

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
February 11, 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>.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – January 2015
 - b. Disbursement Approval Report for the month of February 2015
 - c. Disbursement Ratification Report for the month of January 2015
 - d. GM Approved Disbursement Report for the month of January 2015
 - e. Water Use Efficiency Projects Cash Flow – January 31, 2015
 - f. Consolidated Summary of Cash and Investment – December 2014
 - g. OPEB Trust Fund monthly statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the period ending December 31, 2014
 - b. Quarterly Budget Review

3. DISTRICT CONFERENCES
 - a. Sustainable Water Management Conference, March 15-17, 2015, Portland, Oregon
 - b. Partners in Emergency Preparedness Conference, April 14-16, 2015, Tacoma, Washington

ACTION ITEMS

4. STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2015; SCHEDULE OF COMMITTEE MEETING DATES FOR 2015
5. ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2015
6. CONSIDER ADOPTING RESOLUTION CONCURRING IN NOMINATION OF PAUL DOREY AS ACWA/JPIA EXECUTIVE COMMITTEE MEMBER

DISCUSSION ITEM

7. REVIEW OF DRAFT AMENDED AND RESTATED ADMINISTRATIVE CODE
8. LEGAL AND PROFESSIONAL SERVICES OPEN PURCHASE ORDERS

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.)

9. FY 2014-15 BUDGET PROJECTION AND CONCEPTUAL FY 2015-16 BUDGET REVIEW
10. SEMI-ANNUAL DIRECTORS ACTIVITIES REPORT
11. SEMI-ANNUAL OVERTIME REPORT
12. ANNUAL AUTO ALLOWANCE REPORT
13. ANNUAL REVIEW OF COASTAL MUNICIPAL WATER DISTRICT ISSUES
14. INTERNAL REVENUE SERVICE PAYROLL AUDIT (oral report)
15. OTHER POST EMPLOYEE BENEFITS (OPEB) ACTUARIAL AS OF JULY 1, 2014
16. DISTRICT BENCHMARK COMPENSATION STUDY
17. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFO
18. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology

OTHER ITEMS

19. 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
January 2015

WATER REVENUES

Date	From	Description	Amount
01/02/15	City of La Habra	November 2014 Water deliveries	35,860.38
01/07/15	Laguna Beach County Water District	November 2014 Water deliveries	280,663.21
01/07/15	Santa Margarita Water District	November 2014 Water deliveries	2,011,329.51
01/09/15	South Coast Water District	November 2014 Water deliveries	460,011.49
01/09/15	El Toro Water District	November 2014 Water deliveries	624,195.58
01/09/15	City of San Clemente	November 2014 Water deliveries	656,391.25
01/12/15	City of Fountain Valley	November 2014 Water deliveries	23,374.22
01/12/15	Serrano Water District	November 2014 Water deliveries	262,300.94
01/12/15	City of Seal Beach	November 2014 Water deliveries	10,443.71
01/14/15	City of Westminster	November 2014 Water deliveries	354,093.04
01/14/15	City of Orange	November 2014 Water deliveries	377,479.44
01/15/15	Orange County Water District	November 2014 Water deliveries	2,870,053.91
01/15/15	East Orange County Water District	November 2014 Water deliveries	294,868.34
01/15/15	Irvine Ranch Water District	November 2014 Water deliveries	1,216,779.93
01/15/15	Moulton Niguel Water District	November 2014 Water deliveries	1,953,093.79
01/15/15	Yorba Linda Water District	November 2014 Water deliveries	873,799.05
01/15/15	Golden State Water Company	November 2014 Water deliveries	543,592.46
01/15/15	Santiago Aqueduct Commission	November 2014 Water deliveries	137,929.40
01/20/15	Trabuco Canyon Water District	November 2014 Water deliveries	16,660.76
01/26/15	Santa Margarita Water District	December 2014 Water deliveries	1,338,530.15
01/26/15	City of San Juan Capistrano	December 2014 Water deliveries	40,390.91
01/30/15	City of Huntington Beach	December 2014 Water deliveries	819,851.41
01/30/15	City of Brea	December 2014 Water deliveries	72,439.76
01/30/15	City of Huntington Beach	Partial payment for January 2015 Water deliveries	134,643.60

TOTAL REVENUES **\$ 15,408,776.24**

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
01/15/15	Best, Best & Krieger	2/5/15 Water policy dinner	240.00
01/26/15	Orange County Water District	2/5/15 Water policy dinner	80.00
01/29/15	City of Laguna Woods	2/5/15 Water policy dinner	160.00
01/29/15	Paypal	2/5/15 Water policy dinner	9,300.90
01/29/15	Paypal	ISDOC Registrations	445.09
01/07/15	Phil Letrong	Jan-Mar 2014 Retiree medical premium	48.33
01/15/15	Judy Pfister	Jan-Mar 2014 Retiree medical premium	104.13
01/26/15	Stan Sprague	February 2015 Retiree medical premium	212.59
01/29/15	Susan Hunt	February 2015 COBRA medical premium	689.89
01/20/15	Susan Hinman	Oct-Dec 2014 Director's Pension & Health reimbursement	866.27
01/29/15	Joan Finnegan	Oct-Dec 2014 Director's Pension & Health reimbursement	830.59
01/02/15	Mary Snow	Movie tickets	32.00
01/07/15	Katie Davanaugh	Movie tickets	32.00
01/12/15	Laura Loewen	Movie tickets	32.00
01/14/15	Maribeth Goldsby	Movie tickets	32.00
01/20/15	Kathryn Davanaugh	Movie tickets	32.00
01/26/15	Laura Loewen	Movie tickets	16.00
01/29/15	Christina Fuller	Movie tickets	32.00
01/02/15	Urban Water Institute	50% Share for Director Clark's Retirement luncheon	656.27
01/07/15	Robert Hunter	Reimbursement for purchase on district credit card	100.52
01/09/15	City of Tustin	October 2014 Smart Timer rebate program	150.00
01/12/15	City of Fountain Valley	October 2014 Smart Timer rebate program	75.00
01/12/15	2 Checks	November 2014 Smart Timer rebate program	738.00
01/20/15	Mesa Water	November 2014 Smart Timer rebate program	75.00
01/23/15	City of Tustin	November 2014 Smart Timer rebate program	150.00
01/26/15	2 Checks	November 2014 Smart Timer rebate program	591.10
01/07/15	Laguna Beach County Water District	November 2014 Turf Removal rebate program	210.00
01/12/15	Irvine Ranch Water District	November 2014 Turf Removal rebate program	5,868.00
01/14/15	City of Garden Grove	November 2014 Turf Removal rebate program	630.00
01/26/15	City of San Juan Capistrano	November 2014 Turf Removal rebate program	1,785.00
01/26/15	City of Fountain Valley	September 2014 Smart Timer & Turf Removal rebate program	180.00
01/12/15	City of Orange	November 2014 Smart Timer & Turf Removal rebate program	2,254.34
01/20/15	City of La Habra	November 2014 Smart Timer & Turf Removal rebate program	1,386.50
01/23/15	City of San Clemente	November 2014 Smart Timer & Turf Removal rebate program	1,845.00
01/14/15	El Toro Water District	November 2014 Smart Timer & Rotating Nozzle program	1,698.52
01/12/15	Moulton Niguel Water District	October 2014 So Cal Watersmart Residential rebate program	54,597.14
01/02/15	El Toro Water District	November 2014 So Cal Watersmart Residential rebate program	948.00
01/20/15	Trabuco Canyon Water District	November 2014 So Cal Watersmart Residential rebate program	600.00
01/26/15	Moulton Niguel Water District	November 2014 So Cal Watersmart Residential rebate program	33,940.11
01/12/15	Moulton Niguel Water District	FY 13-14 O & M Costs of the EOCF #2	63,456.99
01/26/15	Santa Margarita Water District	FY 13-14 O & M Costs of the EOCF #2	25,519.42
01/29/15	Irvine Ranch Water District	FY 13-14 O & M Costs of the EOCF #2	69,100.92
01/14/15	City of Garden Grove	Addition to the Choice School Program FY 14-15	1,104.00
01/02/15	Moulton Niguel Water District	FY 14-15 Choice Program - Value of Water	13,000.00
01/09/15	City of Tustin	FY 14-15 Choice Program - Value of Water	8,000.00
01/20/15	City of Fountain Valley	FY 14-15 Choice Program - Value of Water	8,000.00
01/12/15	Western Municipal Water District	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00

