

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
December 9, 2015, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director J. Finnegan
Director Osborne

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

Ex Officio Member: L. Dick

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

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

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

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

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

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION.
INITIATION OF LITIGATION PURSUANT TO PARAGRAPH (4) OF SUBDIVISION
(D) OF SECTION 54956.9 (1 CASE)

PROPOSED BOARD CONSENT CALENDAR ITEMS

2. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – November 2015
 - b. Disbursement Approval Report for the month of December 2015
 - c. Disbursement Ratification Report for the month of November 2015
 - d. GM Approved Disbursement Report for the month of November 2015
 - e. Water Use Efficiency Projects Cash Flow – November 30, 2015

- f. Consolidated Summary of Cash and Investment – October 2015
 - g. OPEB Trust Fund monthly statement
3. FINANCIAL REPORT
- a. Combined Financial Statements and Budget Comparative for the period ending October 31, 2015
 - b. Audited Annual Financials for FY 2014-15 and oral overview by Auditors

ACTION ITEMS

4. APPROVAL OF COSTS OF REFURBISHMENT OF SHARE ADMINISTRATION COMMON AREAS WITH OCWD/REFURBISHMENT OF MWDOC OFFICE FACILITIES AND SHARED EXPENSES

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

5. RECYCLE OBSOLETE EQUIPMENT
6. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFO
7. DEPARTMENT ACTIVITIES REPORTS
- a. Administration
 - b. Finance and Information Technology

OTHER ITEMS

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

ADJOURNMENT

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

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

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

WATER REVENUES

Date	From	Description	Amount
11/02/15	City of Fountain Valley	September 2015 Water deliveries	172,112.54
11/02/15	Serrano Water District	September 2015 Water deliveries	5,782.97
11/02/15	Trabuco Canyon Water District	September 2015 Water deliveries	14,650.13
11/02/15	City of La Palma	September 2015 Water deliveries	59,786.07
11/03/15	City of Garden Grove	September 2015 Water deliveries	433,551.82
11/05/15	City of San Juan Capistrano	September 2015 Water deliveries	469,243.44
11/09/15	City of Buena Park	September 2015 Water deliveries	177,625.24
11/09/15	El Toro Water District	September 2015 Water deliveries	654,351.39
11/09/15	Santa Margarita Water District	September 2015 Water deliveries	2,112,398.75
11/09/15	City of Seal Beach	September 2015 Water deliveries	238,510.11
11/09/15	South Coast Water District	September 2015 Water deliveries	443,214.09
11/12/15	City of Westminster	September 2015 Water deliveries	84,743.84
11/12/15	City of Orange	September 2015 Water deliveries	579,399.41
11/13/15	Laguna Beach County Water District	September 2015 Water deliveries	274,097.53
11/13/15	East Orange County Water District	September 2015 Water deliveries	358,092.84
11/13/15	Santiago Aqueduct Commission	September 2015 Water deliveries	120,997.80
11/13/15	City of Newport Beach	September 2015 Water deliveries	377,615.62
11/13/15	City of San Clemente	September 2015 Water deliveries	623,447.36
11/13/15	Irvine Ranch Water District	September 2015 Water deliveries	798,245.26
11/13/15	Moulton Niguel Water District	September 2015 Water deliveries	2,025,867.71
11/13/15	Yorba Linda Water District	September 2015 Water deliveries	480,166.78
11/13/15	Golden State Water Company	September 2015 Water deliveries	366,241.42
11/23/15	City of Buena Park	October 2015 Water deliveries	169,802.95
11/23/15	City of Fountain Valley	October 2015 Water deliveries	188,265.26
11/23/15	City of San Juan Capistrano	October 2015 Water deliveries	423,603.94
11/27/15	City of Huntington Beach	October 2015 Water deliveries	542,983.30
11/27/15	City of San Clemente	October 2015 Water deliveries	560,571.80
11/30/15	City of La Habra	October 2015 Water deliveries	11,791.79
11/30/15	Serrano Water District	October 2015 Water deliveries	5,970.14
11/30/15	Trabuco Canyon Water District	October 2015 Water deliveries	18,155.68

TOTAL REVENUES \$ 12,791,286.98

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
11/30/15	John Thornton	1/22/16 Water Policy dinner	80.00
11/05/15	Stan Sprague	November 2015 Retiree medical premium	212.59
11/16/15	Joan Finnegan	Jul-Sep 2015 Director's Insurance contribution	320.73
11/02/15	Susan Hinman	Jul-Sep 2015 Director's Insurance contribution	250.35
11/04/15	Petty Cash	Movie tickets	243.00
11/05/15	Laura Loewen	Movie tickets	17.00
11/09/15	Harvey De La Torre	Movie tickets	51.00
11/23/15	Laura Loewen	Movie tickets	17.00
11/25/15	Kelly Hubbard	Movie tickets	34.00
11/05/15	Metropolitan Water District	Refund for Service Connection OC-58 Abandonment	3,118.39
11/16/15	City of Fountain Valley	September 2015 Smart Timer rebate program	150.00
11/20/15	City of Fullerton	September 2015 Smart Timer rebate program	67.75
11/23/15	2 Checks	September 2015 Smart Timer rebate program	1,050.00
11/09/15	Golden State Water Company	September 2015 Turf Removal rebate program	7,228.09
11/13/15	City of Brea	September 2015 Turf Removal rebate program	1,105.75
11/16/15	Trabuco Canyon Water District	September 2015 Turf Removal rebate program	206.25
11/18/15	City of San Juan Capistrano	September 2015 Turf Removal rebate program	2,063.23
11/23/15	City of Buena Park	September 2015 Turf Removal rebate program	2,271.97
11/25/15	City of La Habra	September 2015 Turf Removal rebate program	1,067.00
11/09/15	2 Checks	September 2015 Smart Timer and Turf Removal rebate program	9,484.00
11/13/15	2 Checks	September 2015 Smart Timer and Turf Removal rebate program	4,624.99
11/16/15	Moulton Niguel Water District	September 2015 Smart Timer, Rotating Nozzle & Turf Removal rebate program	62,476.54
11/09/15	Golden State Water Company	September 2015 So Cal Watersmart Residential rebate program	335.00
11/16/15	2 Checks	September 2015 So Cal Watersmart Residential rebate program	60,035.11
11/25/15	El Toro Water District	September 2015 So Cal Watersmart Residential rebate program	550.00
11/30/15	Irvine Ranch Water District	September 2015 So Cal Watersmart Residential rebate program	4,000.99
11/16/15	Department of Water Resources	Apr-Jun 2015 Comprehensive Landscape WUE program	1,568.28
11/05/15	Bureau of Reclamation	Apr-Sep 2015 CII Performance Based WUE program	82,190.94
11/12/15	Bureau of Reclamation	Apr-Sep 2015 Hotel Water Smart program	68,300.00
11/05/15	Bureau of Reclamation	Apr-Sep 2015 Industrial Process Water Use Phase 2	48.60
11/05/15	Bureau of Reclamation	Apr-Sep 2015 Online Irrigation Base Schedule Calculator program	5,056.80
11/05/15	Bureau of Reclamation	Apr-Sep 2015 Spray to Drip Conversion pilot project	7,074.57
11/05/15	Bureau of Reclamation	Apr-Sep 2015 Water Efficient Site Certification & Smart Timer program	183,693.12
11/12/15	Bureau of Reclamation	November 2015 Industrial Process Water Use Phase 2	150,160.05
11/13/15	East Orange County Water District	FY 15-16 Choice Programs Billing Invoice	10,120.13
11/16/15	Serrano Water District	FY 15-16 Choice Programs Billing Invoice	7,868.40
11/16/15	South Coast Water District	FY 15-16 Choice Programs Billing Invoice	48,417.76
11/16/15	Trabuco Canyon Water District	FY 15-16 Choice Programs Billing Invoice	9,790.97
11/23/15	City of Garden Grove	FY 15-16 Choice Programs Billing Invoice	47,744.44
11/23/15	City of Newport Beach	FY 15-16 Choice Programs Billing Invoice	25,926.38
11/23/15	City of Orange	FY 15-16 Choice Programs Billing Invoice	81,954.60
11/23/15	Golden State Water Company	FY 15-16 Choice Programs Billing Invoice	47,432.64
11/25/15	City of Westminster	FY 15-16 Choice Programs Billing Invoice	17,227.52
11/25/15	Santa Margarita Water District	FY 15-16 Choice Programs Billing Invoice	160,111.75
11/27/15	City of Brea	FY 15-16 Choice Programs Billing Invoice	24,597.82
11/30/15	City of Fountain Valley	FY 15-16 Choice Programs Billing Invoice	25,143.39
11/30/15	City of La Habra	FY 15-16 Choice Programs Billing Invoice	18,375.43
11/30/15	Laguna Beach County Water District	FY 15-16 Choice Programs Billing Invoice	15,292.28
11/30/15	Yorba Linda Water District	FY 15-16 Choice Programs Billing Invoice	24,942.87
11/09/15	City of Orange	2015 Urban Water Management Plan Contract - Arcadis	40,670.00
11/09/15	City of Santa Ana	2015 Urban Water Management Plan Contract - Arcadis	36,050.00
11/18/15	City of San Juan Capistrano	2015 Urban Water Management Plan Contract - Arcadis	30,360.00

TOTAL MISCELLANEOUS REVENUES \$ **1,331,179.47**

TOTAL REVENUES \$ **14,122,466.45**


 Robert J. Hunter, General Manager


 Hilary Chumplitzi, Treasurer

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

Item 2b

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1088	November 2015 Legal consulting on water policy issues	2,050.00
	*** Total ***	2,050.00
	ACWA	
919-2016	2016 Annual membership dues	17,189.33
	*** Total ***	17,189.33
	Aleshire & Wynder LLP	
35074	October 2015 Legal services	4,240.24
35368	11/1/15-11/19/15 Legal services	4,830.74
	*** Total ***	9,070.98
	ARC	
8348283	Services to copy MWDOC's building plans	424.01
	*** Total ***	424.01
	Arcadis US, Inc.	
0753502	September 2015 Services for development of Urban Water Management plan	42,405.80
	*** Total ***	42,405.80
	Awards & Trophies Co., Inc.	
13575	1 Name plate for MWDOC staff	15.88
	*** Total ***	15.88
	Best Best and Krieger LLP	
55401-OCT15	October 2015 Legal services	13,656.61
55401-NOV15	11/1/15-11/23/15 Legal services	7,184.34
	*** Total ***	20,840.95
	California T's	
E19275	13 Embroidered staff t-shirts for outreach events	231.66
	*** Total ***	231.66
	CDM Smith	
80539737-11	10/4/15-10/31/15 Engineering services for Water Reliability Investigation	14,859.50
	*** Total ***	14,859.50
	Dissinger Associates	
AP-MWD-OCT15	October 2015 Pension plan distribution processing fee	50.00
	*** Total ***	50.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>GovernmentJobs.com. Inc.</i>	
INV16061	Employment advertising for Water Use Efficiency Programs Coordinator position	175.00
INV16071	Employment advertising for Senior Water Resources Analyst position	175.00
INV16077	Employment advertising for Principal Engineer/Planner position	175.00
	*** Total ***	525.00
	<i>James C. Barker, P.C.</i>	
105-1115	November 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<i>Karen's Detail Custom Frames</i>	
2723	Custom framing for Director Lizotte's retirement gift	54.00
2729	Custom framing of proclamation for R. Bell's retirement	54.00
	*** Total ***	108.00
	<i>Lewis Consulting Group, LLC</i>	
1439	November 2015 Consulting services	4,500.00
	*** Total ***	4,500.00
	<i>Edward G. Means III</i>	
MWDOC-1034	November 2015 Support on Metropolitan issues & strategic guidance to Engineering department	1,000.00
	*** Total ***	1,000.00
	<i>Office Solutions</i>	
I-00863547	11/17/15 Office supplies	308.32
I-00863120	11/17/15 Office supplies	6.48
I-00864644	11/19/15 Office supplies	155.50
	*** Total ***	470.30
	<i>Orange County Fast Print, Inc.</i>	
51994	Business cards R. Hunter, L. Loewen & K. Hubbard	216.00
	*** Total ***	216.00
	<i>Orange County Water District</i>	
15597	October 2015 50% of WACO expenses	232.50
15623	October 2015 Postage, shared office & maintenance expense	10,670.50
15626	Cost share for 7 new parking lot signs	4,403.55
	*** Total ***	15,306.55
	<i>Patricia Kennedy Inc.</i>	
20616	December 2015 Plant maintenance	214.00
	*** Total ***	214.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Top Hat Productions	
91028	11/5/15 Lunch for Orange County Reliability Study meeting	403.38
91068	11/19/15 Lunch for Managers' meeting	403.38
91085	11/24/15 Food for staff development lunch	243.00
	*** Total ***	1,049.76
	Townsend Public Affairs, Inc.	
11234	November 2015 State legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	U. S. HealthWorks Medical Group	
2806015-CA	10/28/15 Pre-employment exam	160.00
	*** Total ***	160.00
	USAFact, Inc.	
5112776	11/17/15 Pre-employment background check	94.91
	*** Total ***	94.91
	Vavrinek, Trine, Day & Co., LLP	
0119103-IN	October 2015 Services for FY 14/15 Financial Statement audit	4,865.00
	*** Total ***	4,865.00
	Total Core Expenditures	151,647.63

Choice Expenditures:

	AquaFicient Consulting	
03-003	October 2015 Landscape Performance Certification program funded by IRWD & MET	1,800.00
	*** Total ***	1,800.00
	Chambers Group Inc.	
30259	October 2015 Baseline environmental monitoring for Doheny Ocean Desal project	10,312.75
	*** Total ***	10,312.75
	ConserVision Consulting, LLC	
LPCP-236	October 2015 Consulting services for Landscape Performance Certification program	7,173.00
	*** Total ***	7,173.00
	EcoLandscape California	
MWDOC/ELC 112315	10/21/15-11/20/15 Development of irrigation schedule calculator	7,827.50
	*** Total ***	7,827.50

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Enterprise Information Systems, Inc.	
MWDOC-70003	2016 Web hosting for California Sprinkler Adjustment Notification System	2,160.00
	*** Total ***	2,160.00
	State Water Resources	
WD-0110124	7/1/15-6/30/16 Annual permit fee for Doheny Ocean Desal project	2,037.00
	*** Total ***	2,037.00
	Top Hat Productions	
91029	11/5/15 Lunch for Water Use Efficiency workgroup meeting	412.99
	*** Total ***	412.99
	Jessica H. Ouwerkerk	
MWDOC-005	October 2015 Consulting services for Water Use Efficiency department	2,470.00
	*** Total ***	2,470.00
	Ultimate Image Printing	
102923	6,250 Landscape contractor flyers for Water Use Efficiency programs	2,585.24
103113	Printing and mailing services for outreach letter to homeowner associations	522.90
	*** Total ***	3,108.14
	Total Choice Expenditures	<hr/> 37,301.38

Other Funds Expenditures:

	EcoLandscape California	
MWDOC/ELC 112315	10/21/15-11/20/15 Development of irrigation schedule calculator	7,827.50
	*** Total ***	7,827.50
	Hotel Program	
K903023	Ayres Group (Anaheim)	7,039.17
K903024	Ayres Hotel and Spa (Mission Viejo)	4,500.00
	*** Total ***	11,539.17
	Mega Maids Cleaning Service	
7379	November 2015 N. EOC cleaning services	94.00
7380	November 2015 S. EOC cleaning services	113.00
	*** Total ***	207.00
	Mission RCD	
1865	October 2015 Field verifications for Water Use Efficiency rebate programs	36,017.86
	*** Total ***	36,017.86

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

Invoice#	Vendor / Description	Amount to Pay
Spray to Drip Program		
S2D-HBCH-3135	C. Hu	175.00
S2D-IRWD-3138	L. Sims	350.00
S2D-IRWD-3763	R. Villalba	346.65
S2D-MESA-3757	L. Standard	525.00
S2D-MESA-3759	L. Standard	525.00
S2D-MNWD-3785	S. Rigas	247.00
S2D-MNWD-3128	K. Vestal	240.67
S2D-MNWD-3054	J. Borlin	561.00
S2D-MNWD-3743	S. Baillargeon	391.33
S2D-MNWD-3705	J. Davis	270.20
S2D-MNWD-3061	F. Greger	530.00
S2D-MNWD-3729	J. Sabus	355.00
S2D-ORGE-3723	A. Garcia	293.16
S2D-SCLM-3122	W. Rhodes	525.00
S2D-SMWD-3106	C. Chronister	145.72
S2D-SMWD-3075	P. Kolibaba	525.00
S2D-SMWD-3029	C. Yang	175.00
S2D-SMWD-3788	Y. Lu	571.11
S2D-TSTN-3108	A. Khauv	525.00
S2D-TSTN-3806	C. Denney	175.00
S2D-TSTN-3046	B. Murray	175.00
S2DC-MNWD-2143	Monarch Summit II HOA	1,129.13
S2DC-IRWD-2127	Yards Maintenance Corp.	1,004.00
S2DC-IRWD-2128	R&D Maintenance Corp.	323.20
S2DC-IRWD-2129	R&D Maintenance Corp.	1,119.20
S2DC-IRWD-2130	Descartes Maintenance Corp.	1,044.40
	*** Total ***	12,246.77
Turf Removal Program		
TR5W-BP-3574	C. Cowie	2,600.00
TR5W-BP-4891	M. Dunn	1,482.00
TR6-BP-6568-7430	D. Ellis	910.00
TR5W-BREA-5939	R. Thibodeaux	2,458.00
TR6-BREA-6998-220	M. Veitch	1,700.00
TR6-BREA-7494-1265	M. Brass	1,080.00
TR6-BREA-8087-200	Walters Wholesale Electric (Brea)	25,000.00
TR6-BREA-8673-1361	R. Robillard	1,080.00
TR5-ET-024	Golden Rain Foundation (Laguna Woods)	16,506.00
TR5W-ETWD-4030	D. Hewko	920.00
TR6-ETWD-10573-24892	L. Tee	1,900.00
TR6-ETWD-6671-24571	L. Ng	1,538.00
TR6-ETWD-7838-25292	H. Hayes	3,572.00
TR6-ETWD-8123-24641	B. Radcliffe	1,256.00
TR6-ETWD-9187-26581	R. Delshadi	932.00
TR6-ETWD-9637-22352	M. Cruikshank	904.00
TR5W-FV-4684	D. Manderscheid	1,166.00
TR6-FV-7397-9583	N. Nguyen	2,074.00
TR5-GG-042	D. Brown	1,524.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-GG-046	G. Hill	3,172.00
TR5W-GG-4243	J. Norton	5,270.00
TR5W-GG-4531	K. Nguyen	2,478.00
TR5W-GG-5215	G. Velton	596.00
TR6-GG-6132-12851	N. Vo	5,042.00
TR6-GG-7157-11732	M. Page	1,366.00
TR5-GSWC-097	M. Dinh	2,994.00
TR5-GSWC-110	R. Knox	1,312.00
TR5-GSWC-114	G. Mergotti	1,188.00
TR5W-GSWC-3549	E. Greene	2,740.97
TR5W-GSWC-3803	H. Le	1,229.74
TR5W-GSWC-4163	G. Alferes	3,268.00
TR5W-GSWC-4307	J. Stout	388.00
TR5W-GSWC-4323	J. Muth	8,686.00
TR5W-GSWC-4511	S. Miller	4,082.00
TR5W-GSWC-4596	J. Jung	912.00
TR5W-GSWC-4827	C. Skolmutch	4,882.00
TR5W-GSWC-4878	A. Christiansen	1,800.00
TR5W-GSWC-5328	C. Stark	1,166.00
TR5W-GSWC-5329	E. Lee	1,714.00
TR5W-GSWC-5362	R. Wulff	5,512.00
TR5W-GSWC-5447	F. O'Reilly	6,854.00
TR5W-GSWC-5679	W. Mackay	556.60
TR5W-GSWC-5964	D. Jacobsen	2,524.00
TR6-GSWC-6371-1013	H. Mayo	1,640.00
TR6-GSWC-6542-6359	J. Palmer	880.00
TR6-GSWC-6814-338	J. Hodson	1,140.00
TR6-GSWC-8268-6238	C. Ivanovici	566.00
TR5W-HB-4008	US Wheel Corp (Huntington Beach)	9,000.00
TR5W-HB-4065	M. Wiederin	3,252.00
TR5W-HB-4082	D. Baker	468.00
TR5W-HB-4515	J. McGuckin	1,096.00
TR5W-HB-4784	S. Sexton	596.00
TR5W-HB-5319	E. Madden	2,380.00
TR5W-HB-5750	Y. Shramenko	2,574.00
TR5W-HB-6031	J. Houchen - Houchen Apartments (Huntington Beach)	453.00
TR6-HB-10488-19781	K. Ly	5,478.00
TR6-HB-10595-16141	Y. Kotani	1,370.00
TR6-HB-6168-6002	C. Nunley	700.00
TR6-HB-6213-5711	S. Pinsky	3,754.00
TR6-HB-7070-19461	R. Gamble	4,052.00
TR6-HB-7116-19791	G. Mancewicz	1,054.00
TR6-HB-7747-5702	M. Spatola	4,064.00
TR6-HB-7775-8372	M. Koch	1,664.00
TR6-HB-7779-417	M. Koch	310.00
TR6-HB-8161-18101	E. Conley	2,128.00
TR6-HB-8807-5091	V. Thompson	1,122.00
TR6-HB-8952-20121	B. Hill	820.00
TR6-HB-8968-1713	J. Houchen - Houchen Apartments (Huntington Beach)	325.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR6-HB-9217-8271	D. Shoffeitt	1,288.00
TR6-HB-9992-16152	J. Stepanian	1,260.00
TR5W-IRWD-3422	T. Yu	1,486.00
TR5W-IRWD-4102	L. Smart	3,198.00
TR5W-IRWD-4129	V. Bath	3,286.00
TR5W-IRWD-4161	J. Ortiz	1,928.00
TR5W-IRWD-4543	Ventana HOA (Tustin Ranch)	5,730.00
TR5W-IRWD-4719	D. May	1,390.00
TR5W-IRWD-5293	K. Mannarelli	536.00
TR5W-IRWD-5333	R. Onishi	1,896.00
TR5W-IRWD-5653	T. White	1,290.00
TR5W-IRWD-5804	B. Gunson	1,174.00
TR5W-IRWD-5972	J. Low	674.00
TR5W-IRWD-6005	R. Ogle	4,176.00
TR6-IRWD-10401-2	B. Torres	1,400.00
TR6-IRWD-6215-20	J. Chu	1,006.00
TR6-IRWD-6261-28562	H. Horchover	956.00
TR6-IRWD-6444-21381	C. Morgan	1,056.00
TR6-IRWD-6613-8	P. Murugesan	356.00
TR6-IRWD-7224-3013	A. Flechner	2,280.00
TR6-IRWD-7552-22	K. Rohl	4,174.00
TR6-IRWD-7599-24521	R. Young	1,656.00
TR6-IRWD-7985-26242	J. Jambon	1,088.00
TR6-IRWD-8157-24832	E. Minder	2,684.00
TR6-IRWD-8353-25	S. Tsai	1,136.00
TR6-IRWD-8475-22781	R. Harris	2,042.00
TR6-IRWD-9473-21792	J. Campoli	1,058.00
TR6-IRWD-9474-110	R. Chang	1,108.00
TR6-IRWD-9999-3581	R. Herzog	728.00
TR5W-LB-4552	M. & D. Shapero	5,442.00
TR5W-LB-5304	L. Polley	8,631.00
TR6-LB-9094-511	A. Hoskins	783.00
TR5W-LH-4001	S. Zinberg	3,418.00
TR5W-LH-4071	K. La Counte	628.00
TR5W-LH-4938	J. Robinson	1,132.00
TR6-LP-10030-7972	N. & R. Chang	800.00
TR6-LP-10533-8236	W. Hammond	598.00
TR5-MESA-088	R. Pedersen	1,048.00
TR5W-MESA-4291	B. Hood	3,824.00
TR5W-MESA-4303	I. Lefebvre	2,748.00
TR5W-MESA-5261	R. Profeta	4,434.00
TR5W-MESA-5498	J. Twardowski	1,806.00
TR5W-MESA-5643	C. Sheasby	2,436.00
TR6-MESA-10410-3008	F. Ishihara	1,850.00
TR6-MESA-6600-3323	S. Sullivan	780.00
TR6-MESA-6601-1676	T. Sullivan	2,206.00
TR6-MESA-7310-2017	J. Jennings	3,504.00
TR6-MESA-7334-2063	R. Pedersen	285.00
TR6-MESA-7653-3164	R. Cullen	3,912.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR6-MESA-7675-1891	T. Hallenbeck	608.00
TR6-MESA-7794-2016	G. Cannon	4,102.00
TR6-MESA-8601-1670	J. Eklund	4,612.00
TR5-MNT-256	J. Manley	700.00
TR5-MNT-261	D. Marsh	8,375.00
TR5-MNT-269	G. Trotter	4,172.00
TR5W-MNT-2138	Briosa Owners' Association (Laguna Hills)	22,163.00
TR5W-MNT-3740	T. Scimeca	2,320.50
TR5W-MNT-3864	D. Hoime	3,033.19
TR5W-MNT-4010D	F. Ziaii	7,399.00
TR5W-MNT-4049	H. Kraiss	6,365.00
TR5W-MNT-4094D	J. Kazem	2,257.50
TR5W-MNT-4162	C. Kinsley	4,235.00
TR5W-MNT-4256	K. Donahue	1,578.50
TR5W-MNT-4259	J. Chevallier	3,206.00
TR5W-MNT-4384	P. Miura	2,655.00
TR5W-MNT-4437	J. Ross	6,238.00
TR5W-MNT-4450	M. Dries	4,711.00
TR5W-MNT-4490	E. Kraemer	14,480.00
TR5W-MNT-4614	J. Ellis	1,732.00
TR5W-MNT-4662	C. Armenta	2,882.72
TR5W-MNT-4780	T. Allen	2,850.00
TR5W-MNT-4801	F. Bremer	7,940.00
TR5W-MNT-4830	A. Boghdady	1,776.00
TR5W-MNT-4998	J. Mittelman	5,270.00
TR5W-MNT-5064	B. Adams	4,810.00
TR5W-MNT-5155	J. Lozinski	6,304.00
TR5W-MNT-5176	G. Loel	4,956.00
TR5W-MNT-5191	D. Kamber	2,772.00
TR5W-MNT-5283	C. Gormick	1,998.12
TR5W-MNT-5365	A. Podlech	731.50
TR5W-MNT-5459	M. Shiang	7,285.00
TR5W-MNT-5487	D. Brunell	2,080.00
TR5W-MNT-5598	K. Westling	1,669.50
TR5W-MNT-5850	R. Oliver	1,924.50
TR5W-MNT-5874	L. Brubaker	2,020.00
TR5W-MNT-5888	Z. Safai	5,817.00
TR5W-MNT-5966	P. Brown	5,240.00
TR5W-MNT-5967	P. Askins	3,041.50
TR5W-MNT-6026	K. Swanson	2,665.00
TR6-MNT-6142-30476	E. Mangoubi	3,420.00
TR6-MNT-6282-29141	N. Wiseman	5,315.00
TR6-MNT-6521-1	P. Hold	3,204.54
TR6-MNT-6549-1	K. Hublitz	1,446.00
TR6-MNT-6556-29492	Y. Nishijima	1,410.50
TR6-MNT-6905-29481	G. Mack	1,288.00
TR6-MNT-6942-24052	P. Schenkelberg	2,369.50
TR6-MNT-7114-25001	P. Russart	12,130.00
TR6-MNT-7137-26881	J. Cookson	9,060.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR6-MNT-7315-2	J. Flaska	7,425.00
TR6-MNT-7474-25511	R. Grimm	7,330.00
TR6-MNT-7685-42	P. Sullivan	2,225.00
TR6-MNT-7756-16	S. McMannus	2,166.50
TR6-MNT-8121-24852	J. Bodenhoefer	2,480.00
TR6-MNT-8136-26566	D. Garland	1,725.00
TR5-NWPT-016	S. Coty	2,084.00
TR5W-NWPT-3360	City of Newport Beach	312,602.00
TR5W-NWPT-4024	J. Obegi	4,324.00
TR5W-NWPT-4379	A. Brown	860.00
TR5W-NWPT-4791	R. Brewer	1,114.00
TR5W-NWPT-5113	P. Tabas	2,412.00
TR5W-NWPT-5124	R. Craig	6,172.00
TR5W-NWPT-5134	J. DePrima	500.00
TR5W-NWPT-5737	J. Golob	4,614.00
TR6-NWPT-7436-3033	L. Smith	998.00
TR6-NWPT-7973-3028	T. Schriber	968.00
TR6-NWPT-8218-2091	City of Newport Beach	10,814.00
TR6-NWPT-8228-400	B. Jeannette	3,100.00
TR6-NWPT-8583-4150	City of Newport Beach	8,243.00
TR6-NWPT-9277-16	M. French	770.00
TR5-O-079	W. Reimer	1,404.00
TR5-O-086	B. Chapman	1,222.00
TR5-O-093	K. or D. Mohrhoff	560.00
TR5W-O-2952012	C. Herman	750.00
TR5W-O-3169	C. McGuire	6,522.00
TR5W-O-4430	S. Nottingham	1,492.00
TR5W-O-4659	L. Arko	844.00
TR5W-O-5211	R. Wolfe	976.00
TR5W-O-5615	L. Lopez	1,268.00
TR6-O-6253-7142	C. Brebner	502.00
TR6-O-8559-1733	S. Saulnier	1,518.00
TR6-O-9535-6146	S. Moreno	1,970.00
TR5W-SB-4175	M. Reilly	1,000.00
TR5-SC-111	L. Bauer	2,581.00
TR5-SC-113	M. Browne	2,926.00
TR5-SC-115	I. Ashdown	1,384.00
TR5-SC-116	W. Newton	1,522.00
TR5W-SC-4015	J. Reeve	3,196.00
TR5W-SC-4138	B. Williams	11,740.00
TR5W-SC-4242	T. Murphy	7,176.00
TR5W-SC-4308	T. Schmid	1,578.00
TR5W-SC-4415	M. Welter	1,598.00
TR5W-SC-4629	J. Offord	1,638.00
TR5W-SC-4654	L. Fenton	1,200.00
TR5W-SC-4711	Seapointe Estates (San Clemente)	8,994.00
TR5W-SC-5917	R. Marchant	1,016.00
TR5W-SC-6032	D. Doalson	502.00
TR6-SC-6084-124	J. Schrantz	4,290.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR6-SC-6187-2908	J. Collett	3,928.00
TR6-SC-6258-1200	L. Hosseinpour	652.00
TR6-SC-6646-7119	R. Toosky	1,998.00
TR6-SC-7115-3016	C. Donaldson	6,000.00
TR6-SC-7152-815	J. Perry	2,872.00
TR6-SC-7412-211	J. Button	1,078.00
TR6-SC-7479-906	I. Starrs	898.00
TR6-SC-7614-2919	S. Parker	1,416.00
TR6-SC-7713-514	J. Munro	1,476.00
TR6-SC-8017-2000	L. Fischer	1,022.00
TR6-SC-8431-25	J. Porphir	1,966.00
TR6-SC-8440-2935	Y. Wen	1,552.00
TR5-SJC-054	M. Luke	2,472.00
TR5-SJC-066	C. Wieser	5,264.00
TR5W-SJC-2231	C. Gass	284.00
TR5W-SJC-3330	J. Homan	1,496.00
TR5W-SJC-4246	M. Brooks	660.00
TR5W-SJC-4636	Casitas ASSN #1 (Irvine)	15,984.00
TR5W-SJC-5684	G. Bauer	706.00
TR6-SJC-10395-32932	C. Timms	2,134.00
TR6-SJC-7079-31022	B. Gray	768.00
TR6-SJC-7318-28166	M. Loper	1,308.00
TR6-SJC-8116-26392	W. Kosmowski	2,440.00
TR6-SJC-8315-26211	B. Chapman	850.00
TR6-SJC-8907-31951	V. Jimenez	1,278.00
TR5-SM-212	S. McNamara	2,174.23
TR5-SM-217	K. Niemic	1,288.00
TR5W-SM-4104	A. Cheever	1,086.00
TR5W-SM-4727	G. Servis	2,104.00
TR5W-SM-4930	M. Tweedie	812.00
TR5W-SM-5103	K. Gabriel	954.00
TR5W-SM-5813	H. Blank	1,170.00
TR5W-SM-6035	R. Harriman	650.00
TR6-SM-10078-2	M. Zumbo	638.00
TR6-SM-6364-4	J. Bernards	880.00
TR6-SM-6576-1	S. MacLeod	6,000.00
TR6-SM-6803-3	G. McCloud	1,110.00
TR6-SM-7307-5	T. Rogers	1,564.00
TR6-SM-7512-2	S. Vorakoumane	956.00
TR6-SM-7674-22161	R. Hulbert	6,000.00
TR6-SM-7725-1	L. Acosta	1,016.00
TR6-SM-7742-27300	D. Tong	1,994.00
TR6-SM-9339-18	R. James	692.00
TR6-SOCO-7067-23841	J. Christiansen	806.00
TR6-SOCO-7144-34325	L. Gieselman	718.00
TR6-SOCO-8363-32707	B. Horn	772.00
TR6-SOCO-8940-24622	K. Milburn	3,106.00
TR6-SOCO-9635-35266	C. Defazio	1,058.00
TR5-SOCO-097	R. Law	1,284.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-SOCO-110	W. Beattie	2,620.00
TR5W-SOCO-3660	T. Burger	850.00
TR5W-SOCO-4067	N. Vos	848.00
TR5W-SOCO-4216	C. Yocum	1,932.00
TR5W-SOCO-4696	T. Brabeck	1,540.00
TR5W-SOCO-4969	C. Beattie	968.00
TR5W-SOCO-5172	O. Foster	1,246.00
TR6-SWD-10208-18302	M. Kato	3,394.00
TR6-SWD-8744-18131	W. Berberich	640.00
TR6-SWD-8832-18002	J. Ryckebosch	5,288.00
TR6-SWD-8888-10160	M. Felix	2,082.00
TR5-TC-009	R. Hulse	2,500.00
TR5W-TC-3348	S. Sitaraman	480.00
TR5W-TUST-3032	W. Twomey	3,418.00
TR5W-TUST-4181	K. Feher	2,076.00
TR6-TUST-6304-13042	M. Ho	4,134.00
TR6-TUST-6873-13092	J. Hersey	3,963.00
TR6-TUST-7150-14641	D. Foster	2,103.00
TR6-TUST-9170-14132	R. Stephens	3,501.00
TR6-WEST-10052-14232	M. Black	1,402.00
TR6-WEST-9293-14692	H. Nguyen	4,756.00
TR5W-YLWD-4648	C. Fries	1,418.00
TR5W-YLWD-4965	S. Barron	1,546.00
TR5W-YLWD-5421	R. Wagner	4,408.00
TR5W-YLWD-5514	R. Warner	4,822.00
TR5W-YLWD-5617	D. Rivera	828.00
TR5W-YLWD-5699	T. Tran	1,324.00
TR5W-YLWD-5706	R. Thomson	1,500.00
TR6-YLWD-10469-4051	P. Martin	1,716.00
TR6-YLWD-10612-5121	C. Beck	4,546.00
TR6-YLWD-6504-20401	J. LaCommare	1,004.00
TR6-YLWD-6869-4932	D. Chi	2,084.00
TR6-YLWD-7564-19192	D. Larson	2,814.00
TR6-YLWD-7812-5397	G. Hahn	997.17
TR6-YLWD-7840-5445	R. Ricks	1,300.00
TR6-YLWD-8140-5472	D. Brown	774.00
TR6-YLWD-8381-21530	M. Fales	616.00
TR6-YLWD-8798-20241	K. Nguyen	2,158.00
TR6-YLWD-8878-16361	C. Heath	2,724.00
TR6-YLWD-9752-20905	D. Chen-Elliott	2,524.00
	*** Total ***	1,152,619.28
	Total Other Funds Expenditures	1,220,457.58
	Total Expenditures	1,409,406.59

