the District that are authorized to scan, import, create, modify or delete information in the District's system where the electronic document is to serve as the District's official record.

GOALS

- Legal Compliance
- Provide fast and accurate archival research capabilities and document retrieval.
- Provide disaster recovery capabilities.
- Facilitate the widest access to records in the most efficient and effective manner.
- Ensure the system is implemented with a wide access, long-term perspective.
- Avoid duplication of effort and resources

It is critical that issues affecting system administration, database integrity, security, system functionality, efficiency and end-users (which may include the public) are implemented in a consistent, well-planned manner.

DEFINITIONS

For the purpose of this policy, the following terms are defined as provided below:

ECMS: Electronic Content Management System

EDMS: Electronic Document Management System

Official Records¹: Those defined as such in applicable statutes and in business practices of the entity responsible for retaining said documents or records. In the absence of applicable statutes, official records or documents are those defined in the entity's business practices.

Records Retention Period: The length of time an official record is retained, according to the records retention schedule adopted by the District Board.

Records Series: A group of like records (see "Records Description" in the Records Retention Schedules.)

Trustworthy Electronic Records²: Those electronic records that are intended to serve as the District's official records / the final record (rather than preliminary drafts or copies, where the official record is maintained in paper / hard copy format.)

Write Once, Read Many (WORM) (unalterable) media.

POLICY

1. The District will be in full compliance with all applicable laws to ensure the integrity of official records.
2. The Administrative Services Manager is responsible for developing policies and procedures for the management of records in all media formats for the District. Written

¹ California Code of Regulations, 22620.3(h)

² California Code of Regulations, 22620, Government Code 34090.5, 12168.7, Evidence Code 1550

policies and procedures are mandated by law as one of the components required to rely on an electronic record as the “official record³” of the District.

3. Prior to relying on an electronic record as the District's official record, written procedures in compliance with this policy must be developed and followed by each department, and be approved by the Administrative Services Manager or his/her designee prior to implementation. Convenience copies and preliminary drafts are excluded from this requirement.
4. The District has purchased and supports selected system(s) (Laserfiche) as their ECMS, which serves as the repository for the District's Official Records. No department may acquire a system intended to store “Trustworthy Electronic Records,” Electronic Content Management Software, Electronic Document Imaging Software, or Workflow software without the approval of the General Manager, Administrative Services Manager and Information Technology departments.
5. Retention periods for electronic records must be designed into the software (or procedures) and approved by the Administrative Services Manager prior to commencement of any new project.
6. Whether scanning is done “in-house” (by District employees,) or “outsourced” (by contracted services,) any new records series to be imaged or which is intended to serve as the District's official record must be approved by the Administrative Services Manager prior to commencement. Coordination with Information Technology to ensure there is adequate space on the District's file servers is required prior to commencing any outsourced service bureau projects.
7. Records Management will import or scan all official records into the District's ECMS (Laserfiche.)
8. Prior to destroying the paper version of a record to rely on the image, or the electronic version of a record as the District's official record, an approval form is required to ensure compliance with the law.
9. If a system is purchased that stores electronic official records, it is essential to plan, budget, and then execute the conversion of all the documents that have been stored in an older system to the new system. The conversion is critical in complying with the Public Records Act. (If paper records have been destroyed and the conversion is not performed, the old system must be maintained and supported.)
10. The number of years that optical media lasts without deteriorating has not been proven; the quality of Optical Disks (CD-r or DVD-r) purchased affect the “life” of a disk. To ensure Optical Disks do not deteriorate, they will be “refreshed” (copied onto new media) every 10 years. If using WORM, the media and system that writes to WORM must stay current with technology, and the system must be updated at least every 10 years.

³ California Code of Regulations, 22620.3 (h) “Official documents” or “official records”

PROCEDURE

1. Ensure required approvals have been made prior to scanning, importing or creating electronic records that are to serve as the District's official record.
2. As the electronic official record is created (whether electronically generated or scanned,) the following steps must be complied with prior to destruction of the paper version:
 - a. Images have been quality checked, and contain all significant details from the original and are an adequate substitute for the original document for all purposes for which the document was created or maintained.
 - b. Indexing has been verified / quality checked.
 - c. Images have been stored on unalterable media: DVD-R, Blu-Ray-R, CD-R, WORM media or microfiche / microfilm.
 - d. The selected unalterable media has been stored in a safe and separate location.
3. Records Management Shall:
 - a. Have a template and document naming standard for each records series
 - b. Ensure the retention period for the document (as provided in the District's records retention schedule) has been provided for either in the template data or folder name. Records Series that have a permanent retention are excluded from this requirement.
 - c. Have written procedures to ensure compliance with quality checking of the images and indexes.
4. Coordinate destruction of the paper version of records with the Records Coordinator's office, if the department wishes to destroy the paper version to rely on the electronic record as the official record.

E-MAIL POLICY

Electronic telecommunications systems (e-mail, voice mail, fax systems, PDAs, Internet, etc.) are a media for transport of communication and are methods to send, receive, or temporarily store correspondence. Communications generated through these systems are not District records retained in the ordinary course of business or subject to records retention policies until the communication has been downloaded into a local file folder or printed and retained and specifically recognized as a District record.

This is the same manner in which paper mail is managed: Employees determine what is a record that needs to be retained pursuant to the District's records retention schedule, what records are preliminary drafts, copies, or non-records; and then file or dispose of the record based upon the District's records retention policies and procedures.

Retention of an e-mail, electronic, or paper record is determined because it is either (1) a legal requirement or (2) because it is necessary or convenient to the discharge of the public officer's duties, and was made or retained for the purpose of preserving its informational content for future reference.¹

E-mail is a business tool which will be used in accordance with generally accepted business practices and current law reflected in the California Public Records Act to provide an efficient and effective means of intra-agency and inter-agency communications.

These procedures apply to all employees, board members, contractors, interns, volunteers, and others when they are using District-provided electronic technology.

Users are solely responsible for the management of their mailboxes, just as they are responsible for sorting through paper mail in their in-boxes from the US Post Office or inter-office memoranda. E-mail is not a permanent storage medium and staff are expressly forbidden to use it as such. E-mail in-boxes and out-boxes shall be emptied on a regular basis, after records have been appropriately saved, as outlined in this policy.

Official Records

E-mail messages which are intended to be retained in the ordinary course of the District's business are recognized as official records that need protection / retention in accordance with the California Public Records Act. Because the e-mail system is not designed for long term storage, e-mail communications which are intended to be retained as an official record (those that are made or retained for the purpose of preserving the informational content for future reference) should be 1) saved in an electronic subject / project folder or 2) should be printed out and the hard copy filed in the appropriate subject / project file.

¹ California Attorney General's Opinion, 64 Ops. Cal. Atty. Gen. 317

Retention

The District will maintain all e-mail messages determined by staff to be official records (those that ARE made or retained for the purpose of preserving the informational content for future reference) for the period of time designated in the District's retention schedule, based upon the content of the e-mail,) by saving them electronically in a subject / project folder, or by printing and saving them in a paper subject / project file.

Professional Communications

All District policies (e.g. harassment policies) apply to electronic media. Make sure all of your communications are appropriate and are within District policy. Employees are to use professional, courteous communications, and to abide by all laws and District policies.

Deletion of E-mail

E-mail communications that are NOT required to be retained by law nor by the District's Records Retention policies, and were NOT made or retained for the purpose of preserving the informational content for future reference (preliminary drafts, notes, transitory correspondence, interagency or intra-agency memoranda not retained in the ordinary course of business,) will be deleted in accordance with the following schedule:

Effective 1/1/17:	inbox, sent and deleted items prior to 1/1/15 will be deleted
Effective 7/1/17:	inbox, sent and deleted items prior to 7/1/16 will be deleted
Effective 1/1/18:	inbox, sent and deleted items prior to 7/1/17 will be deleted
Effective 7/1/18:	inbox, sent and deleted items will be deleted after 90 days

Text Messages

Text messages regarding important District business (those that ARE made or retained for the purpose of preserving the informational content for future reference) should not be conducted via personal cell-phones, or smart devices, as they cannot be properly managed and retained. If a text contains informational content that needs to be preserved, it should be memorialized via another record (memorandum, letter, or e-mail) that is saved for its retention period (based upon the content of the record.) Employees may ask sender of important text messages to send an e-mail to their District e-mail account, or forward important text messages to their District e-mail account to ensure it is properly retained, if the content warrants it.

Forwarding E-mails

E-mails may only be sent or forwarded to appropriate persons with a need to know the information in order to conduct District business.

Use Links Rather than Attachments

To avoid multiple copies of the same document being downloaded and stored in numerous locations, employees are encouraged to use links / hyperlinks to documents rather than attachments to e-mail.

Confidential E-mail

Confidential e-mails should go only to appropriate persons with a need to know the information, and include "Confidential" on protected e-mail. Do not "interfile" e-mail or other privileged correspondence from the attorney's office with public documents (documents that are accessible to the public). These e-mails may be subject to the Attorney-Client and or the Attorney Work Product privileges, and the contents should not be disclosed without first checking with the Administrative Services Manager.

Litigation Holds / Other Types of Holds

E-mails subject to litigation (including a reasonable expectation of litigation,) claims, complaints, audits, records requests and/or investigations suspend normal retention periods (retention resumes after settlement or completion of the triggering hold).

All Records Must be Stored on District Computers

Employees shall not store official District records on removable disks (thumb drives, CDs, DVDs, etc.) or on personal computers, as it would be difficult to fully comply with the Public Records Act and properly manage the records. Employees may NOT copy District Records to personal computer equipment, disks or drives without prior permission from their supervisor.

Prohibited Uses

- Any activity prohibited by local, state or federal law
- Messages in support or opposition to campaigns for candidates for an elected office or a ballot measure
- Messages of a religious nature or promoting or opposing religious beliefs.
- Messages containing language with is insulting, offensive, disrespectful, demeaning, or sexually suggestive.
- Messages containing harassment of any form, sexual or ethnic slurs, obscenities, or any representation of obscenities.

Separation of Employees

Departments must inform both Human Resources and Information Technology as soon as an employee, volunteer, intern, or other e-mail user separates from the District. Human Resources will ensure / confirm that Information Technology knows an e-mail user has been terminated.

Information Technology shall ensure that employees that separate from the District do not have access to District e-mail on any device immediately after notification from the Human Resources Department, and that the Supervisor has access to the former employee's e-mail account.

The records stored in the e-mail account of an employee who separates shall be the responsibility of that employee's (former) supervisor. The Supervisor shall review the e-mails of the former employee, ensure the content of their e-mail account are preliminary drafts not retained in the ordinary course of business, then authorize their deletion after appropriate records are retained for their retention period, if appropriate.

E-mails that remain in an account (that are not saved in a subject / project file folder outside the e-mail system) will be deleted in accordance with District policy.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ADMINISTRATIVE CODE

RECORDS RETENTION ~~POLICY~~ /~~DESTRUCTION SCHEDULE~~ §11100-§11104

The purpose of this policy is to provide for the maintenance, retention and disposal of MWDOC's historical, administrative, legal, and financial records while complying with the legal requirements and the needs of MWDOC. All official District records should be inventoried and analyzed to ensure that valuable records are adequately preserved; and non-records and obsolete records are destroyed in accordance with the approved records retention schedule and all other applicable laws, including Government Code Sections 60200 through 60204.

§11100 ~~PERMANENT~~ RETENTION OF ORIGINAL RECORDS/~~RECORDS~~ ~~RETENTION SCHEDULE~~

Records which shall be retained permanently in their original form include resolutions, ordinances and orders of the Board, minutes of meetings of the Board, deeds, easements, records that are determined by an executive officer of MWDOC to be of very significant and lasting historical, administrative, engineering, legal, fiscal or research value and records required by law to be filed and preserved as advised by General Counsel. These records will be identified in an approved records retention schedule, which shall determine the period of time original records are to be retained by the District, including those with permanent retention. -Changes to the records retention schedule shall be presented to the Board of Directors for approval. -The attached chart, made a part of this section, should be referenced as it is more comprehensive and easier to use. See Administrative Services Manager for Records Retention Schedule.

§11101 DESTRUCTION OF ~~PAPER~~ RECORDS WHERE ALTERNATE ARCHIVING IS REQUIRED (~~TRUSTWORTHY ELECTRONIC RECORDS~~)

The following Paper records may be destroyed at any time to rely on the electronic record as the official record of the District, provided they are first archived on alternate media in accordance with the requirements of Government Code Section 60203, and imaged in accordance with laws and the District policy regarding Trustworthy Electronic Records Policy.:

- a. Records not expressly required to be preserved pursuant to state statute as advised by General Counsel;
- b. Financial records summarizing the financial status of MWDOC;
- c. Oaths of office and related materials depicting the authenticity of the appointment of any of the directors or executive officers of MWDOC;
- d. All canceled checks for payments;
- e. Any records not otherwise provided for in this chapter.

See Administrative Services Manager for Trustworthy Electronic Records Policy.

~~§11102 DESTRUCTION OF PRELIMINARY DRAFTS, COPIES AND NOTES ORIGINAL DOCUMENTS WHERE ALTERNATE ARCHIVING IS NOT REQUIRED~~

~~The following records may be authorized for destruction without archiving to alternate media when the use for such records has passed (Government Code Section 60201):~~

- ~~a. Rough drafts, notes and working papers (preliminary drafts not retained in the ordinary course of business.) accumulated in preparation of a communication, study or other document unless of a formal nature contributing significantly to preparation of a document representing the work of any department of MWDOC;~~
- ~~b. Cards, listings, nonpermanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters and tracer letters;~~
- ~~c. Copies or Duplicate records, after the officer or employee authorizing destruction of a record is certain that the original record or at least one copy thereof is available within MWDOC;~~
- ~~d. Any records, other than those included in Section 11101, whose content is substantially found in another record.~~

§11103 CUSTODIAN OF MWDOC RECORDS / DESTRUCTION OF ORIGINAL RECORDS AFTER APPROVAL

While the District Secretary is the official custodian of MWDOC records, each Department Head or Division Head shall be the custodian of records which are permanently filed in that particular department. and may determine that ~~OO~~original records, in accordance with this Code, may be destroyed only on prior approval given by the Department Head or Division Head and the District's Administrative Services Manager. Further, records that are still active and/or needed for reference may be kept beyond the time frame set forth in MWDOC's Records Retention Schedule and this Code upon prior approval by the Department Head or Division Head Administrative Services Manager.

§11104 ELECTRONIC MAIL (E-MAIL) RETENTION POLICY

E-mail messages and their attachments (which may include executable, video, and/or voice files) are records which are created, stored, and delivered in an electronic format. Similar to paper-based records, they may contain information pertaining to District business, necessitating retention and disposal in accordance with the District's rRecords Rretention sSchedule and E-mail policy. See Administrative Services Manager for policy.

~~E-mail messages which are considered transitory are preliminary drafts non-records that should not be retained after they have fulfilled their purpose. These messages do not set policy, establish guidelines or procedures, certify a transaction, or become a receipt; rather, they are informal communications with no historical significance or public importance.~~

~~Motion 10/19/05; 10/20/10~~



Item No. 6

CONSENT CALENDAR ITEM

October 19, 2016

TO: Administration & Finance Committee

FROM: Robert Hunter, General Manager

Staff Contacts: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Sr. Executive Assistant

SUBJECT: Health Savings Account Elections for 2017

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

- 1) Establish contribution amounts to the employee Health Savings Accounts (HSA) as presented in Table A; and
- 2) Establish the frequency of contributions to the participant's Health Savings Account on an annual basis at the beginning of each calendar year for existing employees, and upon eligibility for new hires on a prorated basis.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

Background:

Staff received the Health Benefits renewal information for 2017. Health insurance premiums have increased by 12% for the Anthem PPO and HMO plans, 2.41% for Kaiser, and -8.35% for the Kaiser Consumer Driven Health Plans (CDHP). Prescription drugs continue to be higher than medical claims every year, causing the premiums to have a larger incremental increases for the HMO and PPO plans.

In October 2015, the Board of Directors approved adding the CDHP to the medical plan options to eligible participants, effective January 2016. To encourage participation in this plan, JPIA has analyzed and formulated suggested contribution amounts to participant's Health Savings Account (HSA) to maximize participation and boost cost savings to the

Budgeted (Y/N): Y	Budgeted amount: \$520,131	Core <u>X</u>	Choice
Action item amount: 0	Line item:		
Fiscal Impact (explain if unbudgeted):			

District. The recommended contributions amounts for calendar year 2017 are listed in Table A:

For 2016, the District had four employees participating in the CDHP which resulted in a savings to the District of approximately \$1900. If enrollment in CDHP remains the same in 2017, the savings amount will be approximately \$3400.