TOTAL MISCELLANEOUS REVENUES \$ **317,970.62**
TOTAL REVENUES \$ 15,726,746.86



Robert J. Hunter, General Manager


Hilary Chumplitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1057	January 2015 Legal consulting on water policy issues	2,600.00
	*** Total ***	2,600.00
	Aleshire & Wynder LLP	
31493	11/21/14-12/31/14 Legal services	204.50
	*** Total ***	204.50
	ALTA FoodCraft	
515011222	1/15/15 Coffee & tea supplies	215.38
515011424	1/19/15 Coffee & tea supplies	16.51
	*** Total ***	231.89
	Best Best and Krieger LLP	
55401-DEC14	11/24/14-12/31/14 Legal services	24,505.39
	*** Total ***	24,505.39
	CDW Government	
RX01332	2 Photoconductor units for color Ricoh printer	612.63
	*** Total ***	612.63
	Ronald R. Gastelum	
JAN15	January 2015 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	Greenshades Software	
74775	2014 Payroll tax form upload fee	17.05
	*** Total ***	17.05
	Humanscale Corporation	
1943285	1 Liberty task chair	509.49
	*** Total ***	509.49
	Independent Special Districts of Orange County	
012715	2015 Annual membership renewal	200.00
012915	January 2015 PayPal luncheon receipts for 1/29/15 ISDOC meeting	445.09
	*** Total ***	645.09
	James C. Barker, P.C.	
105-0115	January 2015 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Latin Business Association	
2015	2015 Annual Membership	250.00
	*** Total ***	250.00

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

Invoice#	Vendor / Description	Amount to Pay
	Lewis Consulting Group, LLC	
1397	January 2015 Consulting services	3,375.00
	*** Total ***	3,375.00
	Edward G. Means III	
MWDOC-1025	January 2015 Support on MET issues & strategic guidance to Engineering department	1,000.00
	*** Total ***	1,000.00
	Metropolitan Water District of Southern California	
1397	2015 National Water Resources Association annual membership renewal	500.00
	*** Total ***	500.00
	Office Solutions	
I-00721952	1/15/15 Office supplies	49.85
I-00722631	1/16/15 Office supplies	51.83
I-00722915	1/16/15 Office supplies	526.81
I-00723533	1/19/15 Office supplies	8.59
I-00725675	1/23/15 Office supplies	365.69
I-00725696	1/23/15 Office supplies	25.92
I-00724143	1/20/15 Office supplies	54.16
I-00730199	2,000 Letterhead sheets	513.00
I-00731973	2/5/15 Office supplies	269.98
	*** Total ***	1,865.83
	Orange County Water District	
14686	December 2014 50% of WACO expenses	213.75
14703	December 2014 Postage, shared office & maintenance expense	9,435.48
14781	January 2015 50% of WACO expenses	217.98
	*** Total ***	9,867.21
	Patricia Kennedy Inc.	
20171	February 2015 Plant maintenance	214.00
	*** Total ***	214.00
	South Orange County Economic Coalition	
MWDOC-2015	2/1/15-2/1/16 Annual membership	1,500.00
	*** Total ***	1,500.00
	Staples Advantage	
8032729459	1/3/15 Office supplies	6.90
	*** Total ***	6.90
	Top Hat Productions	
89900	1/22/15 Lunch for Managers' meeting	370.98
	*** Total ***	370.98

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
10563	Townsend Public Affairs, Inc. January 2015 State legislative advocacy services *** Total ***	7,500.00 7,500.00
00793065	Tustin Irvine Medical Group 9/22/14 Pre-employment exam *** Total ***	85.00 85.00
2015	City of Tustin 2015 CalPACS Annual membership renewal *** Total ***	275.00 275.00
2641274-CA	U.S. HealthWorks Medical Group, PC 1/27/15 Pre-employment exam *** Total ***	160.00 160.00
0110728-IN	Vavrinek, Trine, Day & Co., LLP December 2014 Services for F/Y 13-14 Financial Statement & Single audit *** Total ***	725.00 725.00
Total Core Expenditures		<hr/> 72,250.98
Choice Expenditures:		
123114MWDOC	Discovery Science Center December 2014 School program *** Total ***	8,371.35 8,371.35
Total Choice Expenditures		<hr/> 8,371.35
Other Funds Expenditures:		
02-068	AquaFicient Consulting December 2014 Landscape Performance Certification program funded by IRWD & MET *** Total ***	1,500.00 1,500.00
LPCP-226	ConserVision Consulting, LLC December 2014 Consulting services for Landscape Performance Certification program *** Total ***	7,058.25 7,058.25
712793	Eagle Communications 1/9/15 Service for WEROC operational area radio	358.40
712807	1/21/15 Service for WEROC N. EOC antenna	1,315.55
712811	1/15/15 Service for WEROC repeater on Catalina Island *** Total ***	867.40 2,541.35