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
130332	11/10/15	TIMEWA 5210-NOV15	Time Warner Cable November 2015 Telephone and internet expense ***Total ***	 1,280.33 1,280.33
130333	11/10/15	VERIZO 9754480241	Verizon Wireless October 2015 4G Mobile broadband unlimited service ***Total ***	 76.02 76.02
130336	11/16/15	ACKEEX 103115	Linda Ackerman October 2015 Business expense ***Total ***	 64.40 64.40
130342	11/16/15	C3OFFI INV42823 INV43915	C3 Office Solutions LLC October 2015 Canon copier maintenance November 2015 Canon copier maintenance ***Total ***	 262.13 262.13 524.26
130346	11/16/15	DELAGE 47542575	De Lage Landen Public Finance November 2015 Canon copier lease ***Total ***	 509.00 509.00
130350	11/16/15	IRONMO LKZ3688	Iron Mountain November 2015 Storage/retrieval of archived document ***Total ***	 532.66 532.66
130352	11/16/15	LYONKE 103115	Keith Lyon October 2015 Business expense ***Total ***	 24.90 24.90
130358	11/16/15	ROBERT 103115	Bryce Roberto October 2015 Business expense ***Total ***	 90.28 90.28
130373	11/16/15	TAMARI 103115	Satoru Tamaribuchi October 2015 Business expense ***Total ***	 149.00 149.00
130374	11/16/15	TIMEWA 3564-NOV15	Time Warner Cable November 2015 Telephone expense for 4 analog fax lines ***Total ***	 145.07 145.07
130378	11/16/15	USBANK 5783/6533-OCT15	U.S. Bank 9/22/15-10/22/15 Cal Card charges ***Total *** (See attached sheet for details)	 10,018.62 10,018.62

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001739	11/16/15	BACATI 102315	Tiffany Baca September-October 2015 Business expense ***Total ***	 291.70 291.70
ACH001740	11/16/15	BARBRE 103115	Brett Barbre October 2015 Business expense ***Total ***	 247.25 247.25
ACH001741	11/16/15	BAUMHA 103115	Melissa Baum-Haley September-October 2015 Business expense ***Total ***	 352.02 352.02
ACH001742	11/16/15	BERGIO 103015	Joseph Berg October 2015 Business expense ***Total ***	 860.25 860.25
ACH001747	11/16/15	CHUMPI 103115	Hilary Chumpitazi October 2015 Business expense ***Total ***	 52.52 52.52
ACH001749	11/16/15	DICKEK 103115	Larry Dick October 2015 Business expense ***Total ***	 212.22 212.22
ACH001753	11/16/15	HINMAN 103115	Susan Hinman October 2015 Business expense ***Total ***	 411.98 411.98
ACH001756	11/16/15	GUTIER 103115	Marey Gutierrez October 2015 Business expense ***Total ***	 96.61 96.61
ACH001766	11/16/15	HUNTER 101415	Robert J. Hunter September-October 2015 Business expense ***Total ***	 88.73 88.73
ACH001769	11/16/15	THOMAS 103115	Jeffery Thomas October 2015 Business expense ***Total ***	 120.76 120.76
ACH001772	11/30/15	FINNEG 083115	Joan Finnegan August 2015 Business expense ***Total ***	 96.61 96.61

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001773	11/30/15	FINNEG 093015	Joan Finnegan September 2015 Business expense ***Total ***	 31.05 31.05
Total Core Disbursements				16,276.24

Choice Disbursements:

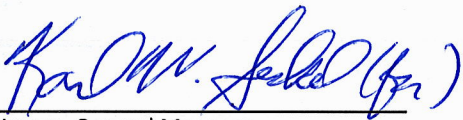
130378	11/16/15	USBANK 5783-OCT15A	U.S. Bank 9/22/15-10/22/15 Cal Card charges ***Total *** (See attached sheet for details)	 26.09 26.09
ACH001741	11/16/15	BAUMHA 103115	Melissa Baum-Haley September-October 2015 Business expense ***Total ***	 279.73 279.73
ACH001742	11/16/15	BERGJO 103015	Joseph Berg October 2015 Business expense ***Total ***	 74.48 74.48
130865	11/30/15	SDGE 49159257768-	San Diego Gas and Electric 10/19/15-11/18/15 Electrical service for Doheny Ocean Desal project ***Total ***	 231.74 231.74
Total Choice Disbursements				612.04

Other Funds Disbursements:

130334	11/13/15	MESAWA 8661	Mesa Water September 2015 Credit for Local Resources program ***Total ***	 44,791.22 44,791.22
130335	11/13/15	OCWD 8664	Orange County Water District September 2015 GWRS MET credit ***Total ***	 1,070,026.40 1,070,026.40
130378	11/16/15	USBANK 5783-OCT15A	U.S. Bank 9/22/15-10/22/15 Cal Card charges ***Total *** (See attached sheet for details)	 1,631.80 1,631.80

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001768	11/16/15	STOCKB 103115	Brandon Stock October 2015 Business expense ***Total ***	 120.74 120.74
130380	11/18/15	ATTUVEOC 8599-NOV15	AT&T November 2015 U-verse internet service for WEROC N. EOC ***Total ***	 45.00 45.00
130863	11/30/15	CATALI 0012063	Catalina Island Conservancy November 2015 WEROC radio repeater site lease ***Total ***	 1,558.54 1,558.54
ACH001777	11/30/15	SANTAM SEP2015	Santa Margarita Water District September 2015 SCP Operation surcharge ***Total ***	 25,762.28 25,762.28
WIRE-151130	11/30/15	METWAT 8484	Metropolitan Water District September 2015 Water deliveries ***Total ***	 9,275,130.24 9,275,130.24
Total Other Funds Disbursements				10,419,066.22
Total Disbursements				10,435,954.50



Robert J. Hunter, General Manager



Hilary Chumvitazi, Treasurer

Cal Card Statement Detail
Statement Date: October 22, 2015
Payment Date: November 16, 2015

Date	Description	Amount
<u>K. Seckel Card</u>		
09/22/15	UPS delivery charges for Board & Committee packets on Sep. 11, 2015	\$ 46.56
09/22/15	iStock images	12.00
09/22/15	Annual license fee for Adobe Creative Cloud software - 1 user	520.02
09/23/15	Association of Metropolitan Water Agencies Executive Management conference in Savannah, GA from Oct. 11-14, 2015 - Airfare for R. Hunter	1,084.40
09/23/15	Brown and Caldwell employment advertising for Senior Water Resources Analyst position	200.00
09/23/15	Society for Human Resource Management annual membership renewal	190.00
09/23/15	Lunch for Orange County MET managers' meeting	213.50
09/24/15	Computer supplies	14.57
09/25/15	Amazon Prime annual membership	72.36
09/25/15	Computer supplies	42.95
09/25/15	Brown and Caldwell employment advertising for Principal Engineer/Principal Planner position	200.00
10/01/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 26-Oct. 1, 2015 - Accommodations for K. Hubbard	722.96
10/01/15	California Emergency Services Association Annual training & conference in South Lake Tahoe, CA from Sep. 27-Oct. 1, 2015 - Accommodations for B. Stock	595.84
10/01/15	Lunch for Orange County Reliability Study meeting	298.00
10/02/15	Government Finance Officers Association Annual Governmental GAAP Update online seminar - Registration for H. Chumpitazi	135.00
10/04/15	Sep. 2015 Google AdWords campaign to promote water conservation and rebates	14.09
10/06/15	Jobs Available publication	30.00
10/07/15	International Association of Emergency Managers USA Annual conference in Las Vegas, NV from Nov. 14-18, 2015 - Airfare for K. Hubbard	183.00
10/09/15	Food for Oct. 9, 2015 State Water Project Agriculture Inspection trip	210.00
10/13/15	Deposit for Dec. 15, 2015 staff holiday luncheon	500.00
10/14/15	Office supplies from Costco	412.10
10/16/15	Food for staff development lunch	145.26 ¹
10/16/15	Regal movie tickets for employee purchase	1,708.00
10/16/15	4 Government directories for 2016	84.14
10/20/15	UPS delivery charges for Board & Committee packets on Oct. 9 & 14, 2015	108.14
10/20/15	American Red Cross Disaster Preparedness Academy workshop in Anaheim, CA on Oct. 28, 2015 - Registration for B. Stock	130.00
10/20/15	CRWUA Annual conference in Las Vegas, NV from Dec. 16-18, 2015 - Registration for Director Barbre	425.00
10/20/15	CRWUA Annual membership renewal for Director Barbre	20.00

Cal Card Statement Detail
Statement Date: October 22, 2015
Payment Date: November 16, 2015

Date	Description	Amount
10/20/15	California Urban Water Conservation Council meeting in Sacramento, CA on Nov. 4, 2015 - Airfare for J. Berg	461.96
Total		\$ 8,779.85

1 R. Hunter reimbursed MWDOC \$145.26

R. Hunter Card

09/23/15-10/22/15	Meals for R. Hunter's meetings on various dates	\$ 197.16
09/28/15	Fastrak toll roads deposit	100.00
09/30/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Registration for Director Osborne	695.00
10/07/15	Southern California Water Committee Annual dinner in Universal City, CA on Oct. 29, 2015 - Registration for H. Baez	200.00
10/09/15	Secretary of State fee for copies of documents	10.25
10/12/15	Southern California Water Committee Annual dinner in Universal City, CA on Oct. 29, 2015 - Registration for Director Tamaribuchi	200.00
10/14/15	Association of Metropolitan Water Agencies Executive Management conference in Savannah, GA from Oct. 11-14, 2015 - Transportation, accommodations and parking for R. Hunter	799.25
10/20/15	ACWA Fall conference in Indian Wells, CA from Dec. 1-4, 2015 - Registration for H. De La Torre	695.00
Total		\$ 2,896.66

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of November 2015

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
130331	11/3/15	CPAPPR 110315	CP Appraisers 50% Deposit for services to appraise MWDOC office building ***Total ***	2,250.00 2,250.00
130341	11/16/15	AYALAS 103015	Sam Ayala October 2015 Atrium landscape maintenance ***Total ***	95.00 95.00
130502	11/24/15	OCCHOR 111915	OCC Horticulture Account Poinsettia order for MWDOC ***Total ***	96.00 96.00
ACH001771	11/30/15	APPLEO 01-3836686	AppleOne Employment Services W/E 10/31/15 Temporary help for scanning records ***Total ***	585.42 585.42
Total Core Disbursements				3,026.42
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
130851	11/25/15	TURFRP TR6-SOCO-7257-	Turf Removal Program P. Caouette	754.00
130852		TR5-MNT-232	G. Colwell ***Total ***	9,965.00 10,719.00
Total Other Funds Disbursements				10,719.00
Total Disbursements				13,745.42


 Robert J. Hunter, General Manager


 Hilary Chumipitazi, Treasurer

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 11/30/15

	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	TOTALS
Cash- Beginning Balance	\$ (4,366,336.14)	\$ (4,150,715.21)	\$ (866,085.23)	\$ (2,898,017.49)	\$ (3,394,231.09)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	
REVENUES:													
BUREC					496,524.08								\$ 496,524.08
City of Brea	6,999.33	1,934.35	389.42	247.74									10,676.59
City of Buena Park	1,212.97	1,886.23	846.00	2,716.00	2,271.97								8,933.17
City of Fountain Valley	150.00				150.00								300.00
City of Fullerton		225.00		150.00									442.75
City of Garden Grove	1,995.00	1,650.00	2,914.00	4,224.00	2,770.81								13,553.81
City of Huntington Beach		325.66	294.00	211.54									831.20
City of La Habra	1,050.00	599.53	2,451.89	5,622.00	1,067.00								5,750.42
City of San Clemente	4,925.18		9,588.07	5,141.99	3,911.00								23,566.24
City of San Juan Capistrano	3,344.86	2,142.95		11,481.16	2,063.23								19,032.20
City of Santa Ana		75.00	150.00										300.00
City of Tustin		246.86											546.86
City of Newport Beach	4,297.93	840.00	3,264.97	4,096.04									8,201.01
City of Orange			14,879.13	5,622.50	6,713.19								31,512.75
City of Westminster			75.00										75.00
County of Orange													-
Department of Water Resources		649,130.64	1,824.70		1,568.28								652,523.62
East Orange County Water District													-
El Toro Water District	2,633.00	5,676.22	2,016.61	1,328.86	550.00								12,504.69
East Orange County Water District													-
Golden State Water Company	6,555.20	6,985.72	12,246.61	9,373.88	7,563.09								42,724.50
Irvine Ranch Water District	116,113.61	30,550.23	43,139.41	45,081.83	4,525.99								239,411.07
Laguna Beach County Water District	1,840.00	16,506.86	1,259.00	2,257.00	713.99								22,576.85
Mesa Water District		75.00	150.00										225.00
Metropolitan Water District	194,847.61	4,001,136.01	434,924.75	1,389,139.07	1,308,972.63								7,309,020.07
Moulton Niguel Water District	359,285.60	244,320.71	3,654.58	152,661.75	122,311.65								881,134.29
MWD OC													-
Santa Margarita Water District		1,035.00	458.43	1,482.03	525.00								3,500.46
Serrano Water District		75.00		75.00									150.00
South Coast Water District				225.00									225.00
Trabuco Canyon Water District	800.00	1,072.37	300.00	1,175.00	406.25								3,753.62
Yorba Linda Water District	80.66		517.75	437.46									1,035.87
Miscellaneous Revenues													-
Miscellaneous													-
Interest Revenue													-
Total Revenues	704,980.95	4,966,639.34	5,354,342.32	1,617,984.85	1,963,781.66	-	-	-	-	-	-	-	\$ 9,788,731.12
EXPENDITURES:													
Aquifer	1,500.00	1,500.00	1,500.00	1,800.00	1,800.00								\$ 8,100.00
Autumn Print Group				207.36									207.36
Awards & Trophies					28.74								28.74
Conservation Consulting, LLC	7,645.50	7,699.75	7,452.00	7,508.25	7,501.50								38,007.00
City of Newport Beach													-
El Toro WD	28,501.27												28,501.27
Enterprise Information Systems			2,160.00										2,160.00
Eco Landscape					11,141.80								11,141.80
Golden State Water Company	31,300.00				150,160.05								31,300.00
Industrial Program													150,160.05
Irvine Ranch Water District													-
Karen's Detail Custom Frames		48.60											48.60
Laguna Beach CWD	26,036.00												26,036.00
Metropolitan Water District													-
MESA													-
Mission RCD	30,478.31	32,850.22	47,850.46	41,311.01	37,048.67								189,338.67
Public Spaces program			251,845.00	55,939.00	168,760.00								476,544.00
Santa Margarita Water District	10,813.50												10,813.50
South Coast Water District	90,048.00												90,048.00
Spray to Drip program	1,557.61		27,688.12	15,622.66	5,552.86								50,421.25
Survey Gizmo				675.00									675.00
Turf Removal	253,213.58	1,639,959.39	2,212,359.63	1,988,139.02	1,993,107.28								8,086,778.90
US Bank													-
UKS													-
Waterwise Consulting													-
Miscellaneous Expenses													-
Interest Expense	3,817.57			2,996.15									6,813.72
Salary & Benefit	4,448.68		16,372.77										20,821.45
Total Expenditures	489,360.02	1,692,009.36	2,567,276.58	2,114,198.45	2,375,100.90	-	-	-	-	-	-	-	\$ 9,227,945.31
Cash- Ending Balance	\$ (4,150,715.21)	\$ (866,085.23)	\$ (2,898,017.49)	\$ (3,394,231.09)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	\$ (3,805,550.33)	



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

October 31, 2015

Street Address:18700 Ward Street
Fountain Valley, California 92708**Mailing Address:**P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058

Fax: (714) 964-9389

www.mwdoc.comLarry D. Dick
PresidentWayne S. Osborne
Vice PresidentBrett R. Barbre
DirectorJoan C. Finnegan
DirectorSusan Hinman
DirectorSat Tamaribuchi
DirectorJeffery M. Thomas
DirectorRobert J. Hunter
General Manager**MEMBER AGENCIES**

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,243,422	18.98%
Grant & Project Cash Flow	1,000,000	8.46%
Building Repair	239,491	2.03%
Total Designated Reserves	3,482,913	29.47%
General Fund	7,423,329	62.80%
Water Fund	4,050,287	34.26%
Conservation Fund	(3,394,231)	(28.71%)
Desalination Feasibility Study Fund	222,385	1.88%
WEROC Fund	27,872	0.23%
Trustee Activities	8,747	0.07%
Total	\$11,821,302	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.24%	\$146,608	\$146,608
Short-term investment			
• LAIF	1.33%	\$157,237	\$157,237
• OCIP	71.21%	8,417,351	8,417,351
Long-term investment			
• Misc. Securities	8.46%	1,000,106	1,002,445
• Certificates of Deposit	17.76%	2,100,000	2,104,534
Total	100.00%	\$11,821,302	\$11,828,175

The average number of days to maturity/call as of October 31, 2015 equaled 185 and the average yield to maturity is 0.950%. During the month, the District's average daily balance was \$19,679,606.09. 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 October 2015.