Table A			
Plan	2017 Recommended Annual HSA Contributions by District		
	Employee only	Employee +1	Family
Kaiser CDHP	\$1,150	\$2,050	\$2,400
Anthem PPO CDHP	\$1,300	\$2,600	\$2,400

With the contributions listed in Table A, the following medical plan premium savings to the District would be realized, per enrollment in the Consumer Directed Health Plans:

Table B			
Plan	Annual Savings to District per Enrollee		
	Employee only	Employee +1	Family
Anthem PPO CDHP	441.39	573.07	1872.12
Kaiser CDHP	510.08	901.04	1775.76

The Board requested that this item be returned for consideration of annual contribution amounts and frequency of the distribution. The District contributions to the HSA could be made annually (at the beginning of 2017) or monthly. JPIA recommends making the contributions at the beginning of the plan year in order to encourage participation and to minimize exposure to the participant.



ACTION ITEM
October 19, 2016

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Karl Seckel

SUBJECT: DISCUSSION REGARDING ADOPTING AN OPPOSE POSITION ON PROPOSITIONS, INCLUDING PROP. 53

STAFF RECOMMENDATION

Staff recommends the Board of Directors take an oppose position on Proposition 53.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on October 17, 2016 and make a recommendation to the Board.

SUMMARY

The Board recently discussed the issue of taking a position on Proposition 53 Revenue Bonds, Statewide Voter Approval, Initiative Constitutional Amendment and recommended the Board convene during the PAL meeting to consider a position. Legal Counsel has confirmed that the Board can take a position on a Proposition, but we are not allowed to “advocate” on the position taken. We are to participate in educational discussions on such issues.

With respect to the Proposition, A YES vote on Prop 53 means that the use of State revenue bonds totaling more than \$2 billion for a project that is funded, owned, or managed by the state would require statewide voter approval. A NO vote on this measure means: State revenue bonds could continue to be used without voter approval.

Attached is the Legislative Analyst Discussion of Proposition 53 and arguments for and against and rebuttals to the Proposition.

It is recommended that the Board take an oppose position on Proposition 53.

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

Proposition 53
Revenue Bonds. Statewide Voter Approval.
Initiative Constitutional Amendment.

Yes/No Statement

A **YES** vote on this measure means: State revenue bonds totaling more than \$2 billion for a project that is funded, owned, or managed by the state would require statewide voter approval.

A **NO** vote on this measure means: State revenue bonds could continue to be used without voter approval.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact

- Fiscal impact on state and local governments is unknown and would depend on which projects are affected by the measure, whether they are approved by voters, and whether any alternative projects or activities implemented by government agencies have higher or lower costs than the original project proposal.

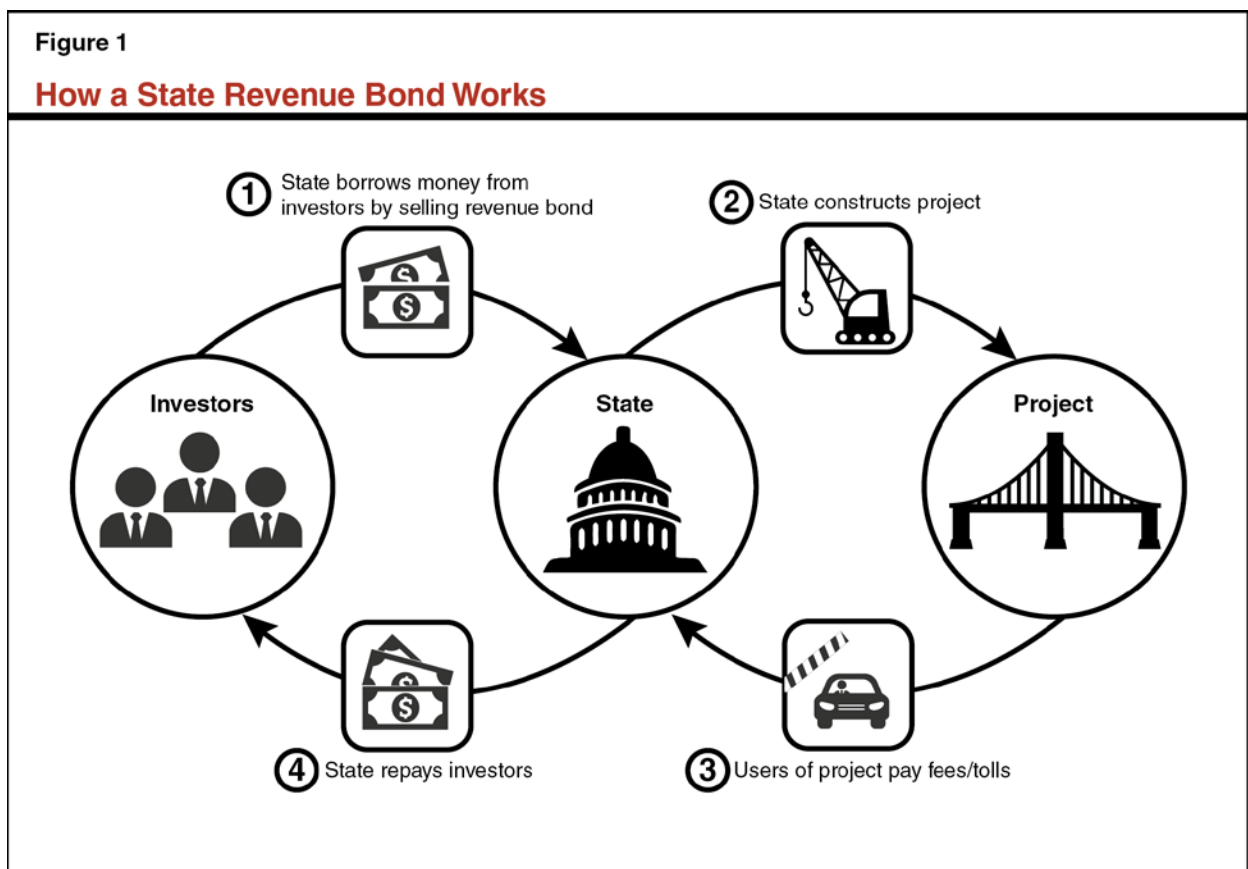
Ballot Label

Fiscal Impact: State and local fiscal effects are unknown and would depend on which projects are affected by the measure and what actions government agencies and voters take in response to the measure's voting requirement.

BACKGROUND

State Pays for Infrastructure Projects Using Cash and Borrowing. The state builds various types of infrastructure projects like bridges, dams, prisons, and office buildings. In some cases, the state pays for projects on a pay-as-you-go basis using tax revenues received each year. In other cases, the state borrows money to pay for projects, especially for larger projects.

State Borrows Money Using Bonds. The main way the state borrows money is by selling bonds to investors. Over time, the state pays back these investors with interest. The state sells two main types of bonds: general obligation bonds and revenue bonds. The state repays general obligation bonds using the state General Fund, which is funded primarily by income and sales taxes. In contrast, the state usually repays revenue bonds using revenue from fees or other charges paid by the users of the project (such as from bridge tolls). Figure 1 shows how a state revenue bond generally works. (For more information on the state's use of bonds, see the "Overview of State Bond Debt" later in this voter guide.)



Voter Approval Not Required for State Revenue Bonds. Under the California Constitution, state general obligation bonds need voter approval before the state can use them to pay for a project. State revenue bonds do not need voter approval under existing state law.

PROPOSAL

Requires Voter Approval of Certain State Revenue Bonds. The measure requires statewide voter approval of revenue bonds that meet all of the following conditions:

- ***State Sells the Revenue Bonds.*** Revenue bonds are sold by the state, as well as certain associations that the state creates or in which the state is a member. The statewide voting requirement does not apply to bonds sold by cities, counties, schools, community colleges, and special districts.
- ***Bonds Sold for State Project.*** The revenue bonds are sold for a project that is funded, owned, operated, or managed by the state. The measure also contains provisions to prevent a single project from being separated into multiple projects to avoid voter approval.
- ***Bonds for the Project Exceed \$2 Billion.*** The revenue bonds sold for a project total more than \$2 billion. Under the measure, this amount would be adjusted every year for inflation.

FISCAL EFFECTS

The measure's fiscal effects on state and local governments are unknown. It is unlikely there would be very many projects large enough to be affected by the measure's requirement for voter approval. However, for those projects that are affected, the fiscal effects would depend on what

actions the state, local governments, and voters take in response to this measure's voting requirement.

Measure Likely to Cover Relatively Few Projects

Few Projects Cost Over \$2 Billion. Relatively few state projects are likely to be large enough to meet the measure's \$2 billion requirement for voter approval. Two state projects that are over \$2 billion and might use revenue bonds are (1) the California "WaterFix" project, which would build two tunnels to move water through the Sacramento-San Joaquin River Delta; and (2) the California High-Speed Rail project. It is possible other large projects could be affected in the future, such as new bridges, dams, or highway toll roads.

Uncertain Which Projects Would Be Affected. While it is unlikely that very many projects would be large enough to be affected by the measure, there is some uncertainty regarding which projects would be affected. This is because the measure does not define a "project." As a result, the courts and the state would have to make decisions about what they consider to be a single project. For example, in some cases a project could be narrowly defined as a single building (like a hospital). In other cases, a project could be more broadly defined as including multiple buildings in a larger complex (like a medical center). A broader definition could result in more projects meeting the \$2 billion requirement, thus requiring voter approval.

How Government Agencies and Voters Respond Would Affect Costs

Government and Voters Could Take Different Actions. When a proposed project meets this measure's requirements for voter approval, governments and voters could respond in different ways. These responses, in turn, would determine the fiscal effects, if any, of this measure:

- On the one hand, if the state held an election and voters approved the project, the state could proceed with the project as planned using revenue bonds. As a result, there would be little fiscal effect from this measure.
- On the other hand, if voters rejected the project or the state chose not to hold an election as required by this measure, the state would not be able to use revenue bonds for the project. Without access to revenue bonds, the state and/or local governments might take other actions to meet the concerns the project was intended to address. They might (1) replace the large project with other smaller projects, (2) perform other activities that would reduce the need for the project, or (3) find other ways to pay for the project instead of using revenue bonds. These actions could result in either higher or lower net costs depending on the specific alternatives that governments pursued and how they compared to the original project proposal.

Some Actions Could Result in Higher Costs. Some types of government and voter response to this measure could result in higher costs for the state and local governments. For example, it could be more expensive in some cases for state and local governments to complete several smaller projects than it would have been for the state to build the original large project. This could happen if the large project was a more efficient way to meet the concerns that the project addressed.

The state also could fund a project in a different way than revenue bonds that might be more expensive. For example, the state could partner with a private company that would sell bonds to fund the project. The state would then have to pay back the private company. This could result in higher costs for the state because the private company would need to make a profit on the

project. Also, the private company would probably pay higher interest rates than the state. The private company would likely pass these higher borrowing costs on to the state.

Some Actions Could Result in Lower Costs. Other types of responses could result in lower state and local costs. For example, state and local governments might find ways to make better use of existing infrastructure. For instance, local water agencies might implement water conservation measures, which could reduce the need to build new dams or other projects to provide more water. If existing infrastructure could meet the state's needs adequately with these types of actions, there would be savings from not having to spend the money to build a new project.

The state also could fund a project in a way that might be cheaper than using revenue bonds. For example, the state could borrow money using general obligation bonds. While state general obligation bonds require voter approval, there would be some savings because they have lower interest rates than revenue bonds.

Official Voter Information Guide

PROP REVENUE BONDS. STATEWIDE VOTER APPROVAL. 53 INITIATIVE CONSTITUTIONAL AMENDMENT.

ARGUMENT IN FAVOR OF PROPOSITION 53

Proposition 53, the Stop Blank Checks initiative, is simple. It only does two things:

- 1) It requires California voter approval for STATE projects that would use over \$2 billion in state revenue bonds.
- 2) BEFORE THAT VOTE, it ensures full disclosure of the TOTAL COST of any state revenue bond project greater than \$2 billion.

Currently, other state bonds for water, school and transportation projects require voter approval. But a loophole in state law allows politicians and unaccountable state agencies to circumvent a public vote and borrow BILLIONS in state revenue bond debt for massive state projects WITHOUT VOTER APPROVAL.

Proposition 53 will STOP POLITICIANS FROM ISSUING BLANK CHECK DEBT to complete billion dollar state boondoggles. Take California's bullet train. They told us it would cost California taxpayers \$10 billion. Now we know it's going to cost more than \$60 billion! Yet, you don't have a right to vote on that huge increase!

Right now, there is NO VOTE BY THE LEGISLATURE OR THE PEOPLE required to issue these massive state mega-bonds. Unelected and unaccountable state bureaucrats have

ARGUMENT AGAINST PROPOSITION 53

PROP. 53 ERODES LOCAL CONTROL AND CONTAINS NO EXEMPTION FOR EMERGENCIES/NATURAL DISASTERS

Prop. 53 is opposed by a broad, bipartisan coalition of organizations including California Professional Firefighters, California Chamber of Commerce, California Hospital Association, firefighters, paramedics, family farmers, environmentalists, nurses, law enforcement, and local governments because it would erode local control and jeopardize vital infrastructure improvements in communities across California.

ERODES LOCAL CONTROL BY REQUIRING STATEWIDE VOTE FOR SOME LOCAL PROJECTS

Groups representing California's cities, counties and local water agencies, including League of California Cities and Association of California Water Agencies, all oppose Prop. 53. Under this measure, cities and towns that come together to form a joint powers agency or similar body with the state to build needed infrastructure could have to put their local project on a statewide ballot. That means voters in faraway regions could veto some local projects your community needs and supports—like water storage or bridge safety repairs—even though those voters don't use or care about your local improvements.

all the power and you have to pay through higher water rates or increased fees!

Proposition 53 says IF YOU HAVE TO PAY, YOU SHOULD HAVE A SAY.

Proposition 53 just GIVES YOU A VOICE, A VOTE, added TRANSPARENCY, and it HOLDS POLITICIANS ACCOUNTABLE. That's it! Read the initiative for yourself.

Proposition 53 STOPS POLITICIANS FROM LYING about the real cost of state mega-projects. Willie Brown, once the state's most powerful politician, wrote that lowballing initial budgets is commonplace with public projects. He said, "The idea is to get going. Start digging a hole and make it so big, there's no alternative to coming up with the money to fill it in."

Despite the scare tactics of the politicians, bureaucrats and corporations that feed off of the state's public debt, Proposition 53 DOES NOT IMPACT LOCAL PROJECTS, the University of California, freeway construction or needed response after a natural disaster.

Proposition 53 SIMPLY APPLIES THE LONG-STANDING CONSTITUTIONAL PROTECTION against politicians imposing higher debt without voter approval to MASSIVE STATE REVENUE BONDS.

Proposition 53 just ENSURES FULL BUDGET DISCLOSURE AND VOTER APPROVAL of state revenue bonds for California's mega-bucks projects that will affect future generations.

Join California's leading state and local taxpayer organizations, small businesses, working families and nearly one million Californians who put Proposition 53 on the ballot. Vote YES on 53!

NO EXEMPTION FOR EMERGENCIES OR NATURAL DISASTERS

California Professional Firefighters, representing 30,000 firefighters and paramedics, warns: *"Prop. 53 irresponsibly fails to contain an exemption for natural disasters or major emergencies. That flaw could delay our state's ability to rebuild critical infrastructure following earthquakes, wildfires, floods or other natural or man-made disasters."*

THREATENS WATER SUPPLY AND DROUGHT PREPAREDNESS

The Association of California Water Agencies says: *"Prop. 53 could threaten a wide range of local water projects including storage, desalination, recycling and other vital projects to protect our water supply and access to clean, safe drinking water. Prop. 53 will definitely impede our ability to prepare for future droughts."*

JEOPARDIZES ABILITY TO REPAIR OUTDATED INFRASTRUCTURE

Our communities already suffer from a massive backlog of local infrastructure needs, including improving water supply and delivery, making safety repairs to bridges, overpasses and freeways, and renovating community hospitals to make them earthquake safe. Prop. 53 will jeopardize local communities' ability to repair aging infrastructure. The California State Sheriffs' Association says: *"Reliable infrastructure is critical to public safety. This measure erodes local control and creates new hurdles that could block communities from upgrading critical infrastructure such as bridges, water systems and hospitals."*

DINO CORTOPASSI, Retired farmer

JON COUPAL, President

Howard Jarvis Taxpayers Association

JOHN MCGINNESS, Elected Sheriff
(Retired)

REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 53

Prop. 53 doesn't give you a say. Quite the opposite. Prop. 53 erodes your voice and the voice of your community. Please read it for yourself.

PROP. 53 ERODES LOCAL CONTROL BY FORCING STATEWIDE VOTES ON SOME LOCAL PROJECTS

Local government groups representing California's cities, counties and local water districts, including the League of California Cities and Association of California Water Agencies, oppose this measure, warning it could give voters in faraway regions the power to deny local projects your community needs.