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Hotel Program		
Y617084	Marriott Hotels Inc. (Newport Beach)	26,700.00
Y616486	Marriott Hotels Inc. (Newport Beach)	1,170.00
	*** Total ***	27,870.00
Mission RCD		
1736	December 2014 Field verifications for rebate programs	26,098.08
	*** Total ***	26,098.08
Spray to Drip Program		
S2D1010	J. Nicholas	175.00
S2DC1034	Sausalito Maintenance Corp. (Lake Forest)	1,853.80
S2DC1037	Sausalito Maintenance Corp. (Lake Forest)	4,076.40
S2DC1038	Sausalito Maintenance Corp. (Lake Forest)	2,267.60
S2DC-MNWD-1006	Shappell Industries, Inc. (Laguna Niguel)	16,304.40
S2D-ORGE-1015	D. Sigband	525.00
S2D-SCWD-1020	K. Ellingsworth	525.00
S2DC-SMWD-1005	Arroyo Vista Apartments (Mission Viejo)	7,886.80
S2DC-SMWD-1009	LARMAC (Ladera Ranch)	19,520.00
S2DC-SMWD-1010	CZ Master Association (Santa Margarita)	573.00
S2D-SMWD-1018	A. Shelian	175.00
S2D-SMWD-1028	S. Markarbabrud	175.00
S2D-SMWD-1035	P. Roecker	376.54
S2D-SMWD-1037	M. Maissy	326.61
S2D-SMWD-1038	C. Repp	497.32
	*** Total ***	55,257.47
Turf Removal Program		
TR5-BP-002	L. Vilondo	956.00
TR5W-BP-1471	J. Nolan	1,984.87
TR5-BREA-025	T. Garcia	4,815.00
TR5-BREA-027	C. Henderson	2,267.45
TR5W-BREA-1009	A. Miralaie	2,523.00
TR5W-BREA-1142	H. Lo	1,350.00
TR5W-BREA-1162	W. Hitchcock	2,481.00
TR5W-BREA-1385	S. Liu	1,680.00
TR5W-BREA-1393	D. Havard	1,287.00
TR5W-BREA-1475	P. Lee	2,070.00
TR5W-BREA-1504	S. Matlock	3,090.00
TR5W-BREA-1608	R. Sargent	1,311.00
TR5W-BREA-1854	C. Eychanel	586.34
TR5W-EOWD-1198	M. Weiss	1,968.26
TR5-ET-013D	Laguna Village OA (Laguna Hills)	43,236.00
TR5-ET-013E	Laguna Village OA (Laguna Hills)	63,584.00
TR5-ET-015	K. Knight	1,500.00
TR5W-ETWD-1148	D. Donley	1,574.00
TR5W-ETWD-1785	R. Holmes	1,261.04
TR5W-ETWD-1802	M. Peck	1,950.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-ETWD-2067	D. Taylor	782.00
TR5W-ETWD-2173	E./M. Bogart	372.00
TR5-FV-018	A. Ford	984.00
TR5-FV-021	R. Hamerlinck	2,876.00
TR5W-FV-1125D	L. Nguyen	1,010.00
TR5W-FV-1748	K. Eddow	1,010.00
TR5W-FV-1830	S. Hammarstrom	2,952.00
TR5W-FV-2942547	N. Aleson	500.00
TR5-GG-011	N. McNally	3,520.00
TR5-GG-017	J. Freer	2,366.25
TR5-GG-018	D. Lam	3,350.00
TR5-GG-020	R. Mullins	2,484.00
TR5-GG-029	A. Laster	1,338.00
TR5W-GG-1589	A. Lumbao	3,684.00
TR5W-GG-1628	S. Poon	1,358.00
TR5W-GG-1832	C. Gould	2,942.00
TR4-GSWC-021	C. Ragone	1,094.00
TR5-GSWC-059	T. Sobol	712.73
TR5-GSWC-061	J. Wren	990.00
TR5-GSWC-064	G. Devaney	1,970.00
TR5-GSWC-065	J. Harris	1,512.00
TR5-GSWC-079	K. Frattaroli	1,384.00
TR5-GSWC-083	C. Ramirez	564.00
TR5-GSWC-094	E. Haller	1,070.00
TR5-GSWC-095	J. Jordan	1,776.00
TR5W-GSWC-116	B. Edalati	1,202.00
TR5W-GSWC-1304	E. McAuliffe	1,702.00
TR5W-GSWC-1332	M. Musa	7,620.00
TR5W-GSWC-1415	R. Livingston	458.00
TR5W-GSWC-1569	M. Zimmer	680.00
TR5W-GSWC-1647	T. Huynh	1,084.00
TR5W-GSWC-1648	F. Giambalvo	1,120.00
TR5W-GSWC-1796	L. Wisinski	1,348.00
TR5W-GSWC-1803	E. Kim	692.00
TR5W-GSWC-1878	L. VandenBerg	3,638.00
TR5W-GSWC-1915	J. Pye	1,300.00
TR5-HB-055	Y. Chan	4,280.00
TR5-HB-067	D. Balthazor	776.00
TR5-HB-069	M. Ezzo	3,064.00
TR5-HB-072	M. Rabin	1,214.00
TR5-HB-075	M. Watson	2,128.00
TR5-HB-077	B. Perry	910.00
TR5-HB-089	F. Pollock	1,706.00
TR5-HB-092	O. Jamar	2,438.00
TR5W-HB-1095D	C. Hunt	570.00
TR5W-HB-1112D	R. Merritt	650.00
TR5W-HB-1202	J. Baars	2,010.00
TR5W-HB-1236	N. Patel	3,090.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-HB-1283	M. Olsberg	700.00
TR5W-HB-1579	B. Foster	1,516.00
TR5W-HB-1584	J. Convery	1,658.00
TR5W-HB-1602	M. O'Larte	962.00
TR5W-HB-1645	C. Brown	1,978.00
TR5W-HB-1703	D. Goff	3,700.00
TR5W-HB-1705	S. McNair	1,910.00
TR5W-HB-1727	E. Tackett	1,328.00
TR5W-HB-1740	W. Taylor	2,766.00
TR5W-HB-1842	J. Brown	740.00
TR5W-HB-1910	T. Bailey	852.00
TR5W-HB-2057	R. Magnuson	1,200.00
TR5W-HB-2058	J. Slater	1,906.00
TR5W-HB-2060	E. Zimmerman	960.00
TR5W-HB-2078	M. Brennan	2,022.00
TR5W-HB-2162	M. Beucier	1,980.00
TR4-IRWD-036	P. Webber-James	1,534.50
TR4-IRWD-072	P. Pham	1,416.00
TR5-IRWD-208	Tustin Ranch Sycamore Glen (Tustin)	99,066.00
TR5-IRWD-211	P. Liu	1,130.00
TR5-IRWD-249	L. Jaziburke	1,428.00
TR5-IRWD-251	The Lakes Master Assn (Irvine)	1,268.00
TR5-IRWD-264	M. Charles	1,356.18
TR5-IRWD-267	R. Beauregard	656.00
TR5-IRWD-288	J. McComb	1,396.00
TR5-IRWD-293	R. Blake	792.00
TR5-IRWD-295	T. Roche	854.00
TR5-IRWD-296	Schiffman Von Karman Property (Irvine)	7,295.00
TR5-IRWD-300	R. Kim	2,282.00
TR5W-IRWD-1025D	K. DeBellis	828.00
TR5W-IRWD-1046D	G. Price	1,064.00
TR5W-IRWD-1047D	J. David	1,408.00
TR5W-IRWD-1079D	D. Cheung	508.00
TR5W-IRWD-1080D	Q. Ton	600.00
TR5W-IRWD-1098D	P. Jean	858.00
TR5W-IRWD-1163	R. Galligan	15,256.00
TR5W-IRWD-1246D	Newport Coast Child Development Preschool (Newport Beach)	1,924.00
TR5W-IRWD-1454	R. Reichert	1,834.00
TR5W-IRWD-1564	G. Way	900.00
TR5W-IRWD-1635	U. Devalla	1,664.00
TR5W-IRWD-1699	P. Wong	1,146.00
TR5W-IRWD-1735	T. Truong	1,402.00
TR5W-IRWD-1760	K. Ross	16,748.00
TR5W-IRWD-1771	R. Joshi	560.00
TR5W-IRWD-1773	M. Kelly	3,018.00
TR5W-IRWD-1806	D. Bettadapura	3,360.00
TR5W-IRWD-1823	S. Loveland	1,804.00
TR5W-IRWD-1836	A. Tran	716.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-IRWD-1840	B. Singh	1,016.00
TR5W-IRWD-1876	S. Kim	518.00
TR5W-IRWD-2124	D. Wilson	528.00
TR5W-IRWD-2143	C. Azalde	872.00
TR5W-IRWD-2149	S. Karlan	1,666.00
TR5W-IRWD-2174	M. McVeigh	1,106.00
TR5W-IRWD-2271	R. Wagenseller	2,504.00
TR5W-IRWD-2336	R. Hazan	446.00
TR5W-IRWD-2339	C. Lawton	680.00
TR5W-IRWD-2349	B. Jennings	498.00
TR5W-IRWD-2381	J. Alban	566.00
TR5W-IRWD-2972033	D. Nguyen	958.00
TR5-LB-021	J. King	822.00
TR5W-LB-1639	J. Broersma	1,692.00
TR5-LH-010	R. Van Duyn	1,326.00
TR5W-LH-1121D	R. Chavez	1,382.00
TR5W-LH-1293	J. Bausley	1,560.00
TR4-MESA-006	City of Costa Mesa	7,763.00
TR5-MESA-048	M. Teglas	1,366.00
TR5-MESA-052	M. Kirsch	3,380.00
TR5W-MESA-1034D	D. Degelman	1,474.00
TR5W-MESA-1067D	R. Berg	1,162.00
TR5W-MESA-1085D	K. Morrison	718.00
TR5W-MESA-1157	L. Koluvek	3,994.00
TR5W-MESA-1159	A. Goddard	5,618.00
TR5W-MESA-1168	C. Brown	2,940.00
TR5W-MESA-1260	D. Deepa	2,056.00
TR5W-MESA-1268	G. Rowe	1,172.00
TR5W-MESA-1302	Y. Burns	3,024.00
TR5W-MESA-1449	K. Tacony	1,119.53
TR5W-MESA-1533	M. Abrams	714.00
TR5W-MESA-1542	T. Lewis	960.00
TR5W-MESA-1663	K. Johnson	2,780.00
TR5W-MESA-1775	J. Knox	2,408.00
TR5W-MESA-1907	S. Rothbucher	7,034.00
TR5W-MESA-1911	A. Duong	2,272.00
TR5W-MESA-2103	J. Thomas	3,872.00
TR4-MN-051	Shapell Industries, Inc.	40,761.00
TR5-MN-070	N. Italia	1,706.00
TR5-MN-081	City of Laguna Hills	369,556.00
TR5-MNT-126	M. Diehl	879.89
TR5-MNT-148	S. Oelrich	1,669.50
TR5-MNT-150	Glenwood Terrace HOA (Aliso Viejo)	6,800.00
TR5-MNT-154	T. Zemanek	3,221.00
TR5-MNT-162	B. Kron	5,950.00
TR5-MNT-170	J. McCarthy	2,732.50
TR5-MNT-172	A. Babazadeh	2,110.00
TR5-MNT-174	S. Lewis	2,848.00