The \$6,873 difference between the book value and the market value on October 31, 2015 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General ManagerHilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary October 31, 2015

10/31/2015	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	2,100,000.00	2,104,534.00	2,100,000.00	17.99	1008	1.598
Local Agency Investment Funds	157,236.81	157,236.81	157,236.81	1.35	1	0.357
Miscellaneous Securities - Coupon	1,000,000.00	1,002,445.00	1,000,105.66	8.57	37	3.257
Orange County Investment Pool	8,417,351.38	8,417,351.38	8,417,351.38	72.10	1	0.525
Total Investments	11,674,588.19	11,681,567.19	11,674,693.85	100.00%	185	0.950

Cash						
Passbook Checking	146,607.72	146,607.72	146,607.72		1	0.00
Total Cash and Investments	11,821,195.91	11,828,174.91	11,821,301.57		185	0.950

Total Earnings	Month Ending October	Fiscal Year to Date
Current Year	13,116.13	44,286.45
Average Daily Balance	19,679,606.09	
Effective Rate of Return	0.950%	

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

Robert J. Hunter, General Manager

Date

12-2-15

Hilary Chungpitazi

Hilary Chungpitazi, Treasurer

Date

12/2/15

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
October 31, 2015

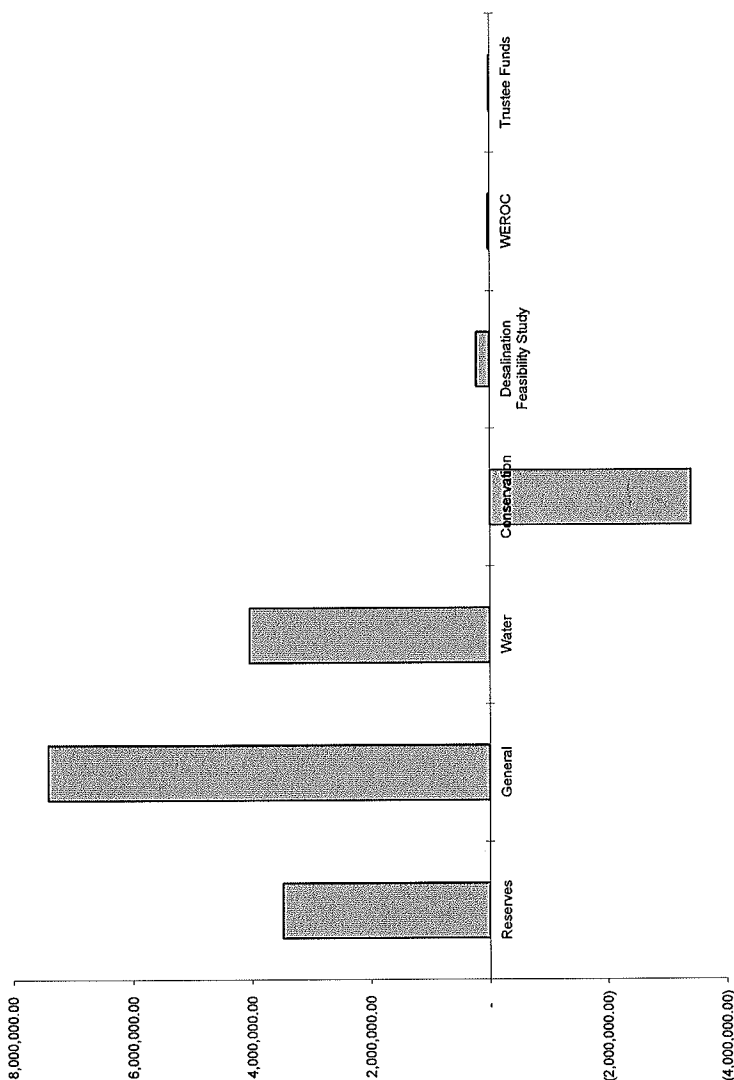
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,297.50	250,000.00	1.150	1.150	632	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,352.50	250,000.00	1.450	1.450	821	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	250,562.50	250,000.00	1.900	1.900	1423	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	250,217.50	250,000.00	1.700	1.700	1010	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	251,165.00	250,000.00	1.950	1.950	1403	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	250,117.50	250,000.00	1.600	1.600	996	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	250,290.00	250,000.00	1.200	1.200	633	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,374.00	100,000.00	1.050	1.050	450	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	251,157.50	250,000.00	2.050	2.050	1368	7/30/2019
Sub Total			2,100,000.00	2,104,534.00	2,100,000.00	1.598	1.598	1008	
Miscellaneous Securities - Coupon									
MetLife Global	59217GAD1	2/25/2011	500,000.00	502,445.00	500,107.13	3.125	3.007	72	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	500,000.00	499,998.53	3.450	3.508	2	11/2/2015
Sub Total			1,000,000.00	1,002,445.00	1,000,105.66	3.288	3.257	37	
Total Investments			3,100,000.00	3,106,979.00	3,100,105.66	2.143	2.133	695	
Total Earnings									
Current Year			Month Ending October	Fiscal Year To Date					
			5,657.05	21,516.61					

October 31, 2015

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	157,236.81	157,236.81	157,236.81	0.357	0.357	1	N/A
Sub Total			157,236.81	157,236.81	157,236.81	0.357	0.357	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	8,417,351.38	8,417,351.38	8,417,351.38	0.525	0.525	1	N/A
Sub Total			8,417,351.38	8,417,351.38	8,417,351.38	0.525	0.525	1	
Total Investments									
			8,574,588.19	8,574,588.19	8,574,588.19	0.522	0.522		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	146,107.72	146,107.72	146,107.72	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			146,607.72	146,607.72	146,607.72	0.000	0.000	1	
Total Cash and Investments									
			8,721,195.91	8,721,195.91	8,721,195.91	0.522	0.522	1	
Total Earnings									
Current Year			7,459.08		Fiscal Year To Date				22,769.84

**Municipal Water District of Orange County
Cash and Investments at October 31, 2015**

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	\$ 2,243,422	18.98%
Grant & Project Cash Flow	1,000,000	8.46%
Building Repair	239,491	2.03%
Total Designated Reserves	3,482,913	29.47%
General	7,423,329	62.80%
Water	4,050,287	34.26%
Conservation	(3,394,231)	-28.71%
Desalination Feasibility Study	222,385	1.88%
WEROC	27,872	0.23%
TOTAL MWDOC	\$ 11,812,555	99.93%
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 8,747	0.07%
TOTAL TRUSTEE ACTIVITIES	\$ 8,747	0.07%
TOTAL CASH & INVESTMENTS	\$ 11,821,302	100.00%



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2015 THRU OCTOBER 31, 2015

**Municipal Water District of Orange County
Combined Balance Sheet
As of October 31, 2015**

<u>ASSETS</u>	Amount
Cash in Bank	146,607.72
Investments	11,674,693.85
Accounts Receivable	25,638,479.75
Accounts Receivable - Other	1,489,947.89
Accrued Interest Receivable	28,967.19
Prepays/Deposits	602,520.97
Leasehold Improvements	3,026,974.08
Furniture, Fixtures & Equipment	436,910.44
Less: Accum Depreciation	(2,538,643.08)
Net OPEB Asset	92,806.00
	<hr/>
TOTAL ASSETS	\$40,599,264.81
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	21,643,542.91
Accounts Payable - Other	1,255.77
Accrued Salaries and Benefits Payable	291,930.02
OCWD Cup Balance Payable	2,240,238.80
Other Liabilities	1,574,801.69
Unearned Revenue	2,302,261.15
Total Liabilities	<hr/> 28,054,030.34 <hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	958,381.54
Total Restricted Fund Balances	<hr/> 958,381.54 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,336,227.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	<hr/> 3,575,718.66 <hr/>
GENERAL FUND	2,515,114.12
WEROC	83,059.22
Total Unrestricted Fund Balances	<hr/> 6,173,892.00 <hr/>
Excess Revenue over Expenditures	
Operating Fund	5,939,824.83
Other Funds	(526,863.89)
Total Fund Balance	<hr/> 12,545,234.48 <hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$40,599,264.81
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Water rate revenues	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Interest Revenue	14,038.48	47,227.67	117,675.00	40.13%	0.00	70,447.33
Subtotal	14,038.48	6,733,887.37	6,804,997.00	98.96%	0.00	71,109.63
Choice Programs	1,340,182.61	1,340,182.61	1,302,619.00	102.88%	0.00	(37,563.61)
Choice Prior Year Carry Over	0.00	0.00	243,338.00	0.00%	0.00	243,338.00
Miscellaneous Income	36,245.77	107,946.39	3,000.00	3598.21%	0.00	(104,946.39)
School Contracts	0.00	0.00	70,000.00	0.00%	0.00	70,000.00
Delinquent Payment Penalty	0.00	173.98	0.00	0.00%	0.00	(173.98)
Transfer-Out To Reserve	0.00	0.00	(64,424.00)	0.00%	0.00	(64,424.00)
Subtotal	1,376,428.38	1,448,302.98	1,554,533.00	93.17%	0.00	106,230.02
TOTAL REVENUES	1,390,466.86	8,182,190.35	8,359,530.00	97.88%	0.00	177,339.65

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	244,893.71	984,200.76	3,309,949.00	29.73%	0.00	2,325,748.24
Salaries & Wages - Grant Recovery	0.00	(16,486.77)	(23,500.00)	70.16%	0.00	(7,013.23)
Directors' Compensation	14,879.99	57,210.74	220,588.00	25.94%	0.00	163,377.26
MWD Representation	10,262.00	38,739.05	126,050.00	30.73%	0.00	87,310.95
Employee Benefits	75,900.63	262,192.53	863,069.00	30.38%	0.00	600,876.47
OPEB Annual Contribution	0.00	0.00	105,188.00	0.00%	0.00	105,188.00
Employee Benefits - Grant Recovery	0.00	(4,334.68)	0.00	0.00%	0.00	4,334.68
Director's Benefits	4,766.05	19,598.59	60,024.00	32.65%	0.00	40,425.41
Health Ins \$'s for Retirees	4,036.64	13,524.14	50,387.00	26.84%	0.00	36,862.86
Training Expense	0.00	1,397.50	18,000.00	7.76%	0.00	16,602.50
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	1,259.54	1,259.54	0.00	0.00%	0.00	(1,259.54)
Personnel Expenses	355,998.56	1,357,301.40	4,734,755.00	28.67%	0.00	3,377,453.60
Engineering Expense	41,096.90	124,874.63	300,000.00	41.62%	122,138.31	52,987.06
Legal Expense	17,896.85	59,418.68	355,000.00	16.74%	280,581.32	15,000.00
Audit Expense	1,865.00	19,965.00	23,000.00	86.80%	635.00	2,400.00
Professional Services	158,730.71	366,603.13	1,541,837.00	23.78%	479,881.22	695,352.65
Professional Fees	219,589.46	570,861.44	2,219,837.00	25.72%	883,235.85	765,739.71
Conference-Staff	1,030.00	5,845.00	19,450.00	30.05%	0.00	13,605.00
Conference-Directors	1,354.00	4,350.00	9,800.00	44.39%	0.00	5,450.00
Travel & Accom.-Staff	3,397.31	10,535.94	56,510.00	18.64%	0.00	45,974.06
Travel & Accom.-Directors	11.00	3,211.51	27,600.00	11.64%	0.00	24,388.49
Travel & Conference	5,792.31	23,942.45	113,360.00	21.12%	0.00	89,417.55
Membership/Sponsorship	5,210.00	48,752.26	103,961.00	46.89%	0.00	55,208.74
CDR Support	9,934.88	19,869.76	39,740.00	50.00%	19,869.74	0.50
Dues & Memberships	15,144.88	68,622.02	143,701.00	47.75%	19,869.74	55,209.24
Business Expense	639.61	1,754.31	6,800.00	25.80%	0.00	5,045.69
Maintenance Office	9,060.80	29,547.39	126,670.00	23.33%	80,180.24	16,942.37
Building Repair & Maintenance	1,438.29	4,212.90	11,000.00	38.30%	6,787.10	0.00
Storage Rental & Equipment Lease	1,045.16	3,936.98	19,000.00	20.72%	14,063.02	1,000.00
Office Supplies	1,419.35	11,326.52	29,400.00	38.53%	2,425.84	15,647.64
Postage/Mail Delivery	651.95	2,962.08	11,285.00	26.25%	790.79	7,532.13
Subscriptions & Books	110.00	185.82	2,060.00	9.02%	0.00	1,874.18
Reproduction Expense	1,109.66	1,294.77	70,010.00	1.85%	172.00	68,543.23
Maintenance-Computers	1,217.95	3,490.67	7,100.00	49.16%	2,137.16	1,472.17
Software Purchase	2,174.02	4,878.51	18,500.00	26.37%	363.00	13,258.49
Software Support	1,300.78	17,775.26	34,000.00	52.28%	0.00	16,224.74
Computers and Equipment	0.00	15,321.35	21,150.00	72.44%	0.00	5,828.65
Automotive Expense	1,876.38	4,904.49	13,500.00	36.33%	0.00	8,595.51
Toll Road Charges	71.74	148.85	1,275.00	11.67%	0.00	1,126.15
Insurance Expense	8,373.30	32,016.25	96,000.00	33.35%	0.00	63,983.75
Utilities - Telephone	1,597.27	5,961.14	15,650.00	38.09%	0.00	9,688.86
Bank Fees	855.84	3,314.41	17,900.00	18.52%	0.00	14,585.59
Miscellaneous Expense	4,744.15	13,474.50	98,770.00	13.64%	(1,092.00)	86,387.50
MWDOC's Contrb. To WEROC	11,817.25	47,269.00	141,807.00	33.33%	0.00	94,538.00
Depreciation Expense	1,000.37	4,001.42	0.00	0.00%	0.00	(4,001.42)
Other Expenses	50,503.87	207,776.62	741,877.00	28.01%	105,827.15	428,273.23
MWDOC's Building Expense	3,145.00	9,505.00	400,000.00	2.38%	2,975.00	387,520.00
Capital Acquisition	4,356.60	4,356.60	6,000.00	72.61%	0.00	1,643.40
TOTAL EXPENSES	654,530.68	2,242,365.53	8,359,530.00	26.82%	1,011,907.74	5,105,256.73
NET INCOME (LOSS)	735,936.18	5,939,824.82	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	10,096,914.40	43,650,397.90	139,025,078.00	31.40%	95,374,680.10
Readiness to Serve Charge	1,100,435.75	4,401,743.00	13,214,277.00	33.31%	8,812,534.00
Capacity Charge CCF	368,705.00	1,474,820.00	4,424,460.00	33.33%	2,949,640.00
SCP Surcharge	23,031.32	103,796.40	380,000.00	27.31%	276,203.60
Interest	465.60	1,431.15	2,900.00	49.35%	1,468.85
TOTAL WATER REVENUES	11,589,552.07	49,632,188.45	157,046,715.00	31.60%	107,414,526.55
<u>WATER PURCHASES</u>					
Water Sales	10,096,914.40	43,650,397.90	139,025,078.00	31.40%	95,374,680.10
Readiness to Serve Charge	1,100,435.75	4,401,743.00	13,214,277.00	33.31%	8,812,534.00
Capacity Charge CCF	368,705.00	1,474,820.00	4,424,460.00	33.33%	2,949,640.00
SCP Surcharge	23,031.32	103,796.40	380,000.00	27.31%	276,203.60
TOTAL WATER PURCHASES	11,589,086.47	49,630,757.30	157,043,815.00	31.60%	107,413,057.70
EXCESS OF REVENUE OVER EXPENDITURES	465.60	1,431.15	2,900.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	17,329.60	118,900.00	14.57%
Expenses	<u>30,057.50</u>	<u>118,900.00</u>	25.28%
Excess of Revenues over Expenditures	(12,727.90)	0.00	
Industrial Water Use Reduction			
Revenues	48.60	91,236.00	0.05%
Expenses	<u>20,636.00</u>	<u>91,236.00</u>	22.62%
Excess of Revenues over Expenditures	(20,587.40)	0.00	
Spray To Drip Conversion			
Revenues	31,796.42	57,109.58	55.68%
Expenses	<u>45,657.18</u>	<u>57,109.58</u>	79.95%
Excess of Revenues over Expenditures	(13,860.76)	0.00	
Water Smart Landscape for Public Property			
Revenues	0.00	137,871.04	0.00%
Expenses	<u>476,647.68</u>	<u>137,871.04</u>	345.72%
Excess of Revenues over Expenditures	(476,647.68)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	627,000.00	0.00%
Expenses	<u>0.00</u>	<u>627,000.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	225,980.81	658,000.00	34.34%
Expenses	<u>234,903.66</u>	<u>658,000.00</u>	35.70%
Excess of Revenues over Expenditures	(8,922.85)	0.00	
HECW Rebate Program			
Revenues	183,043.51	696,000.00	26.30%
Expenses	<u>182,323.85</u>	<u>696,000.00</u>	26.20%
Excess of Revenues over Expenditures	719.66	0.00	
CII Rebate Program			
Revenues	49,750.00	509,000.00	9.77%
Expenses	<u>38,100.00</u>	<u>509,000.00</u>	7.49%
Excess of Revenues over Expenditures	11,650.00	0.00	
Large Landscape Survey			
Revenues	9,275.68	85,000.00	10.91%
Expenses	<u>57.00</u>	<u>85,000.00</u>	0.07%
Excess of Revenues over Expenditures	9,218.68	0.00	
Indoor-Outdoor Survey			
Revenues	3,645.63	6,800.00	53.61%
Expenses	<u>0.00</u>	<u>6,800.00</u>	0.00%
Excess of Revenues over Expenditures	3,645.63	0.00	
Turf Removal Program			
Revenues	6,224,597.67	19,075,000.00	32.63%
Expenses	<u>6,204,844.55</u>	<u>19,075,000.00</u>	32.53%
Excess of Revenues over Expenditures	19,753.12	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	7,133.70	281,926.00	2.53%
Expenses	10,860.37	281,926.00	3.85%
Excess of Revenues over Expenditures	(3,726.67)	0.00	
Home Certification and Rebate			
Revenues	159,327.81	210,205.00	75.80%
Expenses	82,262.15	210,205.00	39.13%
Excess of Revenues over Expenditures	77,065.66	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	17,069.90	138,725.00	12.30%
Expenses	13,024.02	138,725.00	9.39%
Excess of Revenues over Expenditures	4,045.88	0.00	
CA Sprinkler Adjustment Subscription System			
Revenues	5,075.25	34,432.50	14.74%
Expenses	11,141.80	34,432.50	32.36%
Excess of Revenues over Expenditures	(6,066.55)	0.00	
Rotating Nozzle			
Revenues	426.10	39,000.00	1.09%
Expenses	14,721.27	39,000.00	37.75%
Excess of Revenues over Expenditures	(14,295.17)	0.00	
WUE Projects			
Revenues	6,934,500.68	22,766,205.12	30.46%
Expenses	7,365,237.03	22,766,205.12	32.35%
Excess of Revenues over Expenditures	(430,736.35)	0.00	
WEROC			
Revenues	47,269.00	283,614.00	16.67%
Expenses	103,623.87	278,613.00	37.19%
Excess of Revenues over Expenditures	(56,354.87)	5,001.00	
RPOI Distributions			
Revenues	0.00	4,823.00	0.00%
Expenses	0.00	4,823.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	



Item 3b

Board of Directors
Municipal Water District of Orange County
Fountain Valley, California

We have audited the financial statements of the Municipal Water District of Orange County (District) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 13, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in Note 11 of the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of the:

- Fair market value of investments are based on custodian bank valuations,
- Amounts related to the District's medical retiree (OPEB) plan are based on actuarial valuations,
- Amounts related to the net pension liability, related deferred inflows of resources and deferred outflows of resources, and disclosures are based on actuarial valuations and a proportionate share of the CalPERS collective net pension liability.

We evaluated the key factors and assumptions used to develop these estimates in determining that they were reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the District's cost-sharing defined benefit pension plan, net pension liability, and related deferred inflows and outflows of resources in Note 10 to the financial statements. The valuation of the net pension liability and related deferred outflows (inflows) of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate, and the District's proportionate share of the Plan's collective net pension liability. As disclosed in Note 10, a 1% increase or decrease in the discount rate has a significant effect on the District's net pension liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Refer to Attachment A for material misstatements detected as a result of audit procedures and corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 25, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, schedule of funding progress for the other post-employment benefit plan, and schedule of the District's proportionate share of the net pension liability and schedule of contributions for the cost-sharing retirement plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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



Laguna Hills, California
November 25, 2015

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

**SCHEDULE A
CORRECTED MISSTATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Number	Account Description	Debit	Credit
1	Advances from Participants	\$ 1,179,095	
	Unearned Revenue		\$ 1,179,095
	<i>To reclassify unearned revenue for State Grants received but not yet spent.</i>		
2	Restricted Cash	5,554,673	
	Unrestricted Cash		5,554,673
	<i>To reclassify negative restricted cash balance for Financial Statement presentation.</i>		
3	Beginning Net Position	1,586,447	
	Deferred Outflows of Resources	271,826	
	Net Pension Liability		1,858,273
	<i>To restate beginning Net Position in accordance with GASB 68.</i>		
4	Net Pension Liability	179,927	
	Deferred Outflows of Resources		179,927
	<i>To reclassify 2014 contributions as a reduction of Net Pension Liability in accordance with GASB 68.</i>		
5	Deferred Outflows of Resources	288,065	
	Salaries and Benefits Expense (PERS expense)		288,065
	<i>To reclassify 2015 contributions as a Deferred Outflows of Resources in accordance with GASB 71.</i>		
6	Salaries and Benefits Expense (Pension expense)	358,030	
	Net Pension Liability	318,329	
	Deferred Inflows of Resources		676,359
	<i>To report changes in Net Pension Liability during FY 2014-15 in accordance with GASB 68.</i>		
7	Deferred Inflows of Resources	141,908	
	Salaries and Benefits Expense (Pension expense)		117,724
	Deferred Outflows of Resources		24,184
	<i>To report changes in Net Pension Liability during FY 2014-15 in accordance with GASB 68.</i>		
8	Unrestricted Accounts Receivable - Other	5,554,673	
	Restricted Accounts Receivable - Other		5,554,673
	<i>To reclassify recievables as restricted resources had already been spent by the District (see Entry 2)</i>		
9	Net Position Restricted for Trustee Activities	5,554,673	
	Unrestricted Net Position		5,554,673
	<i>To reclassify net position in relation to Entry 2 and 8</i>		



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Municipal Water District of Orange County
Fountain Valley, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Municipal Water District of Orange County (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2015. Our report included an emphasis of matter related to the District's adoption of Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Laguna Hills, California
November 25, 2015

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT LETTER
FOR THE YEAR ENDED JUNE 30, 2015



Board of Directors and Management
Municipal Water District of Orange County
Fountain Valley, California

We have audited the basic financial statements of the Municipal Water District of Orange County (District) for the year ended June 30, 2015 and have issued our report thereon dated November 25, 2015. In planning and performing our audit of the basic financial statements of the District, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These observations and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CURRENT YEAR MANAGEMENT LETTER COMMENTS

FINANCIAL REPORTING FOR PENSIONS

Observation:

As described in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. We proposed audit adjustments to correct the District's net position, net pension liability, deferred inflows and outflows of resources, and pension expense in accordance with those standards.

Recommendation:

The District should review its procedures for preparing, recording and disclosing the District's net pension liability, deferred inflows and outflows of resources, pension expense, and the related disclosures in the notes and required supplementary information related to GASB Statements No. 68 and No. 71. These procedures should include ensuring the amounts reported by the District agree or reconcile to the actuarial report and audited schedule of allocated pension amounts for the District's cost-sharing defined benefit plan.

Management Response:

The District will review our procedures for preparing, recording, and disclosing all information related to GASB Statements No. 68 and No. 71, including reconciling to the CalPERS actuary report and their external auditors schedule to ensure we are accurately reporting our information.

CLOSING PROCEDURES RELATED TO RESTRICTED ASSETS AND NET POSITION

Observation:

During the year, we noted the District tracks activity within restricted accounts using separate general ledger accounts, including monitoring of cash and related receivable balances. During the closing process, negative cash associated with the restricted accounts were noted. These negative funds result from internal borrowing of funds from the District's unrestricted cash and investment accounts. As a result, we proposed audit adjustments to reclassify certain restricted cash and investments, accounts receivable, and the related net position.

Recommendation:

The District should review its procedures for closing and reporting the restricted accounts to ensure any internal borrowings are properly reflected in the financial statements at year end.

Management Response:

The District will review our closing procedures to ensure review of restricted assets and net position to verify amounts are being reported correctly.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the District gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Board of Directors, the District's management and others within the organization and should not be used by anyone other than these specified parties.



Laguna Hills, California
November 25, 2015

**MUNICIPAL WATER DISTRICT
OF ORANGE COUNTY**

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Unaudited)	3 - 9
Basic Financial Statements:	
▪ Statement of Net Position	10 - 11
▪ Statement of Revenues, Expenses and Changes in Net Position	12
▪ Statement of Cash Flows	13 - 14
▪ Notes to Financial Statements	15 - 33
Required Supplementary Information (Unaudited):	
▪ Other Post-Employment Benefit Plan Schedule of Funding Progress	34
▪ Cost Sharing Retirement Plan Schedule of District's Proportionate Share of Net Pension Liability	35
▪ Cost Sharing Retirement Plan Schedule of Contributions	36

Independent Auditors' Report



INDEPENDENT AUDITORS' REPORT

Board of Directors
Municipal Water District of Orange County
Fountain Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Water District of Orange County (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2015, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the other post-employment benefit plan, and schedule of the District's proportionate share of the net pension liability and schedule of contributions for the cost sharing retirement plan (required supplementary information) on pages 3 through 9 and 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

We have previously audited the 2014 financial statements of the District, and we expressed an unmodified audit opinion on the financial statements in our report dated December 3, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Laguna Hills, California
November 25, 2015

Management's Discussion and Analysis

(Unaudited)

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

The following is a brief discussion of the Municipal Water District of Orange County's (District) activities and financial performance for the year ended June 30, 2015. Please read in conjunction with the District's basic financial statements and accompanying notes which follow this section.

FINANCIAL HIGHLIGHTS

- The District's revenues were \$210.6 million in FY 2014-15, compared to \$213.2 million in the prior fiscal year, a 1.2% decrease.
- The District's expenses were \$209.5 million in FY 2014-15, compared to \$212.5 million in the prior fiscal year, a 1.4% decrease.
- The District's assets at June 30, 2015 were \$40.4 million, a 23.5% decrease compared to total assets of \$52.8 million at June 30, 2014.
- The District's liabilities at June 30, 2015 were \$34.6 million, a 26.0% decrease compared to total liabilities of \$46.8 million at June 30, 2014.
- The District's net position at June 30, 2015 was \$5.6 million, a 7.1% decrease compared to net position of \$6.0 million at June 30, 2014.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are reported using the economic resources measurement focus, and the accrual basis of accounting.

Under the economic resources measurement focus all assets, deferred inflows and outflows of resources, and liabilities (whether current or noncurrent) associated with these activities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The District's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about District activities during the reporting period. The financial statements of the District consist of three interrelated statements designed to provide the reader with relevant information on the District's financial condition and operating results. These statements offer short-term and long-term financial information about the District's activities utilizing the full accrual basis of accounting.

The *Statement of Net Position* includes all of the District's assets and deferred outflows of resources, less liabilities and deferred inflows of resources, with the difference being reported as Net Position. It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the District's operations over the past year and can be used to determine whether the District has successfully recovered all its projected costs through its rates and other service related charges.

The final required financial statement is the *Statement of Cash Flows* which presents information about the District's cash receipts and cash payments during the reporting period classified as cash receipts, cash payments, and net changes in cash resulting from operations, and investing, non-capital financing, and capital and related financing activities. This statement also provides comparative information on the sources and uses of the District's cash during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District's finances is: "Is the District, as a whole, financially better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. You can think of the District's net position (the difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources) as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in economic conditions, population growth, changes in rates and charges and new or changed government legislation or accounting standards.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

STATEMENT OF NET POSITION

Net position is the difference between assets plus deferred outflows of resources, less liabilities plus deferred inflows of resources, and may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's Statement of Net Position.

**Table 1
Condensed Statements of Net Position
(In thousands of dollars)
June 30:**

	2015	2014	Variance	Total Percent Change
Current Restricted Assets	\$ 3,876	\$ 2,845	\$ 1,031	36.2%
Current Unrestricted Assets	35,500	48,854	(13,354)	(27.3%)
Capital Assets	929	1,063	(134)	(12.6%)
Other Assets	93	37	56	151.4%
Total Assets	40,398	52,799	(12,401)	(23.5%)
Deferred Outflows of Resources	356	-	356	100%
Liabilities Payable from Restricted Current Assets	2,826	1,835	991	54.0%
Liabilities Payable from Unrestricted Current Assets	30,430	44,936	(14,506)	(32.3%)
Noncurrent Unrestricted Liabilities	1,360	-	1,360	100.0%
Total Liabilities	34,616	46,771	(12,155)	(26.0%)
Deferred Inflows of Resources	535	-	535	100%
Net Position:				
Investment in Capital Assets, Net of Related Debt	929	1,063	(134)	(12.6%)
Restricted for Trustee Activities	1,050	1,010	40	4.0%
Unrestricted	3,624	3,955	(331)	(8.4%)
Total Net Position	\$ 5,603	\$ 6,028	\$ (425)	(7.1%)

As can be seen from the table above, net position decreased by \$425 thousand from Fiscal Year 2014 to 2015. This decrease is the result of the following:

- Current Restricted Assets increased by \$1 million due to more funded conservation efforts.
- Current Unrestricted Assets decreased by \$13.4 million due to Water Sales down by \$6.7 million from ongoing water use efficiency efforts, mandatory reduction in water use in the latter part of the fiscal year and the MET metering error of \$7.8 million from FY 2013/2014. Offsetting these reductions is a \$1 million increase in our investments.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

- In accordance with GASB 68 Deferred Outflows and Inflows of Resources, Net Pension Liability (as Noncurrent Unrestricted Liabilities), and a restatement of beginning net position are reported in relation to the District's pension plan with CalPERS. Refer to Note 10 and Note 11.
- Liabilities Payable from Unrestricted Current Assets decreased \$14.5 million due to lower water sales and MET metering error last year.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

While the Statement of Net Position shows the financial position at year-end, the Statement of Revenues, Expenses, and Changes in Net Position provides information as to the nature and source of these changes in Net Position. The District reported an increase in net position of \$1,161 thousand for the year ended June 30, 2015, as compared to an increase of \$663 thousand for the year ended June 30, 2014. The following is a summary of the change in the District's net position.

**Table 2
Condensed Statements of Revenues,
Expenses and Changes in Net Position
(In thousands of dollars)
Year Ended June 30:**

	<u>2015</u>	<u>2014</u>	<u>Variance</u>	<u>Total Percent Change</u>
Operating Revenues	\$ 196,165	\$ 202,415	\$ (6,250)	(3.1%)
Special Projects Revenue	14,260	2,316	\$ 11,944	515.7%
Non-operating Revenues	210	322	(112)	(34.8%)
Special Item	-	8,144	(8,144)	(100.0%)
Total Revenues	210,635	213,197	(2,562)	(1.2%)
Operating Expense	195,068	201,798	(6,730)	(3.3%)
Special Projects Expense	14,260	2,316	11,944	515.7%
Depreciation Expense	146	145	1	0.7%
Non-operating Special Item Expense	-	8,275	(8,275)	(100.0%)
Total Expenses	209,474	212,534	(3,060)	(1.4%)
Change in Net Position	1,161	663	498	75.1%
Beginning Net Position, as restated	4,442	5,365	(923)	(17.2%)
Ending Net Position	\$ 5,603	\$ 6,028	\$ (425)	(7.1%)

The source of change in net position is due to the following:

- Operating Revenues and Expenses are lower due to reduced water sales.
- Special Projects & Grants Revenue and Expenses increased \$12 million primarily due to the issuance of Turf Removal rebates.
- Special Item Revenue and Expense was from the OC-88 MET water metering error discovered in 2014. This item did not re-occur in the current year.
- In accordance with GASB 68 the District's beginning net position was restated by \$1.6 million. Refer to Note 11.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

CAPITAL ASSETS

The following is a summary of the District's capital assets at June 30, 2015 and June 30, 2014.