PROP. 53 DOES NOT INCLUDE AN EXEMPTION FOR EMERGENCIES/DISASTERS

California Professional Firefighters warns Prop. 53's failure to contain an exemption for emergencies *"could delay our state's ability to rebuild critical infrastructure following earthquakes, wildfires, floods or other natural disasters."*

PROP. 53 WOULD JEOPARDIZE MUCH NEEDED REPAIRS TO WATER SUPPLY, BRIDGES, AND OTHER CRITICAL INFRASTRUCTURE

Prop. 53 will jeopardize your community's ability to fix aging infrastructure, including improving water supply, making bridge and

FINANCED AND PROMOTED BY MULTI-MILLIONAIRE WITH A PERSONAL AGENDA

This measure is financed entirely by one multi-millionaire and his family, who are spending millions in an attempt to disrupt a single water infrastructure project. Irrespective of one's position on that single project, his initiative has far-reaching, negative implications for other infrastructure projects throughout California. We cannot allow one multi-millionaire to abuse the initiative system to push his narrow personal agenda.

OPPOSED BY A BROAD BIPARTISAN COALITION:

- California Professional Firefighters •
- California State Sheriffs' Association •
- Association of California Water Agencies •
- League of California Cities •
- California Hospital Association •
- California Chamber of Commerce

Prop. 53 is a misguided measure that:

- Erodes local control by requiring a statewide vote on some local projects.
- Disrupts our ability to build critically needed water storage and supply.
- Contains no exemptions for emergencies/natural disasters.

[www.NoProp53.com](http://www.noprop53.com)

(<http://www.noprop53.com>)

LOU PAULSON, President

California Professional Firefighters

TIM QUINN, Executive Director

Association of California Water
Agencies

MARK GHILARDUCCI, Director

California Office of Emergency
Services

REBUTTAL TO ARGUMENT AGAINST PROPOSITION 53

freeway safety repairs, and renovating hospitals to make them earthquake safe.

PROP. 53 IS A SELF-INTEREST ABUSE OF THE INITIATIVE PROCESS

Prop. 53 is a multi-million dollar attempt to stop one single project. We cannot allow one well-financed individual to abuse the initiative process and jeopardize vital infrastructure and safety projects around the state.

PROP. 53 IS OPPOSED BY A BROAD, BIPARTISAN COALITION OF ORGANIZATIONS INCLUDING:

- California Professional Firefighters •
- California State Sheriffs' Association •
- Association of California Water Agencies • California Hospital Association • League of California Cities • Firefighters, paramedics, family farmers, environmentalists, nurses, cities, counties, local water districts, and law enforcement.

www.NoProp53.com

(<http://www.noprop53.com>)

LOU PAULSON, President

California Professional Firefighters

KEITH DUNN, Executive Director

Self-Help Counties Coalition

SHERIFF DONNY YOUNGBLOOD, President

California State Sheriffs' Association

Proposition 53 trusts voters.

Proposition 53's opponents are afraid of voters.

OPPONENTS INCLUDE SPECIAL INTERESTS WHO HAVE FOUGHT TAX REFORM FOR DECADES, EVEN PROPOSITION 13. They include insiders who profit from massive state revenue bond projects, and politicians and bureaucrats who don't trust you to decide whether to approve boondoggles like the \$64 billion bullet train and the \$6 billion Bay Bridge fiasco that now requires \$6 tolls.

IF TAXPAYERS HAVE TO PAY, THEY SHOULD HAVE A SAY! Prop. 53 holds politicians accountable by giving you a vote on state mega-projects paid for by state revenue bonds over \$2 billion. Voters will have the right to decide, just as we do with all other kinds of state bonds. And Prop. 53 finally unmask the true cost of all multibillion dollar state bonds.

PROP. 53 TRUSTS VOTERS to decide whether to approve the massive multibillion dollar increase in the bullet train's price tag.

PROP. 53 TRUSTS

VOTERS—California taxpayers—to decide by a simple majority whether to spend \$17 billion to tunnel water under the Delta to Southern California.

PROP. 53 WOULD HAVE TRUSTED VOTERS to decide whether extravagant design changes on the Bay Bridge were worth \$5 billion in cost overruns and outrageous tolls that working families can't afford.

Prop. 53 clearly exempts local projects. Read it yourself at

www.YESon53.com

(<http://yeson53.com>).

The Sacramento Bee said Prop. 53 won't hurt disaster relief because " . . . *emergency repairs are traditionally paid for by the federal government or other sources—not revenue bonds.*"

IF YOU TRUST TAXPAYERS AND VOTERS more than lobbyists, politicians and bureaucrats, VOTE YES ON PROPOSITION 53!

JON COUPAL, President

Howard Jarvis Taxpayers Association

KAREN MITCHOFF, Contra Costa County Supervisor

MAURY HANNIGAN, California Highway Patrol Commissioner (Retired)

Arguments printed on this page are the opinions of the authors, and have not been checked for accuracy by any official agency.



ACTION ITEM
October 19, 2016

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Karl Seckel

SUBJECT: DISCUSSION REGARDING ADOPTING SUPPORT POSITION ON THE CALIFORNIA WATER FIX

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt a general support position for the California WaterFix, but that we also note that changes in the project costs or supply development could result in changes to this position as additional information becomes available.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on October 17, 2016 and make a recommendation to the Board.

SUMMARY

The Board recently discussed the issue of taking a position on the California WaterFix and recommended the Board convene during the PAL meeting to consider a position. During the recent discussions, the following comments were provided:

- Much is known about the design and intent of the California WaterFix, but much remains to be determined, especially with respect to the financing.
- The modeling study from the OC Water Reliability Study quantified the impact the California WaterFix has on future water reliability for MET and Orange County and concluded that:
 - Orange County should continue to support and strongly advocate for the implementation of the California WaterFix, as it represents the most cost-effective large-scale reliability solution to improving regional water supply reliability and hence the reliability for Orange County. The supply analyses herein assumed that the California WaterFix results in “recovery” of historical supplies in the amount of 440,000 afy on average. Changes in the project costs or supply development could result in changes to this recommendation.

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

- Although the California WaterFix is the lowest-cost solution to improving regional supply reliability, there are multiple other paths to achieve reliability if this project is not implemented as planned.
- MWDOC has been using the information from the OC Water Reliability Study to urge general “support” for the California WaterFix, especially given that there is a lot at risk in the overall delta area that needs “fixing”, besides the water management. There is quite a large consensus that the delta is in an unsustainable position and needs to be “fixed” to deal with the many competing interests for the future, especially with regards to ensuring the area is sustainable for the long run and that the fisheries declines are dealt with via restoration of habitat areas to improve the future health.
- It was noted that the Metropolitan Water District of Southern California Board has not yet taken a position on the California WaterFix although both the MET Board and the MWDOC Board supported the preferred alternative 4 under the Bay-Delta Conservation Plan EIR in 2013 and both Boards supported alternative 4A under the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/ California WaterFix released on July 10, 2015 (see attached). Please also note that on July 24, 2014 MWDOC submitted its formal comments on the BDCP Draft EIR/EIS and attached that document to our comment letter on the California WaterFix comments as part of the official CEQA/NEPA record (attached).
- The Board could take an outright support position or a “conditioned” support position. A “conditioned” support would provide qualifiers or conditions on the Board’s ultimate approval or support for the project and could include conditions on the yield or costs. The conditions could be specific or general. Examples of conditions could include:
 - We have typically looked at the combined exports by the CVP and the SWP as being the yield of the project and we have typically looked at restoring exports to the pre-Biops levels of being in the range of 4.7 to 5.3 MAF or above. We have also noted that without needed investments, the total exports could decline to 3.5 MAF or even less. A condition could be placed on the total exports being at a particular level or above. Typically, we have not conditioned our support on a specific quantity of yield.
 - The cost of yield from the project has been analyzed in many ways. A general condition could be that the cost of yield from the SWP shall not be more than _____ (to be defined). The condition would have to be written in a manner to define both the numerator and denominator in the calculation of the cost of the yield from the project. Typically, we have not conditioned our support based on a specific cost of the yield.
 - Some would view that pre-defining the yield or costs could expose our negotiating position and/or it could hamper future discussions.

It is recommended that the Board take a general support position for the California WaterFix, but that we also note that changes in the project costs or supply development could result in changes to this position as additional information becomes available.



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Serrano Water District
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Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

October 21, 2015

BDCP/California WaterFix
Comments
P.O. Box 1919
Sacramento, CA 95812

Dear BDCP/California WaterFix:

**Subject: Recirculated Draft Environmental Impact Report/
Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS)**

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the partially Recirculated Draft Environmental Impact Report/Supplemental Draft Environmental Impact Statement (RDEIR/SDEIS) for the Bay Delta Conservation Plan/California WaterFix released on July 10, 2015. Please note that on July 24, 2014, MWDOC submitted its formal comments on the BDCP Draft EIR/EIS and has attached that document to this letter as part of the official CEQA/NEPA record.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of the Metropolitan Water District of Southern California (Metropolitan). Its service area covers all of Orange County with the exception of the three original Metropolitan member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the "Three Cities" coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of over \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011. In addition, Orange County is a major regional employment, higher education and tourism center.

MWDOC's mission is "to provide reliable, high-quality water supplies from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County." This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy. MWDOC strongly supports the state and federal effort under the BDCP/California WaterFix to enhance the reliability of State Water Project (SWP) supplies and bring stability to Delta exports over the long term. Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. Orange County is an acknowledged national leader in water recycling and reuse and leads the Metropolitan service area in the development of highly reliable drought proof supplies and has a long history of aggressive implementation of water conservation. Despite the extensive diversification of Orange County's water supply portfolio, we specifically rely on the SWP to meet demands as well as to support groundwater conjunctive use programs and large scale water recycling programs - it is an essential part of our regional and local water reliability strategy. We have seen very clearly the vital role storage reserves and reliable local water supplies have played in this current unprecedented four-year drought. It will be even more important in the future as California copes with climate change and the potential for seismic and other emergencies.

General Comments

1. MWDOC supports the water supply facilities as described in the Modified Proposed Alternative 4A.

- New intakes in the northern Delta on the Sacramento River would provide the ability to capture increased flow in wet and normal years and address reverse-flow conditions in the southern Delta that are a result of relying solely on the operation of the existing south delta pumping.
- The proposed twin-tunnel conveyance system would not only enhance water supply reliability and provide much needed stability to State Water Project deliveries it would also protect the people and economy of California from long-term catastrophic threats such as seismic events and adapt the state's backbone water supply system to deal with the anticipated effects of climate change and sea level rise.
- Expected water quality improvements in SWP supplies from the new water facilities described in Alternative 4A will result in reduced salinity, total organic carbon and bromide providing water quality benefits to consumers and promoting water recycling and reuse in Orange County and Southern California and improving the salinity balance in groundwater basins accessing this water. The latter issues are key to the successful implementation of the Governor's Water Action Plan.
- Proposed project modifications identified in the RDEIR/SEIS to consolidate intake

pumping into a single facility in the southern Delta on SWP property near Clifton Court Forebay further reduces the physical footprint of the Project and is responsive to concerns expressed by Delta communities and compatible with existing land use activities.

2. **MWDOC continues to support sound science and adaptive management as key strategies in enhancing the reliability of State Water Project operations and also supports efforts to improve real-time monitoring to protect both threatened natural fisheries and water supply reliability.**
3. **Implementation of Alternative 4A requires a significant investment by water supply agencies and their ratepayers. That investment continues to require greater certainty in regulatory assurances and participative management inclusive of the water supply contractors.**
 - The RDEIR/SEIS proposes a significant change in the approach to permitting and achievement of the legislatively mandated co-equal goals of eco system restoration and water supply reliability. MWDOC still believes its ratepayers' investment requires that the Final Plan address the issues of regulatory assurances and greater certainty of SWP deliveries.
4. **The MWDOC Board of Directors has specifically raised a concern with the project schedule for the California WaterFix, which currently appears headed towards an operational date of 2031, thereby leaving 16 years and \$15 billion of uncertainty for a water system underpinning a \$2 trillion dollar state economy.**
 - While the Board realizes a project of this magnitude cannot be implemented immediately, every effort should be made to initiate early actions and to approach contracting in a manner that provides incentives for early completion; procurement of long lead time specialty items, including the Tunnel Boring Machines, should be pursued. If DWR has limitations on its contracting flexibility, these should be resolved via administrative or legislative methods or the contracting should be delegated to others, with the overall goal of advancing the completion date. Furthermore, once the funding commitment has been made for the construction phase, regulatory flexibility should be implemented to improve reliability of supplies until such time as the construction has been completed and the operations of the WaterFix begins.

MWDOC offers the following additional, more specific, comments on the RDEIR/SEIS:

Water Supply Reliability. The primary reliability benefit of a north delta diversion is the ability to capture increased flow in wet and normal years when compared to the existing south delta pumps only. Capturing this increased flow in those years is critical to the foundation of Southern California's dry year strategy, reliable local supplies and storage. The current four year drought and the previous 2008-2010 drought clearly demonstrated the importance of investments made by Metropolitan in storage. It also highlighted the value of groundwater basins in Orange County and elsewhere in the Metropolitan service area as a storage asset that could reduce the demand for imported supplies in dry years. Being able to maintain high levels of storage in Metropolitan's system and in conjunctive use groundwater

basins of its member agencies is dependent on maximizing SWP supplies during those wet and normal years when the system is much less stressed. The Final EIR/EIS should provide additional information on yield, operating criteria and the benefits of real-time operations in contributing to increasing the amount of water supply yield. This is critical information needed in planning to optimize all storage assets in southern California and enhance reliability during the inevitable prolonged dry periods that will occur. The Final EIR/EIS should also include a discussion in the No Action Alternative of the likelihood and future effects on SWP operations of further fish protection restrictions, i.e., high outflow operating criteria, and its effect on water supply yield and water quality in the absence of implementation of the Preferred Alternative.

Change in Regulatory Approach. An important factor in the BDCP and its achievement of the co-equal goals was that it sought to provide more stable and reliable SWP supplies through obtaining a 50 year permit for water supply operations under Section 10 of the ESA and the Natural Communities Conservation Planning Act (NCCPA) under CESA. The change in permitting approach through ESA Section 7 and CESA Section 2081(b) is a more standard permitting path but one that contains less certainty and assurances on future requirements. A final plan should include formalized agreements between the permitting agencies and the permit holders that provides a participatory role for the involvement of the permit holders and water contractors in operational decisions. This formal agreement can take the form of an MOU identified in RDEIR/SEIS and include the Adaptive Management approach of the BDCP and the reliance on collaborative science to adjust to actual conditions and make operational decisions jointly with the permit holders. The final plan should include an MOU or other form of agreement that seeks to incorporate the "No Surprises" rule and regulatory assurances that are similar to those contained in *Safe Harbor Agreements* for listed species and *Candidate Conservation Agreements with Assurances* for currently unlisted species. These arrangements are regularly used with landowners as a means to better manage lands for habitat conservation and species protection. MWDOC strongly believes that the final plan should include these formal mechanisms that provide assurances, guarantees and participative management that reflect the intent of the BDCP and can be obtained under ESA Section 7 and CESA Section 2081(b).

Habitat and Mitigation. Under the BDCP, water conveyance facilities and habitat enhancement and restoration were linked in the same permitting process. Under the modifications of the permitting process contained in the RDEIR/SEIS, they have been delinked and the total amount of habitat acreage has been significantly reduced. While overall habitat acreage has been reduced, the amount of habitat and mitigation related to construction of the water conveyance facilities under the modified Preferred Alternative 4A has substantially increased from the amount identified under the BDCP. Under the BDCP, mitigation for direct impacts of the water conveyance facilities was significantly less than the 16,000 acres identified in Alternative 4A. Under the BDCP, water conveyance facilities (CM1) had cost responsibility for a share of habitat mitigation occurring under several of the other conservation measures (CMs 2-22). It was understood that the basis of the quantification of acreage for habitat enhancement assigned to the water suppliers was linked to the physical impacts resulting from the construction of the water conveyance facilities under CM1. Preferred Alternative 4A has a smaller construction footprint than was contemplated in the BDCP DEIR/EIS yet the amount of mitigation acreage has substantially increased. The final EIR/EIS should provide a clear explanation of how the 16,000 acres was arrived at, specifically detailing in easily understood table(s), the direct and indirect

October 21, 2015

impacts associated with water conveyance facilities and how the total mitigation acreage was derived. If the mitigation acreage is in excess of the physical impacts of the Project, then the Final Plan should indicate the rationale as to why it is the financial responsibility of the water supply contractors.

Thank you for your time and consideration of these comments. MWDOC looks forward to a Final Plan and Final EIR/EIS being released by the Lead Agencies that addresses our comments. If you should have any questions, please do not hesitate to call me at (714) 593-5026.