Municipal Water District of Orange County
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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-MNT-177	S./C. Grose	1,347.50
TR5-MNT-179	T. Grieve	2,139.00
TR5W-MNT-1019D	E. Givner	1,595.00
TR5W-MNT-1027D	T. Hamada	2,880.00
TR5W-MNT-1093D	D. Hadley	3,865.00
TR5W-MNT-1109D	A. Franko	772.00
TR5W-MNT-1211	T. Coye	5,116.00
TR5W-MNT-1214	M. Woods	1,675.00
TR5W-MNT-1243	L. Hill	1,305.00
TR5W-MNT-1266	K. LaFee	4,330.00
TR5W-MNT-1280	M. McKeon	2,335.00
TR5W-MNT-1299	A. Vassetizadeh	1,500.00
TR5W-MNT-1324	C. Miller	5,118.00
TR5W-MNT-1335	H. Buchmann	1,050.00
TR5W-MNT-1341	S. Humphrey	2,520.00
TR5W-MNT-1344	D. Plourde	7,572.00
TR5W-MNT-1359	C. Grenier	2,155.50
TR5W-MNT-1390	S. Grant	6,309.50
TR5W-MNT-1390	S. Grant	6,309.50
TR5W-MNT-1395	M. Winn	1,440.00
TR5W-MNT-1406	R. Cavanagh	4,250.00
TR5W-MNT-1447	N. Manzo	5,184.00
TR5W-MNT-1484	C. Rossman	3,780.00
TR5W-MNT-1493	K. Gupta	4,622.00
TR5W-MNT-1512	Niguel Ridge Coll of LN HOA (Laguna Niguel)	7,982.62
TR5W-MNT-1540	M. Rienzo	1,101.71
TR5W-MNT-1592	J. Grovom	5,224.00
TR5W-MNT-1605	B. Hawkins	3,870.00
TR5W-MNT-1625	C. Bassi	2,969.00
TR5W-MNT-1636	E. Atkinson	1,330.00
TR5W-MNT-1680	C. Johnson	1,100.00
TR5W-MNT-1694	R. Cuneo	3,855.00
TR5W-MNT-1718	K. Langer	1,669.50
TR5W-MNT-1795	G. Greenberg	1,250.00
TR5W-MNT-1810	L. Bullock	5,556.00
TR5W-MNT-1843	G. Eansor	2,876.00
TR5W-MNT-2168	S. Scott	2,390.00
TR5W-MNT-2932544	Saddleback Valley Unified School District (Laguna Hills)	473,379.00
TR5W-MNT-2952506	J. Smith	2,618.00
TR5W-MNT-2962017	R. Tomlin	5,078.00
TR5-NWPT-010	J. Anhalt	972.00
TR5-NWPT-012	B. Wright	6,318.00
TR5W-NWPT-1154	W. Purvis	820.00
TR5W-NWPT-1571	Gold Coast Enterprises (Newport Beach)	9,356.00
TR5W-NWPT-2129	J. Pedersen	1,046.00
TR5W-NWPT-2321	B. Mathaisel	502.00
TR5-O-039	D. Sigband	7,410.00
TR5-O-052	M. Steponovich	2,918.00

Municipal Water District of Orange County
Disbursement Approval Report
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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-O-054	W. Reed	3,400.00
TR5-O-060	R. Ray	3,636.00
TR5-O-063	K. Gallacher	1,728.00
TR5W-O-1067	M. Hugo	2,568.00
TR5W-O-1231	J. Chung	1,550.00
TR5W-O-1296	T. Pham	1,456.00
TR5W-O-1724	Current Electric (Orange)	656.00
TR5-SC-066	S. Anderson	6,078.00
TR5-SC-068	J. Leishman	804.00
TR5-SC-074	T. Faye	1,052.00
TR5-SC-075	L. Davies	584.00
TR5-SC-081	S. Hunt	3,762.00
TR5W-SC-1203	J. Fawcett	1,490.00
TR5W-SC-1239	W. Raleigh	850.00
TR5W-SC-1468	P. Shikli	1,276.00
TR5W-SC-1925	F. Martin	846.00
TR5-SJC-028	R. Desa	2,754.00
TR5-SJC-029	H. Huff	3,168.00
TR5-SJC-036	P. MacBride	610.00
TR5-SJC-037	T. Scott	804.00
TR5-SJC-041	J. Parr	2,522.00
TR5W-SJC-1019	R. Sully	2,674.00
TR5W-SJC-1461	K. Hooper	5,562.00
TR5W-SJC-1650	K. Finley	1,308.00
TR5W-SJC-1692	M. Carrillo	560.00
TR4-SM-036	A. Laband	1,639.20
TR5-SM-068	R. Duggan	5,502.00
TR5-SM-073	Fairway Oaks Community Association (Trabuco Canyon)	7,276.00
TR5-SM-087	CZ Master Association (Trabuco Canyon)	26,600.00
TR5-SM-101	B. Boloori	658.00
TR5-SM-118B	CZ Master Association (Trabuco Canyon)	6,500.00
TR5-SM-132	C. Graham	596.00
TR5-SM-138	CZ Master Association (Trabuco Canyon)	15,000.00
TR5-SM-140	B. Ingalls	1,510.00
TR5-SM-142	A. Sayles	970.00
TR5-SM-146	R. Michaud	1,816.00
TR5-SM-148	M. Muyderman	690.83
TR5-SM-153	C. Hunter	3,238.00
TR5-SM-164	G. Alterman	1,086.00
TR5-SM-167	Rancho Santa Margarita Landscape & Recreation Corp.	1,560.00
TR5W-SM-1038D	T. Miller	852.00
TR5W-SM-1053D	M. Forness	960.00
TR5W-SM-1054D	J. Lindgren	2,112.00
TR5W-SM-1078D	S. Chen	644.00
TR5W-SM-1084D	B. Boyle	616.00
TR5W-SM-1086D	E. Stead	2,796.00
TR5W-SM-1147	E. Barnett	510.00
TR5W-SM-1153	K. Brooks	1,590.00