**Table 3
Capital Assets
(In thousands of dollars)
June 30:**

	<u>FY 2015</u>	<u>FY 2014</u>	<u>Variance</u>	<u>Total Percent Change</u>
Leasehold Improvements	\$ 3,027	\$ 3,015	\$ 12	0.4%
Furniture & Fixtures	437	535	(98)	(18.3%)
Subtotal	<u>3,464</u>	<u>3,550</u>	<u>(86)</u>	<u>(2.4%)</u>
Less Accumulated Depreciation	<u>(2,535)</u>	<u>(2,487)</u>	<u>(48)</u>	<u>1.9%</u>
Net Capital Assets	<u>\$ 929</u>	<u>\$ 1,063</u>	<u>\$ (134)</u>	<u>(12.6%)</u>

The District replaced carpet in a few offices and painted. We also disposed of obsolete assets from our triennial audit of capital assets. Additional information regarding capital assets can be found in Notes 1 and 4 of the notes to financial statements.

DEBT ADMINISTRATION

The District had no debt outstanding as of June 30, 2015. No new long-term debt was incurred in the year ended June 30, 2015, and the District does not plan to issue new debt in the year ending June 30, 2016.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

BUDGETARY HIGHLIGHTS

The District is governed by a Board of Directors consisting of seven elected members. The Board adopts an annual appropriated budget prior to the start of the fiscal year. The Budget may be revised by Board action during the fiscal year. An actual vs. budget comparison statement for FY 2014-15 is presented in Table 4 to demonstrate compliance with the adopted budget.

**Table 4
FY 2015 Actual vs. FY 2015 Budget
(In thousands of dollars)
Year Ended June 30, 2015:**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Total Percent Change</u>
Revenues:				
From Operations	\$ 210,425	\$ 193,688	\$ 16,737	8.6%
Non-operating Revenues	210	145	65	44.8%
Total Revenues	210,635	193,833	16,802	8.7%
Expenses:				
From Operations				
Cost of Water	188,196	181,841	(6,355)	(3.5%)
Other Operating	21,132	11,896	(9,236)	(77.6%)
Depreciation	146	150	4	2.7%
Total Expenses	209,474	193,887	(15,587)	(8.0%)
Change In Position	\$ 1,161	\$ (54)	\$ 1,215	(2,250.0%)

The variances on the budget to actual are as follows:

- Revenues from Operations were \$16.7 million higher than budget due to the Turf Removal Program exponentially increasing due to the drought and the incentives being offered by MET and participating agencies increasing the rebate amount. Part of that amount is the \$6.4 million from the increase in the volume of water sold to member agencies.
- Expenses from Cost of Water purchased were \$6.4 million higher than budget due to higher water volume purchases from Metropolitan.
- Expenses from Other Operating were higher \$9.2 million higher mainly due to the Turf Removal Program.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)
JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's Board of Directors and management considered many factors during preparation and approval of the annual budget for FY 2015-16. The budgeted operating expenses total \$165.4 million and operating and non-operating revenues total \$165.5 million.

Historically, the District has recouped the cost of water purchased from the resale of imported water to the District's 28 member water agencies located in Orange County. In addition MWDOC has charged both a per acre-foot surcharge and a per retail meter charge to cover its operating budget. In past history, the District's operating revenue has been approximately 65% from per retail connection charges, and 35% from per acre-foot charges. Beginning in 2011-12, MWDOC began transitioning from the two-component rate structure to one involving only a single component. Over a five year period, ending in 2015-16, MWDOC has been transitioning from a water rate structure involving a variable per acre-foot charge and a fixed per retail meter charge to an 100% per retail meter charge. In addition MWDOC's agencies will still also pay for the direct resale cost of imported water.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is intended to provide the Board of Directors, customers, taxpayers, creditors, and other interested parties with a general overview of the District's financial operations and condition at the year ended June 30, 2015, and to demonstrate the District's accountability for the funds it receives. If you have questions about this report or need additional information, you may contact the Municipal Water District of Orange County, Finance Dept., at 18700 Ward Street, Fountain Valley, California 92708, (714) 963-3058, www.mwdoc.com.

Basic Financial Statements

Statement of Net Position
Statement of Revenues, Expenses and Changes in Net Position
Statement of Cash Flows

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Net Position
June 30, 2015
(with comparative data as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Note 2)	\$ 2,474,168	\$ 1,618,696
Accounts Receivable Other	1,400,372	1,225,345
Accrued Interest Receivable	995	833
Total Restricted Assets	<u>3,875,535</u>	<u>2,844,874</u>
Unrestricted Assets:		
Cash and Cash Equivalents (Note 2)	165,596	5,469,048
Investments (Note 2)	3,115,157	2,161,125
Accounts Receivable:		
Water Sales	26,409,818	33,152,443
Other	5,622,854	7,967,970
Accrued Interest Receivable	30,658	29,393
Deposits and Prepaid Expenses	156,401	74,530
Total Unrestricted Assets	<u>35,500,484</u>	<u>48,854,509</u>
Total Current Assets	<u>39,376,019</u>	<u>51,699,383</u>
Noncurrent Assets:		
Unrestricted Assets:		
Capital Assets, Net (Note 4)	929,243	1,063,125
Net Other Post Employment Benefits		
(OPEB) Asset (Note 8)	<u>92,806</u>	<u>37,041</u>
Total Noncurrent Assets	<u>1,022,049</u>	<u>1,100,166</u>
TOTAL ASSETS	<u>40,398,068</u>	<u>52,799,549</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amount related to pensions (Note 10)	355,780	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>355,780</u>	<u>-</u>

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Net Position (Continued)
June 30, 2015
(with comparative data as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Payable from Restricted Assets		
Accrued Liabilities	\$ 519,213	\$ 641,303
Advances from Participants	1,123,166	1,189,020
Unearned Revenue (Note 6)	1,179,095	-
Due to Participants (Note 5)	4,746	4,665
Total Payable from Restricted Assets	<u>2,826,220</u>	<u>1,834,988</u>
Unrestricted Liabilities:		
Accounts Payable, Metropolitan Water District of Southern California	29,320,297	36,423,492
Accounts Payable - Other	-	7,812,706
Accrued Liabilities	1,109,940	700,196
Total Unrestricted Liabilities	<u>30,430,237</u>	<u>44,936,394</u>
Total Current Liabilities	<u>33,256,457</u>	<u>46,771,382</u>
Noncurrent Liabilities:		
Unrestricted Liabilities:		
Net Pension Liability (Note 10)	1,360,017	-
Total Noncurrent Liabilities	<u>1,360,017</u>	<u>-</u>
TOTAL LIABILITIES	<u>34,616,474</u>	<u>46,771,382</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amount related to pensions (Note 10)	534,451	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>534,451</u>	<u>-</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	929,243	1,063,125
Restricted for Trustee Activities	1,049,315	1,009,886
Unrestricted	3,624,365	3,955,156
TOTAL NET POSITION	<u>\$ 5,602,923</u>	<u>\$ 6,028,167</u>

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015
(with comparative data as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Water Sales	\$ 196,165,166	\$ 202,415,070
Special Projects Revenue	13,678,299	1,507,206
Federal Grant Revenue	325,874	743,515
State Grant Revenue	255,956	64,809
Total Operating Revenues	<u>210,425,295</u>	<u>204,730,600</u>
Operating Expenses:		
Cost of Water Sold	188,196,586	195,659,855
Salaries and Employee Benefits	4,092,711	4,024,953
General and Administrative	2,778,997	2,113,668
Special Project Expenses (Note 6)	14,260,129	2,315,530
Depreciation	145,718	144,701
Total Operating Expenses	<u>209,474,141</u>	<u>204,258,707</u>
Operating Income	<u>951,154</u>	<u>471,893</u>
Nonoperating Revenues:		
Investment Income	77,496	95,407
Other Income	132,553	226,202
Total Non-Operating Revenues	<u>210,049</u>	<u>321,609</u>
Income Before Special Items	<u>1,161,203</u>	<u>793,502</u>
Special Items:		
Refund from Metropolitan Water District of Southern California	-	8,144,234
Distributions to Member Agencies	-	(8,274,842)
Total Special Items	<u>-</u>	<u>(130,608)</u>
Change in Net Position	<u>1,161,203</u>	<u>662,894</u>
NET POSITION - BEGINNING OF YEAR, AS RESTATED (NOTE 11)	<u>4,441,720</u>	<u>5,365,273</u>
NET POSITION - END OF YEAR	<u><u>\$ 5,602,923</u></u>	<u><u>\$ 6,028,167</u></u>

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015
(with comparative data as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities:		
Cash received from member agencies-water deliveries	\$ 202,907,791	\$ 197,450,806
Cash payments to Metropolitan Water District of Southern California	(195,299,781)	(190,184,845)
Cash payments for salaries and employee benefits	(4,153,774)	(4,077,650)
Cash payments for general and administrative expenses	(7,961,175)	(2,424,640)
Cash received from special projects	15,142,107	2,805,256
Cash payments for special projects	(14,325,983)	(2,490,559)
	<hr/>	<hr/>
Net Cash (used) provided by Operating Activities	(3,690,815)	1,078,368
	<hr/>	<hr/>
Cash Flows from Noncapital and Related Financing Activities:		
Other income	132,553	226,202
(Proceeds from)/Payments to RPOI participants (Note 5)	81	(1,424,728)
	<hr/>	<hr/>
Net Cash provided (used) by Noncapital and Related Financing Activities	132,634	(1,198,526)
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(11,836)	(225,285)
	<hr/>	<hr/>
Net Cash used by Capital and Related Financing Activities	(11,836)	(225,285)
	<hr/>	<hr/>
Cash Flows from Investment Activities:		
Investment income	66,758	107,616
Investments sold (purchased)	(944,721)	206,720
	<hr/>	<hr/>
Net Cash provided (used) by Investment Activities	(877,963)	314,336
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(4,447,980)	(31,107)
Cash and cash equivalents at beginning of year	7,087,744	7,118,851
	<hr/>	<hr/>
Cash and Cash Equivalents at End of Year	\$ 2,639,764	\$ 7,087,744
	<hr/>	<hr/>
Financial Statement Presentation:		
Cash and Cash Equivalents (Restricted)	\$ 2,474,168	\$ 1,618,696
Cash and Cash Equivalents (Unrestricted)	165,596	5,469,048
	<hr/>	<hr/>
Totals	\$ 2,639,764	\$ 7,087,744
	<hr/>	<hr/>

See accompanying notes to basic financial statements.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Cash Flows (Continued)
For the Fiscal Year Ended June 30, 2015
(with comparative data as of June 30, 2014)

	<u>2015</u>	<u>2014</u>
Reconciliation of Operating Income to Net Cash Provided for Operating Activities		
Operating Income	\$ 951,154	\$ 471,893
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:		
Depreciation	145,718	144,701
Pension expense	240,306	-
Change in Assets and Liabilities:		
(Increase)/Decrease in accounts receivable - water deliveries	6,742,625	(4,964,264)
(Increase)/Decrease in accounts receivable - other and other assets	2,345,116	(21,200)
(Increase) in deposits and prepaid expenses	(81,871)	(6,782)
(Increase) in OPEB asset	(55,765)	-
(Increase)/Decrease in accounts receivable - special projects	(175,027)	158,198
(Increase) in deferred outflows related to contributions subsequent to the measurement date	(288,065)	-
Increase/(Decrease) in accrued and other liabilities	409,744	(335,689)
(Decrease) portion of accrued liabilities for special item	(7,812,706)	(130,608)
Increase/(Decrease) in restricted accrued liabilities	(122,090)	259,081
(Decrease) in advances from participants	(65,854)	(44,782)
Increase in unearned revenue for special projects	1,179,095	-
Increase/(Decrease) in accounts payable to Metropolitan Water District of Southern California	(7,103,195)	5,547,820
Total Adjustments	(4,641,969)	606,475
Net Cash Provided by Operating Activities	\$ (3,690,815)	\$ 1,078,368

See accompanying notes to basic financial statements.

Notes to Financial Statements

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Municipal Water District of Orange County (the District) was formed as a municipal water district on January 11, 1951 under the Municipal Water District Act of 1911. The District is a wholesale water supplier and resource planning agency that serves all of Orange County through 28 cities and water agencies (except the Cities of Anaheim, Fullerton, and Santa Ana which are independent member agencies of the Metropolitan Water District of Southern California ("Metropolitan"). As a public agency member of the Metropolitan, the District purchases imported water from Metropolitan and provides the water to the District's 28 member agencies, which provide retail water services to approximately 2.3 million residents with the District's service area of approximately 600 square miles. The District's primary sources of water from Metropolitan are the California State Water Project (SWP) and the Colorado River Aqueduct.

The District is an independent special district of the State of California governed by an elected seven-member board. On January 2001, the District merged with the Coastal Municipal Water District (Coastal) under the recommendation of the Local Agency Formation Commission of Orange County (LAFCO) as part of an effort to streamline local government. The consolidation of the two agencies allows the new district to more efficiently provide wholesale water services at an improved efficiency for the benefit of residents living throughout the service area.

The District's reporting entity includes the accounts of the District and the Municipal Water District of Orange County Water Facilities Corporation (WFC). Formed as a separate California nonprofit corporation on April 20, 1978 to assist in the financing of the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), the WFC has no employees (see Note 5). The WFC is governed by a seven-member board comprised of the District's board members. The WFC had no activity or balances for the year ended June 30, 2015 and is kept active for potential future financing arrangements. WFC is a blended component unit of the District and the District has operational responsibility for WFC.

Basic Financial Statements

The District's basic financial statements consist of the Statement of Net Position the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Basic Financial Statements.

Basis of Presentation

The District accounts for its activities as an enterprise fund. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

The District's basic financial statements have been prepared on the accrual basis of accounting, and are presented on an economic measurement focus reporting all economic resources and obligations for the period ended June 30, 2015.

Net Position

In the Statement of Net Position, net position is classified in the following categories:

- Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets as applicable.
- Restricted net position – This amount consists of restricted assets reduced by liabilities. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Or a resource subject to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – This amount is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Operating and Non-Operating Revenues and Expenses

The District's primary purpose is to provide a dependable wholesale supply of imported water for its 28 member agencies. Accordingly, operating revenues, such as water sales result from exchange transactions, associated with the principal activity of the District, the purchase and resale of imported water to the District's member agencies.

Revenues from federal and state grants, reimbursements from participants and special projects (see Note 6), as well as special projects expenses are defined as operating revenues and expenses, respectively. Non-operating revenues consist of investment income and other miscellaneous income.

Water Sales and Cost of Water Sold

Historically, the District's primary source of revenue has been from the resale of imported water to the District's 28 member agencies located in Orange County. Based on Metropolitan's cost of water, each year Metropolitan's Board of Directors approves water rates comprised of a per retail connection charge, readiness to serve charge and a per acre-foot charge. Metropolitan's rates are based on cost of service studies performed on a biennial basis. Water rates are not subject to regulation by the California Public Utilities Commission or by any other local, state, or federal agency. Revenue from sales of water is recognized on the accrual basis as water is delivered.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

Over the years, the District's revenue has been approximately 65% from a per retail connection charges, and 35% from per acre-foot charges. In June 2010, MWDOC and its member agencies came to an agreement on changes to MWDOC's structure of charging for its services. First, MWDOC agreed to segregate our services between "Core" services and "Choice" services to give our agencies more "choices" to the services received. It was also agreed that, in addition to the cost of water and other charges from Metropolitan, MWDOC would transition its method of charging for "Core" services in the following manner. Commencing in fiscal year 2011 -12, MWDOC began transitioning to a 100% fixed charge. In the first year of this process, 80% of MWDOC's water rate charges for its operating budget would be fixed, and 20% would be based on water sales charges. Each year for the subsequent four years, MWDOC would increase the amount on fixed charges by 5%, reaching 100% in fiscal year 2015-16. Choice services would be charged directly to the agencies as a "fee for service" on a subscription basis. The settlement agreement that established this fixed charge basis for the operating budget expires at the end of fiscal year 2015-16. The member agencies also pay for the resale of imported water in addition to the other charges noted.

Investments

The District's investment policy and delegation of investment authority, is reviewed and approved each year by the Board of Directors. The investment policy authorizes the Treasurer to invest, reinvest, sell or exchange permitted fixed income securities in accordance with the California Government Code. The District accounts for investments in debt securities at fair market value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale). Investment income from restricted assets remains restricted.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash and short-term, highly liquid investments (i.e., Local Agency Investment Fund and Orange County Investment Pool) which are readily convertible to cash and mature within ninety (90) days of original purchase.

Accounts Receivable

The District extends credit to customers in the normal course of operations. Management believes all accounts receivable are collectible. In the event any accounts receivable are determined they are uncollectible, an allowance is recorded.

Capital Assets

Capital Assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and useful life greater than one (1) year. Upon retirement, sale or other disposition of capital assets, the cost and related accumulated depreciation are removed from respective accounts and any gains or losses are recognized. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which range from 3 to 5 years for furniture, fixtures, and equipment, and up to 30 years for leasehold improvements.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

Deposits and Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as Deposits and Prepaid items in the basic financial statements.

Deferred Outflows and Inflows of Resources

The District reported deferred outflows and inflows of resources related to pensions. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position by the District that is applicable to a future period. Refer to Note 10 for items identified as deferred inflows and outflows as of June 30, 2015.

Compensated Absences

As vacation leave is a vested employee benefit, the District is obligated to compensate employees for all earned but unused vacation days. Employee vacation days are accrued each pay period and reported as accrued liabilities. Depending on the length of employment, employees earn a minimum of 10 to a maximum of 21 vacation days per year. Accumulated vacation days may not exceed 2 times the number of days earned per year without prior approval of the General Manager. Sick leave time is a non-vested employee benefit (i.e. accumulated sick leave is not payable in the event of employee termination); is considered a contingent liability and is not reflected in the accompanying financial statements.

Unearned Revenue

Unearned revenue represents grant revenues received in advance of the recognition of the related expense. Refer to Note 6 for items identified as of June 30, 2015.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Water District of Orange County's (District) California Public Employees Retirement System (CalPERS) plans and additions to and deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State requires management to make estimates and assumptions that could affect certain reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires rounding of amounts and estimates. Management believes that any differences due to rounding are not material.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

Budgetary Policy and Control

The District Administrative Code requires that a budget be prepared each year under direction of the General Manager based on estimates of revenues and expected expenditures. The District's Board of Directors adopted an annual budget of expenditures for the period ended June 30, 2015. All amendments to the budget, or transfers of operating budget appropriations to or from reserve accounts, require Board approval. The General Manager is authorized to transfer budget amounts within programs. The legal level of budgetary control is at the total fund level.

New Accounting and Reporting Requirements

For the fiscal year beginning July 1, 2014 the District was required to apply the following GASB Statements:

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Statement is effective for periods beginning after June 15, 2014, or the 2014-2015 fiscal year. The District implemented this pronouncement effective July 1, 2014.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Statement is effective for periods beginning after June 15, 2014, or the 2014-2015 fiscal year. The District implemented this pronouncement effective July 1, 2014.

Effective in Future Years

GASB Statement No. 72 – On March 2, 2015, GASB released Statement No. 72 - *Fair Value Measurement and Application*, which would generally require state and local governments to measure investments at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosures to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The requirements are effective for financial statements for periods beginning after June 15, 2015, with early application encouraged. The District has not yet determined the effect on the financial statements.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

GASB Statement No. 73 - In June, 2015, GASB released Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* – effective for fiscal years beginning after June 15, 2015. The District has not yet determined the effect on the financial statements.

GASB Statement No. 74 - In June, 2015, GASB released Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – effective for fiscal years beginning after June 15, 2016. This statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43. The District has not yet determined the effect on the financial statements.

GASB Statement No. 75 - In June, 2015, GASB released Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – effective for fiscal years beginning after June 15, 2017. This statement applies to government employers who provide OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The District has not yet determined the effect on the financial statements.

GASB Statement No. 76 – In June 2015, GASB released Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The Statement is effective for fiscal years beginning after June 15, 2015. The District has not yet determined the effect on the financial statements.

GASB Statement No. 77 – In August 2015, GASB released Statement No. 77, *Tax Abatement Disclosures*. The Statement requires state and local governments to disclose information about tax abatement agreements. The Statement is effective for fiscal years beginning after December 15, 2015. The District has not yet determined the effect on the financial statements.

(2) Cash and Investments

Cash and investments at June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents (restricted)	\$ 2,474,168
Cash and cash equivalents (unrestricted)	165,596
Investments (unrestricted)	<u>3,115,157</u>
Total Cash and Investments	<u><u>\$ 5,754,921</u></u>

Cash and investments as of June 30, 2015 consist of the following:

Cash on hand	\$ 500
Deposits with financial institutions	34,772
Investments	<u>5,719,649</u>
Total Deposits and Investments	<u><u>\$ 5,754,921</u></u>

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Entities Securities	5 years	None	None
Corporate Securities	5 years	30%	None
Corporate Securities (Reserve Fund)	5 years	20%	None
Commercial Paper	270 days	20%	10%
Negotiable Certificates of Deposit	None	20%	None
Bankers' Acceptances	None	20%	20%
Repurchase Agreements	None	10%	None
Money Market Mutual Funds	N/A	20%	10%
County Investment Pool	N/A	None	None
State Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair market value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair market values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type		Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25-60 Months
Negotiable Certificate of Deposits	\$ 1,102,582	\$ -	\$ 100,407	\$ 1,002,175
Corporate Securities	1,262,245	1,262,245	-	-
Federal Agency Issues*	750,330	-	-	750,330
Orange County Investment Pool	2,604,448	2,604,448	-	-
State Investment Pool	44	44	-	-
	<u>\$ 5,719,649</u>	<u>\$ 3,866,737</u>	<u>\$ 100,407</u>	<u>\$ 1,752,505</u>

*Security is callable, but classified above according to original maturity date

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or District's investment policy, or debt agreements, and the actual rating by Standard and Poor's (S&P) as of the year end of each investment type. The District purchases all investments at the minimum rating but some investments' ratings may downgrade during its life but it is the District's policy to hold investments until their maturity.

Investment Type		Minimum Legal Rating	Ratings as of Year End				
			AAAm	AA+	A-	AA-	Not Rated
Negotiable Certificate of Deposits	\$ 1,102,582	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,102,582
Corporate Securities	1,262,245	A	-	-	755,570	506,675	-
Federal Agency Issues	750,330	A	-	750,330	-	-	-
Orange County Investment Pool	2,604,448	N/A	2,604,448	-	-	-	-
State Investment Pool	44	N/A	-	-	-	-	44
	<u>\$ 5,719,649</u>		<u>\$ 2,604,448</u>	<u>\$ 750,330</u>	<u>\$ 755,570</u>	<u>\$ 506,675</u>	<u>\$ 1,102,626</u>

** Investments conformed to District's investment Policy at time of acquisition

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2015 the District had investments in more than one issuer (other than U.S. Treasury securities, mutual funds, external investment pools) that represented 5% or more of total District investments as follows:

<u>Issuer</u>	<u>Amount</u>	<u>Percent of Portfolio</u>
MetLife Global Funding	\$506,675	8.86%
Morgan Stanley	\$504,535	8.82%
Federal Home Ln Mtg Corp	\$500,050	8.74%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. The Government Code also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2015 the District's deposits with financial institutions are covered by FDIC up to \$250,000 the remaining amounts of \$2,746,007 were collateralized as described above.

Investment in State and County Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California, and in the Orange County Investment Pool (OCIP) under the oversight of the Orange County Treasurer. The fair market value of the District's investment in these pools are reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair market value provided by LAIF and OCIP for the entire LAIF and OCIP portfolios (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provides oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office.

The Agency is a participant in the County Treasurer's Orange County Investment Pool (OCIP). The OCIP is an external investment pool, and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. Cash on deposit in the OCIP at June 30, 2015, is stated at fair value. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the OCIP, refer to the County of Orange Comprehensive Annual Financial Report.

(3) Restricted Assets

Restricted assets are monies held in restricted funds or accounts by the District for the benefit of member agencies, including a rate stabilization fund. As of June 30, 2015, \$3,875,535 was reported as restricted assets related to trustee and member agency activities.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(4) Capital Assets

The following is a summary of capital assets at June 30, 2015 with changes therein:

	2014	Additions	Deletions	2015
Furniture and fixtures	\$ 535,373	\$ -	\$ (98,462)	\$ 436,911
Leasehold improvements	3,015,137	11,836	-	3,026,973
	3,550,510	11,836	(98,462)	3,463,884
Less accumulated depreciation	(2,487,385)	(145,718)	98,462	(2,534,641)
Net Capital Assets	<u>\$ 1,063,125</u>	<u>\$ (133,882)</u>	<u>\$ -</u>	<u>\$ 929,243</u>

(5) Due to Participants/Trustee Activities

Since 1978, the District has acted as trustee for certain member agencies in the financing, construction and operation of a water pipeline system and related facilities necessary to improve water quality and provide capacity to accommodate new development in the southeastern portion of the District's service area. The original 1979 pipeline project consisted of the construction of a 26-mile pipeline, which was augmented in 1989 with the construction of a 3-mile parallel pipeline and flow control facility. Together these projects, known as the Allen-McColloch Pipeline (AMP) and the Flow Augmentation Project (FAP), were funded through tax-exempt bonds originally issued by WFC and cash participation by some participating agencies.

In 1995, the Metropolitan acquired the AMP and FAP pipelines and related facilities. At the same time, all participating agencies agreed upon a Revised Percentage of Investment (RPOI) formula for sharing of revenue from Metropolitan and other participants for capacity swaps until the final payment of all outstanding debt or liabilities in 2016, or sooner.

As trustee, the District records current year transactions to receive payments from the financing member agencies, and to make payments to member agencies which paid cash. For the year ended June 30, 2015, The District received \$4,746 from certain AMP member agencies, and disbursed \$4,665 by the RPOI formula. As of June 30, 2015, the balance of \$4,746 included in "Due to Participants" is to be disbursed to the AMP member agencies in the first quarter of the following fiscal year.

(6) Special Projects Revenue and Expenses, Receivables, and Unearned Revenue

The District receives revenues from member agencies, as well as grants from federal and state agencies, to the benefit of the District's ratepayers for a variety of programs and projects, including water conservation education, water use efficiency, and desalinization feasibility studies. As stipulated in executed grant agreements, the District is reimbursed by the granting agency for eligible grant project expenses which are first incurred by the District. For eligible District-Incurred grant expenses not reimbursed by the end of the District's fiscal year, the District accrues revenue for unreimbursed grant funds due the District. As of June 30 2015, the District accrued \$1,339,912 of grants receivable (part of Restricted Accounts Receivable Other). The District recognized \$14,260,129 in contributions from Metropolitan and member agencies, federal and state grant revenue, and corresponding expenses, for the year ended June 30, 2015.

As of June 30, 2015, the District reported \$1,179,095 of Unearned Revenue, related to Grant and Special Projects Revenue received during year, but not yet spent.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(7) District Directors Retirement Plan – Defined Contribution Plan

On January 1, 1997, the Districts' Board of Directors adopted a defined contribution, private Money Purchase Pension Plan (Plan). Employee contributions were made to the Plan until the District joined the California Public Employees Retirement System (CalPERS). Effective, March 1, 2003, District employees became members of CalPERS and employee contributions to the Plan were frozen. Currently, seven Board members participate in the Plan and contributions were made by the District on behalf of the current participants through December 31, 2014. The District was required to contribute 10.5% of a participant's gross salary, increasing to 13.5% after one year of service. This plan was amended as of January 1, 2015 where the Directors contribute their own 7.5% and the District does not contribute on their behalf. The District's Board of Directors has the authority to amend or terminate the plan at any time. All required contributions by the District were made to the Plan during the year. Participants become vested in the District's Plan 20% per year of service until they become fully vested after five (5) years of service. The District reported \$11,182 of pension expense related to the Plan for the year ended June 30, 2015. A summary of this plan's contribution and District payroll information follows:

	<u>July 1 to December 31, 2014</u>
District contributions for participants	\$11,182
District contributions as a percent of covered payroll	10.5% / 13.5%

	<u>January 1 to June 30, 2015</u>
Participants' contributions	\$ 6,817
Participants' contributions as a percent of covered payroll	7.5%

(8) Retiree Medical Plan - Other-Post-Employment Benefits

(a) Plan Description:

Effective October 1, 2011, the District established a Post Retirement Healthcare Plan (Plan), and has contributed to a Section 115 Irrevocable Exclusive Benefit Trust for the pre-funding of post-employment health care costs. Currently, the District provides health insurance for its retired employees and their dependent spouses (if married and covered on the District's plan at time of retirement), or survivors in accordance with Board resolutions. Medical coverage is provided for retired employees who are age 55 or over and who have a minimum of 10 years service with the District.