Sincerely,



Robert J. Hunter
General Manager

enclosure



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July 24, 2014

Via Email: BDCP.comments@noaa.gov

BDCP Comments
Ryan Wulff, National Marine Fisheries Services
650 Capitol Mall, Suite 5-100
Sacramento, CA 95814

Dear Mr. Wulff,

Subject: Comments of the Municipal Water District of Orange County on the Draft Public Review Bay-Delta Conservation Plan (BDCP), Draft Environmental Impact Report/Environmental Impact Statement, and Draft Implementing Agreement

SUMMARY OVERVIEW

The main points covered in this comment letter are:

1. MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes the No Action Alternative: It is critical to the state's economy and environment that both the State and federal government expeditiously follow through with the decision for adopting and implementing the BDCP.
2. Co-Equal Goals: The BDCP must be implemented in a manner consistent with the co-equal goals adopted by the State. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.
3. New Facilities and In-Delta Operational Flexibility: The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cubic feet per second (cfs) three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.

4. Reduced Future Reliance: The 2009 Delta legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent "self-reliant". While efforts in these areas will continue, it is important to note that "reduced reliance" does not equate to and was never intended to require a move to 100 percent "self-reliance" and the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions.
5. Plan Implementation and Regulatory Assurance: The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals.
 - a. To us, this means that it is virtually impossible to predict the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.
 - b. Furthermore, this means that changed circumstances under the operation of the BDCP, including the potential for new species listing, be incorporated in such a manner to result in a minimum impact on future water supply exports.
 - c. At this time, the Implementing Agreement, whose purpose is to establish the obligations of the parties toward implementation of the plan, has not been advanced for public review. We would request that the agreement be circulated for public comment.
6. Cost Allocation: MWDOC supports the "beneficiary pays principle" in cost allocation for all responsible parties and beneficiaries.
7. Economy, Environment and Water Management: The State Water Project (SWP) is critically important to the Orange County economy, environment and water management. Implementation of the BDCP is critical to Orange County's future.
 - a. Orange County has invested heavily to diversify our water portfolio but the SWP remains a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
 - b. Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs - it is an essential part of our water reliability strategy that sustains our citizens and businesses.

- c. We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Detailed comments follow:

INTRODUCTION OF FULL COMMENTS

The Municipal Water District of Orange County (MWDOC) is pleased to submit comments on the Draft Bay Delta Conservation Plan (BDCP) and Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Please note that our comments on the BDCP and Draft EIR/EIS interchangeably use the terminology "BDCP", "BDCP process", "the Bay-Delta Fix" and the "decision-making process" to reflect the entire suite of efforts and decisions in a comprehensive manner.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource-planning agency governed by a publicly elected seven-member Board of Directors. MWDOC is the third largest member agency of Metropolitan Water District of Southern California (MET). Its service area covers all of Orange County with the exception of the three original MET member cities of Anaheim, Fullerton, and Santa Ana. MWDOC and the "Three Cities" coordinate water management planning. MWDOC serves Orange County through 27 cities and water agencies and one investor owned utility, including the Orange County Water District who manages the Lower Santa Ana River Groundwater Basin.

MWDOC's mission is "to provide reliable, high-quality supplies [of water] from Metropolitan and other sources to meet the present and future needs [of Orange County] at an equitable and economical cost, and to promote water use efficiency for all of Orange County." This mission is implemented through coordinated water management and planning with appropriate investments in water use efficiency, water supply development, system reliability improvements and emergency preparedness. Our mission is supported by collaboration with our member agencies and through public outreach, water education, and legislative advocacy.

MWDOC strongly supports the BDCP Preferred Alternative (No. 4) and opposes the No Action Alternative; It is critical to the state's economy and environment that both the State and federal Government expeditiously follow through with the decision for adopting and implementing the BDCP.

MWDOC strongly supports the BDCP Preferred Alternative (No. 4) with the expectation that the State and federal government will move steadily forward with its adoption by issuing the Record of Decision and Notice of Determination by the end of this year, and by implementing the Preferred Alternative in accordance with the BDCP schedule.

We compliment the State and federal agencies and stakeholders in developing a thorough, comprehensive and balanced BDCP Preferred Alternative that will help achieve the co-equal goals of ecosystem restoration and water supply reliability. It is vital that the State of California and Federal Government follow through with this tremendous effort in collaborative planning as it is a once in a lifetime opportunity to resolve the long-standing Delta problems, and the cost of no action is too high. Our expectations are that the approximate \$25 billion investment to implement and carry out the BDCP will result in greater certainty in California's water supply reliability, will make measurable improvements in water quality, and will restore significant environmental values in the Delta. The Preferred Alternative appropriately achieves the proper balance between the environmental needs of the Delta watershed with the water supply reliability needs of the entire State of California.

In spite of the world-class efforts of Orange County to provide greater water supply certainty for eight percent of California's population and the \$200 billion economy they represent, Orange County remains dependent on imported water to meet approximately 45 percent of our average annual demand, with the SWP deliveries from the Delta meeting approximately half of those needs. The Delta ecosystem and water supply conveyance problems have long been recognized, and have remained in a continuing state of degradation, conflict, and stalemate. Many years and hundreds of millions of dollars have been spent on study efforts while the delta system continues to be used for water conveyance in a manner for which it was not intended. The longer it takes to begin the resolution, the more expensive it will become. This stalemate has been punctuated by droughts, floods, economic losses, environmental degradation and litigation every decade since the construction of the SWP in the 1960's. We can no longer delay action in the Delta, and urge the State and federal government to quickly move forward with the Preferred Alternative. Failing to act and move forward is not an acceptable alternative.

MWDOC also supports the proposed governance and implementation structure for the BDCP, as the large-scale Habitat Conservation Plan and Natural Community Conservation Plan (HCP/NCCP) to be formed under federal and state Endangered Species Act (ESA). Using the HCP/NCCP governance structure proposal will ensure that

all of the project's environmental and water supply reliability goals and objectives are realized.

The bottom line is that the BDCP Preferred Alternative (No. 4) offers the best solution to achieve greater supply certainty and the governance structure to provide necessary regulatory assurances. Moreover, it provides for a sustainable and balanced solution to achieve the State's policy of co-equal goals.

COMMENTS ON THE DRAFT BDCP AND DEIR/DEIS

Co-Equal Goals: The BDCP must be implemented in a manner consistent with the State policy of co-equal goals. Preferred Alternative (No. 4) is consistent with the Delta Reform Act of 2009's co-equal goals.

The BDCP and Preferred Alternative (No. 4) should be adopted and implemented because they comply with State law and the Sacramento-San Joaquin Delta Reform Act of 2009. The Delta Reform Act establishes one of the basic state goals for the Delta as seeking to:

“Achieve the two coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.” Ref: California Public Resources Code Section 29702(a).

The BDCP and the Preferred Alternative balance the co-equal goals established by the Legislature in the Delta Reform Act by proposing to improve 145,000 acres of Delta habitat and permitting new conveyance facilities which will provide operational flexibility and will improve water supply reliability from the Delta.

While some critics of the BDCP have claimed that the plan unduly favors water supply interests and will permit State Water Contractors to export more water than is currently allowed, the BDCP and the Preferred Alternative do not provide a greater amount of water for export. The BDCP estimates that the average water supplies available for export will be 4.7 million acre-feet (MAF) to 5.6 MAF per year. This is the same average currently permitted for export through the Delta today.

The Delta Reform Act of 2009 established the State policy of co-equal goals to provide a more reliable water supply and to protect, restore and enhance the Delta ecosystem. Orange County's primary interests in the successful implementation of the BDCP are:

1. Restoration of SWP supply to pre-2008 capabilities before imposition of the 2008 Delta smelt and salmon/steelhead biological opinions,
2. Assurances that the BDCP will provide greater supply certainty into the future without further significant mandated reductions in exports due to endangered species issues without a fair and balanced procedure, and
3. Protection of the export supply from both catastrophic outages to the Delta levee system from earthquakes and floods and from long-term sea level rise.

While the project will not expand average annual exports, it will provide certainty in the water supply, protect export supplies from catastrophic outages, and allow for a "big gulp, little sip" approach to beneficiaries. Construction of a new north Delta intake for the SWP and Central Valley Project (CVP), a significant investment for beneficiaries, would protect this critical supply from earthquake, flood and seawater intrusion risks. It also would restore a greater level of export supply certainty and reliability by providing operational flexibility that will minimize environmentally damaging south Delta diversions and reverse flows. The "big gulp, little sip" approach will allow for greater exports when excess river flows would normally discharge to the ocean and smaller, but consistent and predetermined export levels when Delta flows at normal or lower than normal levels. This approach makes sense and helps mitigate the impact of the 2008 opinions, but not at the expense of the environment.

New Facilities and In-Delta Operational Flexibility: *The modernization of the Delta conveyance system is essential in order for habitat restoration and conservation to have its intended effect; Preferred Alternative (No. 4), which incorporates the 9,000 cfs three intake, twin tunnel conveyance system, provides the best balance between operational flexibility and modernizing the conveyance system for environmental benefit and water supply reliability.*

The 9,000 cfs three intake, twin tunnel conveyance system will add a new point of diversion in the north Delta area which will provide operational flexibility in how water is conveyed across the Delta. This will mitigate entrainment of fish under the current south Delta operations and will significantly curtail reverse flows. In addition, an improved conveyance system will allow the Delta to operate more naturally by minimizing conflicts between fish and water operations. This will better enable conveyance of high flows while minimizing fishery impacts. The project would substantially reduce the take of endangered species and would protect exports from earthquake, flood and sea level rise into the future. We strongly support this foundational conservation element of the BDCP, and believe that the Proposed Alternative (No. 4) proposes the best option for modernization of the conveyance system.

Proposed Alternative (No. 4) provides the best option for operational flexibility, and will allow for the "big gulp, little sip" approach. Southern California has made significant investment in water storage and conveyance facilities, such as the Diamond Valley Reservoir, Inland Feeder and groundwater storage facilities, to allow conjunctive use storage during periods of high flows in the system. Implementation of the Preferred Alternative (No. 4) will enable a more efficient and protective location for diversion of high flows for downstream storage and subsequent dry period use than the current system can provide.

The three proposed screened intakes in the northern Delta and proposed twin tunnels, combined with the enlarged and improved SWP Clifton Court forebay intake in the southern Delta, will provide the necessary flexibility to greatly reduce conflicts between fish and water operations. Reliance solely on the existing system is not sustainable and would cause significant long-term harm to the fishery as well as adverse impacts on SWP deliveries, as has occurred since 2008. The screened intakes proposed by BDCP in the northern Delta will significantly mitigate reverse flows and south Delta diversion impacts. The Preferred Alternative (No. 4) will enable a more natural flow pattern through the Delta estuary.

The existing system is vulnerable to future sea level rise. Salinity intrusion, especially during extended dry periods, will worsen with sea level rise. With sea level rise, the ability of the existing system to meet the co-equal goals will be increasingly difficult. The Preferred Alternative (No. 4) system will help mitigate future salinity risks to water supply. In addition, the projected change in precipitation patterns to increasing rain and decreasing snow will limit the time availability windows for diversion and capture of available river flows. This change will require increased diversion rates and storage during periods when higher flows occur. This should be a recognized benefit of the BDCP and placed within its climate adaption strategy.

The Preferred Alternative (No. 4) should also provide facility protection from major flood events, up to a 200-year storm event. This will require establishing protective elevations at the Clifton Court Forebay as well as providing similar levels of protection at the recommended new north Delta diversion facilities. 200-year storm protection should be included in the BDCP.

The 9,000 cfs three intake, twin tunnel conveyance system would also protect the critical SWP and CVP supplies if massive Delta island levee failures should occur in the future from a major earthquake. The body of independent scientific evidence of the seismic risks in the Delta is growing. The best available science and engineering analysis of the Delta levee system has found that a major earthquake in the region would likely cause massive soil liquefaction, and failure of numerous levees resulting in relatively rapid seawater intrusion into Delta waterways and saltwater flooding of many islands. Under this scenario, SWP and CVP deliveries would be interrupted and

significantly curtailed for up to three years resulting in severe economic damage to the state. The best available temporary solution would be a patchwork levee "pathway" that could only deliver a fraction of traditional supplies in the best-case scenario.

Seismic preparedness is crucial for this vulnerable segment of the statewide water delivery system, especially in the intervening years prior to completion of the tunnel system. The new northern Delta intakes and twin tunnels will protect future SWP deliveries and the economy of the state— providing a valuable insurance policy to improve the reliability of the system from natural disasters. Delays in implementation of the BDCP should be avoided and the project implementation should be expedited. Approvals should not be unreasonably withheld.

Reduced Future Reliance: *The 2009 Delta Legislation called for water agencies to reduce future reliance on the Delta, not to become 100 percent "self-reliant". The 2009 water package called for both reduced reliance and construction of improvements in the Delta.*

As part of the 2009 Delta legislation, water agencies are required to reduce their future dependence on the Delta. Over the past several years, agencies have worked to improve water use efficiency, develop alternative local supplies, and reduce their dependence on the Delta by changing the timing of water exports. These efforts are in compliance with California's policy "to reduce reliance on the Delta in meeting California's future water supply needs through a statewide strategy of investing in improved regional supplies, conservation, and water use efficiency." Ref: California Water Code Section 85021.

While efforts in these areas will continue, it is important to note that "reduced reliance" does not equate to and was never intended to require a move to 100 percent "self reliance." The 2009 Delta legislation did not intend or envision reduction or elimination in water exports from the Delta, but balanced the need for all of California to use its water resources wisely, and to reduce future pressures on the Delta ecosystem from future population and economic growth in the State.

We have grown concerned over references to "self-reliance" as this is markedly different than "reduced future reliance," which was the intent of the law. The concept of "self-reliance" is troubling as the notion of co-equal goals was never intended to result in a future with significant reduction in exports from levels achieved before the 2008 bio-opinions. We would question whether this line of reasoning seeks to establish the pretext for ever-declining yields out of the SWP and ever increasing unit costs, further stranding imported supply investments onto our ratepayers and fundamentally damaging our ability to continue to optimize our local resources (i.e. salt management in recycled water and groundwater basins).

It is our considered opinion that both improvement in supply that should be expected from the BDCP implementation and new local resource developments are necessary, as well as other longer-term federal/multi-state supply and conservation projects if we are to secure and improve our water and economic future for the benefit of a growing population.

The recently released California Water Action Plan promotes increasing self-reliance through several measures, including providing a more reliable water supply that protects export supplies from catastrophic outages from earthquakes, major floods and rising sea levels. The California Water Action Plan focus highlights the importance of the BDCP to improve operational flexibility, protect water supplies and water quality, and restore the Delta ecosystem within a stable regulatory framework. It also goes on to state that as the Delta ecosystem improves in response to the implementation of the BDCP conservation measures, water operations would become more reliable, offering more secure water supplies. These are laudable goals of the BDCP, including restoration of export water supplies to levels that were realized before the 2008 biological opinions.

It is now time for the State and federal government to achieve the 2009 legislation's co-equal goals of improving water supply reliability and ecosystem function by implementing the BDCP.

Plan Implementation and Regulatory Assurance: *The BDCP must provide the needed implementation and regulatory structure and assurances to achieve the co-equal goals as established by the State. MWDOC submits the following comments related to plan implementation, governance and assurances.*

Regulatory Assurances

It is important to establish a more stable regulatory environment, which is one of the key goals of the BDCP. The BDCP offers a clear choice between a stable future and today's ineffective and adversarial species-by-species approach to regulation and ESA enforcement under Section 7 of the ESA. Under the BDCP, ESA regulations and provisions of the HCP/NCCP would provide for regulatory and economic assurances, and greater certainty for public water supply and fish and wildlife agencies. The core Adaptive Management and Monitoring program is encouraged and should help to realize achievement of the co-equal goals. It is virtually impossible to ascertain and predict with any precision the outcome of the BDCP habitat restoration efforts and endangered species population dynamics, and such a standard should not be required in the DEIR/DEIS.

The BDCP must provide regulatory assurances commensurate with the significant investment to be made in both improved habitat and facilities. We generally concur

with BDCP Chapter 6 Plan Implementation structure and process. It is important that under the operation of the BDCP the identified changed circumstances, including the potential for new species listing, be incorporated within the BDCP with minimum impact on future water supply exports.

Further, it is likely that unforeseen circumstances will be caused by factors other than water diversions. The plan recognizes this under Section 6.4.1 which states "... if unforeseen circumstances occur that adversely affect species covered by an HCP or NCCP, the fish and wildlife agencies will not require additional land, water or financial compensation or impose additional restrictions on the use of land, water or other natural resources." These provisions must be retained to assure fairness in the process.

Balancing and Proportionality

In the discussion of Alternatives 4, 7 and 8 in DEIR/EIS Chapter 31 (starting at line 42, pg 31-7 and ending at line 32 on pg 31-8), the rationale for the Preferred Alternative (No. 4) is provided in terms of its balancing and proportionality between upstream salmonids, in-Delta species, and export area economy and environmental needs. In addition, the incidental take limits (ITL) should be set in some proportion to the population size of the listed species and should be adjusted accordingly based on population dynamics.