Municipal Water District of Orange County
Disbursement Approval Report
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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-SM-1156	A. Hill	546.00
TR5W-SM-1207	S. & R. Boren	922.00
TR5W-SM-1254	D. Batson	896.00
TR5W-SM-1259	J. Russert	1,562.00
TR5W-SM-1287	K. Hicken	1,772.00
TR5W-SM-1288	S. McDowell	580.00
TR5W-SM-1568	D. Tsui	4,116.00
TR5W-SM-1577	T. Pacific	612.00
TR5W-SM-1617	M. Chanman	2,054.00
TR5W-SM-1660	S. Reinart	1,652.00
TR5W-SM-1678	M. Heinila	1,708.00
TR5W-SM-2056	M. Soto	600.00
TR5W-SM-2066	J. Nargizian	1,168.00
TR5W-SM-2072	B. Galligan	2,360.00
TR5W-SM-2202	V. Bolanis	1,710.00
TR5W-SM-2326	F. Burt	1,754.00
TR5W-SM-2478	J. Murphy	1,580.00
TR5W-SM-2942553	K. Bartholomew	1,800.00
TR5W-SM-2942554	B. Abramson	1,060.00
TR5W-SM-2952007	M. Schroeder	532.00
TR5W-SM-2972025	R. Smith	1,084.00
TR5-SOCO-048	W. McDaniel	400.00
TR5W-SOCO-1365	J. Pfohl	1,904.00
TR5W-SOCO-1765	E. Pulwer	2,074.00
TR5W-SUB-1401	R. Rojas	1,301.20
TR5-SWD-003	N. Gertler	1,852.00
TR5-SWD-004	L. Waddle	7,266.00
TR5-SWD-006	M. Butler	2,760.00
TR5-SWD-008	B. Arciero	5,598.00
TR5W-SWD-1131	R. Siris	864.00
TR5W-SWD-1283	L. Cavers	8,568.00
TR5-TC-001	M. Thaete	1,318.00
TR5-TC-002	J. & S. Martinez	2,456.00
TR5W-TUST-1209	M. Conley	950.00
TR5W-TUST-1578	R. DeSantis	1,188.00
TR5W-TUST-1777	C. Stark	5,192.00
TR5-YLWD-029	K. Wright	914.00
TR5-YLWD-038	B. Forslund	4,388.00
TR5-YLWD-039	D. DeGennaro	1,604.00
TR5-YLWD-042	J. Sito	828.00
TR5-YLWD-043	R. McQueen	1,904.00
TR5-YLWD-045	L. Taylor	2,596.00
TR5W-YLWD-1003D	W. Gyssler	1,400.00
TR5W-YLWD-1028D	K. Vollmer	1,094.30
TR5W-YLWD-1129D	J. Marshall	520.00
TR5W-YLWD-1133	S. Holzner	7,286.00
TR5W-YLWD-1254	R. Mesetaz	4,814.00
TR5W-YLWD-1276	R. Donat	1,322.00

Municipal Water District of Orange County
Disbursement Approval Report
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<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5W-YLWD-1371	P. Abejar	1,554.00
TR5W-YLWD-1378	M. Shim	3,326.00
TR5W-YLWD-1423	R. Scheussler	574.00
TR5W-YLWD-1550	R. Lewis	1,632.00
TR5W-YLWD-1845	J. Schroth	2,262.00
TR5W-YLWD-1862	L. To	1,210.00
TR5W-YLWD-2216	O. Keuillian	1,174.00
TR5W-YLWD-2912510	G. Babst	1,776.00
TR5W-YLWD-2972038	G. Miranda Lowe	1,132.00
TR5-WEST-003	Good Shepherd United Methodist Church (Westminster)	27,256.00
TR5W-WEST-1215	D. Anderson	1,512.00
	*** Total ***	1,855,224.40
	Total Other Funds Expenditures	<u>1,975,549.55</u>
	Total Expenditures	<u><u>2,056,441.86</u></u>

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Expenditures:				
126963	1/7/15	TIMEWA	Time Warner Cable	
		5210-JAN15	January 2015 Telephone and internet expense	932.74
			***Total ***	932.74
126965	1/7/15	VERIZO	Verizon Wireless	
		9737739756	December 2014 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
	1/15/15	ACKECO/ACKEEX	Linda Ackerman	
126967		DEC2014	December 2014 MET Director's compensation	2,443.30
126966		123114	December 2014 Business expense	62.72
			***Total ***	2,506.02
126973	1/15/15	DELAGE	De Lage Landen Public Finance	
		43882680	January 2015 Canon copier lease	509.00
			***Total ***	509.00
126979	1/15/15	IRONMO	Iron Mountain	
		LBC0878	January 2015 Storage/retrieval of archived documents	446.18
			***Total ***	446.18
126980	1/15/15	LYONKE	Keith Lyon	
		123114	November 2014 Business expense	23.13
			***Total ***	23.13
126984	1/15/15	TAMARI	Satoru Tamaribuchi	
		123114	December 2014 Business expense	916.06
			***Total ***	916.06
126994	1/15/15	TIMEWA	Time Warner Cable	
		3564-JAN15	January 2015 Telephone expense for 4 analog fax lines	139.28
			***Total ***	139.28
126997	1/15/15	USBANK	U.S. Bank	
		5783/6533-DEC14	11/24/14-12/22/14 Cal Card charges	18,656.64
			***Total ***	18,656.64
			(See attached sheet for details)	
126999	1/15/15	OSBORN	Wayne S. Osborne	
		123114	December 2014 Business expense	116.48
			***Total ***	116.48

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
	1/15/15	BARBCO/BARBEX	Brett Barbre	
ACH001267		DEC2014	December 2014 MET Director's compensation	2,443.30
ACH001268		123114	December 2014 Business expense	85.52
			***Total ***	2,528.82
	1/15/15	DICKCO/DICKEX	Larry Dick	
ACH001270		DEC2014	December 2014 MET Director's compensation	1,954.64
ACH001271		123114	December 2014 Business expense	157.36
			***Total ***	2,112.00
ACH001273	1/15/15	FINNEG	Joan Finnegan	
		123114	December 2014 Business expense	76.28
			***Total ***	76.28
ACH001278	1/15/15	HINMAN	Susan Hinman	
		123014	December 2014 Business expense	387.87
			***Total ***	387.87
ACH001279	1/15/15	MCKECO	Larry B. McKenney	
		DEC2014	December 2014 MET Director's compensation	2,443.30
			***Total ***	2,443.30
ACH001290	1/15/15	OUWERK	Jessica H. Ouwerkerk	
		123114	November-December 2014 Business expense	95.76
			***Total ***	95.76
ACH001295	1/15/15	THOMAS	Jeffery Thomas	
		123114	December 2014 Business expense	164.14
			***Total ***	164.14
127227	1/30/15	BELLRI	Richard Bell	
		123114	December 2014 Business expense	59.00
			***Total ***	59.00
127231	1/30/15	DINHPA	Patrick Dinh	
		012415	January 2015 Business expense	46.00
			***Total ***	46.00
127238	1/30/15	SECKEL	Karl Seckel	
		123114	November-December 2014 Business expense	39.77
			***Total ***	39.77

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH001298	1/30/15	BERGJO 12/31/14	Joseph Berg December 2014 Business expense	82.75
			***Total ***	82.75
Total Core Disbursements				32,319.23

Choice Expenditures:

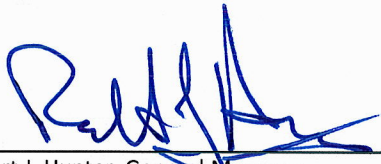
127237	1/30/15	SDGE 7768-JAN15	San Diego Gas and Electric 12/18/14-1/20/15 Electrical service for Doheny Ocean Desal project	202.19
			***Total ***	202.19
Total Choice Disbursements				202.19

Other Funds Expenditures:

126962	1/7/15	ATTEOC 4492-DEC14 8200-DEC14 0532-DEC14	AT&T December 2014 S. EOC telephone expense December 2014 N. EOC telephone expense December 2014 N. EOC Dedicated phone line	224.93 164.08 55.73
			***Total ***	444.74
126977	1/15/15	HUBBAR 113014	Kelly Hubbard November 2014 Business expense	171.26
			***Total ***	171.26
126997	1/15/15	USBANK 5783-DEC14B	U.S. Bank 11/24/14-12/22/14 Freight Cal Card charges	40.26
			***Total ***	40.26
			(See attached sheet for details)	
127001	1/19/15	ATTUVEOC 8599-JAN15	AT&T January 2015 N. EOC U-verse internet service	36.00
			***Total ***	36.00
127228	1/30/15	CATALI 11043	Catalina Island Conservancy January 2015 WEROC radio repeater site lease	1,484.32
			***Total ***	1,484.32
127232	1/30/15	HUBBAR 123114	Kelly Hubbard December 2014 Business expense	80.93
			***Total ***	80.93