The District pays 100% of the premium for the single retiree and 80% of the married retiree and spouse until age 65. If a retiree in receipt of these benefits dies before reaching age 65, the surviving spouse will continue to receive coverage that the retiree would have been entitled to until age 65 only. When a retiree reaches age 65 and/or is eligible for Medicare, the District reimburses the retiree up to \$1,800 per calendar year for the cost of Supplemental Medical Insurance and Medicare Prescription Drug (Part D) Insurance. Retirees who complete at least 25 consecutive years of full-time service receive District-paid dental and vision benefits along with the above-mentioned medical coverage until the time of the retiree and spouse's death.

Plan benefits and contribution requirements of Plan members and the District are established, and may be amended, by the District's Board of Directors.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

The following parties are responsible for administration of the Plan:

- Public Agency Retirement Services (PARS) serves as Trust Administrator and Consultant,
- US Bank serves as Trustee, and
- HighMark Capital Management servers as Investment Manager.

PARS issues monthly account reports to the District and HighMark publishes quarterly performance reports.

(b) Funding Policy:

The contribution requirements of Plan members and the District are established, and may be amended, by the District's Board of Directors. Currently, contributions are not required from Plan members. The District is currently funding the OPEB obligation on a pre-funding basis. For the year ended 2015, the District made a total contribution of \$186,351 of which, \$42,665 were actual health care costs for its retirees and their covered dependents.

(c) Annual OPEB Cost and Net OPEB Obligation:

The District's annual OPEB cost (expense) is calculated based on the Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The most recent GASB 45 actuarial valuation is dated July 1, 2014. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and to amortize any unfunded liabilities of the Plan over a period not-to-exceed 30 years.

The following table shows the components of the District's annual OPEB costs for FY 2014-15, the amount actually contributed to the Plan and changes in the District's net OPEB Asset.

Annual Required Contributions (ARC)	\$ 130,117
Interest on Net OPEB Obligation (Asset)	(2,222)
Adjustment to ARC	<u>2,691</u>
Annual OPEB Cost	<u>130,586</u>
Contribution made	<u>(186,351)</u>
(Increase)/Decrease in Net OPEB Obligation (Asset)	<u>(55,765)</u>
Net OPEB (Asset) at June 30, 2014	<u>(37,041)</u>
Net OPEB (Asset) at June 30, 2015	<u><u>\$ (92,806)</u></u>

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(d) Three-Year Trend Information:

For fiscal year 2015, the District's annual OPEB cost (expense) of \$130,586 was equal to the ARC including adjustments. Information on the annual OPEB cost, Percentage of Annual OPEB Cost Contributed, and Net OPEB Obligation (Asset) are presented below:

Fiscal Year Ended	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 200,223	\$ 155,575	77.70%	\$ 31,956
6/30/2014	204,985	273,982	133.66%	(37,041)
6/30/2015	130,586	186,351	142.70%	(92,806)

(e) Funded Status and Funding Progress:

As of July 1, 2014, the most recent actuarial valuation date, the plan was 64.14% percent funded. The actuarial accrued liability for benefits was \$1,740,686, and the actuarial value of assets was \$1,116,390, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$624,296. The covered payroll (annual payroll of active employees covered by the plan) was \$2,673,190 and the ratio of the UAAL to the covered payroll was 23.35%.

Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(f) Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation report, the projected unit credit cost method was used. The actuarial assumptions included a 6.00% investment rate of return (net of administrative expenses), a trend rate for the fiscal year beginning 2015 of 8.00% for healthcare costs, and an inflation rate of 6.00%. The District's unfunded actuarial accrued liability was planned to be amortized by a 30 year level dollar contribution over an open period but in 2013 the District has decided to accelerate this plan to be fully funded within 10 years.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(9) Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) (Insurance Authority). The Insurance Authority is a risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage for participating member agencies.

The Insurance Authority bills the District a deposit premium at the beginning of each year, which is placed in a reserve fund to cover the self-insurance portion of any claim. Settlements and/or expenses related to claims during the year are then charged to the reserve. If the balance of the reserve at the end of the year is deemed too low in relation to the amount of outstanding claims, the District is billed for additional premiums. When the claims are fully settled, any amounts remaining in the reserve are refunded to the District.

At June 30, 2015, the District participated in the self-insurance programs as follows:

Property Loss - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$150 million. The District has a \$1,000 deductible for buildings, personal property and fixed equipment.

General, Auto and Public Officials Liability - The Insurance Authority has pooled self-insurance up to \$2 million per occurrence, and has purchased excess insurance coverage up to \$60 million.

Crime Policy/Fidelity Bond - The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$2 million. The District has a \$1,000 deductible.

The District pays annual premiums to the Insurance Authority for all coverage's. There were no instances in the past three years when a settlement exceeded the District's coverage.

Workers' Compensation – This Plan is administered through Special District Risk Management Authority (SDRMA). The Insurance Authority is self-insured up to \$2 million per occurrence and has purchased excess insurance coverage up to the statutory limit. Employer's liability is insured up to a \$5 million limit. SDRMA maintains a Self-Insured Retention that is periodically adjusted based on market conditions.

The District pays annual premiums for all coverage's. There were no instances in the past three years when a settlement exceeded the District's coverage and the District did not file any claims against any of the policies.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(10) Cost-Sharing Defined Benefit Plan

(a) General Information about the Pension Plan

Plan Descriptions – Effective March 1, 2013, all qualified permanent and probationary employees are eligible to participate in the District's employee pension plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). The CalPERS Plan (Plan) consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Funds C (PERF C). Benefit provisions under the Plans are established and may be amended by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, membership information, and related financial information can be found on the CalPERS website at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Formula	2.0% @55	2.0% @62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	11.522%	6.250%

Contributions – Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. Funding contributions for Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rates of employees.

Contributions recognized by the pension plan from the employer for the year ended June 30, 2015 were \$288,065. The District also contributed 3% of the employee's contribution, or \$89,451, on behalf of employees during the year. The District is phasing out contributions paid on behalf of employees by 1% per year, until completely eliminated.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(b) Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plan is as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$ 1,360,017</u>

The District's net pension liability was measured as the proportionate share of the net pension liability of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2014, and the total pension liability for the Plan was used to calculate the net pension liability determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 were as follows:

	Miscellaneous
Proportion - June 30, 2013	<u>0.02305%</u>
Proportion - June 30, 2014	<u>0.02186%</u>
Change - Increase (Decrease)	<u>-0.00119%</u>

At the year ended June 30, 2015, the District's recognized pension expense of \$240,306. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 288,065	\$ -
Differences between District contributions and proportionate share of contributions	67,715	-
Net difference between projected and actual earnings on pension plan investments	-	457,028
Changes in proportion	-	77,423
Total	<u>\$ 355,780</u>	<u>\$ 534,451</u>

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

The amount of \$288,065 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	
2015	\$ (117,724)
2016	(117,724)
2017	(117,031)
2018	(114,257)
	<u>\$ (466,736)</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuation were determined using the following actuarial assumptions.

	<u>Miscellaneous</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age Service
Investment Rate of Return	7.5% ⁽²⁾
Mortality	Derived using CalPERS' Membership Data for all funds

⁽²⁾ Net of pension plan investment and administrative expenses; includes inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website at: <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports.xml>

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the District's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

In determining the long-term expected 7.50% rate of return on pension plan investments, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Based on the expected benefit payments of the Public Employees' Retirement Fund, CalPERS indicated that a 19 year horizon was ideal in determining the level equivalent discount rate assumption. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the fund. The expected rate of return was set by calculating the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for the Plan. These geometric rates of return are net of administrative expenses and are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return Years 1-10	Long-term Expected Real Rate of Return Years 11 +
Global Equity	47%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	12%	6.83%	6.95%
Real Estate	11%	4.50%	5.13%
Infrastructure and Forestland	3%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	100%		

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability, calculated using the discount rate, as well as what the District's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 2,423,130	\$ 1,360,017	\$ 477,734

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Municipal Water District of Orange County

Notes to Basic Financial Statements

For the Year Ended June 30, 2015

(11) Prior Period Adjustments

As discussed under Note 1, the District implemented GASB 68 effective July 1, 2014. Refer to Note 10 for further disclosures related to the Plan and related balances. As a result of the implementation, the District restated beginning net position as noted below:

Beginning of year, as previously reported	
Net Position	\$ 6,028,167
Contributions after the measurement date - deferred outflows of resources	271,826
Net Pension Liability as of the measurement date of June 30, 2013	<u>(1,858,273)</u>
Beginning of year, as restated	
Net Position	<u>\$ 4,441,720</u>

Following is the pro forma effect of the retroactive application:

	June 30, 2014		July 1, 2014
	Previously Presented	Restatement	Restated
Deferred outflows of resources	\$ -	\$ 271,826	\$ 271,826
Net pension liability	-	1,858,273	1,858,273

In accordance with GASB 68, the restatement of all deferred outflows and inflows was not practical and therefore not included in the restatement of beginning balances.

(12) Commitments and Contingencies

The District is involved in various litigation from time to time arising from the normal course of business. In the opinion of management and legal counsel, the District is not involved in any litigation that is expected to have a material adverse effect on the overall financial position of the District at June 30, 2015.

During the current year, the Internal Revenue Service (IRS) performed a payroll audit, which resulted in the District revising the classification of certain individuals from independent contractor to employees of the District beginning July 1, 2015. As a result of the change in classification, the District paid additional payroll taxes totaling \$7,682 related to compensation from January 1, 2012 through June 30, 2015.

Additionally, related to the IRS inquiry, the District has determined that certain individuals were compensated for benefits in excess of amounts allowed per government code over a 14 year period. As a result, as of June 30, 2015, the District is owed \$236,137, plus accrued interest of \$24,430. The District has evaluated the amounts owed as a gain contingency, and will recognize revenue as amounts are received from the individuals. Subsequent to year-end, as of the date of this report, four individuals have repaid \$89,084.

Required Supplementary Information

(Unaudited)

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2015

Other Post-Employment Benefit Plan
Schedule of Funding Progress

Retiree Healthcare Plan

Actuarial Valuation Date (1)	Actuarial Accrued Liability (a)	Actuarial Value of Plan Assets (AVA) (b)	Unfunded Actuarial Accrued Liability (UAAL) (a)-(b)	Funded Ratio ((b)/(a))	Annual Covered Payroll (C)	UAAL as a % of Payroll Percentage of Covered Payroll [(a)-(b)/(c)]
7/1/2008	\$ 1,428,095	\$ -	\$ 1,428,095	0.00%	\$ 2,707,871	52.74%
7/1/2011	1,610,754	-	1,610,754	0.00%	2,734,534	58.90%
7/1/2014	1,740,686	1,116,390	624,296	64.14%	2,673,190	23.35%

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2015

Cost Sharing Retirement Plan
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Years*

	<u>2015</u>
Proportion of the net pension liability	0.02186%
Proportionate share of the net pension liability	\$ 1,360,017
Covered - employee payroll	\$ 2,601,571
Proportionate Share of the net pensions liability as a percentage of covered employee payroll	52.28%
Plan fiduciary net position as a percentage of the total pension liability	79.82%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

Municipal Water District of Orange County
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2014

Cost Sharing Retirement Plan
Schedule of Contributions
Last Ten Years*

	<u>2015</u>
Actuarially determined contributions	\$ 288,065
Contributions in relation to the actuarially determined contribution	<u>(288,065)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 2,640,576
 Contributions as a percentage of covered-employee payroll	 10.91%

* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.



ACTION ITEM
December 16, 2015

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

FROM: Robert Hunter, General Manager

Staff Contact: Karl Seckel/Cathy Harris

**SUBJECT: APPROVAL OF COSTS OF REFURBISHMENT OF SHARED
ADMINISTRATION COMMON AREAS WITH OCWD/REFURBISHMENT OF
MWDOC OFFICE FACILITIES AND SHARED EXPENSES**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve:

- 1) The budget request for refurbishment project for both the Shared Administration Common Areas and work on the MWDOC building in the approximate amount of \$342,064 (MWDOC's share); and
- 2) Concur with OCWD proceeding ahead with the work under a contract to be awarded by the OCWD Board with PDC Interiors; and
- 3) Approve a total of \$228,680 for the joint work on the HVAC, Fire Alarm System Upgrades, Facility Signage and Air Duct Cleaning.
(Combined total of \$570,744)

COMMITTEE RECOMMENDATION

DETAILED REPORT

MWDOC and OCWD have been working on building improvements and upgrades to the following areas:

- Front entrance/reception area
- Lobby outside of the Joint Board room
- Improvements inside the Joint Board room
- Improvements to conference room C-3 (used for meetings and closed sessions)
- Remodel of the two bathrooms outside of the Joint Board room

Budgeted (Y/N): Yes	Budgeted amount: \$400,000 (15/16)	Core ✓	Choice __
Action item amount: \$570,744		Line item: 02-2000-19-8811	
Fiscal Impact (explain if unbudgeted): Staff budgeted \$400,000 for building improvements for 2015/16 and total estimated cost for improvements, as presented is \$570,744, requiring \$170,744 to be transferred from reserves to cover expenses (see section regarding Multiple Year Facilities Budget.			

The common areas of the administration building and MWDOC's building have not been refurbished in 23 years. The MWDOC/OCWD Joint Building Committee have met and discussed the various areas to be refurbished.

While the Joint Facilities improvements are underway, MWDOC has also contracted with, PDC Interiors, to help spec and price out improvements on MWDOC's building. This work includes:

- Carrying a similar theme from the main building entrance/reception area improvements through to the MWDOC entrance (utilizing similar tile and color themes)
- Remodel for both sets of bathrooms on the MWDOC side. One set of bathrooms is ADA compliant therefore the older set of bathrooms (Original since the building was built) will be updated with new décor and faucets, toilets, etc.

Because this work for MWDOC is an extension of the work being performed to the Joint facilities, MWDOC staff is recommending that we add this work into the contract being awarded to PDC Interiors by OCWD and have OCWD manage a single contract with all of the work included.

PDC received competitive bids on the various components of the project. Construction is estimated to take approximately three months to complete and a majority of the work will be performed during the evenings and weekends to minimize impacts to staff however; some work will be performed during normal business hours.

Table 1 outlines the overall pricing for the work and includes the breakdown between MWDOC and OCWD in accordance with the cost-sharing provisions between the two agencies. In total, MWDOC is being asked to cost share in the amount of \$147,929 for the Shared Common Areas and an additional amount of \$194,134 for work on our building (a total of \$342,064). MWDOC budgeted \$233,000 in our budget for this year for these expenses.

Table 1

COST OF MWDOC/OCWD SHARED COMMON AREAS REMODEL PLUS WORK ON MWDOC OFFICE REMODEL			
Description	OCWD Cost	MWDOC Cost	Total Cost
Board Room	\$ 18,549	\$ 9,386	\$ 27,935
Reception Area	\$ 17,598	\$ 8,905	\$ 26,503
Foyer	\$ 11,673	\$ 5,907	\$ 17,580
Restrooms	\$ 33,564	\$16,985	\$ 50,549
Conference Room C3	\$ 13,814	\$ 6,990	\$ 20,804
Flooring/Painting/Plumbing/Drywall/Electrical/Acoustical panels	\$162,716	\$82,338	\$245,054
Furniture Installation Cost	\$ 921	\$ 466	\$ 1,387
Project Management Fees	\$ 31,292	\$ 15,834	\$ 47,126
MWDOC Office Remodel Work		\$194,134	\$194,134
Sales Tax	\$ 2,210	\$ 1,118	\$ 3,328
Total Project Cost	\$292,337	\$342,064	\$634,401

Table 2

ADDITIONAL MWDOC/OCWD SHARED EXPENSES TO BE COMPLETED OR HAVE BEEN COMPLETED THIS BUDGET YEAR			
Description	OCWD Cost	MWDOC Cost	Total Cost
Shared			
Boiler/Chiller/energy Management System	\$ 748,040	\$ 188,960	\$ 937,000
Upgrade of Office Fire Alarm System	\$ 53,120	\$ 27,000	\$ 80,000
Facility Signage	\$ 15,596	\$ 4,404	\$ 20,000
Air Duct Cleaning	\$ 16,600	\$ 8,316	\$ 25,000
Total Project Cost	\$ 833,356	\$ 228,680	\$1,062,000

Additional Work that was budgeted for this year:

The following items in the amount of \$95,950 were budgeted for this year and instead will be included in next year's budget.

- Fire suppression system for MWDOC server area -\$60,950
- Landscaping of the MWDOC Atrium -\$10,000
- Landscaping of the MWDOC/OCWD Front entrance - \$25,000

MWDOC's entire building improvement budget for fiscal year 2015-16 was \$400,000 (for its share of Joint Facilities refurbish work and work on our own building). Based on the cost estimates for the Shared Common Area and MWDOC Remodel, as well as the Boiler/Chiller/Energy Management System, upgrade to the fire alarm system, facility signage and the air duct cleaning the total improvement costs for this 2015/16 fiscal year

will amount to \$570,744. \$170,744 will be transferred from reserves to cover these expenses.

Please note the OCWD Board approved this item at its November Board Meeting in the amount of \$630,309. There is an additional \$4,092 that was added to the project cost which is MWDOC's cost. In reviewing the cost summary, staff identified that the HVAC/ventilation work for the bathroom remodels was left off the latest cost summary and requested the information be updated. Based on the revised cost summary the total project cost is \$634,401 for all of the shared remodel work and MWDOC Office work.

Attached for information is the OCWD Board submittal item.

MULTIPLE YEAR FACILITIES BUDGET

In the District's budget, Exhibit C, Fiscal Master Plan Projections, staff budgeted the following amounts for the Building Expense:

Budget Fiscal Year	Amount
15/16	\$400,000
16/17	\$150,000
17/18	\$ 60,000
Total	\$ 610,000

Total estimated expenses as discussed herein amount to \$665,000 (\$570,000 plus the \$95,000 estimated upcoming). We anticipate additional work in future years with respect to new building roof, upgrade to the facility security system, landscaping improvements and remodel/space planning of MWDOC's District office and these will be included during the budget process in the Fiscal Master Plan Projections for next year and beyond.

AGENDA ITEM SUBMITTAL

Meeting Date: November 12, 2015

To: Administration/Finance Issues Cte.
Board of Directors

From: Mike Markus

Staff Contact: E.Torres/A. Perry

Budgeted: Yes

Budgeted Amount: \$350,000

Cost Estimate: \$630,310
(OCWD Share \$292,337)

Funding Source: R & R

Program/ Line Item No. R07002

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

**Subject: AGREEMENT TO PDC INTERIORS FOR REFURBISHMENT OF
ADMINISTRATION BUILDING COMMON AREAS**

SUMMARY

The common areas of the administration building have not been refurbished since the building was completed more than 23 years ago. Wall panels, cabinets, visitor chairs and flooring have significant wear and tear. Staff and the OCWD/MWDOC Joint Building Committee have met and agreed on proposed changes and will bring this matter forward for the Boards' consideration.

Attachment(s):

- Interior designs selected by the OCWD/MWDOC Joint Building Committee
- Cost Estimate for the Administration Building Common Areas Refurbishment Project

RECOMMENDATION

Agendize for November 18 Board meeting: Authorize issuance of Agreement to PDC Interiors in an amount up to \$630,309.36 to refurbish the common areas (reception, foyer, boardroom, restrooms and conference room C-3) of the OCWD Administration Building.

BACKGROUND/ANALYSIS

The OCWD campus is visited by thousands of people annually, for regular public meetings, events and tours. Its facilities are also used for presentations for groups consisting of local, state, federal and international dignitaries. Other groups include water agencies, water industry professionals, local, national and international media.

The finishes and flooring throughout the administration building have not been replaced for more than 23 years, are showing wear and tear and are in great need of replacement. The common areas include reception, foyer, board room, two public restrooms and conference room C-3. These areas are part of OCWD's R&R program, in which funds are accumulated annually for eventual replacement and refurbishment.

With the upcoming completion of the Water Education Corridor Project, the outdated and worn finishes and furnishings are even more evident against the up-to-date finishes in the hallway.

The common areas proposed to be refurbished are shared between OCWD and MWDOC. The OCWD/MWDOC Joint Building Committee sought the assistance of an experienced interior designer, Carmella Bryan from PDC Interiors (PDC), to make recommendations on refurbishing the common areas using a design and materials that would be current and hold up for many years. PDC made recommendations to the Committee that would match with the recent hallway updates. The Committee reviewed these recommendations and selected a design, materials and a color palette for the area. Renderings of the design are contained in the packet.

SCHEDULE AND BUDGET

PDC received competitive bids on the various components of this project and has provided cost estimates for the proposed refurbishment to the Committee. An agreement between OCWD and MWDOC states that all costs incurred in common areas will be divided between the Districts at 66.40% and 33.60%, respectively. Along with refurbishing the common areas, improvements within the MWDOC building will also be performed and separately funded by MWDOC. The project costs can be seen in Table 1.

Table 1
Refurbishment of Administration Building
Common Areas and Additional MWDOC Work Project Cost

Description	OCWD Cost	MWDOC Cost	Total Cost
Board Room	\$18,548.84	\$9,386.16	\$27,935.00
Reception Area	\$17,597.66	\$8,904.84	\$26,502.50
Foyer	\$11,673.12	\$5,906.88	\$17,580.00
Restrooms	\$33,564.54	\$16,984.46	\$50,549.00
Conference Room 3	\$13,813.86	\$6,990.14	\$20,804.00
Flooring/Painting/Plumbing/Drywall	\$162,715.85	\$82,338.15	\$245,054.00
Furniture Installation Cost	\$921.30	\$466.20	\$1,387.50
Project Management Fees	\$31,291.66	\$15,834.34	\$47,126.00
Additional MWDOC Work	\$0	\$190,043.00	\$190,043.00
Sales Tax	\$2,210.03	\$1,118.33	\$3,328.36
Total Project Cost	\$292,336.86	\$337,972.50	\$630,309.36

Construction is estimated to take approximately three months to complete. A majority of the work will be performed during evenings and the weekends to minimize impacts to staff. Work such as replacing furniture and acoustical panels will be performed during normal business hours. During those installations, proper care will be taken to ensure the safety of staff and visitors.

Given that the wear and tear on the common areas stands out compared to the recent upgrades from the hallway and that PDC has successfully completed high-quality design work for the District, staff and the OCWD/MWDOC Joint Building Committee recommend that the Board approve the refurbishment of the common areas of the Administration Building per the PDC Interiors proposal.

PRIOR RELEVANT BOARD ACTION(S) None

EXHIBIT A

Municipal Water District of Orange County
 Obsolete, Nonfunctional Computer Hardware Surplus
 FY 2015-2016

Type	Asset #	Qty	Description	Purchase Date	Expense	Purchase Price	Book Value	Comments
Keyboards & Mices								
		12	Keyboard and mouse	N/A	(1)	N/A	-	Dispose of
Monitors								
		3	15" monitor	N/A	(1)	N/A	-	Dispose of
		1	LG LED (#24M35HA)	In 2014	(1)	N/A	-	Dispose of
		3	Viewsonic VG1930wm (#QC6070576001)	N/A	(1)	N/A	-	Dispose of
		2	LG Flatron (#705NDBPAH781)	N/A	(1)	N/A	-	Dispose of
		2	Hyundai 17"	N/A	(1)	N/A	-	Dispose of
		1	Sharp 17"	N/A	(1)	N/A	-	Dispose of
		1	Envision 17"	N/A	(1)	N/A	-	Dispose of
		1	Emachines LCD E200HV	N/A	(1)	N/A	-	Dispose of
		1	Acer LCD S201HL	N/A	(1)	N/A	-	Dispose of
		1	Vision 19"	N/A	(1)	N/A	-	Dispose of
		1	Samsung SyncMaster 943SWX	N/A	(1)	N/A	-	Dispose of
Computers/Server								
The following Computers/Servers have no hard drives								
		4	Custom built w/Intel Pentium D 2.66Ghz	12/10/2005	(1)	N/A	-	Dispose of
		5	Custom built w/Intel Pentium 4 2.8Ghz	12/10/2005	(1)	N/A	-	Dispose of
		4	Custom built w/Intel Core 2 dual 2.66Ghz	12/21/2005	(1)	N/A	-	Dispose of
		4	Custom built w/Intel Core 2 duo	4/14/2006	(1)	N/A	-	Dispose of
		2	Custom built w/Intel Core 2 duo	9/26/2006	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.33Ghz	12/14/2006	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.2Ghz	11/17/2007	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.2Ghz	11/17/2007	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.8Ghz	4/7/2008	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.53Ghz	4/7/2008	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.8Ghz	8/28/2008	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.66Ghz	12/19/2008	(1)	N/A	-	Dispose of
		1	Custom built w/Intel Core 2 duo 2.53Ghz	12/19/2008	(1)	N/A	-	Dispose of
	5157	1	Dell Poweredge Servers 1850 Service Tags 6BXZR71	6/24/2005		3,159.21	-	Dispose of
	5157	1	Dell PowerVault 220S, Service Tags 7RX1S71	6/24/2005		4,091.59	-	Dispose of
		1	Dell Poweredge Servers 2950, Service Tag 3X7DZB1	10/18/2006	(1)	3,618.30	-	Dispose of
		1	Dell Poweredge Servers 2950, Service Tag D9LF1G1	4/11/2008	(1)	2,257.11	-	Dispose of
		1	Dell Poweredge Servers 2950, Service Tag CNJBTC1	4/17/2007	(1)	4,750.69	-	Dispose of
		1	Dell Poweredge Servers 2950, Service Tag 71NNXC1	5/4/2007	(1)	2,845.63	-	Dispose of
		1	Dell Poweredge Servers 2650, Service Tag 2P1LS31	11/14/2003	(1)	N/A	-	Dispose of
		1	Dell Poweredge Servers 2650, Service Tag FSXQF31	1/3/2005	(1)	N/A	-	Dispose of
		1	Dell Poweredge Servers 1950, Service Tag 8DDFVC1	4/20/2007	(1)	3,223.88	-	Dispose of
WEROC Expense		8	Dell Optiplex 320 PCs	N/A	(1)	N/A	-	Dispose of
Laptops/iPad								
WEROC Expense		1	Toshiba Satellite M115 w/Intel Processor 1.6GHz (Y6321533Q)	In 2007	(1)	N/A	-	Dispose of
		1	iPad w/verizon 32GB (S/N DMPJ1CMGDNQT)	8/6/2012	(1)	756.25	-	Dispose of
Printers								
		1	Brother MFC-495cw (S/N U62317F9F245322)	4/21/2010	(1)	N/A	-	Dispose of
		1	HP laserjet 4250N (CNRXS63714)	5/9/2008	(1)	1,020.24	-	Dispose of
Miscellaneous								
		1	Linksys wireless router SRX400, S/N KLD00EA03564	N/A	(1)	N/A	-	Dispose of
		2	2 Iomega 1TB NAS	In 2010	(1)	N/A	-	Dispose of
		2	Buffalo Terastation PRO, S/N U80306	10/1/2008	(1)	3,754.01	-	Dispose of
	3050	1	Epson LCD Projector, S/N EE20330526C	4/25/2003		2,882.31	-	Dispose of
		1	Buffalo NAS Tera Stations	N/A	(1)	N/A	-	Dispose of
All Fixed Assets will be listed on a separate report with proper approvals when removed from our inventory.								
(1)	Expensed in the year of purchase							



INFORMATION ITEM

December 9, 2015

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

FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

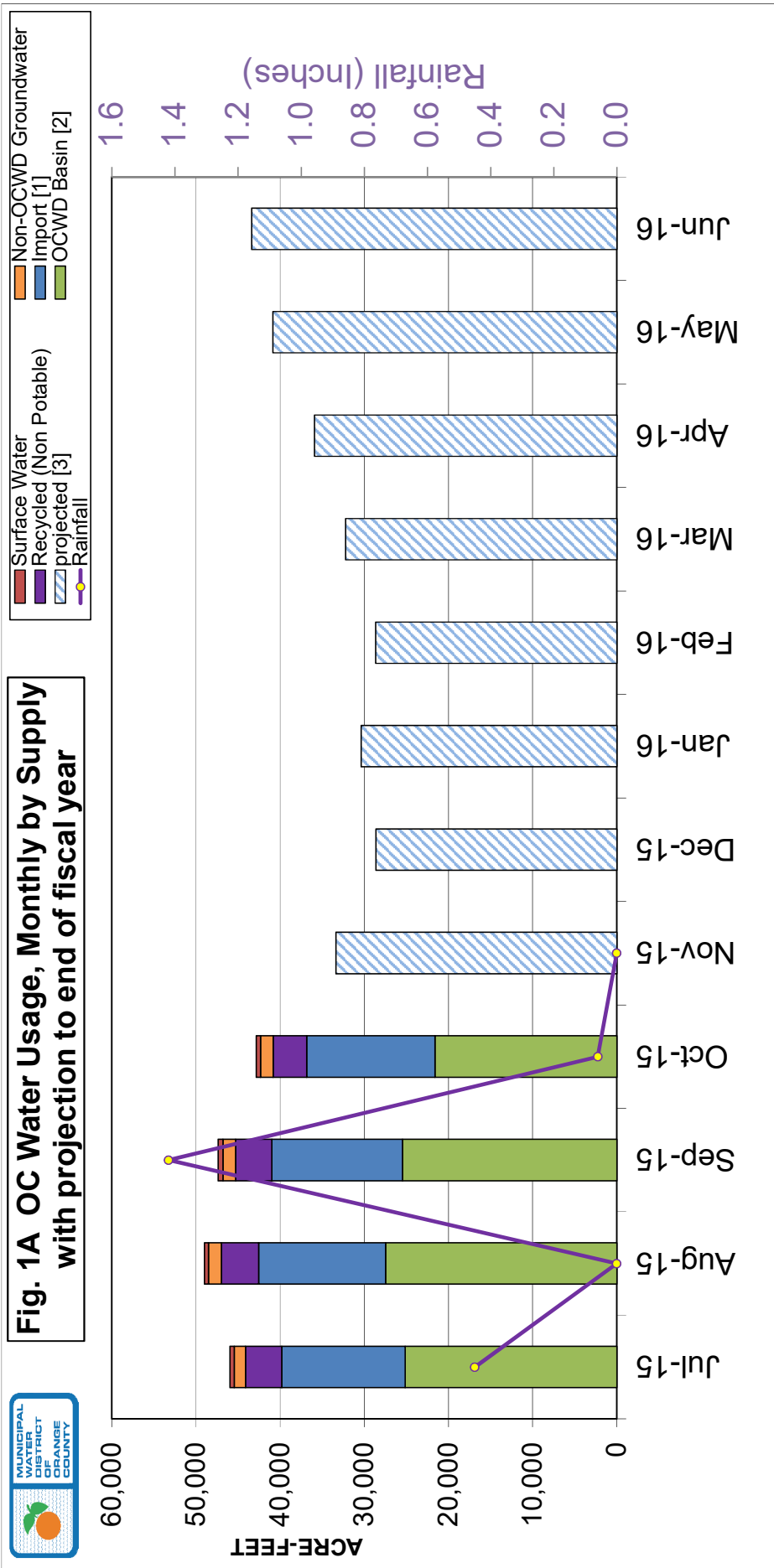
- Fig. 1 OC Water Usage, Monthly by Supply OCWD Groundwater water was the main supply in October.
- Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in October 2015 was well below average compared to past usage. Lower usage is primarily due to strong conservation efforts and mandatory restrictions set by the governor.
- Fig. 3 Historical OC Water Consumption OC water consumption was 571,000 AF in FY 2014-15. This is about 50,000 AF less than FY 2013-14 but is about 16,000 AF higher than FY 2010-11 (Fiscal year with lowest usage). Water usage per person was the lowest it has been for Orange County at 164 gallons per day. Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. High Temperature, precipitation and the economy all remain indicators to O.C. water consumption.