This section further indicates that Preferred Alternative (No. 4) would be subject to the "scientific decision tree" mechanism to "...ensure minimization of adverse environmental effects to water exports in response to changing conditions and evolving scientific information." It is our understanding that the scientific decision tree analysis process would apply only to the Delta smelt (fall outflow issue from 2008 USFWS Biological Opinion "Reasonable and Prudent Alternative") and Longfin smelt (spring outflow operations effects) (CM1). We would hope that improved data collection of the presence and abundance of these fish be monitored over a reasonable habitat range rather than be limited to historical sampling points and procedures. We also recommend that flow changes must also be based on balancing and proportionality to the maximum extent practicable between upstream salmonids, in-Delta, and export area economy and environmental needs.

Sound Science

Sound science is critical to the success of the BDCP. We strongly support the inclusion of independent scientific investigation and research to be included in the BDCP process. The current process of reliance on agency staffs and consultants, the Delta Science Program, and independent science review panels, is very good, but it can further benefit from the inclusion of scientific investigations by researchers not part of these groups. We are also concerned that the models being used for the effects analyses may not fully consider all elements of the BDCP, as the models have recognized limitations and would

likely underestimate the benefits of the BDCP. Outside expert opinions and independent research can only help the process and the process should be open to the inclusion of new scientific data and findings.

We note on page pg 31-8 the statement "Although Alternatives 7 and 8 do not include operations based on the (scientific) decision tree concept, these two alternatives would include greater levels of guaranteed spring and fall Delta outflows, which have demonstrated strong correlations with increased abundances of Delta and Longfin smelt." We disagree with this assertion and do not believe this has been supported at an accepted scientific level. This statement should be clarified for each species where it occurs in the BDCP and DEIR/EIS. Only necessary outflows for migrating fish should be required.

***Habitat Conservation Plan (HCP)/Natural Community Conservation Plan (NCCP)
Structure and Governance***

Establishing an HCP/NCCP in the Delta is the best vehicle for achieving the Delta's co-equal goals, and providing assurances that both environmental protection and water supply reliability will be achieved.

It is important that the BDCP is being developed as a 50-year habitat conservation plan with the co-equal goals of restoring the Delta ecosystem and securing California water supplies. A habitat conservation plan is a proper vehicle for reaching these co-equal goals because it will bring the interested parties to the same table, and establish clear operating rules and conservation measures for the 50-year term proposed in the BDCP and its associated EIR/EIS. It is also important to note that the 50-year term proposed meets the objective declared by the Legislature in Water Code Section 85020, which requires that the water and environmental resources of the Delta be managed over the long term.

There must be a strong voice for participating public water agencies in the BDCP process. There are good examples of multiple Permittee interests working collaboratively with resource agencies in southern California on Federal HCPs and State NCCP implementation. For example, the Metropolitan Water District of Southern California (MET) has Permittee status as part of a multi-state, multi-species HCP on the Colorado River because southern California's water supply reliability is tied to the success of the plan.

In Orange County, agencies have successfully implemented HCP/NCCPs incorporating assurances and representation for all participants. For example, in Orange County both the Santa Margarita Water District and Irvine Ranch Water District are participants in HCP/NCCP processes.

As one of the first communities in California to implement a HCP/NCCP, Orange County and the Central/Coastal HCP/NCCP demonstrated how the private and public sectors, including water agencies, can successfully partner with the resource agencies to allow for a holistic and broad-based ecosystem approach to habitat conservation and ecological protection while allowing for appropriate development and urban planning. The Central/Coastal HCP/NCCP in Orange County has demonstrated how substantial amounts of habitat can be conserved and restored based on an ecosystem approach, which better protects biological diversity and improves habitat for species of concern. Ultimately, the use of a similar HCP/NCCP, as proposed in the BDCP, will provide better ecosystem protection and restoration outcomes in the Delta.

Orange County's Central/Coastal HCP/NCCP is also a prime example of how HCP/NCCPs ensure that the habitat protection and other operating parameters agreed to in an HCP/NCCP are binding on all of the parties involved. Like the process proposed in the BDCP and the long-term 50-year permit discussed in its associated documents, the Central/Coastal HCP/NCCP is a long-term agreement with a permit in effect until 2071.

As the coordinating entity for the management of the 37,000-acre reserve system under the Central/Coastal HCP/NCCP, the Nature Reserve of Orange County serves the important role of working to implement the HCP/NCCP on behalf of its signatories. Its role is to ensure that the agreed upon natural communities and species are protected, and that the permit requirements for the reserve are met. After more than a decade, the Nature Reserve of Orange County has continued to bring all of the interested parties to the same table to ensure that the agreement reached in the HCP/NCCP is respected. We believe that the BDCP HCP/NCCP can do the same for the interests in the Delta.

Authorized Entity Group

Permittees, such as water providers, must have a strong voice in the governance of the BDCP because water providers have a huge vested interest in the success of the effort as they are directly affected by the risk to water supply by its failure. Permittees are currently envisioned as key members of the "Authorized Entity Group" which, according to the BDCP documents, "will provide input and guidance on general policy and program-related matters, monitor and assess the effectiveness of the Implementation Office in implementing the Plan and foster and maintain collaborative and constructive relationships with fish and wildlife agencies, other public agencies, stakeholders, local governments and interested parties." This is good and effective governance and these provisions must be retained in the final plan.

Permit Oversight Group

Our understanding is that the Permit Oversight Group, consisting of representatives of state and federal fish and wildlife agencies, will ensure "that the BDCP is being properly implemented." This group has "final decision-making about real-time operations." The

Permit Oversight Group is apparently empowered to shut down the water exports and change the permits without Permittee recourse. We believe this is flawed and inconsistent with meeting the co-equal goals.

In early administrative draft versions of the plan that were available to the public, there was an appeals process that would enable decisions to be reviewed by the Secretary of the Interior and Secretary of Commerce. We believe this appeals step is critical, as Orange County and others across the state substantially depend on the SWP for their water supply. This change from earlier drafts would impose an unacceptable veto power without adequate recourse. The appeals process must be provided as before. Our concern is best alleviated via a balanced process including the ability for appeals. The process must avoid the more rigid and case-by-case Section 7 consultation approach that we have experienced and the uncertainty it can create.

The investment is too great to be vulnerable to unilateral actions driven solely by regulators without allowing the functioning of the BDCP plan to achieve the co-equal goals. As currently written, this provision appears to undermine the BDCP, and it needs to be revised along the lines as described.

Salinity Control

Before the construction of the CVP and SWP reservoirs, salinity intrusion far into the Delta was a common occurrence during very dry years. Since the construction of Shasta and Oroville Reservoirs and with the 1978 SWRCB D-1485 water quality control decision, the CVP and SWP have provided broad salinity control benefits to the Delta that have helped to protect in-Delta agriculture and domestic uses as well as export water quality, even as San Joaquin River flows were depleted by upstream diversion. We concur that salinity control is an important component of the BDCP. We also note that natural variability must be recognized within the BDCP and some relaxation of salinity control objectives must be allowed during severe droughts.

In addition, with future sea level rise, the BDCP needs to provide for a gradual relaxation of the X2 salinity control point, as releasing more and more stored water, which is made possible by both the CVP and SWP, will cause increasingly greater shortages in water supply at increasingly greater economic impact to the state. The estuary would be expected to shift upstream with sea level rise and this should be accounted for in the 50-year permit period. The BDCP must recognize that the existing Delta agricultural areas may require some form of land use conversion into the future.

Recognize Need for Additional Upstream Storage

While not part of the BDCP plan, additional storage north and south of the Delta will be critical concurrent with improvements in conveyance to enable the capture of high flows during wet periods for subsequent use. Additional storage will be especially important during periods of prolonged drought. Such facilities would be of statewide and national benefit, and both the State and federal government should financially contribute to their development. The BDCP should recognize the need for additional upstream and downstream surface storage to realize the full benefits of Preferred Alternative (No. 4). We support the development of future storage projects as stand-alone projects outside of the BDCP Plan to help with meeting the co-equal goals.

Scientific Decision Tree and Project Yield

The BDCP holds the potential to stabilize SWP and CVP annual deliveries to between a range of 4.7 to 5.6 MAF (Prior 20-year average deliveries were 5.2 MAF) and to stabilize them within this range over the 50-year permit period, but this depends upon the future outcome of "Scientific Decision Tree" studies that will refine future spring and fall outflows. The BDCP indicates that without the BDCP the Delta will continue in ecosystem decline, future deliveries would be reduced between 3.4 to 3.9 MAF as the result of new listings, higher requirements for outflows during wet and above-normal precipitation years would be required, and using fixed limits on take rather than proportionate take based on actual population size and dynamics would be likely.

The Decision Tree process is critical; water agencies require a seat at the table to represent the water supply and economic interests of the public that we, as public agencies, serve. Further, the water agencies have a high level of interest in ensuring that adaptability will result in regulatory agencies working collaboratively with the Permittees as provided for under the state and federal ESA laws for habitat and natural community conservation plans. It is important to ensure that the process is not skewed and has not established pre-determined outflows and compliance locations.

Plan Implementation and Regulatory Assurance: *The BDCP must provide the needed implementation and regulatory structure and assurances to help achieve the co-equal goals. MWDOC submits the following comments related to plan implementation, governance and assurances.*

The BDCP and the 9,000 cfs three intake, twin tunnel conveyance system would significantly improve export water quality by reducing total dissolved solids (TDS), bromide, dissolved organic carbon (DOC) and other contaminants that currently impact the south Delta. This is especially important for Orange County for a broad range of water management purposes. It is our understanding, that future SWP deliveries under the Preferred Alternative (No. 4) would realize a reduction in concentrations, on average, of approximately 20 percent from existing conditions. Reductions in TDS,

bromide and DOC will help to sustain Orange County's groundwater basins, enhance recycling usage, and reduce treatment and consumer costs. Improving source water quality is an important value of the BDCP.

Reductions in DOC and bromide in SWP water will lower disinfection by-product formation in public water systems. Compliance with these U.S. Environmental Protection Agency and California Department of Public Health regulated compounds requires expensive water treatment to meet public health requirements. Reducing DOC levels will also reduce chemical and energy usage in ozone or chlorine based disinfection processes saving the ratepayer money and reducing environmental impact.

Further, given the high TDS and hardness levels in Colorado River water, lower TDS and softer SWP water is essential to help manage the long-term salt balance in southern California and Orange County groundwater basins, thereby, minimizing treatment costs, reducing penalty costs to consumers, and lowering the cost of recycled water projects. Lower TDS source water helps many of the elements of our Southern California reliability strategy, as well as achieving compliance with Regional Water Quality Control Board Basin Plan objectives and discharge limitations.

Water Quality Improvements and Regional Compliance with Section 85021

The Water Code directs that "Each region that depends on water from the Delta watershed shall improve its regional self-reliance for water through investment in water use efficiency, water recycling, advanced water technologies, local and regional water supply projects, and improved regional coordination of local and regional water supply efforts", reference California Water Code Section 85021. Orange County and Southern California have complied with the California Water Code by taking great strides to improve its regional self-reliance, but the BDCP and a reliable supply of imported water is still needed.

Many of the opponents of the proposed BDCP process state that development of local supplies, water reuse, conservation and water use efficiency can take the place of the supply and reliability projects proposed in the BDCP. The reality is that the solution to California's water problems requires action on all of these fronts in addition to the BDCP. While California should continue to develop local supplies, improve water reuse, and move towards greater water use efficiency and conservation, those efforts would be hampered without the BDCP Preferred Alternative (No. 4) and the water quality improvements which will be obtained as a result of those projects and changes in operations.

Expected water quality improvements in SWP supplies from the BDCP in reduced salinity, total organic carbon and bromide would result in water quality benefits and would promote water recycling and reuse. A reduction at the source means that these water quality challenges are less of a problem once the water is recycled, and would

allow for better quality in the recycled water produced in Orange County and Southern California. A better quality recycled water will allow water to be used for a greater number of cycles.

Orange County's future depends on high quality, reliable and affordable imported water supplies. If we do not have the expected high quality and reliable supply from the SWP that would be made possible by the BDCP, it would seriously jeopardize groundwater basin management and expanded local recycling projects, many of which may not be economically feasible without the high quality water received from the SWP. Moreover, a high quality SWP supply also supports long-term economic management and protection of groundwater basins from salinization and reduces overall consumer penalty costs from corrosion and scaling.

Cost Allocation: *MWDOC supports the "beneficiary pays principle" in cost allocation for all responsible parties and beneficiaries*

All beneficiaries and responsible parties of the BDCP must contribute to the solution, including any diverter of water from the system (north or south of the Delta). Moreover, in-Delta interests have been significant contributors to the modification of habitat, continue to discharge pollutants into the waterways, have caused the subsidence of the Delta islands and need for ever higher and unstable levees that risk both habitat and exports, and have benefited from operations of the projects. Accordingly, these interests have a moral and financial responsibility to directly participate in any solutions as do other responsible parties. Where habitat is to be created by modifying or restoring Delta islands to a more natural state, the in-Delta interests should work collaboratively to facilitate such actions.

Further, any recipient of water should pay the cost of water conveyance improvements in line with the proportion of overall water supplies they receive. Economic values associated with end uses of the water should have no bearing on the cost allocation of the BDCP; it is solely a matter of paying one's share of the cost of development of the water supply.

Furthermore, all Californians will benefit from a solution in the Delta through the improved habitat and reliable water supply that will be created; a stronger overall economy benefits everyone. Consequently, the State and federal government should step up to fund the costs of environmental and habitat improvements as well as providing funding support for flood control, levee improvements, fisheries, invasive species control and other programs within their jurisdictions.

Economy, Environment and Water Management: *The State Water Project is critically important to the Orange County economy, environment and water management.*

Economic Impacts

The BDCP and DEIR/DEIS "No Project Alternative" analysis should include an evaluation of the economic impact of not strengthening California's water supply and the impact that "no action" has on the state's economic hubs as part of its overall evaluation. The BDCP evaluates the economic impact of the project's potential for growth inducement; however, it does not adequately take into account the economic impact of failing to secure water reliability for the state's economic centers. MWDOC urges inclusion of these impacts.

The economy of California is largely driven by economic activity in the San Francisco Bay Area and Southern California. To put the economic contributions of these areas in perspective it is important to note that Los Angeles and Orange counties contribute roughly \$766 billion to California's gross state product (GSP). The Bay Area contributes \$534 billion, and San Diego County contributes \$177 billion. These three areas alone comprise nearly 75% of the state's \$2 trillion GSP.

Orange County has a population of 3.1 million people, approximately eight percent of California's entire population, and an economy with a gross domestic product of about \$200 billion or 10 percent of the state's overall economy of \$2 trillion. Orange County's share of California's non-farm businesses was about 10 percent in 2011, and in 2007 Orange County accounted for \$49 billion (10 percent) of California's manufacturer's shipments and \$98 billion (16 percent) of California's merchant wholesaler sales. In addition, Orange County is a major regional employment, higher education and tourism center.

Orange County is an economic powerhouse for the state; the lifeblood of any economy is a reliable and secure water supply. MWDOC's 2010 Urban Water Management Plan indicates water demand for municipal and industrial use is expected to increase from approximately 485,000 acre-feet per year (AFY) to nearly 568,000 AFY by 2035. For all of Orange County, the total demand of 627,000 AFY is expected to increase to 726,000 AFY by 2035. Regional and local innovative programs and investments in water use efficiency have saved an estimated 75,000 AFY to date in the county.

The San Francisco Bay Area and Southern California depend heavily on the Bay-Delta with nearly one third of their water supplies coming from Delta exports, and the economic vitality of these areas is dependent upon a secure and reliable water supply. The bottom line is that a dependable water supply is essential to business operations and expansion that will continue to strengthen our state's economy and increase employment. The BDCP should take into account the economic cost of not providing a secure and dependable water supply in its economic impacts analysis. Given the importance of Southern California and the Bay Area to California's economy, the cost of

no BDCP, without the Preferred Alternative (No. 4), would be extremely large and would greatly exceed any economic benefits of other alternatives that were considered.

It is also noteworthy that the Delta is a key water supply for 25 million California residents, largely located in the economic centers discussed above. The risk of a large earthquake in Northern California causing severe damage to the Delta grows greater with each day a comprehensive Delta solution is not implemented. If the State and federal government do not move forward on the BDCP, we are risking great environmental damage, a loss of substantial water supply to more than two-thirds of California's residents and businesses, and associated economic losses into the future.

We also risk severe and possibly permanent damage to our State's agricultural economy. The water from the Delta supports more than 5 million acres of California agriculture. These 5 million acres represents more than 80 percent of the United States' food production and more than 500,000 jobs. Loss of water as a result of failure in the Delta will mean California's agriculture will lose an essential water supply.

That loss of water will result in millions of acres of unproductive land and a loss of jobs in communities which have already suffered great losses as a result of our most recent economic downturn and during the current severe drought. Without implementing the comprehensive environmental and conveyance solution proposed by the BDCP, we risk permanent damage to California's \$44.7 billion agriculture industry.

The development of a secure and reliable water supply for the citizens of California is important to the economic vitality of our state. The BDCP will provide stability in California's water infrastructure by providing a process that can result in a more dependable, high quality SWP water supply.