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001301	1/30/15	SANTAM NOV14	Santa Margarita Water District November 2014 SCP Operation surcharge ***Total ***	 25,690.64 25,690.64
WIRE-150130	1/30/15	METWAT 8204	Metropolitan Water District November 2014 Water deliveries ***Total ***	 15,435,219.85 15,435,219.85
Total Other Funds Disbursements				<hr/> 15,463,168.00
Total Disbursements				<hr/> <hr/> 15,495,689.42



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: December 22, 2014
Payment Date: January 15, 2015

Date	Description	Amount
<u>Karl's Card</u>		
11/24/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Airfare for H. De La Torre	\$ 134.20
11/24/14	Legislative activities in Washington, DC from Jan. 14-16, 2015 - Airfare for Director Barbre	663.19 [1]
11/25/14	Computer supplies	88.99
11/25/14	UPS delivery charges for Board & Committee packets on Oct. 15 & 29 and Nov. 5, 2014	62.26
11/27/14	2 Dell laptops	1,550.45
12/01/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Airfare for D. Burke	482.20
12/01/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Airfare for R. Hunter	482.20
12/01/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Airfare for Director Tamaribuchi	482.20
12/01/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Transportation for R. Hunter	72.00
12/02/14	37 Crank/solar emergency radios	1,697.96
12/02/14	UPS delivery charges for Board & Committee packets on Nov. 21, 2014	55.58
12/02/14	MET Inspection trip Dec. 5-7, 2014 - Airfare for J. Gonzalez from Congresswoman Sanchez's office	1,121.20 [2]
12/03/14	Get well flowers	82.95
12/03/14	AMC movie tickets for employee purchase	409.95
12/03/14	Cinemark movie tickets for employee purchase	410.00
12/04/14	Annual subscription for Adobe PDF to Word converter	23.88
12/05/14	MET Inspection trip Dec. 5-7, 2014 - Two night accommodations for A. Berenter from Congressman Calvert's office	279.80 [2]
12/05/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for K. Seckel	485.68
12/05/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for H. De La Torre	638.52
12/05/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for Director Hinman	485.68
12/05/14	5 Toner cartridges	288.14
12/06/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for Director Osborne	829.77
12/06/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for Director Thomas	485.68
12/06/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Overcharged for accommodations	750.00 [3]
12/06/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for R. Hunter	638.52
12/06/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Accommodations for H. Baez	485.68

Cal Card Statement Detail
Statement Date: December 22, 2014
Payment Date: January 15, 2015

Date	Description	Amount
<u>Karl's Card</u>		
12/06/14	1 Epson portable projector	706.07
12/09/14	UPS delivery charges for Board & Committee packets on Dec. 4, 2014 and SOS Survival Products for WEROC on Dec. 3, 2014	46.28
12/09/14	Monthly license fee for Adobe Creative Cloud software	119.97
12/10/14	FedEx delivery charges for California Department of Parks & Recreation on Dec. 8, 2014	24.07
12/10/14	OneStop! employment advertising for Public Affairs Intern position	55.00
12/10/14	California Chamber of Commerce membership renewal	449.00
12/10/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Refunded accommodations for Director Barbre	(134.40)
12/12/14	California Special Districts Association workshop in Fountain Valley, CA on Jan. 22, 2015 - Registration for Director Tamaribuchi	225.00
12/12/14	California Special Districts Association workshop in Fountain Valley, CA on Jan. 22, 2015 - Registration for Director Dick	225.00
12/12/14	California Special Districts Association workshop in Fountain Valley, CA on Jan. 22, 2015 - Registration for Director Barbre	225.00
12/12/14	California Special Districts Association workshop in Fountain Valley, CA on Jan. 22, 2015 - Registration for Director Thomas	225.00
12/14/14	Sympathy flowers	102.90
12/15/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for Director Osborne	860.00
12/16/14	UPS delivery charges for Board & Committee packets on Oct. 29, 2014 and Dec. 5, 2014	59.67
12/18/14	FedEx delivery charges for California Department of Parks & Recreation on Dec. 15, 2014	22.55
12/20/14	4 Crank/solar emergency radios	201.04 ⁴
12/21/14	Sympathy flowers	46.41
Total		<u>\$ 16,645.24</u>

- ¹ Director Barbre reimbursed MWDOC \$327.00
- ² MWDOC Expense pending Board approval
- ³ Credit of \$750.00 received from Grand Hyatt on 12/31/14
- ⁴ R. Hunter to reimburse MWDOC \$100.52

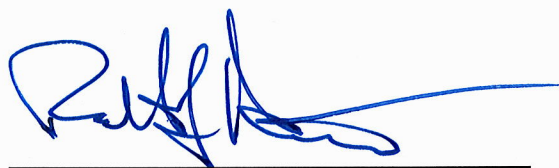
Cal Card Statement Detail
Statement Date: December 22, 2014
Payment Date: January 15, 2015

Date	Description	Amount
<u>Rob's Card</u>		
11/24/14-12/22/14	Meals for R. Hunter's meetings on various dates	\$ 183.71
12/10/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Meal for R. Hunter, H. De La Torre & guest	80.94
12/12/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Parking for R. Hunter	52.00
12/12/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Resort Fee for R. Hunter	56.00
12/11/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Meal for Director Barbre, Director Tamaribuchi, R. Hunter, H. De La Torre and 3 guests	575.42 ¹
12/11/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Transportation for R. Hunter	16.70
12/17/14	Staff holiday luncheon	1,056.89
12/18/14	Orange County Water Association meeting in Irvine, CA on Jan. 21, 2014 - Registration for Director McKenney	30.00
Total		<u><u>\$ 2,051.66</u></u>

¹ R. Hunter to reimburse MWDOC for \$101.92

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Expenditures:				
126969	1/15/15	AVANTI RA62242	Avanti Products Warranty for Avanti microwave replacement	10.00
			***Total ***	10.00
127002	1/19/15	AYALAS 011415	Sam Ayala January 2015 Atrium wisteria trimming and landscape clean-up	405.00
			***Total ***	405.00
			Total Core Disbursements	<u>415.00</u>
Choice Expenditures:				
127226	1/27/15	AYALAS 012615	Sam Ayala January 2015 Landscape maintenance for Doheny Ocean Desal project	350.00
			***Total ***	350.00
			Total Choice Disbursements	<u>350.00</u>
Other Funds Expenditures:				
			Total Other Funds Disbursements	<u>-</u>
			Total Disbursements	<u><u>765.00</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 1/31/15