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

Fig. 4 MWDOC “Firm” Water Purchases, 2015 “Firm” water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2015.

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

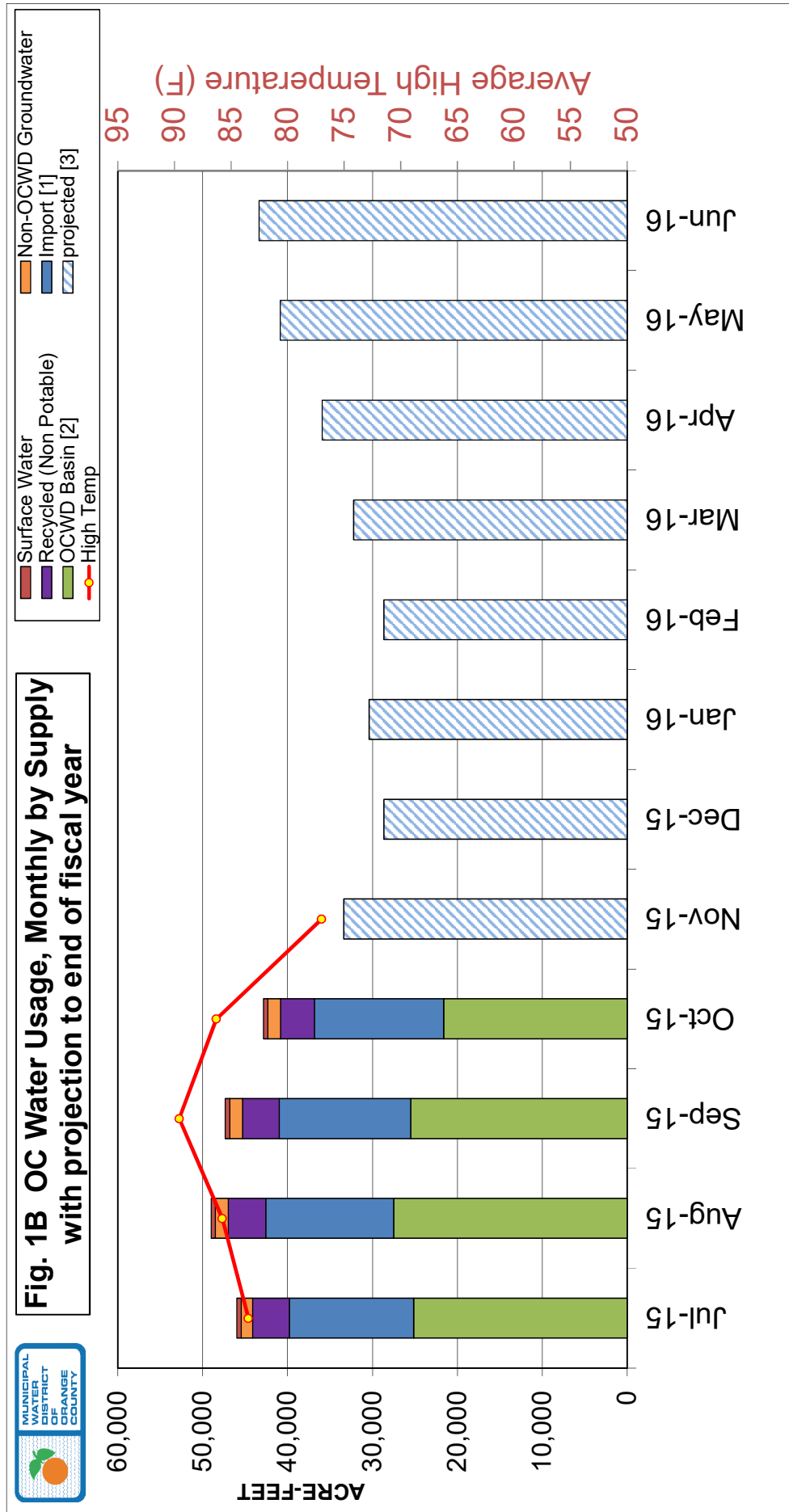
- Orange County’s accumulated rainfall through November was below average for this period. This continues the impact of the previous three hydrologic years’ below-normal rainfall in reducing those local supplies that are derived from local runoff. El Nino conditions are present and 2015-16 winter is developing into a very strong El Nino event. .
- Northern California accumulated precipitation in November was around 60% of normal for this period. The Northern California snowpack is 34% of normal. This follows three below-average hydrologic years. The State of California has been in a declared Drought Emergency since January 2014. The State Water Project Contractors Table A Allocation is only 20% as of the end of July.
- Colorado River Basin accumulated precipitation in November was 92% average for this period. The Upper Colorado Basin snowpack was 64% of average as of April 15th. However, this follows two below-average hydrologic years, and this watershed is in a long-term drought. Lake Mead and Lake Powell combined have about 60% of their average storage volume for this time of year. If Lake Mead’s level falls below a “trigger” limit at the end of a calendar year, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. As of Late July Lake Mead Levels were hovering around the “trigger” limit but fortunately levels are expecting to increase from the large amounts of precipitation that hit the Colorado River Basin this summer and spring. The USBR predicts that the “trigger” level will not be hit by the end of 2015.



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.

[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.

[3] MWDOC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.



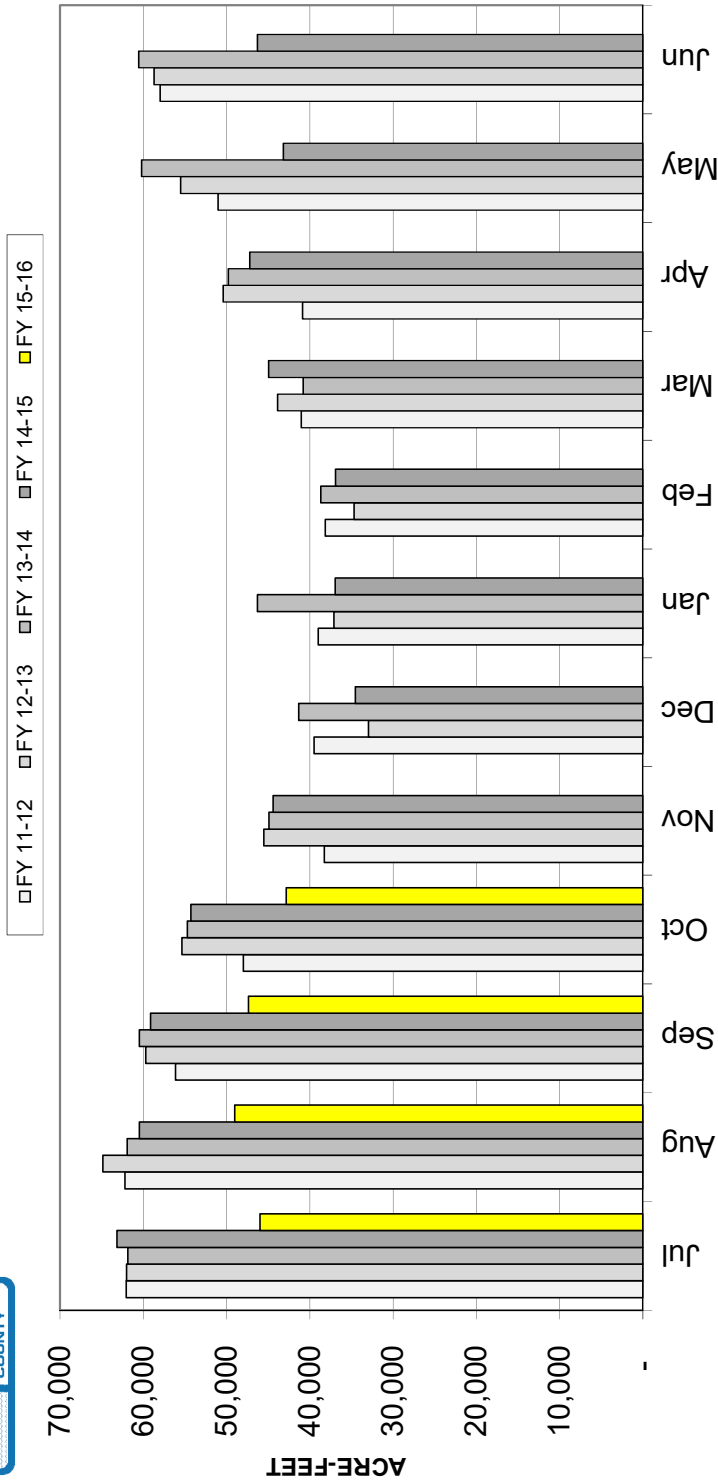
[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.

[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.

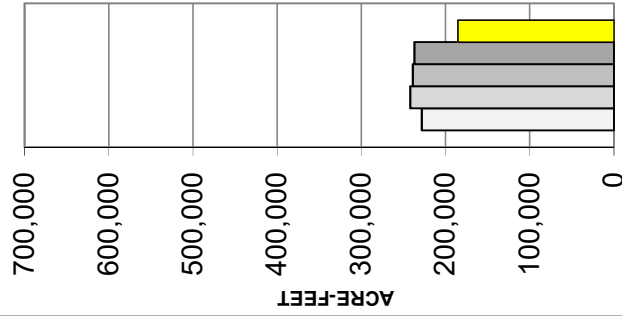
[3] MWDOC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.



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



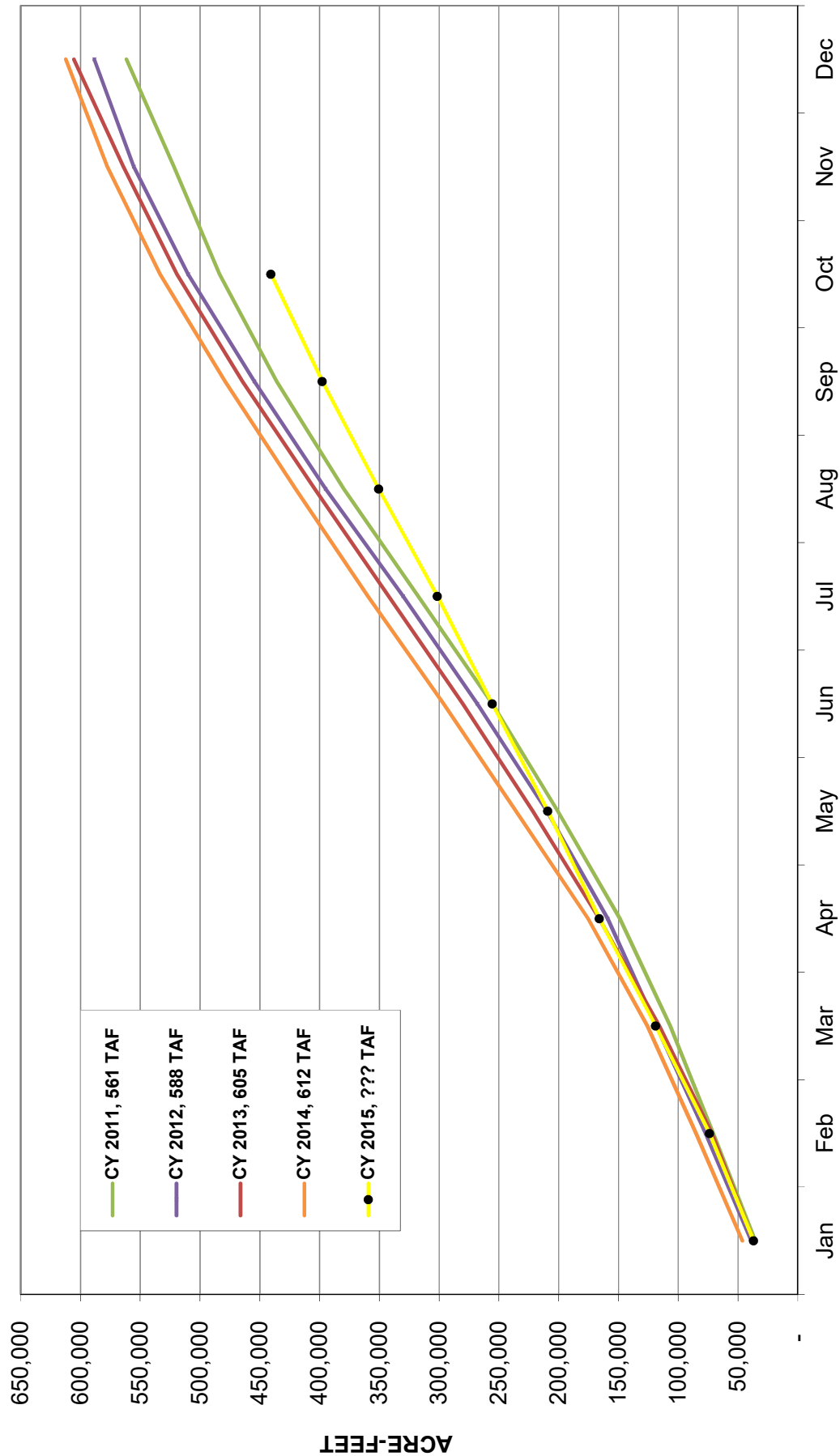
Partial Year Subtotals



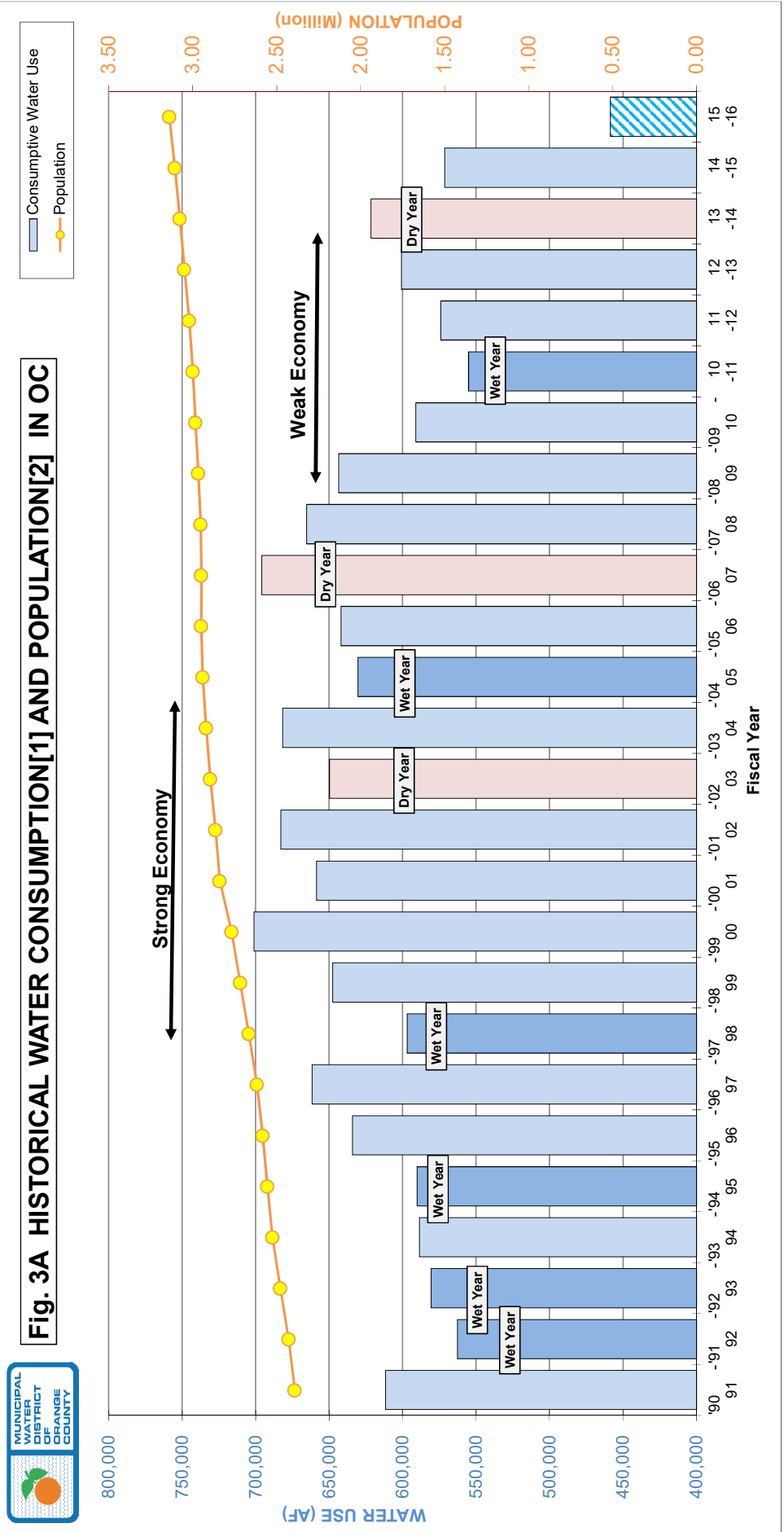
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use



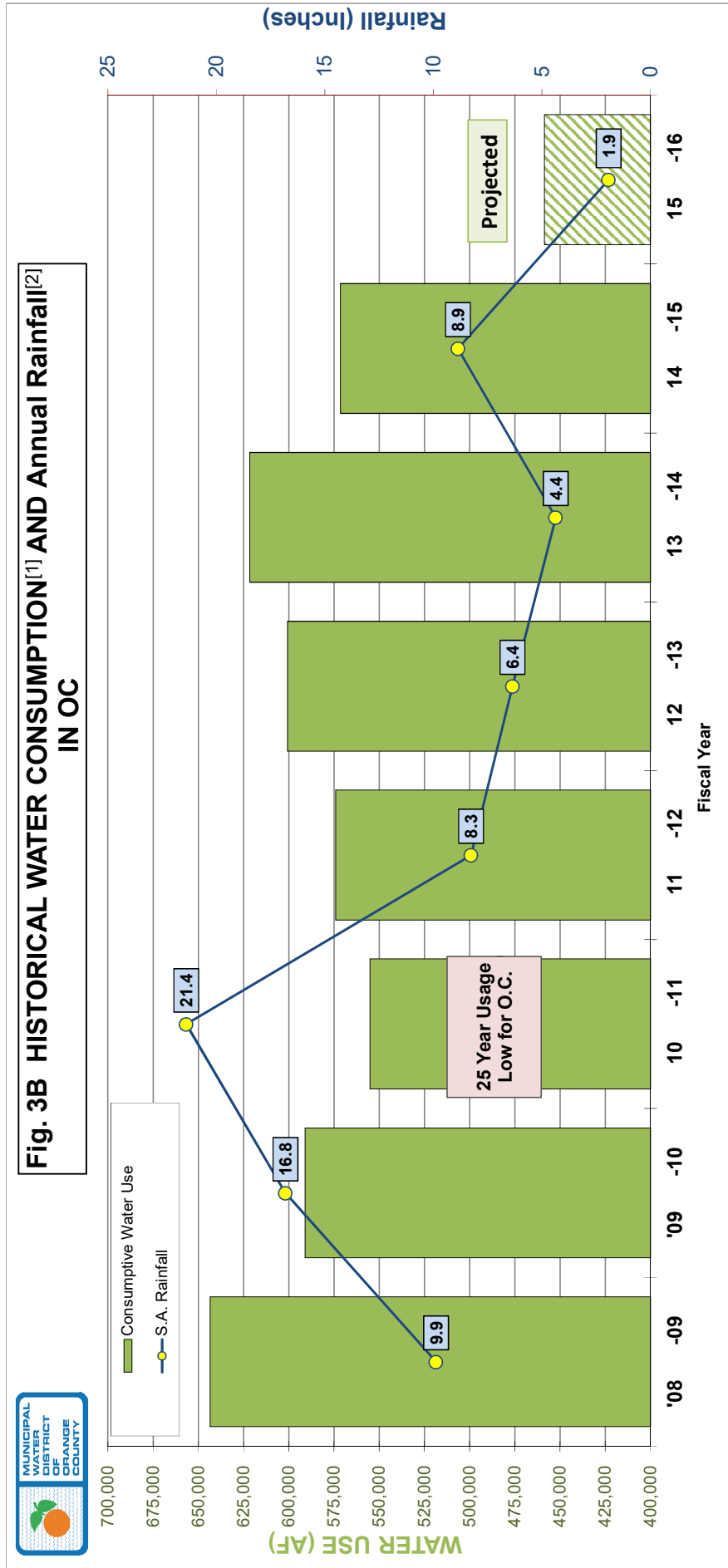
Fig. 2B Orange County Cumulative Monthly Consumptive Water Usage [1]:
present year compared to last 4 calendar years



[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use

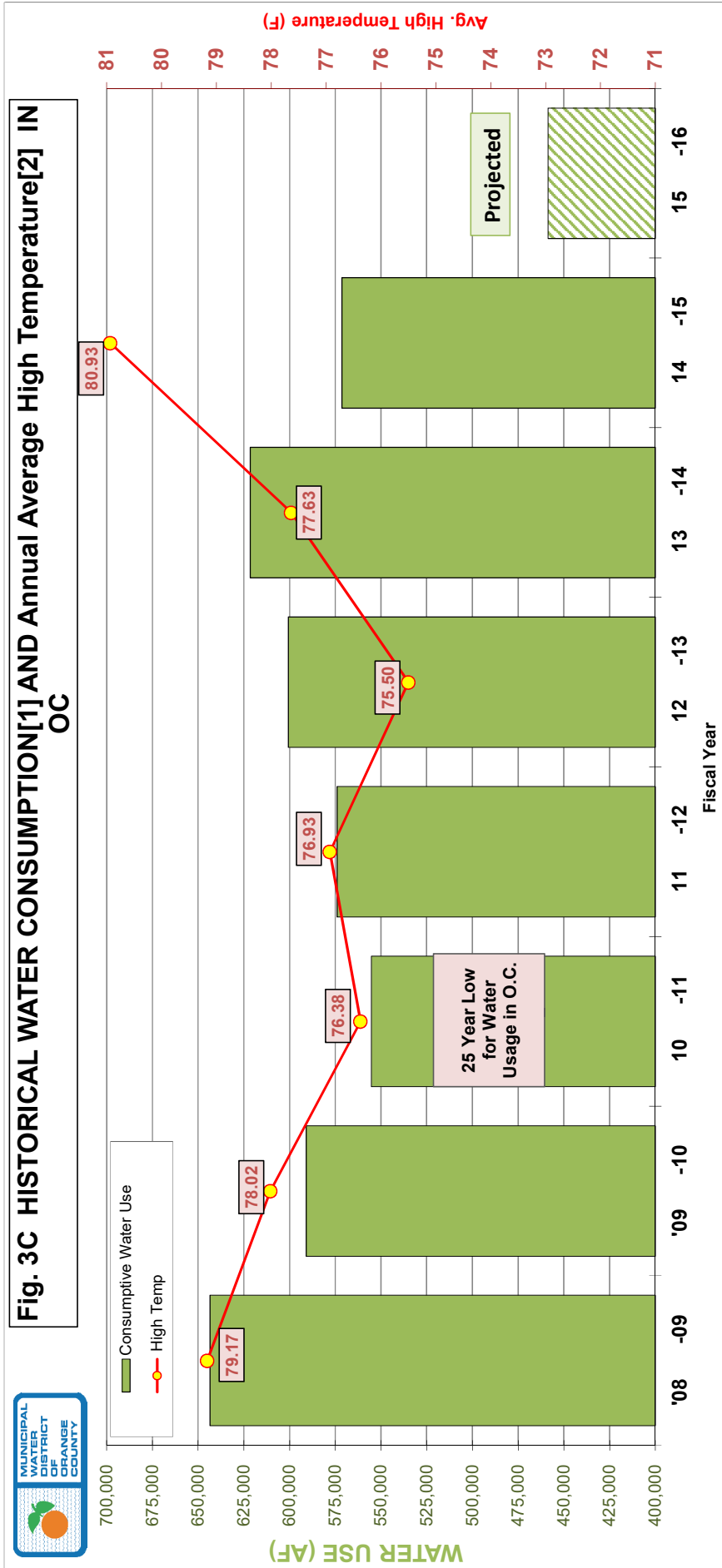


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.
 [2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.
 [3] Projection of FY 15-16 water use estimated by MWD OC based on partial-year data.