Orange County Environment and Water Management

The recent droughts of 1977-78, 1987-92, 1999-00, 2007-08 and the current drought demonstrate the precarious nature of the federal, state, regional and local water supply systems serving California. Throughout the state, the current acute drought, natural climate variability and climate change, agricultural cutbacks due to lack of water and continuing groundwater overdraft, increasing population and need for an ever growing economy, have brought to the light that water supply solutions and challenges are looming larger and more complex. This has led many to an increasing recognition that we have entered an era of uncertainty and potential era of water scarcity if we do not plan for the future.

Recent droughts and a greater understanding of climate change impacts have demonstrated that supply uncertainty and variability pose great risks to our economy and the natural environment. We remain confident that we have the combined ability

to help solve these long-term problems. One key part of this solution is to fix the "broken Delta" through the program developed and recommended in the BDCP.

MWDOC and its member agencies have made significant investments in local resources and water management. Orange County water agencies are recognized leaders in water use efficiency, storm water conservation, groundwater basin management, wastewater management, water recycling and reuse, and advanced water treatment technologies. In north Orange County, the Orange County Water District is recognized as a world leader in indirect water recycling through their award winning Groundwater Replenishment System, a project that now recycles 72,000 AFY, is under construction to be expanded to recycle 100,000 AFY with plans to recycle up to 130,000 AFY in the near future. These programs with imported water enable OCWD groundwater producers to meet about 70% of their water supply needs from the groundwater production. Conjunctive use of the basin with imported water and its utilization remains dependent on the availability of high quality imported water that can be replenished during wet periods.

Through innovative, multi-agency approaches, MWDOC and its agencies develop, implement, and evaluate water use efficiency programs that provide multiple benefits, including improved irrigation efficiency, increased utilization of California Friendly landscapes, and pollution prevention through programs that help to reduce dry weather urban runoff. Our programs include educational classes on water-wise landscaping, irrigation performance reporting, water use surveys for hotels and industrial customers, and consumer incentives for water-efficient devices. To evaluate the effectiveness of such devices, MWDOC conducts studies to monitor water savings and urban runoff reduction.

Through these efforts, Orange County's water use today is less than it was in 1990 even with population growth of 683,000 and jobs growth of 204,000 respectively. Overall, MWDOC has documented conservation of about 75,000 AF per year (active and passive). Despite these efforts, Orange County is still reliant on purchases of imported water from MET to meet about 45 percent of our current needs. About one-half this need is met from the SWP.

South Orange County is much more reliant on imported water, having few local resources other than water recycling and a few small groundwater basins that are nearly fully developed. Regional recycling planning is underway to evaluate how best to maximize the use of recycled water in South Orange County. In addition, studies are underway for evaluating the feasibility of augmenting the groundwater supply from the San Juan Creek alluvial basin through replenishment with recycled water. The southern portion of Orange County despite its best efforts remains heavily dependent upon the Delta.

A number of retail agencies in south Orange County are recognized leaders in water use efficiency and conservation based rate structures, water recycling, and water reliability projects. For example, Irvine Ranch Water District, Moulton Niguel Water District, El Toro Water District, Santa Margarita Water District, Trabuco Canyon Water District and the cities of San Juan Capistrano and San Clemente are recognized leaders in water recycling and management through the use of dual distribution systems and community planning.

Orange County ratepayers have invested heavily in local resources in past years both directly and through MET. These investments through MET water supply purchases helped fund the \$2 billion Diamond Valley Reservoir and \$1 billion Inland Feeder that allow SWP deliveries during wet periods to be delivered into storage Southern California reservoirs. In addition, at least \$1 billion in local recycling and groundwater recovery projects have been made, including water use efficiency and conjunctive use since 1991. Combined, these investments provide the ability to efficiently use existing supplies, develop additional local supplies, and to store water in wet years for subsequent dry year use.

Orange County is also exploring ocean desalination, another potential local supply. It is also a key feature of planning in Orange County with the innovative subsurface intake system being examined for the planned 15 million gallon per day Doheny Ocean Desalination Project in Dana Point and permitting of the 50 million gallon per day Poseidon Resources desalination plant in Huntington Beach.

Despite all of these efforts and investments, Orange County will continue to be dependent upon imported water. Completion and successful implementation of the BDCP is paramount to achieving the reliability that supports water management in Southern California. These local investments have helped meet the water needs of a growing productive population and reduced the otherwise growing pressure on water imports - our agencies should not be "penalized" by additional mandated investments that do not recognize and account for investments that have already been made.

COMMENTS ON THE DRAFT IMPLEMENTING AGREEMENT

The "Implementing Agreement" is necessary to provide a contractual, legally-binding agreement that spells out the commitments and assurances as well as the terms and conditions for on-going implementation of the BDCP. Given the high level of BDCP investment, the water community needs reasonable certainty regarding the expected amount of water supply to be restored that was lost as a result of the 2008 biological opinions.

It should be clearly recognized in the implementation structure and agreement decision-making process that the new, screened North Delta intake system will not only

greatly improve salinity control and water supply reliability from catastrophic levee failure and future sea level rise, but will avoid entrainment losses of fish as well as minimizing impingement losses from current south Delta diversions. In addition, the new intake system will provide much needed operational flexibility that will enable significant protections to endangered species as well as maintaining environmental and water quality benefits to the south Delta that are provided by the SWP and CVP. These benefits will be made possible through the ability to curtail south Delta endangered species take by changing the timing and diversion rate by use of the new North Delta intake system.

Currently, endangered species take by the existing south Delta unscreened forebay diversion operations are controlled by reducing exports. The BDCP will provide a physical means to minimize south Delta diversions. In addition, the added operational flexibility will result in greatly reduced reverse flows and related, improved south Delta water quality, and improved export water quality. The implementing agreement needs to recognize these benefits to allow export diversions to be restored.

Following are our specific comments on the Draft Implementing Agreement.

Comments In Support of Current Language (Areas where we agree with current Implementing Agreement provisions that should not be changed in ways that would weaken protections to water exports)

- **Permit Oversight Group Members.** It is appropriate that the state and federal fish and wildlife agency members of the Permit Oversight Group be either the named directors or administrators or designees that are duly authorized to exercise their authority. Delegation to staff members without such authority would lead to inefficiencies and decision-making gridlock.
- **Real Time Operations Purpose.** The stated purpose of Real Time Operations of “maximizing conservation benefits to covered fish species and maximizing water supplies” is appropriate. This reflects a fundamental purpose of the BDCP of restoring and protecting water supplies, and acknowledges that real time operations is a tool that can benefit water supply as well as fish species.
- **Real Time Operations Ultimate Decision.** In the event of disagreement among agency directors over a proposed Real Time Operations adjustment, it is appropriate that the adjustment will not be made.
- **Adaptive Management Team Membership.** Given the SWP and CVP Contractors’ extensive responsibility in funding and implementing the Plan, it is fully appropriate that one SWP Contractor and one CVP Contractor be designated as voting members of the Adaptive Management Team.

- Funding from the State of California and the United States. Consistent with the Planning Agreement and in recognition that the BDCP is a comprehensive and ambitious plan that provides significant benefits to the public generally, the Implementing Agreement appropriately provides that the State of California and the United States will be responsible for funding the Plan where not otherwise funded by the Authorized Entities.
- Regulatory Assurances. The Implementing Agreement appropriately includes provisions that provide the Permittees with No Surprises and other assurances and protections, consistent with Endangered Species Act (ESA) and Natural Communities Conservation Planning Act (NCCPA) law and regulation.
- Assurances Provided to Reclamation. Given Reclamation's integral role in the BDCP and in coordinated CVP/SWP operations, the assurances provided to Reclamation against additional expenditures of resources, to the maximum extent possible, are appropriate.

Comments Seeking Changes

- Ultimate Decision Making Authority and Signatories to the Implementing Agreement (Page 1). It is not clear who will be obligating the commitments of the United States and the State of California that are beyond those of the Authorized Entities. It is recommended that the Secretary of the Interior and the Governor sign the agreement to help ensure that those commitments will be met. As stated in Section 1.0 of the Implementing Agreement, the level of agency signatory has not been determined and will be considered further. Staff suggests that the Governor, Secretary of the Interior, and the Secretary of Commerce should be the signatories for the California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service, respectively. By having the Governor and the Secretaries sign on behalf these state and federal agencies, it helps ensure that the United States government and the State of California live up to their obligations under the Implementing Agreement. As for the Authorized Entities (Department of Water Resources and State Water Project/Central Valley Project Contractors), it is more clear as to who has the ability to legally bind these entities. At minimum, when conflicts arise, decision-making must be moved to the highest levels possible.
- Covered Species (Page 7). Sections 3.20 and 8.5.1 of the Implementing Agreement define "Covered Species" listed in Exhibit "A". Since those species listed in Exhibit "A" link directly to the species for which the Permittees have been given "no surprises" protection, Exhibit "A" is important to understand the risk being undertaken by the Permittees. Exhibit "A" was not attached to the

Implementing Agreement and should be released for review before the parties enter into the agreement. Listing of all known species is critically important to provide broad coverage.

Furthermore, amended language is needed to allow incorporation of currently unknown native species as "Covered Species" where restoration activities are shown to provide a benefit without going through the full amendment process. It is critical that the listing of "Covered Species" is as broad as possible based on current science and is sufficiently flexible to assure an efficient process.

- Unforeseen Circumstances (Page 10). Section 3.51 of the Implementing Agreement defines "Unforeseen Circumstances" as those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and that result in a substantial and adverse change in the status of a Covered Species."

Since the reasonably foreseeable changes in circumstance have been included in the BDCP, the definition should be modified to state that unforeseen circumstances are those "changes in circumstances affecting a Covered Species or geographic area covered by the BDCP that could not reasonably have been anticipated by the Permittees, USFWS, or NMFS at the time of the BDCP's negotiation and development, and were therefore not included in the BDCP, and that result in a substantial and adverse change in the status of a Covered Species."

- Bureau of Reclamation's Role (Page 15). The Bureau of Reclamation is not a party to the Implementing Agreement. Section 5.0 of the outlines the role of the Bureau of Reclamation. It states that the Bureau will enter into a Memorandum, or similar agreement, with the Parties of the Implementing Agreement outlining the Bureau's roles and responsibilities. This memorandum or similar agreement should be attached to the Implementing Agreement as an exhibit and incorporated by reference into the Implementing Agreement, and this section should be changed to reference that exhibit.
- Take Authorizations (Page 19). Section 8.2: Other Authorized Entities - Section 8.2 recognizes that certain third parties may seek take authorizations under the BDCP for ongoing operation of water diversions that are not associated with the SWP or CVP. These parties will be considered Other Authorized Entities. A sentence should be added clarifying that SWP/CVP Contractors shall not be held liable or be asked to take actions by USFWS, NMFS or CDFW as a result of Other Authorized Entities violating the terms and conditions of any take authorization issued by the Department of Water Resources. Also, the section references

Exhibit C. Exhibit C has not been released, and should be released prior for review to finalization of the Implementing Agreement.

Implementation and Conservation Measures Definitions - The definition of "Implementation" is not provided under the Definition section. It should be noted that it includes construction and operation/maintenance over the 50 year term of the permit. The definition of "Conservation Measures" should be more clearly defined that their implementation means that they meet the "maximum extent practicable" test.

- Neutrality of Permitting and Decision Tree Outcomes (Page 24). The provision related to Decision Tree Outcomes includes a reference to permit terms and conditions including the operational and flow criteria related to the high-outflow scenario. All Decision Tree outcomes should be described at an equal level of detail and fully evaluated with sound science before a decision is made. The high outflow scenarios should not be predisposed as being the permitted outcomes to be included as permit terms and conditions. Refer to MWDOC's BDCP comment letter which raises this issue under "Balancing and Proportionality" and its importance with regard to the issue of outflows and an expanded monitoring program over a reasonable habitat range compared to the historical narrow and limited monitoring program that in all likelihood has understated the Delta and Longfin Smelt populations as well as the effect of other stressors. Improved scientific understanding of the stressors impacting the smelt population is needed.
- Real-Time Operations Adjustments (Page 27-29). Real time operations decisions should not compromise the discretion of the Project Operators to maximize water supply benefits provided the requirements of BDCP are being met. Where exports are reduced due to real time adjustments, they should be made up later in the year through additional exports, so as to remain neutral. Given the SWP and CVP Contractors' vested interest and expertise in water operations, one SWP Contractor and one CVP Contractor should serve as voting (not non-voting) members on the Real Time Operations Team.
- Adaptive Management (Page 29-30). It is not clear how the limits for non-flow actions of Adaptive Management will be defined. A monetary cap for non-flow Adaptive Management Actions needs to be established. For water operations, the Implementing Agreement lists four resources sources and their priority of use. These sources are not defined and specifics on how they would be used and managed are not provided.

- Reserve System Lands and Funding (Page 42). The maintenance requirements/costs for the tunnels have not yet been finalized. Before implementation is begun, the cost and cost allocation for the Preferred Alternative (Alt. No. 4) should be fully understood. The final costs and performance objectives of the conveyance system must be reflected in contractual agreements to provide certainty that investments in the conveyance facilities result in adequate returns for State and Federal water contractors. This comment should also be addressed as it relates to the amount and who funds the non-wasting endowment required in Section 11.4.1.
- Changed Circumstances (Page 44). As the Implementing Agreement states, "Ecological conditions in the Delta are likely to change as the result of future events and circumstances that may occur during the course of the implementation of the BDCP." Section 12.0 should include a "no surprises" statement guaranteeing Permittees that the Fish and Wildlife Agencies will not require the permit holder to provide any additional land, water, or financial compensation nor impose additional restrictions on the use of land, water or other natural resource without the Permittee consent provided the Implementation Office acts as required in Section 12.1.

Also there does not appear to be a division of responsibility between the Authorized Entities and the State and federal governments for implementing responses to Changed Circumstances. This should be addressed.

Contributions for a changed circumstance action for any particular Conservation Measure should be on a pro-rata basis according to the overall funding for that measure.

- Inadequate Funding and Rough Proportionality (Page 47). Section 13.2 Inadequate Funding references the requirement for rough proportionality and permit suspension and revocation. This section needs to be revised as discussed below.
 - Timing - The Implementing Agreement provides only 45 days to regain rough proportionality or develop an acceptable plan to do so. Given the scope and complexity of the BDCP, this timeframe is unreasonably short and unrealistic.
 - Suspension and Revocation Standard - No metric is provided for when a failure of rough proportionality would trigger a partial suspension or revocation of the Permits. Consistent with the shortfall in funding provision, a failure to maintain rough proportionality due to a shortfall in state or federal funding should not be a basis for partial suspension or

revocation of the permits provided the Permittees are fully meeting their obligations.

- Minimal Effect – Consistent with “no surprises” assurances, the Implementing Agreement should provide that as long as the Permittees are fully meeting their obligations, the permits may not be revoked or suspended. At a minimum, the meaning of “more than a minimal effect” needs to be defined in order to protect the Permittees’ from backstopping the obligations of the state and federal government.
- Funding Shortfalls - Section 13.2 states that “In the event of a shortfall in State or federal funding, a Fish and Wildlife Agency(ies) shall not suspend or revoke the State and/or Federal Permits or invalidate Reclamation’s take statement if the shortfall in funding is determined to be likely to have no more than a minimal effect on the capacity of the Plan to advance the biological goals and objectives.” This language allows the Permittee’s permits to be revoked as a result of something outside of their control – this needs to be changed to protect the Permittees. Also the funding obligations of California and the United States are lumped together. The funding split between California and the United States needs to be identified.
- Authority of the Fish and Wildlife Agencies (Page 74-78). The Fish and Wildlife Agencies maintain too much authority in decision-making with respect to Plan implementation based on their defined roles in the Permit Oversight Group and Adaptive Management Team. The proper role for the Fish and Wildlife Agencies with respect to Plan Implementation is advisory and to insure overall compliance with permit requirements.
- Miscellaneous Provisions (Page 88 -93). The following provisions should be included in this section.
 - Provision Needed Regarding Inconsistent Permits by State Board/Others - An “off-ramp” provision should be provided in the event permits inconsistent with the BDCP are ultimately issued by the State Water Board or others (e.g., USACOE).
 - Provision Needed Regarding Consistent Positions in Other Regulatory Proceedings - A provision is needed wherein the Parties agree not take positions inconsistent with the BDCP in other documents and proceedings such as under NEPA, CEQA, Clean Water Act, Porter-Cologne Water Quality Control Act, and California Water Code.

- Miscellaneous Comments

On page 45, the second paragraph under Section 13.0 indicates that the Permittees agree to provide such funds as may be necessary to carry out their obligations under the BDCP. This indicates an unlimited funding commitment and this is incorrect and should be clarified as noted under Section 13.1 of the Implementing Agreement.

On page 64, Stakeholders Council should also include at least one representative from southern California in addition to Metropolitan Water District of Southern California.