Cash - Beginning Balance	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
REVENUES:	\$ 219,916.10	\$ 150,103.91	\$ 117,766.90	\$ (72,152.50)	\$ (515,391.87)	\$ (1,608,304.88)	\$ (1,748,879.69)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	
BUREC					160,398.14	663.00							\$ 160,398.14
City of Brea	3,448.00	328.00	69.00	2,812.00	1,164.00	810.00							\$ 8,484.00
City of Buena Park													\$ 810.00
City of Fountain Valley	75.00	75.00	346.30	75.00	468.30	150.00	399.00						\$ 474.00
City of Fullerton		255.00	810.00	965.93	1,755.00	2,715.26	630.00						\$ 2,070.53
City of Garden Grove				292.68	75.00	279.09							\$ 6,457.94
City of Huntington Beach				433.85									\$ 787.94
City of La Habra		105.00		105.00		840.00	744.00						\$ 1,794.00
City of San Clemente	600.00	1,965.00	2,145.00	1,449.98	3,575.29	4,695.00	1,845.00						\$ 16,275.27
City of San Juan Capistrano	105.00	735.00		1,470.00		4,140.00	1,785.00						\$ 8,235.00
City of Santa Ana		157.68			369.00								\$ 526.68
City of Tustin				225.00			300.00						\$ 525.00
City of Newport Beach					300.00	189.00							\$ 489.00
City of Orange	630.00	1,050.00	1,020.00	1,655.49	3,228.00	2,615.48	2,254.34						\$ 12,453.31
City of Westminster		19.97		34.44									\$ 54.41
El Toro Water District	2,703.99	2,717.00	1,576.00	6,802.99	2,996.79	3,048.00	2,646.52						\$ 22,491.29
East Orange County Water District						91.61							\$ 91.61
Golden State Water Company	2,671.00	3,493.93	3,350.00	2,589.58	6,447.10	4,170.10							\$ 22,721.71
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19	47,252.20	47,503.28	87,209.17	6,462.00						\$ 324,054.36
Laguna Beach County Water District	328.00	1,130.00		885.00		3,237.00	210.00						\$ 5,790.00
Mesa Water District		225.00	75.00	225.00	225.00	84.98	75.00						\$ 909.98
Metropolitan Water District		142,191.56	1,183.00	11,158.91		241,505.68							\$ 396,039.15
Moulton Niguel Water District			789.98	144.00		19,737.78	88,537.25						\$ 109,209.01
Santa Margarita Water District	1,092.20	4,782.20			5,299.96	37,784.70							\$ 48,959.06
South Coast Water District	75.00	225.00		150.00	75.00	75.00	75.00						\$ 675.00
Trabuco Canyon Water District					100.00	525.00	1,242.50						\$ 1,867.50
Yorba Linda Water District			213.00	351.00	645.00		516.10						\$ 1,725.10
Miscellaneous Revenues													
Miscellaneous Interest Revenue	5,950.50	171.77		1,861.01									7,811.51
				81.72									253.49
Total Revenues	83,233.51	188,369.81	52,917.47	81,010.78	234,624.86	414,565.85	107,721.71	-	-	-	-	-	\$1,162,433.99
EXPENDITURES:													
Aquaficient	1,500.00	1,500.00		3,000.00	1,500.00	1,500.00	1,500.00						10,500.00
Conservation Consulting, LLC	7,544.25	7,411.50		13,663.25	7,089.75		12,756.25						48,465.00
City of Newport Beach	2,988.00												2,988.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92	27,674.40			12,050.00						44,876.32
Immersive Media					839.99								839.99
Industrial Program						94,197.34							94,197.34
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20												126,023.97
MESA	2,119.50				56,442.29		61,593.48						2,119.50
Mission RCD	6,485.80	12,988.02	14,006.16	30,794.12	37,228.41	30,993.55	19,203.82						151,699.88
Quick Signs				1,973.27	1,517.65	63.50							3,554.42
Spray to Drip program		975.00	10,100.26	2,852.56	3,471.96	8,243.91	3,153.68						28,797.37
Survey Gizmo				675.00									675.00
Wurf Removal	108,189.95	183,408.30	197,345.22	442,202.55	1,218,032.82	416,787.48	710,802.84						3,276,769.16
US		12,580.00		1,415.00		2,765.00							18,175.00
Waterwise Consulting		1,250.00	1,250.00										2,500.00
Miscellaneous Expenses													
Interest Expense													
Salary & Benefit			14,983.31			589.88							15,573.19
Total Expenditures	153,045.70	220,696.82	242,836.87	524,250.15	1,327,537.87	555,140.66	821,060.07	-	-	-	-	-	\$3,844,568.14
Cash - Ending Balance	\$ 150,103.91	\$ 117,766.90	\$ (72,152.50)	\$ (515,391.87)	\$ (1,608,304.88)	\$ (1,748,879.69)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	\$ (2,462,218.05)	



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

December 31, 2014

Street Address:

18700 Ward Street
Fountain Valley, California 92708

Mailing Address:

P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058

Fax: (714) 964-9389

www.mwdoc.com

Larry D. Dick

President

Wayne S. Osborne

Vice President

Brett R. Barbre

Director

Sat Tamaribuchi

Director

Joan C. Finnegan

Director

Susan Hinman

Director

Jeffery M. Thomas

Director

Robert J. Hunter

General Manager

MEMBER AGENCIES

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,243,422	16.73%
Grant & Project Cash Flow	1,000,000	7.46%
Building Repair	239,491	1.79%
Total Designated Reserves	3,482,913	25.98%
General Fund	5,606,719	41.82%
Water Fund	5,701,702	42.52%
Conservation Fund	(1,748,879)	-13.04%
Desalination Feasibility Study Fund	222,385	1.66%
WEROC Fund	142,313	1.06%
Trustee Activities	560	0.00%
Total	\$13,407,713	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.03%	\$138,283	\$138,283
Short-term investment			
• LAIF	35.77%	\$4,796,473	\$4,796,473
• OCIP	40.06%	5,370,787	5,370,787
Long-term investment			
• Misc. Securities	14.93%	2,002,170	2,030,908
• Certificates of Deposit	8.21%	1,100,000	1,090,959
Total	100.00%	\$13,407,713	\$13,427,410

The average number of days to maturity/call as of December 31, 2014 equaled 132 and the average yield to maturity is 0.825%. During the month, the District's average daily balance was \$23,503,607.40. 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 December 2014.

The \$19,697 difference between the book value and the market value on December 31, 2014 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



Portfolio Management - Portfolio Summary December 31, 2014

12/31/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,090,959.00	1,100,000.00	8.29	1170	1.459
Local Agency Investment Funds	4,796,472.86	4,796,472.86	4,796,472.86	36.15	1	0.267
Miscellaneous Securities - Coupon	2,000,000.00	2,030,907.50	2,002,169.69	15.07	227	3.346
Orange County Investment Pool	5,370,787.44	5,370,787.44	5,370,787.44	40.48	1	0.255
Total Investments	13,267,260.30	13,289,126.80	13,269,429.99	100.00%	132	0.825

Cash						
Passbook Checking	138,283.21	138,283.21	138,283.21		1	0.00
Total Cash and Investments	13,405,543.51	13,427,410.01	13,407,713.20		132	0.825

Total Earnings	Month Ending December	Fiscal Year to Date
Current Year	11,283.39	65,818.91
Average Daily Balance	23,503,607.40	
Effective Rate of Return	0.825%	