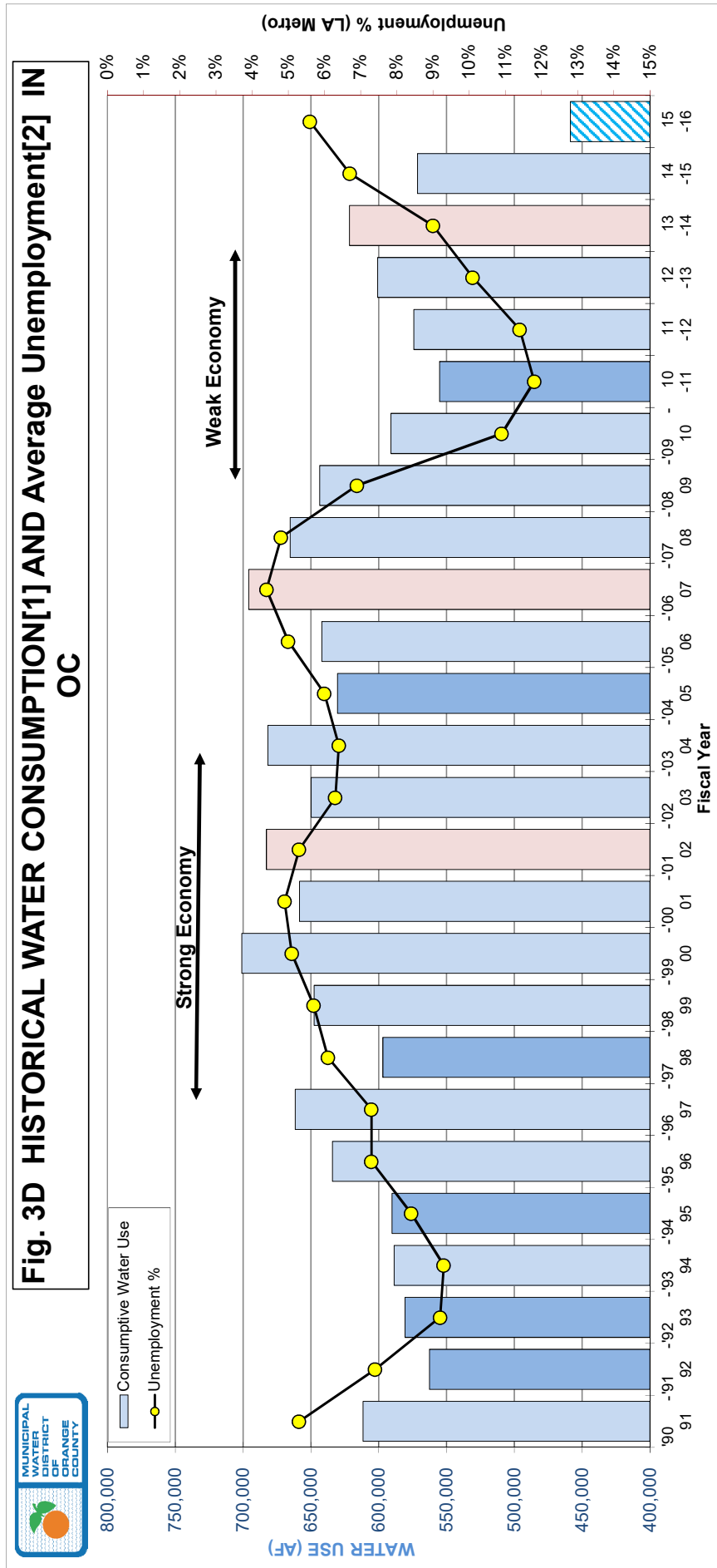
[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Rainfall data from Santa Ana Station #121



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

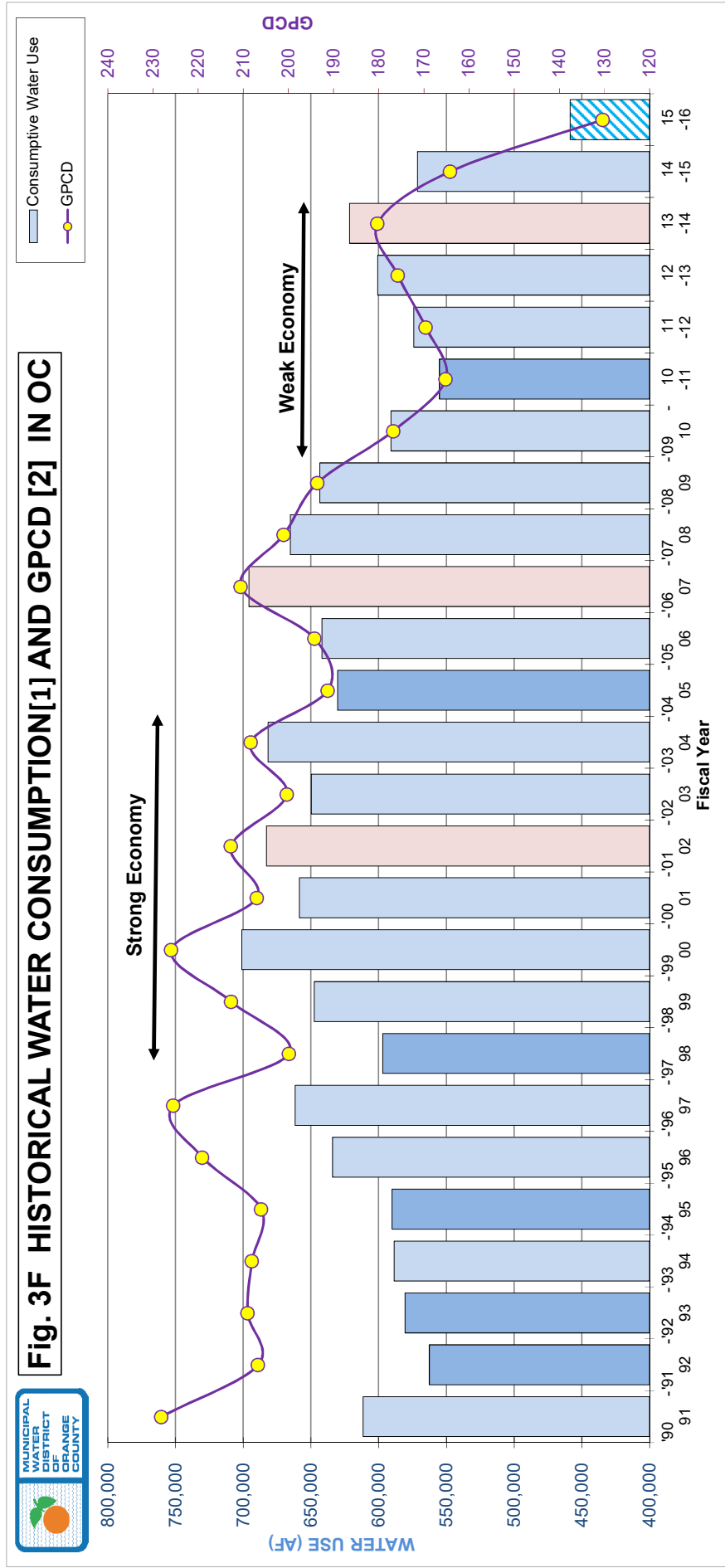
[2] Temperature data is from Santa Ana Fire Station, elevation 135'



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

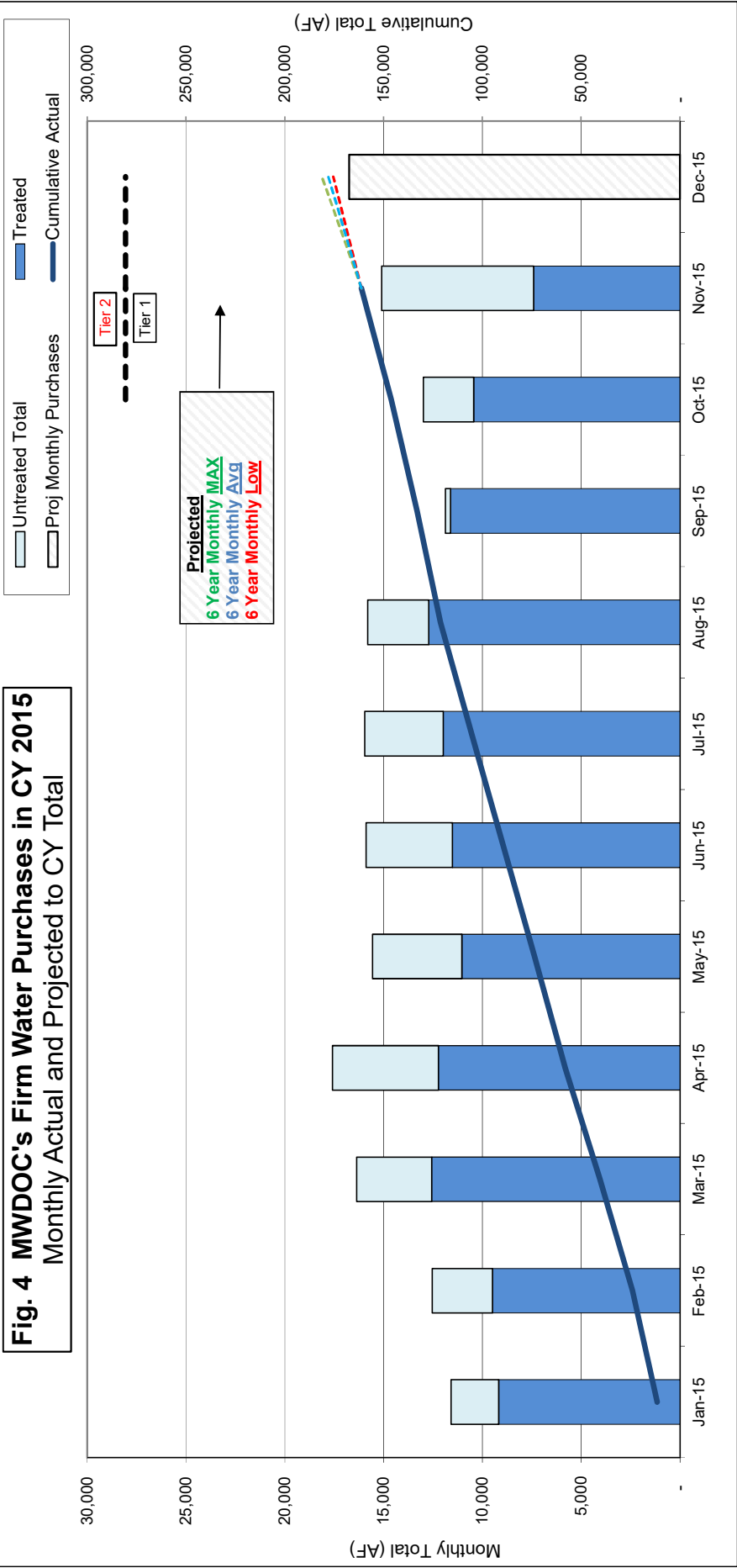
[2] Employment Data source Bureau of Labor Statistic: for Long Beach-L.A.-Santa Ana Metro Area

<http://www.bls.gov/lau/>



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.
 [2] Gallon per Capita Daily (includes all types of water usage and all type of water users).

Fig. 4 MWDOC's Firm Water Purchases in CY 2015
Monthly Actual and Projected to CY Total



Notes

1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.
2. Basin Pumping Percentage (BPP) is the percentage of a retail water agency's total water demand that they are limited to pump from the OCWD-managed groundwater basin. BPP pertains to Basin agencies only. For example, if a Basin agency's total demand is 10,000 AF/yr and OCWD sets the BPP at 72%, then the agency is limited to 7,200 AF of groundwater that year. There may be certain exceptions and/or adjustments to that sample calculation. OCWD sets the BPP for the Basin agencies, usually as of July 1st. Import demands for Jan.-Jun. were with BPP of 72% for Basin agencies; for Jul.-Dec. they are projected with BPP of 70%.

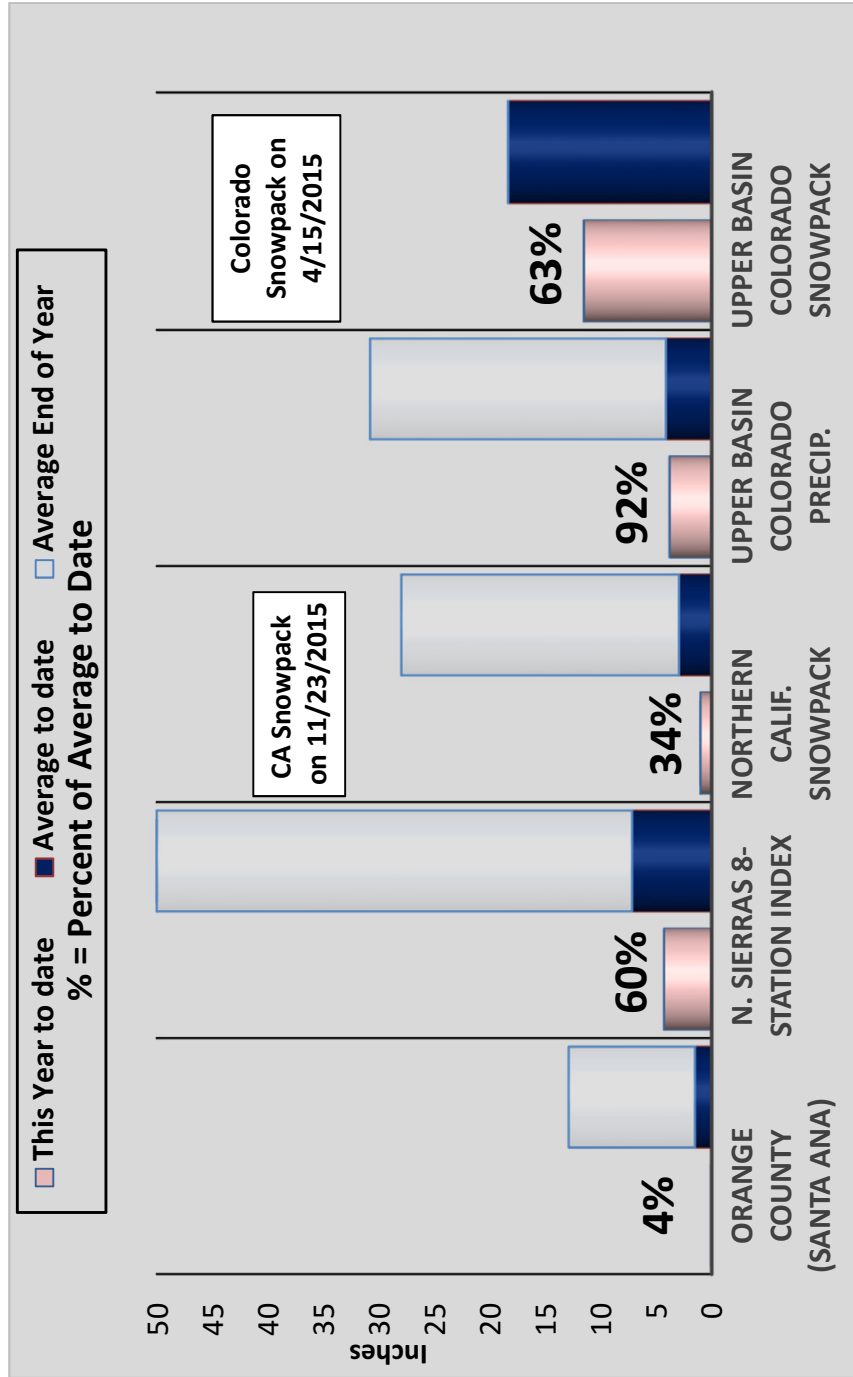


prepared by the Municipal Water District of Orange County
*numbers are subject to change

printdate 11/23/2015

Accumulated Precipitation

for the Oct.-Sep. water year, through late November 2015



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

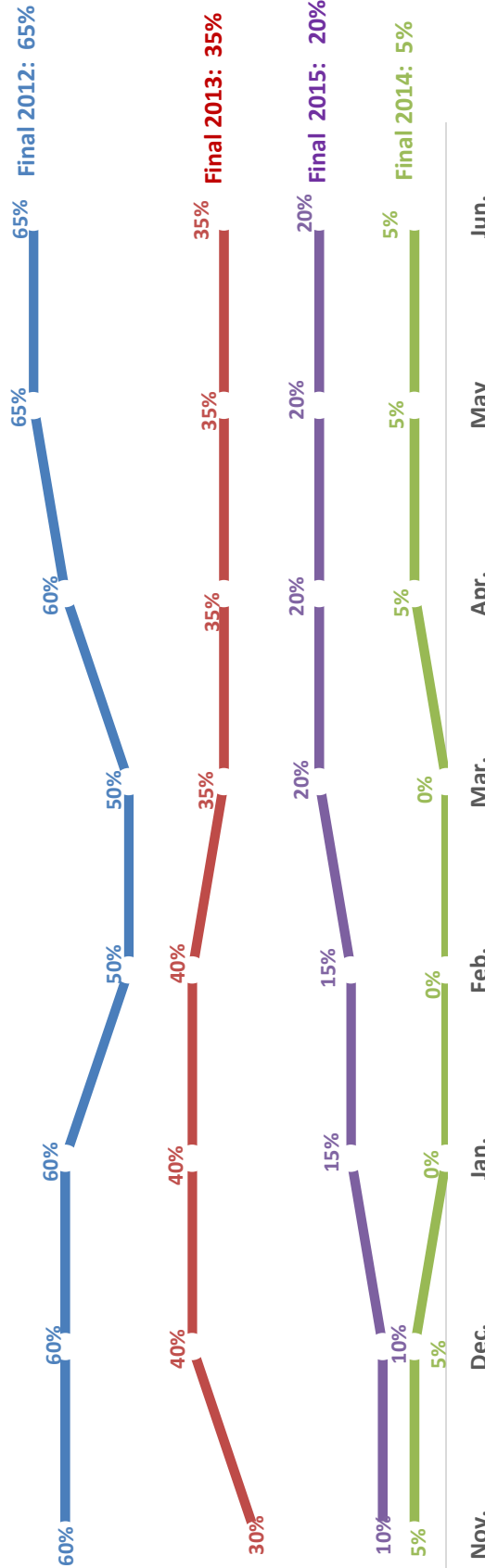




SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS

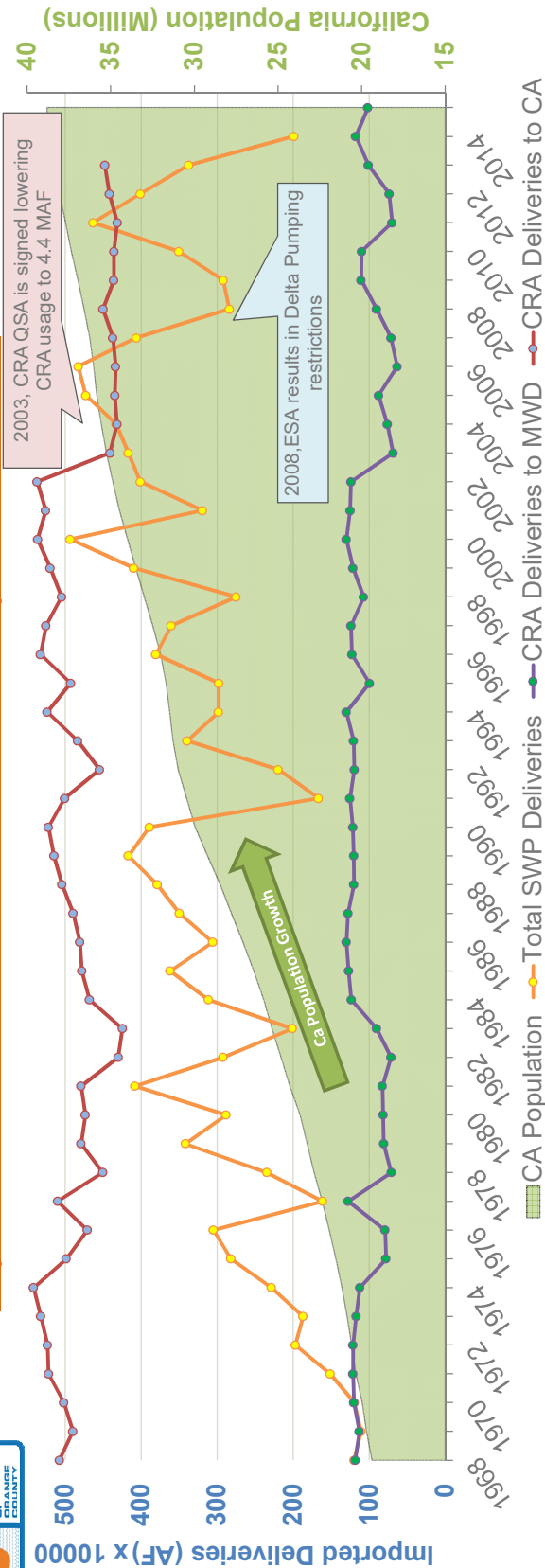
Final 2016: ???



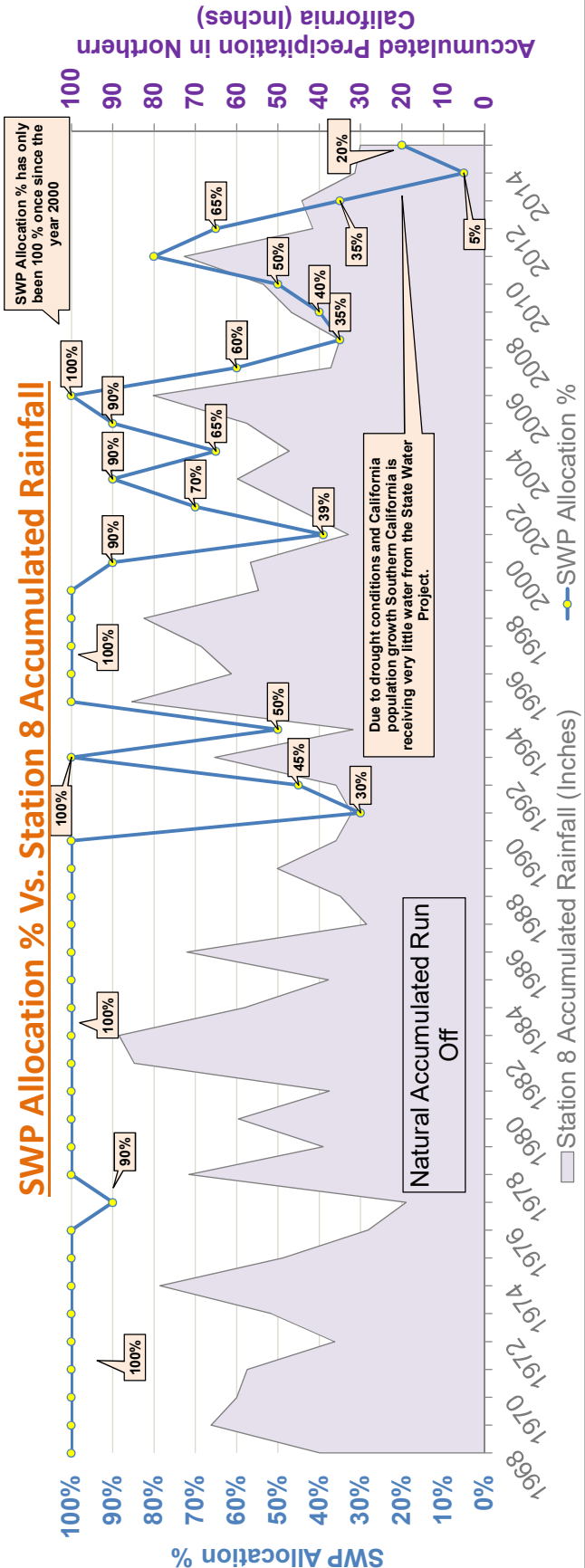
Water Year 2012
 Water Year 2013
 Water Year 2014
 Water Year 2015
 Water Year 2016



Imported Water Deliveries Vs. California Population Growth



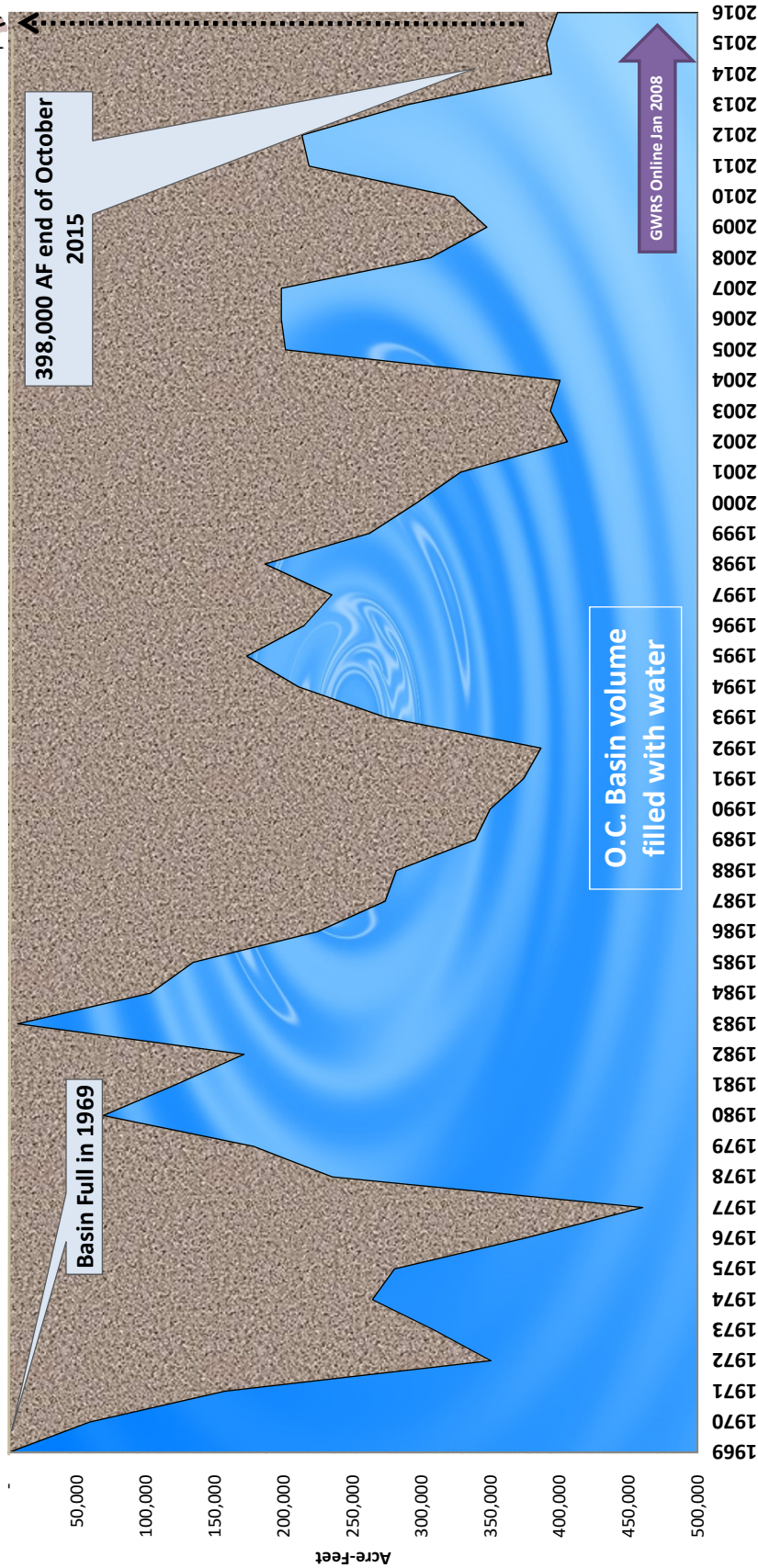
SWP Allocation % Vs. Station 8 Accumulated Rainfall