Summary: Implementation of the BDCP is critical to Orange County's future

- Orange County has invested heavily to diversify our water portfolio but the SWP is a critical source of low salinity water supply that is currently unacceptably jeopardized by the unsustainability of the current Bay-Delta system.
- Orange County relies on the SWP to support groundwater conjunctive use programs and water recycling programs - it is an essential part of our water reliability strategy that sustains our citizens and businesses.
- It is time to adopt and move the BDCP to implementation in order that we can achieve the co-equal goals of a reliable water supply for California and ecosystem restoration for the Delta.
- The 9,000 cfs twin tunnel BDCP Preferred Alternative (No. 4) will improve export water supply operations, reliability and water quality from the Delta in a manner that is protective of endangered species in the Delta.
- We support the 9,000 cfs twin tunnel Preferred Alternative (No. 4) provided reasonable assurances are included regarding governance and future decision-making in the process. We strongly advocate for a seat at the table for the water Permittees in the various oversight groups. The investment and decision-making must be structured to achieve a positive outcome for both the SWP and Permittees and the ecosystem restoration in a collaborative, partnership manner.

Mr. Ryan Wulff
Page 28
July 24, 2014

Thank you for your time and consideration of these comments. If you should have any questions please do not hesitate to call me at (714) 593-5026.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Hunter", with a stylized flourish at the end.

Robert J. Hunter
General Manager



ACTION ITEM
October 19, 2016

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Jonathan Volzke

SUBJECT: ADOPT RESOLUTION HONORING DIRECTOR SUSAN HINMAN ON THE OCCASION OF HER RETIREMENT FROM THE MWDOC BOARD

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt the Resolution honoring Director Hinman on the occasion of her retirement from the MWDOC Board.

DETAILED REPORT

Director Hinman will not seek re-election in November, after 16 years in office. Director Hinman was very active in water issues and groups, as well as a fierce advocate for Division 7.

Per MWDOC practice, attached is a proposed resolution honoring Director Hinman for her years of service. The approved resolution will be framed and presented to Director Hinman at a small gathering after the November 2 Joint Board meeting.

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

RESOLUTION NO. _____
A Resolution of the Board of Directors
Of Municipal Water District of Orange County
Honoring Susan Hinman

On the Occasion of her Retirement from the MWDOC Board

WHEREAS, Susan Hinman diligently served the Board of Directors of the Municipal Water District of Orange County for sixteen years, steadfastly championing South Orange County; and

WHEREAS, Previous to her election to the MWDOC Board of Directors in 2000, Director Hinman served ten years on Board of the South Coast Water District; and

WHEREAS, Director Hinman decided against seeking re-election in 2016; and

WHEREAS, Director Hinman diligently attended meetings and events in South Orange County, as she represented MWDOC in the community and the agencies of Division 7 before the MWDOC Board and

WHEREAS, Director Hinman was a strong advocate for developing additional sources of water, including recycled water and particularly the Doheny Desalination Project; and

WHEREAS, Director Hinman advocated to increase the number of days South County agencies could serve customers under emergency conditions, which grew from less than a week to 20 days; and

WHEREAS, Director Hinman, a former teacher, was a strong supporter of the MWDOC education program and instrumental in the creation of the MWDOC high-school education effort; and

WHEREAS, Director Hinman also served multiple terms on the Association of California Water Agencies (ACWA) Region 10 Board, was an active member of the Orange County Water Association and represented Orange County special districts on the Orange County Operational Area Executive Board; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Municipal Water District of Orange County offers its deepest thanks to Director Hinman for her service not just to the residents of Division 7, but throughout Orange County, for her leadership, stewardship and contributions in enhancing Southern California's water reliability,

Adopted on this 19th Day of October, Two Thousand and Sixteen.

Wayne Osborne, President

Brett R. Barbre, Vice President

Larry D. Dick

Joan C. Finnegan

Sat Tamaribuchi

Jeffery M. Thomas

The Municipal Water District of Orange County



ACTION ITEM
October 19, 2016

TO: Board of Directors

FROM: Wayne Osborne, President

SUBJECT: CONSIDERATION OF GENERAL MANAGER'S COMPENSATION

PRESIDENT'S RECOMMENDATION

The President of the Board of Directors recommends that the Board review and discuss the General Manager's compensation and take action as appropriate.

SUMMARY

Last month the Board conducted the performance evaluation of the General Manager; it is now time to discuss his compensation and possible salary increase.

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

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES OCTOBER 2016

Managers' Meeting	<p>MWDOC held its Managers' meeting on September 22, 2016 at its office in Fountain Valley. In attendance were Charles Busslinger (County of Orange); Richard Eglash (Brady & Assoc.); Katie Victoria (Garden Grove); Chris Davis (Huntington Beach); Joone Lopez and Matt Collings (MNWD); Jose Diaz (Orange); Cel Pasillas (Garden Grove); Bob Hill (ETWD); Scott Miller (Westminster); Andy Brunhart (SCWD); Mark Sprague (Fountain Valley); Paul Weghorst (IRWD); Dan Ferons (SMWD); Hector Ruiz (TCWD); Karl Seckel; Heather Baez; Joe Berg; Melissa Baum-Haley; Jonathan Volzke; Kelly Hubbard; Keith Lyon; and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Delta Flow Restrictions & Impact to MET 2. MET's California WaterFix Outreach 3. Update regarding SWRCB Permanent Water Use Regulations 4. Evolution of the CA Urban Water Conservation Council 5. OC County Flood Control District Proposed License Fees 6. Legislative Recap <p>The next meeting is scheduled for October 20, 2016.</p>
MET Managers' Working Group	<p>On September 30, Harvey and I attended a MET Managers' Workgroup meeting at Upper San Gabriel Valley MWD where we discussed the MET IRP Phase 2 policy direction and schedule from the September 27 MET IRP Committee meeting. The discussion included MET's involvement in local regional projects, water conservation, and the impact the State emergency requirements may have on these policies.</p>
Environmental Leaders' Trip	<p>Director Sat Tamaribuchi and Karl and I participated in a MET Environmental Leaders' Trip of the Bay-Delta to examine fisheries' habitat issues and seek support for the Tunnel and Eco-Restore projects in the Delta. The trip was coordinated with OC Coastkeeper and a number of the other "Keeper" organizations or associated entities they work with throughout the state. The one-day tour and one-day workshop generated great discussion with scientists working directly on the myriad of issues facing the Delta and how reconciliation of these issues might be approached. Additional follow-up is being planned.</p>

MET ITEMS CRITICAL TO ORANGE COUNTY

MET's Water Supply Conditions	<p>Although conditions in Northern California have been normal for 2016, resulting in a 60% State Water Project "Table A" Allocation, water restrictions along the Delta have impacted water supplies. According to DWR, the State Water Project (SWP) and Central Valley Project (CVP) combined have lost, due to fishery restrictions, close to 990,000 Acre-Feet (AF) to the ocean. Furthermore, Lake Oroville provided additional releases to help the CVP system meet its regulatory requirements which has lower deliveries to San Luis Reservoir. Although, in the coming months Lake Shasta will release additional water to payback the SWP system.</p> <p>With expected SWP and Colorado River deliveries reaching 2.11 Million AF for 2016 and MET demands totaling 1.75 MAF, MET anticipates it will increase its dry-year storage from 900 TAF to 1.3 MAF.</p>
MET's Finance and Rate Issues	<p><u>MET Financial Report</u></p> <p>At the September MET Finance and Insurance Committee, MET staff presented their annual financial review for the first two months of FY2016-17. Water sales through August were 91.2 TAF, or 22% lower than budgeted and 55.1 TAF, or 15% lower than the 5-year average. Water sales are 10.1 TAF, or 3%, greater than this same time last year. These lower than expected water sales are attributed to the continuation of conservation.</p> <p>Total revenue is 19% lower than budget estimates of \$301.9 million. However, compared to actual sales through August 2015, the actual August 2016 sales are \$19.3 million higher. While both treated and untreated sales are lower than the budgeted amount, the untreated sales in the current year actuals are 62% lower than expected. However, staff anticipates sales will pick up during the months of October and November as a result of groundwater basin replenishment purchases. The current year actuals are projected to be on track with the budget by the close of CY2016.</p>

Colorado River Issues	<p><u>California Agencies Refine Drought Contingency Concept</u> Efforts to continue voluntary conservation are ongoing and each of the Lower Basin States anticipates reduced consumptive uses for maintaining storage in 2016, which will help maintain the elevation levels in Lake Mead. Over the past several years, the Lower Basin States have agreed to voluntarily leave water in Lake Mead.</p> <p>Updates to Minute 319 are under negotiation with Mexico, with a targeted completion date by the end of calendar year 2016. Effects on MET are a pilot program where MET would have the opportunity to fund conservation in Mexico with a portion of the water savings resulting in credit to MET.</p> <p><u>Colorado River Supplies</u> On August 16, the U.S. Bureau of Reclamation (Reclamation) issued its annual determination of Colorado River supplies for the upcoming year, and determined that there will be no water supply curtailments on the Colorado River in 2017, meaning full Colorado River supplies available in 2017. Along with the water supply determination for 2017, Reclamation also projected the likelihood of shortages on the Colorado River for the next several years. That analysis concluded that there is about a 50% chance of a shortage on the Colorado River in 2018, increasing to about 60% in 2019 and beyond. The study suggests that without additional actions to reduce the decline of water levels in Lake Mead, water shortages will be more likely in the not-so-distant future.</p> <p><u>Colorado River Salinity Control Forum's Water Quality Review</u> The Colorado River Salinity Control Forum (Forum) is in the process of developing the 2017 Review of Water Quality Standards for Salinity of the Colorado River. The review, which is completed every three years, evaluates the current and projected salinity levels of the Colorado River. Currently, because of actions taken by the Forum and Reclamation in the past, Colorado River salinity levels are well below the criteria adopted in the 1970s, but as development continues in the Colorado River, additional salinity control efforts will be needed to prevent salinity levels from exceeding standards in future years. During August, Reclamation continued to work on water quality modeling for the 2017 Triennial review, and the first draft of the modeling results will be presented to the Forum during its next meeting on October 26 and 27, 2016 in Moab, Utah. The meeting will also include a tour and celebration of the 20th Anniversary of the Paradox Valley Salinity Control Project, which includes a well that captures brine and injects it two miles underground to prevent it from reaching the Colorado River. The project captures about 110 million tons of salt that would otherwise flow into the River each year. The well is nearing the end of its useful life, and the Forum and Reclamation are evaluating options for replacing the well, including the construction of evaporation ponds or another well.</p>
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Bay Delta/State Water Project Issues	<p><u>California WaterFix Petition Hearings</u></p> <p>In August and September, the California WaterFix petition hearings before the State Water Resources Control Board (SWRCB) continued. Part 1 of the hearings addresses the effects of the project on legal users of water. The first segment (Part 1A) is the presentation of the project by the California Department of Water Resources (DWR) and Reclamation, and all parties have the opportunity to cross examine DWR and Reclamation witnesses. Part 1A of the WaterFix change petition hearing was completed on September 27, 2016.</p> <p>The second segment (Part 1B), which is scheduled to begin October 20, 2016, is the presentation of evidence by all opponents where they describe their potential alleged injury resulting from the proposed project. DWR and Reclamation will have the opportunity to cross-examine the evidence presented by the project opponents. Several parties and a substantial number of joiners requested an extension of time for parties to submit Part 1B. The co-hearing officers denied parties' request to further extend the September 1, 2016 due date.</p> <p>Following the completion of the Record of Decision (ROD), Notice of Determination (NOD), and Biological Opinion (Bio Op), Part 2 of the hearings will commence. Part 2 is scheduled to begin no sooner than February 2017 and will consider the effects of the project on fish and wildlife and review "appropriate flow" criteria.</p> <p>California WaterFix Petition Hearings Schedule:</p> <ul style="list-style-type: none"> • Filed Petition Aug 2015 • Part 1 <ul style="list-style-type: none"> ○ Filed Written Testimony May 2016 ○ Presentation of Testimony Jul-Sep 2016 ○ Protestants Filed Testimony Sep 2016 ○ Presentation of Protestant Testimony Oct 2016 • Initiation of Part 2 and Bio Op After ROD/NOD <p><u>Delta Smelt Resiliency Strategy</u></p> <p>DWR is continuing to develop implementation strategies for the actions identified in the Delta Smelt Resiliency Strategy (Strategy), which is an integrated strategy that includes 13 near-term actions to improve conditions for Delta smelt. It will be implemented from 2016 through 2018, with a focus on creating better habitat, enhancing the food web, creating higher turbidity, and reducing levels of aquatic weeds, predators, and algal blooms that are detrimental to Delta smelt.</p>
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Bay Delta/State Water Project Issues (Continued)	<p>Metropolitan staff continues to coordinate with the state and federal agencies to provide input regarding the implementation of the actions and the design of monitoring to evaluate the effectiveness of the Strategy actions.</p> <p>Beginning in July 2016, one of the actions that has been implemented was to augment flow in the Yolo Bypass to promote food production. Early results indicate action was effective in boosting phytoplankton.</p> <p>In August, Metropolitan submitted written comments to the Collaborative Adaptive Management Team. MET also was signatory to a broad coalition letter expressing support for the more comprehensive Strategy.</p>
ENGINEERING & PLANNING	
Baker Treatment Plant	<p>A final meeting was held with MWDOC, IRWD, SMWD, the Baker Treatment Plant participants and the South County Pipeline participants to discuss how the billing process for the Baker Treatment Plant deliveries will be made, along with responsibility for the reporting of sales on an agency by agency basis.</p>
Doheny Desalination Project	<p>South Coast Water District is continuing to move the project forward and to look for potential partners and grant funding as they initiate the CEQA process.</p> <p>MWDOC is working on the decommissioning and removal of the test facilities at Doheny State Park. Plans, specifications, permitting and coordination with State Parks for the decommissioning work is nearing completion. The construction award will come to the P&O Committee and Board likely in December.</p> <p>MWDOC is awaiting NWRI to schedule the Science Advisory Panel to review both the SJBA and the South Coast Water District Foundational Action Program Studies.</p>
Poseidon Resources Ocean Desalination Project in Huntington Beach	<p>OCWD is currently working on preparation of the CEQA documentation for the Poseidon Project. Work continues on the project integration into the water supplies for OC. Poseidon is continuing to work with the Coastal Commission for project approval and with the Santa Ana Regional Water Quality Control Board for the NPDES discharge permit.</p>

Orange County Reliability Study	<p>Karl, Harvey, and Dan Rodrigo and Andrea Zimmer from CDM-Smith met with MET staff members, Brandon Goshi and Jennifer Nevills who were in charge of MET's IRP and IRP modeling. Our goal was to share our approach for the OC Water Reliability evaluation and to compare and contrast the approach of the two studies. MET appreciated the briefing and approach used in OC.</p> <p>CDM-Smith has provided a final draft of TM 4 to MWDOC staff who are currently reviewing it. Following review, we will send it out to our agencies in a red-lined version. CDM-Smith anticipates completion of the Executive Summary by end of October. MWDOC will provide input on the Executive Summary and circulate it for comments; after comments are received, the entire study will be published.</p>
Coordination of Groundwater Deliveries from Newport to Laguna Beach	<p>Karl, Keith and Kevin participated in several meetings with Newport Beach, Laguna Beach CWD and MET to discuss operational issues with conveying groundwater from NB to LB through the Coast Supply Line to help LBCWD gain access to their groundwater rights. Physical delivery of the water began in early September; this required the shutdown of MET service connection CM-1 at the terminus of the Orange County Feeder. As anticipated, the water quality stagnated and will be drained and refilled by MET. A conceptual design on a low flow bypass connection at the facility has been suggested by MET. LBCWD, Newport Beach and MET are examining hydraulic and control issues for the low flow meter.</p>
San Juan Basin Authority	<p>Director Susan Hinman attended the September meeting of the San Juan Basin Authority. The main items of discussion were the condition of the basin and a discussion of the many agreements covering the water rights issues across the basin.</p>
SMWD's LRP Application	<p>Karl, Harvey and Keith continued working with SMWD regarding their LRP application to MET for the Lake Mission Viejo Water Purification Project.</p>
Foundational Action Grant Process	<p>Karl is completing the last of the efforts associated with the Foundational Action Grant Process for both the San Juan Basin Authority and the Doheny Desal Foundational Action Grants. The final invoice and transmittal of all deliverables should occur in October.</p>
OC-28 Flow Metering Issue	<p>Karl, Keith and Kevin met with OCWD staff on an OC-28 flow metering issue. After sufficient information has been compiled, we will be submitting a request to MET to examine the OC-28 flow meter. The meter recordings showed erratic behavior and did not agree, as it has typically, with downstream metering by OCWD.</p>
Strand Ranch Banking Project	<p>Karl, Harvey and I met with Paul Cook and Paul Weghorst to discuss the status of the Strand Ranch Groundwater Banking Project.</p>

OC Flood Control District	Karl attended the September 19 meeting with the OC Flood Control District to participate in the discussion regarding new encroachment permits for crossing of Flood Control property. Flood control is suggesting changes to the typical encroachment permit process and has suggested a fee structure for such a permit. MWDOC is working with several of our agencies to determine if we are exempt from such charges.
OCWD Producers'	Karl, Keith, Kevin, Melissa Baum-Haley and Heather Baez attended the OCWD groundwater producers meeting; Karl and Heather attended specifically for the discussion regarding the OC Flood Control encroachment permit. Karl also briefly discussed with the groundwater producers the 2006 Emergency Services Program Agreement that allows water from the OCWD Groundwater basin to be conveyed through the IRWD system to South Orange County during emergency situations
South Coast Air Quality Management District	<p>Karl and Charles Busslinger attended a meeting with the South Coast Air Quality Management District to discuss:</p> <ul style="list-style-type: none"> • Number of run hours for diesel generators for emergency purposes • Declaration of emergencies • Voluntary effort by water and wastewater agencies to avoid an impending grid outage • Reliability Planning and the need for emergency generators <p>The exchange of information was good.</p>
OCWD Producers Groundwater Production Capabilities	OCWD is meeting with each Producer to determine current groundwater production capacities, and what facilities would be needed to pump 95% of retail demands. The exploratory effort is related to OCWD's potential distribution of Poseidon Ocean Desalinated water. Keith and/or Kevin intend to attend the meetings as a means to learn more about agencies' capabilities and operations. Kevin attended the meeting with Santa Ana.
MET's planned 3-day shutdown of Connections OC-13 and OC-33	MET shut down Connections OC-13 and OC-33 from October 4--6 to perform maintenance on connection OC-13. MET's maintenance was completed prior to the new Baker Treatment Plant becoming operational to avoid interruptions to the new treatment plant.
MET LRP Coordinators Meeting	Keith attended the MET LRP Coordination webinar meeting on September 21. Agenda items included: LRP update, On-site Retrofit Pilot Program update; Accelerated Recycled Water Retrofit Program update, and the potential of Regional GIS mapping of current and planned recycled water projects.

EMERGENCY PREPAREDNESS

Coordination with Member Agencies	<p><i>OC Water Procurement and Distribution Planning Efforts to date:</i></p> <ul style="list-style-type: none"> - <i>County-wide Planning Meetings: February 25, April 20, July 21 (Disabilities, Access, Functional Needs (DAFN) Workgroup)</i> - <i>Tools Developed: Executive Summary with DAFN language, Water Utility Water Distribution Template, City Water Distribution Template, Point of Distribution (POD) Site Evaluation Checklist, draft outreach materials, and a POD Supplies Checklist.</i> - <i>Presentations: MWDOC's A&F Committee, the MWDOC Member Agency Manager's meeting and the Orange County Emergency Management Organization (OCEMO)</i> - <i>Working Group Meetings (7 groups) – 9</i> <p>UPDATE: This month Kelly Hubbard facilitated the kick off meeting for 1 new working group. Agencies in attendance are notated below.</p> <p>Attendees: City of Seal Beach Police/Emergency Coordination and Water Department, City of Cypress Emergency Management, City of Westminster Water Division. The first local planning group based on a small group from the Laguna and Dana Point area had their last official meeting to finalize their planning format. City of Laguna beach, Laguna Beach County Water District (LBCWD) and South Coast Water District are finalizing their plans, while a few others in the group will need a little more time. Kelly met with the City of Laguna Beach and LBCWD separately to finalize their planning with their management.</p>
Fall Exercise Activities	<p>Kelly spent time at the South EOC to evaluate and work on EOC readiness for the exercise.</p> <p>Kelly provided a series of trainings to prepare staff and member agencies for the September exercise. One class was EOC Action Planning Training which presented how to develop response objectives and a plan of action for complex, multi-agency or multi-day events. The second class was on the newly reformatted WebEOC, the online information management tool that the county provides for coordinated communication. Both classes were provided twice.</p>
Coordination with the County of Orange	<p>Kelly met with all of the Orange County Fire Agencies' Operations Chiefs to discuss response coordination between water utilities and each fire authority. She was able to provide information on WEROC, the water utilities and discuss best practices moving forward. A county-wide communication protocol between water agencies and fire agencies was agreed upon and shared with the fire agencies.</p>

Coordination with the County of Orange (Continued)	<p>Kelly submitted for additional funding for the fuel trailer project to the OC Urban Area Working Group (UAWG). This is the primary approval body for the Urban Area Security Initiative (UASI) funding that is paying for the fuel trailers. WEROC requested funding for 2 more trailers that would go to the City of Westminster and probably the City of Huntington Beach. If approved, that would be a total of 8 trailers purchased as mutual aid equipment.</p> <p>Kelly attended the September Orange County Emergency Management Organization (OCEMO) meeting. A great presentation on speaking skills and audience engagement was provided by the California Earthquake Allegiance who is trying to develop a cadre of speakers for public education purposes.</p>
Coordination with Outside Agencies	<p>Kelly attended the California Emergency Services Association (CESA) Southern Chapter Annual Meeting at NBC Universal on September 7. Dr. Ann Gordon of the University of Chapman presented on American's Fears and how to encourage disaster preparedness.</p> <p>Kelly participated in the California Water/Wastewater Agency Response Network (CalWARN) Steering Committee call. The group is working with the California State Training Institute (CSTI) to host a series of Water Sector Unit Leader classes to increase the number of individuals in the state who are trained on how to represent water utilities in Operational Area Emergency Operations Centers.</p>
WEROC Emergency Operations Center (EOC) Readiness	<p>The WEROC EOC Assessment was discussed when Kelly and Karl met twice with Claris Strategies, Inc. The purpose of the meeting was to review what was discovered in the Discovery and Analysis process, as well as to identify any missing information that was still needed. Additionally, the group reviewed and ranked the facility site and building evaluation criteria.</p>
<h2 style="text-align: center;">WATER USE EFFICIENCY</h2>	
California Urban Water Conservation Council	<p>On September 14, Joe Berg chaired the Board of Directors meeting of the California Urban Water Conservation Council. This meeting was hosted by Inland Empire Utilities Agency and Chino Basin Water Conservation District. The focus of the meeting was to gain support between water agency and environmental members to transition the organization to a member services based organization. An agreement in principle was reached. The next meeting is scheduled for November 16, 2016 in the Sacramento area.</p>

MET's Water Conservation Work Group Meeting	<p>On September 15, Beth Fahl attended MET's Water Use Efficiency Workgroup meeting where about 30 member agencies participated. Agenda items included:</p> <ul style="list-style-type: none"> • MET Conservation Board Presentations for July <ul style="list-style-type: none"> ○ Conservation Overview ○ Conservation Report • Bay Foundation – Innovative Conservation Program Recipient for Rain Gardens in Culver City • Water Supply Update • MET Programs Update <ul style="list-style-type: none"> ○ Region-wide RFP ○ New Member Agency Administered Programs ○ California Friendly Landscape Workshops ○ Large Landscape Audits • Member Agency Roundtable <p>The next meeting is scheduled for October 20, 2016 at MET.</p>
Emergency Drought Regulations	<p>On September 15 and 29, Joe participated in ACWA's Leadership Group meetings to discuss state agencies' proposals for implementation of the Executive Order. The primary purpose of these meetings is to develop unified messaging and proposals among water agencies throughout the state.</p> <p>On September 19 and 20, Joe participated in the Urban Advisory Group meetings hosted by MET. These meetings were led by staff from the State Water Resources Control Board and the Department of Water Resources. Proposals for new water use efficiency targets and improvements to Water Shortage Contingency Planning were the primary topics of discussion.</p> <p>On October 3, Joe participated in a Water Shortage Contingency Planning Technical Workshop via webinar. This Technical Workshop provided another opportunity for water agencies to provide the state agencies with input on their Water Shortage Contingency Planning proposal.</p>
Commercial Dishwasher Recycling	<p>On September 22, Director Tamaribuchi and Joe and I met with Ed Lee, Jennifer Baland, and Dan Dickenson to discuss an emerging commercial dishwasher recycling technology. Significant progress has been made by this team to get the Orange County Health Department's approval to install and test a recycling unit. Joe also introduced them to the Metropolitan Innovative Conservation Program, which provides seed money to quantify water savings of new technologies. It was agreed that the latest version of the recycling system will be installed in a Wahoo's Fish Tacos restaurant in Newport Beach, and a tour will be scheduled within the next few months.</p>

Orange County Water Use Efficiency Coordinators Workgroup	<p>On October 6, Beth, Andrew Kanzler, Steve Hedges, Jessica Lieu, Rachel Waite, and Laura Loewen hosted the Orange County Water Use Efficiency Coordinators Workgroup Meeting. The meeting was held at MWDOC, and approximately 16 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • MWDOC Updates • Agency Roundtable/Problem Solving Roundtable <ul style="list-style-type: none"> ○ Agency Drought Response Update • California Data Collaborative • Public Affairs/Marketing Update <ul style="list-style-type: none"> ○ Bill Inserts ○ Boy Scouts Merit Badge • Metropolitan Update <ul style="list-style-type: none"> ○ Conservation Board Presentation/Overview ○ MWD Programs Update <ul style="list-style-type: none"> ▪ Region-wide RFP ▪ California Friendly Workshops ▪ Large Landscape Audits • Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ Umbrella Agreement <ul style="list-style-type: none"> ▪ Amendment 1 ▪ Drip Program Addendum ○ Turf Removal Program ○ USBR Grant – Comprehensive Landscape Water Use Efficiency Program – Phase II <p>The next meeting is scheduled for November 3, 2016 at MWDOC.</p>
Water Smart Innovations Conference	<p>On October 6 and 7, Joe attended the Water Smart Innovations Conference at the South Point Hotel in Las Vegas, Nevada. This annual conference is sponsored by the Southern Nevada Water Authority, the Environmental Protection Agency, and the Alliance for Water Efficiency.</p>
SMWD's Lake Mission Viejo Recycled Water Dedication	<p>On October 10, Joe attended the Lake Mission Viejo Advanced Purified Water Facility Dedication. This project will utilize advanced purified waste water in place of potable water to maintain lake levels. Annual potable water savings are projected to be 114 million gallons per year.</p>

PUBLIC/GOVERNMENT AFFAIRS

Member Agency Relations	<p>Heather provided a 2016 State Legislative Recap to the MWDOC Member Agency Managers' at the monthly meeting.</p> <p>Heather and Melissa met with Nathan Purkiss of MET to get an update from him, and coordinate how we can continue to work together.</p> <p>Heather went on a tour of Santa Margarita Water District's facilities to learn more about what they do locally and how MWDOC can be of assistance with their future projects.</p> <p>Heather met with the new Governmental Affairs Manager at Western Municipal Water District, Michael Hadley.</p> <p>Laura attended the Water Use Efficiency Workgroup meeting and provided an update on MWDOC activities.</p> <p>Laura coordinated a bill insert order for our member agencies.</p> <p>Jonathan, Karl, Kevin, Charles and Joe attended the SMWD ceremony marking the addition of Advanced Purified Water to Lake Mission Viejo. Director Thomas also attended.</p>
Community Relations	<p>Heather attended the Orange County Public Affairs Association meeting featuring guest speaker OC Registrar, Neal Kelly.</p> <p>Heather, Karl and I attended ACC-OC's Water Committee hosted by Mesa Water District. The topic was "Desalination in Orange County" with panelists Andy Brunhart, Scott Maloni of Poseidon and CalDesal Executive Director, Paul Kelley. Director Hinman also attended.</p> <p>Heather attended the ACC-OC Ballot Breakfast which provided information on various propositions.</p> <p>Ivan, Jonathan and Laura attended the San Gabriel Valley Water Forum.</p> <p>Jonathan represented MWDOC at the opening of the Saddleback College Sciences Building.</p>

Education	<p>Laura attended the Metropolitan Education Coordinators meeting.</p> <p>Laura attended elementary school assemblies at Grace Christian Elementary School and San Joaquin Elementary School with Sherri Seitz, El Toro Water District, and Tony Solorzano, Discovery Science Foundation.</p> <p>Jonathan and Laura held a phone conference with OCDE representatives to increase the presence of the California WaterFix in the high school program.</p>
Media Relations	<p>Jonathan worked with the Los Angeles Times to include my quote in the article about water usage statewide.</p> <p>Jonathan wrote a news release about OC water savings. The release was posted on MWDOC's website, social media and was posted to a local news website.</p> <p>Jonathan wrote a news release about the South County Water Expo, which was picked up in the OC Register.</p> <p>Jonathan wrote a news release about MWDOC's transparency award. The release was distributed to local media, posted on the MWDOC website, promoted in social media and posted on the ACWA homepage.</p>
Special Projects	<p>Ivan and Jonathan staffed the South OC Water Expo organized by Supervisor Lisa Bartlett's office. Director Thomas also attended.</p> <p>Jonathan hosted a meeting with local agencies participating in the Boy Scout merit badge program. He completed required training to work with the Scouts.</p> <p>Tiffany and Bryce are currently working on trip logistics, guest and Director requirements for the following inspection trips:</p> <ol style="list-style-type: none"> 1. October 14-15, Director Dick/Director Galleano (WMWD) SWP/Central Valley Agriculture 2. October 21-22, Director Ackerman, SWP 3. November 18, Director Dick, JPL/Weymouth 4. Coordinating TBD dates for Infrastructure one-day, CRA/Hoover, and DVL one-day.

Special Projects (Continued)	<p>Tiffany and Bryce are preparing graphic materials for WEROC and the agency water trailers.</p> <p>Tiffany, Jonathan and Bryce participated in a WEROC county-wide functional exercise with several other MWDOC employees. Director Hinman also attended.</p> <p>Tiffany participated in a discussion about inspection trips at the MET Directors Luncheon.</p> <p>Tiffany finalized and posted the RFP for redesign of the agency's website www.mwdoc.com. She has been tracking responses and responding to requests for clarification from potential vendors. The RFP closes October 31.</p> <p>Tiffany has been preparing a community events action plan which will determine criteria for MWDOC participation by identifying purpose, strategy, goals and return on investment.</p> <p>Heather staffed the WACO Planning meeting where the next couple of meetings were outlined.</p> <p>Heather and Laura sent out a reminder invitation for the ISDOC Quarterly Luncheon.</p> <p>Tiffany & Heather staffed Director McKenney's State Water Project Trip with board members and staff from ACC-OC. Director Thomas was also on the trip.</p> <p>Heather and Laura, with the help of Crystal Nettles from OCWD, counted the ballots and tallied the votes for the 2016 ISDOC Executive Committee election.</p> <p>Heather, Laura, and Ivan staffed the ISDOC Quarterly Luncheon featuring guest speakers John Seiler and Teri Sforza. Laura and Ivan handled check-in and registration. Heather provided an overview of the Executive Committee Election process and the election results.</p> <p>Heather researched the WACO bylaws for Director Dick. Heather and Laura staffed the ISDOC Executive Committee meeting.</p> <p>Heather staffed the WACO meeting featuring speakers from OCLAFCO and CSDA who provided an update and overview of the Little Hoover Commission's hearings on special districts.</p>
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Special Projects (Continued)	<p>At the County of Orange, Laura attended the National Pollutant Discharge Elimination System Public Education Sub-Committee meeting.</p> <p>Laura distributed 85,000 conservation door hangers to participating REALTORS.</p> <p>Jonathan coordinated Andrew Kanzler's presentation to AP students at Brea-Olinda High School and prepared a PowerPoint for the morning.</p> <p>Jonathan coordinated Andrew Kanzler's presentation to the California prison operators at a meeting in Dana Point.</p> <p>Jonathan coordinated a presentation by Karl at the Society for Marketing Professionals Services Orange County luncheon.</p> <p>Staff participated in a Coastal Cleanup Day event and after-event celebration at Huntington State Beach. The event is the state's largest annual volunteer event, taking place along more than 2,000 miles of coastal and inland shoreline. The event is organized by the California Coastal Commission and the Orange County effort is organized by OC Coastkeeper. Tiffany, Bryce and Ivan prepared graphic materials and coordinated event logistics, Tiffany, Bryce, Ivan, Jonathan, Sarah, Corinne and Rachel worked the event.</p>
Legislative Affairs	<p>Heather attended the Orange County Producers meeting to hear the group's feedback on the Orange County Flood Control District's (OCFCD) proposed license fee. Karl, Kevin and Keith also attended.</p> <p>Heather scheduled a meet & greet meeting with Supervisor Steel for Director Tamaribuchi and Rob.</p> <p>Heather met with Christine Compton of Irvine Ranch Water District (IRWD) to discuss the OCFCD's proposed license fee.</p> <p>Heather, Karl and Pat coordinated MWDOC's response letter to the County of Orange on the OCFCD's proposed license fee. The current coalition includes MWDOC, IRWD, Anaheim Public Works and SMWD. Comments were due October 12, 2016.</p>
Water Summit	<p>Jonathan is working to secure Fritz Coleman or Jonathan Goldsmith (The former Most Interesting Man in the World) as emcee for the 2017 event.</p>

INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

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