O.C. Basin Accumulated Overdraft

Annual, 1969 to Present

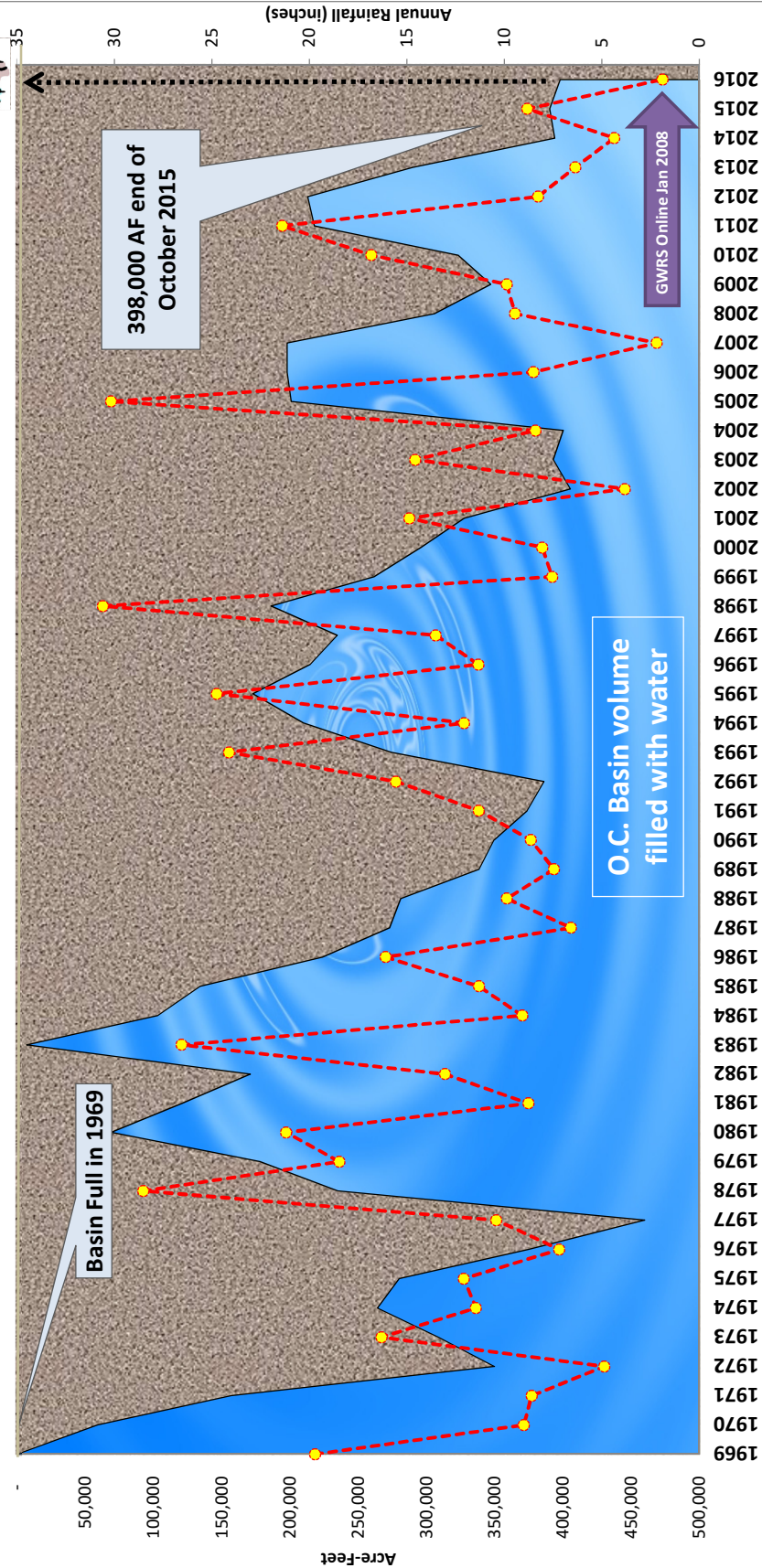
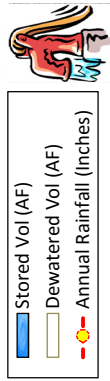


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



O.C. Basin Accumulated Overdraft Vs. Annual Rainfall

Annual, 1969 to Present

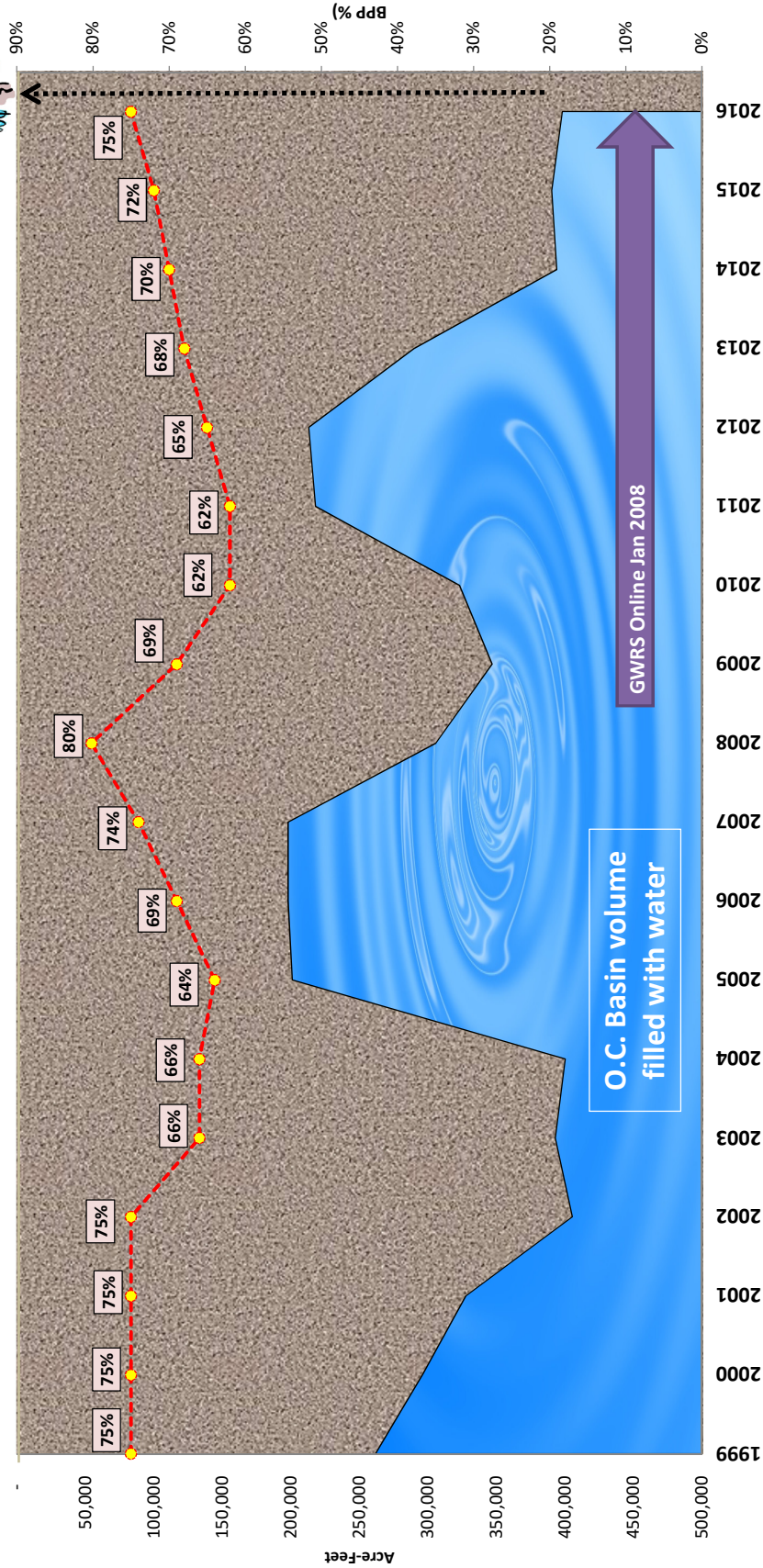
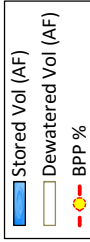


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD

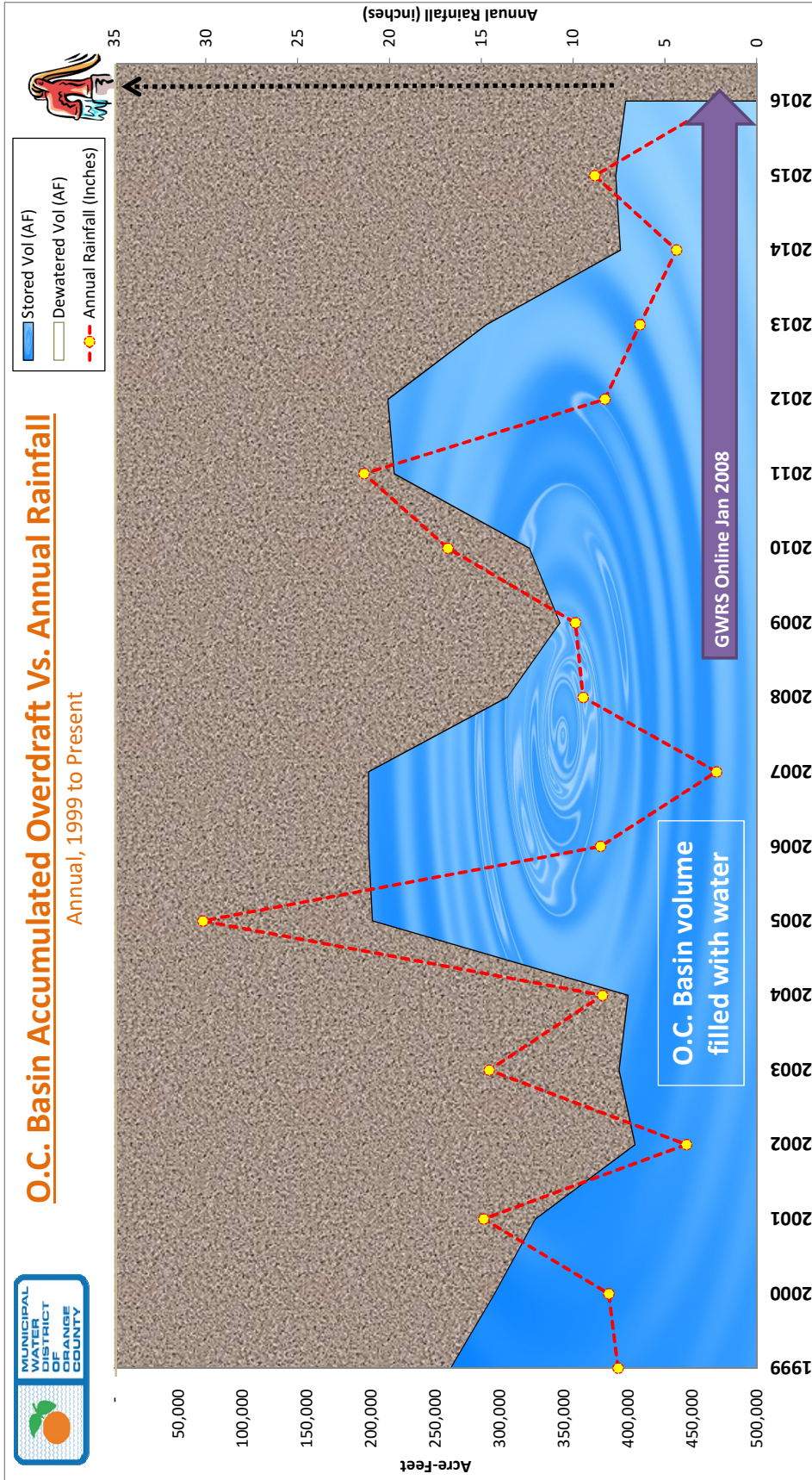


O.C. Basin Accumulated Overdraft Vs. BPP %

Annual, 1999 to Present

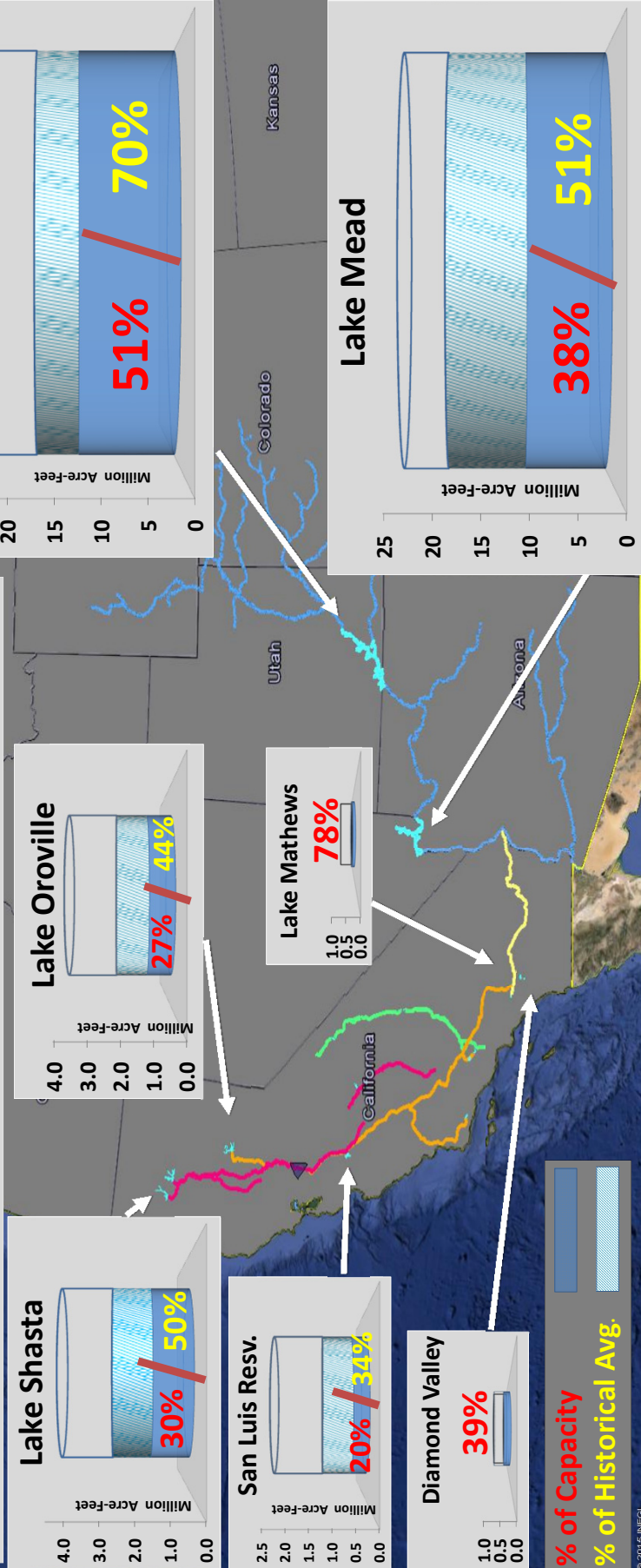


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD

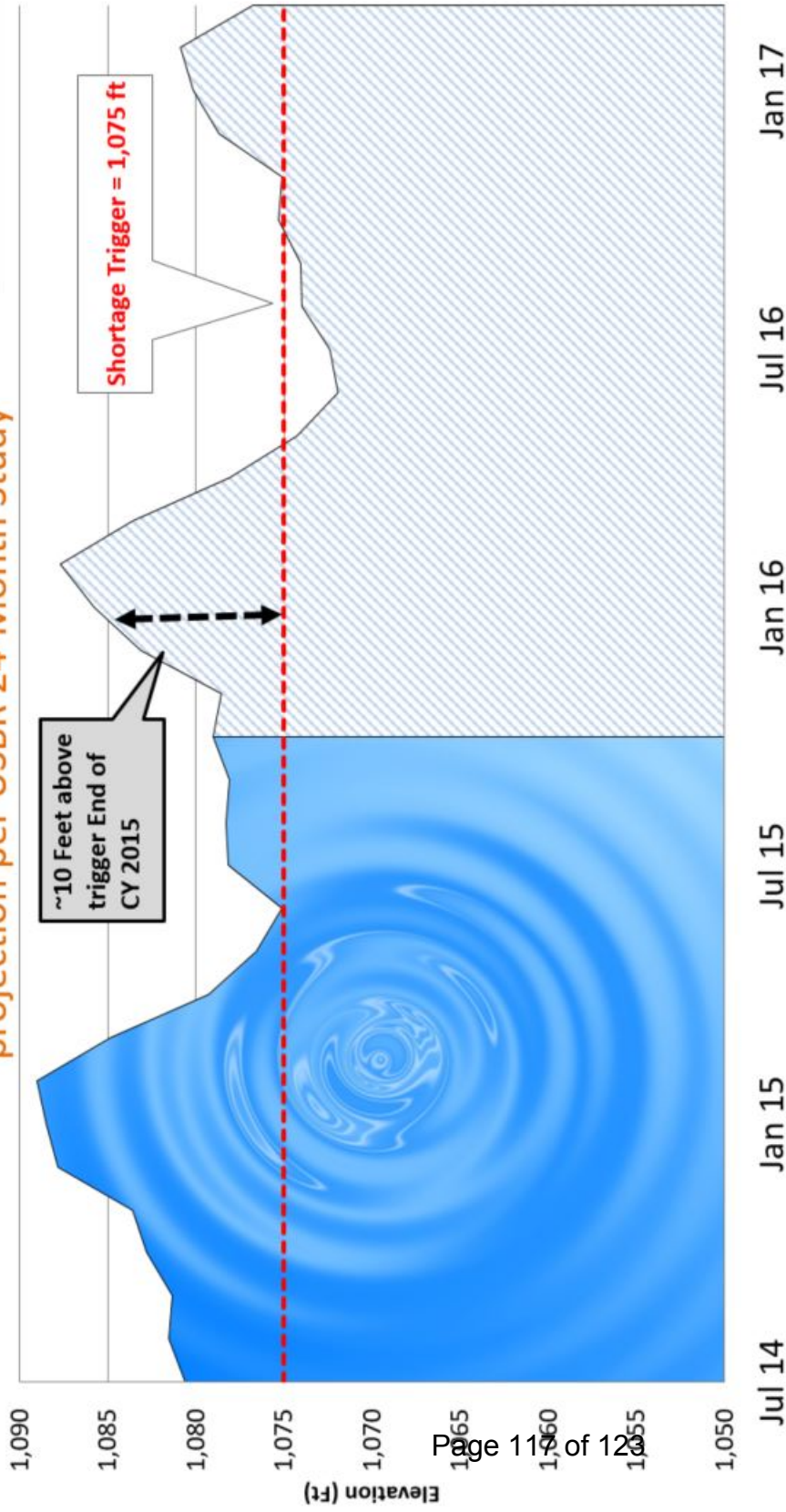
State Water Project, Colorado River, and MWD Reservoir Storage
as of November 23rd, 2015





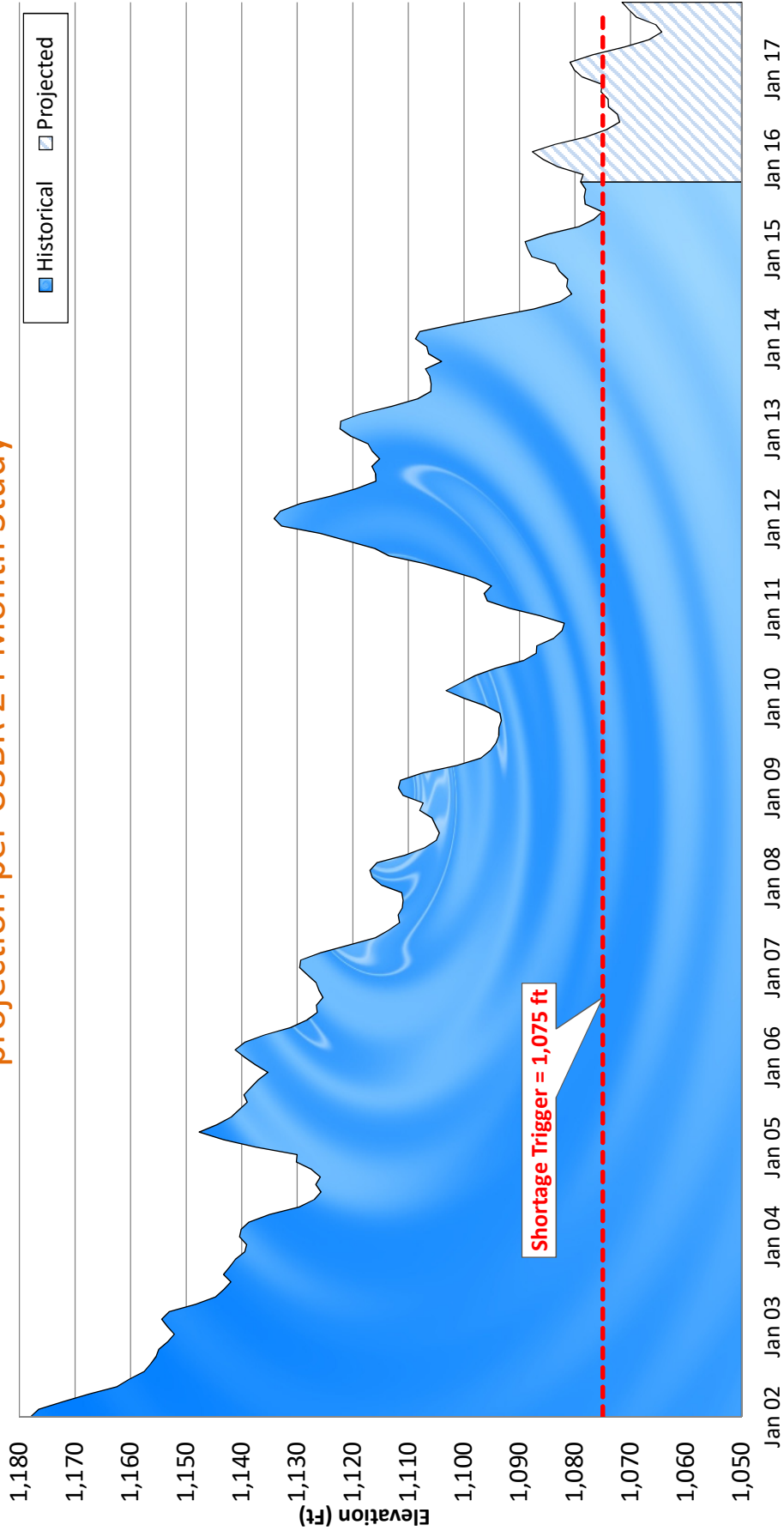
Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study

■ Historical □ Projected





Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study



**Administration Activities Report
November 6, 2015 to December 3, 2015**

Activity	Summary
Administration/Board	<ul style="list-style-type: none"> • Maribeth has been scheduling meetings for Rob Hunter and other various meetings of the Board members • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as a couple of comprehensive research projects • Maribeth reapplied for the Transparency of Excellence award and is currently awaiting a response (the District was notified that a response will be made in May or June) • Maribeth is orchestrating updates to the Open Government Portal and recommending changes/updates. • Maribeth organized the Elected Officials Forum • Maribeth attended a webinar to help glean knowledge transfer and information from retiring employees (e.g., Richard) and will be conducting interviews with him over the next several weeks • Maribeth is assisting Richard and Sarah with Doheny documents and records • Along with Pat and Bryce, Maribeth is currently planning the retirement luncheon for Richard • Pat has been scheduling meetings for Karl, Keith and Harvey and ordering lunches for several meetings. • Pat worked with Maribeth and Tiffany and Bryce on logistics and invites for Richard Bell's retirement event. • Also for Richard's event, Pat provided Bryce a list of invitees (email addresses) and ordered tables and linens and lunch and cake. • Pat formatted and printed letters for Heather re turf removal rebates for President Dick's signature and mailed them out to legislators. • Pat has been scheduling travel for the ACWA Fall Conference, CRWUA, ACWA Federal Affairs and Legislative Committees, GOFA, CUWCC, and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Pat scanned and emailed Managers' meeting handouts to our agency managers.
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> • Cathy has been coordinating with OCWD regarding joint building remodel costs and upcoming costs on HVAC upgrades, signage and air duct cleaning, as well as estimated costs for next fiscal year. • Cathy met with OCWD, HR Director, Stephanie Dosier to review and update guidelines on joint coordination of front desk duties, shared services and use of copying services.

Health Benefits	<ul style="list-style-type: none"> • The High Deductible Health Plan has been implemented for the 2016 calendar year, including implementation and set up of the Health Savings Accounts. Four employees signed up for the High Deductible Health Plans, resulting in a \$1,913 savings in health insurance premiums (annually). • Open enrollment for supplemental insurance on cancer, critical illness, accident and additional life insurance is scheduled for December 10. Please see Katie for details.
Records Management	<ul style="list-style-type: none"> • Sarah trained Shenandoah on Laserfiche basics and on quality checking. • Sarah and Shenandoah completed the scanning of the Doheny files. There are some oversized documents that will be sent out for scanning. • Sarah pulled files from Iron Mountain for Maribeth and assisted her in locating specific documents for a few projects that she is working on. • Sarah and Shenandoah have been preparing board packet files for archiving. • Pari has been scanning old WUE applications so that the original files can be purged. • Leah has been working on various scanning and shredding projects as they come up. • Sarah assisted with meeting set ups and other admin duties as needed.
CalPERS	<ul style="list-style-type: none"> • The District is anticipating receipt of the annual CalPERS valuation. • Cathy coordinated with CalPERS on the submittal of paperwork regarding Richard Bell's Exception to the 180 Day waiting period.
Agency Inquiries	None to report.
Recruitment /Departures	<ul style="list-style-type: none"> • Recruitment activities continue to fill the vacancies for a Senior Water Resources Analyst and a Principal Engineer/ Principal Planner. • John Goldsby will return to the District in December for a few weeks to assist the Finance Department. • The District has selected a candidate for the Water Use Efficiency Coordinator position and the pre-employment process is underway. It is anticipated that the candidate will begin employment on January 5th.

Item 7a

	<ul style="list-style-type: none"> • Marey Gutierrez (Public Affairs Intern) will be departing the District on December 29 to pursue a career with Amazon. • Richard Bell's last date of full time employment is December 4th. Staff has planned a retirement luncheon for December 14th
Other	
Projects and Activities	<ul style="list-style-type: none"> • Cathy is continuing to work with the Pacific Design Center to evaluate the upcoming office areas to be renovated (MWDOC lobby and restrooms) and office space planning options. • Cathy is continuing to work on finalizing IRS Audit issues. • Cathy is coordinating with an appraiser in assessing the District's current office facilities and evaluating concepts of creating additional work spaces; as well as making efficient use of the existing work spaces. It is anticipated that the appraisal will be completed by December 11th. • Katie has made final preparations for the Annual MWDOC Employee Holiday Luncheon to be held on December 15. • Katie will commence researching copier lease options as the lease with the existing copier is nearing the end of the contract. • Katie and Cathy met with the sales representative for the current copier to discuss concerns with the copier and recent service calls and down time. The representative provided some solutions which staff is closely evaluating in an effort to maintain productivity and get through till the end of the lease in September/October. • MWDOC Staff Meeting/Thanksgiving Luncheon was held on November 24th at which time the following items were reviewed: <ul style="list-style-type: none"> • Arrivals/Departures/Anniversaries • Upcoming Holiday Events • Floating Holiday/Vacations • In addition to training on the Records Management System, administrative staff has been training Shenandoah Hage on front desk phone coverage and other administrative responsibilities.

**INFORMATION ITEM**

December 9, 2015

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2015-16. Highlighted items reflect updates from last month.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Fiscal Year 2014/15 Annual Audit by Vavrinek, Trine, Day & Company	100%	11/25/2015	Final Audit complete
Preparation of documents for FY16-17 budget process.	0%	5/31/2016	Not Started
Rate Study RFP	75%	12/16/2015	Received proposals, committee chose two to interview
<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Implement and deploy Malware/Spyware Protection for all Workstations	10%	2/28/2016	On Hold
Implement and install E-mail Archiver system.	10%	6/30/2016	In Progress
Upgrade Exchange E-mail Server to the latest version	10%	6/30/2016	In Progress
Virtualize and migrate HR ABRA database Server	30%	2/28/2016	In Progress
Upgrade District Desktop Computers to Windows 10	30%	6/30/2015	In Progress

Recycle obsolete and non-functional IT Equipment.	50%	2/28/2016	In Progress
---	-----	-----------	-------------

FY 2015-16 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
Matured Security with JPMorgan reinvested, FHLMC 3yr step@1.609%.	100%	6/24/2015	Completed
Step-up from 01/15 called. Reinvested in 2.5yr @ 1.45% and 3yr @ 1.7% CD's.	100%	8/5/2015	Completed
BofA CD matured 9/1. Re-invested in Capital One NA 4yr CD at 1.95%	100%	9/2/2015	Completed
FHLMC Step from 06/15 called 9/24. Reinvested in Barclay's 4yr @ 1.9% CD.	100%	9/24/2015	Completed
Received interest payments of \$10,252 reimbursed for 1997-2001 Brown Act state mandated costs	100%	9/3/2015	Completed
Government Compensation in California report	100%	11/30/2015	Completed
State Controller Report preparation	100%	11/30/2015	Completed
State Tax filing for Water Facilities	100%	11/30/2015	Completed
Annual Financial Statement Report	100%	10/23/2015	Completed
B of A security matured. Reinvested in Capital One NA 4yr CD at 1.95%.	100%	9/1/2015	Completed
FHLMC Step called. Reinvested in Barclays 4yr CD at 1.90%		9/24/2015	
<u>Information Technology</u>			
Purchase and upgrade Finance Check printer	100%	10/1/2015	Completed
Purchase and upgrade 13 Desktop Computers with monitors for Staff.	100%	10/1/2015	Completed
Purchase and upgrade District Broadband Speed	100%	10/1/2015	Completed
Purchase and install Plotter	100%	11/15/2015	Completed