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


Robert J. Hunter, General Manager

Date

2-4-15


Hilary Chumbitazi, Treasurer

Date

2/4/2015

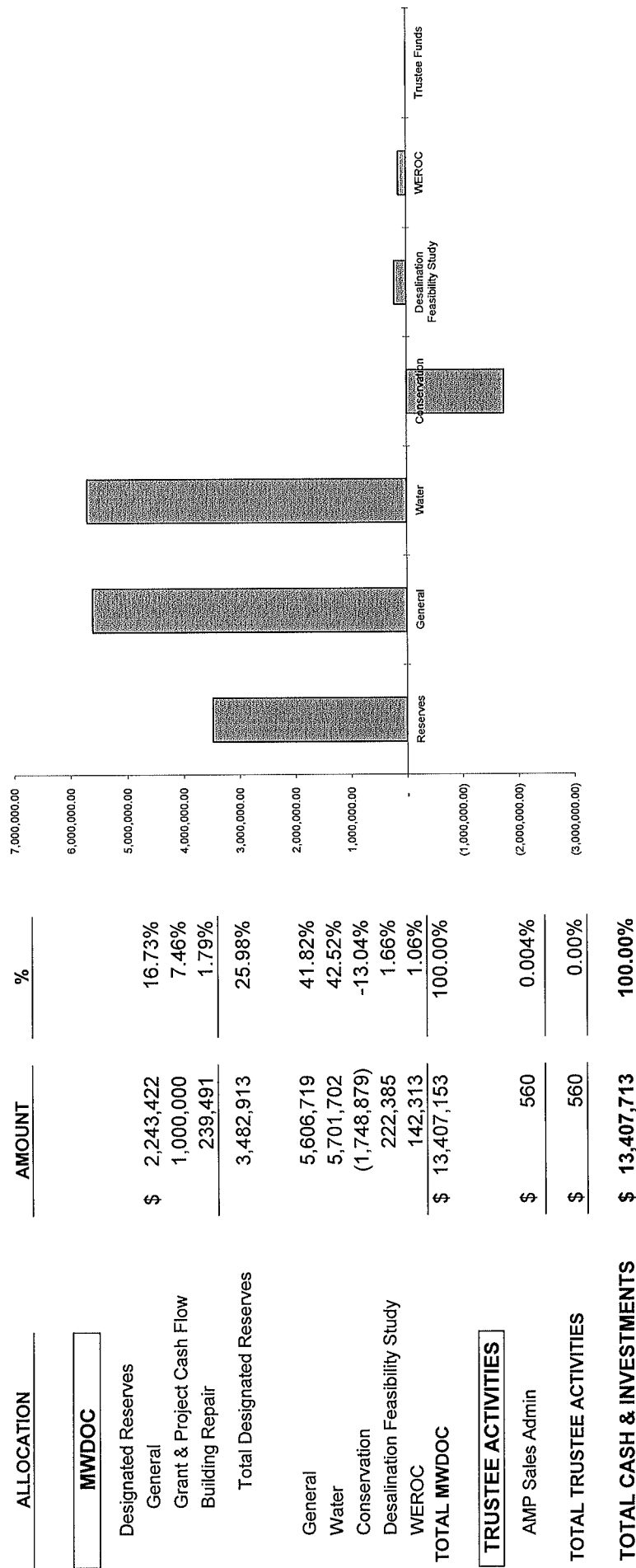
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
December 31, 2014

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
Ally Bank	02006LFV0	7/23/2014	250,000.00	247,997.50	250,000.00	1.150	1.150	936	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	247,272.50	250,000.00	1.600	1.600	1300	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	247,987.50	250,000.00	1.200	1.200	937	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	99,759.00	100,000.00	1.050	1.050	754	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	247,942.50	250,000.00	2.050	2.050	1672	7/30/2019
Sub Total			1,100,000.00	1,090,959.00	1,100,000.00	1.459	1.459	1170	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	254,362.50	251,078.36	3.700	3.000	244	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	253,235.00	250,784.05	3.400	2.700	175	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	513,025.00	500,559.46	3.125	3.007	376	1/1/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	509,755.00	499,774.87	3.450	3.508	306	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	500,530.00	499,972.95	3.875	4.020	15	1/15/2015
Sub Total			2,000,000.00	2,030,907.50	2,002,169.69	3.500	3.346	227	
Total Investments			3,100,000.00	3,121,866.50	3,102,169.69	2.776	2.677	561	
Total Earnings									
Current Year		Month Ending December	7,147.62		Fiscal Year To Date				
									40,851.56

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
December 31, 2014

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	4,796,472.86	4,796,472.86	4,796,472.86	0.267	0.267	1	N/A
Sub Total			4,796,472.86	4,796,472.86	4,796,472.86	0.267	0.267	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	5,370,787.44	5,370,787.44	5,370,787.44	0.255	0.255	1	N/A
Sub Total			5,370,787.44	5,370,787.44	5,370,787.44	0.255	0.255	1	
Total Investments			10,167,260.30	10,167,260.30	10,167,260.30	0.261	0.261		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	137,783.21	137,783.21	137,783.21	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			138,283.21	138,283.21	138,283.21	0.000	0.000	1	
Total Cash and Investments			10,305,543.51	10,305,543.51	10,305,543.51	0.261	0.261	1	
Total Earnings									
Current Year		Month Ending December	4,135.77	Fiscal Year To Date	24,967.35				

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



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Monthly Account Report for the Period**
12/1/2014 to 12/31/2014Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 12/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 12/31/2014
Employer Contribution	\$1,130,367.80	\$0.00	-\$8,638.25	\$258.55	\$0.00	\$0.00	\$1,121,471.00
Totals	\$1,130,367.80	\$0.00	-\$8,638.25	\$258.55	\$0.00	\$0.00	\$1,121,471.00

Investment Selection

Moderate HighMark PLUS

Investment Objective

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

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
-0.76%	1.67%	4.71%	10.29%	N/A	N/A	10/26/2011

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

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

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

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

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

<u>ASSETS</u>	Amount
Cash in Bank	138,283.21
Investments	13,269,429.99
Accounts Receivable	28,980,220.32
Accounts Receivable - Other	2,082,323.90
Accrued Interest Receivable	39,218.01
Prepays/Deposits	633,711.99
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,502,870.27)
Net OPEB Asset	37,041.00
	<hr/>
TOTAL ASSETS	\$46,227,868.05
	<hr/> <hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	31,388,485.34
Accrued Salaries and Benefits Payable	303,176.31
Other Liabilities	2,679,018.14
Unearned Revenue	1,095,020.32
Total Liabilities	35,392,890.78
	<hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	955,497.47
Total Restricted Fund Balances	955,497.47
	<hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,280,462.66
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	3,519,953.66
	<hr/>
GENERAL FUND	1,441,435.43
WEROC	55,774.88
Total Unrestricted Fund Balances	5,017,163.97
	<hr/>
Excess Revenue over Expenditures	
Operating Fund	4,759,086.27
Other Funds	103,229.56
Total Fund Balance	10,834,977.27
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$46,227,868.05
	<hr/> <hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	<u>5,215.25</u>	<u>70,477.73</u>	<u>103,564.00</u>	<u>68.05%</u>	<u>0.00</u>	<u>33,086.27</u>
Water rate revenues	5,215.25	6,511,009.73	6,544,096.00	99.49%	0.00	33,086.27
Interest Revenue	<u>11,458.27</u>	<u>65,048.47</u>	<u>138,000.00</u>	<u>47.14%</u>	<u>0.00</u>	<u>72,951.53</u>
Subtotal	<u>16,673.52</u>	<u>6,576,058.20</u>	<u>6,682,096.00</u>	<u>98.41%</u>	<u>0.00</u>	<u>106,037.80</u>
Choice Programs	2,672.00	1,297,080.78	1,261,086.00	102.85%	0.00	(35,994.78)
Choice Prior Year Carry Over	0.00	94,000.00	94,000.00	100.00%	0.00	0.00
Miscellaneous Income	189.47	18,248.88	3,000.00	608.30%	0.00	(15,248.88)
School Contracts	851.20	31,495.42	70,000.00	44.99%	0.00	38,504.58
Transfer-Out To Reserve	<u>0.00</u>	<u>0.00</u>	<u>(84,374.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(84,374.00)</u>
Subtotal	<u>3,712.67</u>	<u>1,440,825.08</u>	<u>1,343,712.00</u>	<u>107.23%</u>	<u>0.00</u>	<u>(97,113.08)</u>
TOTAL REVENUES	<u>20,386.19</u>	<u>8,016,883.28</u>	<u>8,025,808.00</u>	<u>99.89%</u>	<u>0.00</u>	<u>8,924.72</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	245,287.04	1,478,231.77	2,995,855.00	49.34%	0.00	1,517,623.23
Salaries & Wages - Grant Recovery	(466.01)	(11,733.89)	(16,437.00)	71.39%	0.00	(4,703.11)
Directors' Compensation	13,926.81	83,316.53	210,342.00	39.61%	0.00	127,025.47
MWD Representation	9,284.54	46,667.03	120,197.00	38.83%	0.00	73,529.97
Employee Benefits	71,392.71	426,023.51	961,916.00	44.29%	0.00	535,892.49
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	(123.87)	(3,009.86)	0.00	0.00%	0.00	3,009.86
Director's Benefits	6,171.52	40,547.21	119,356.00	33.97%	0.00	78,808.79
Health Ins \$'s for Retirees	2,215.48	18,791.78	50,244.00	37.40%	0.00	31,452.22
Training Expense	(135.00)	2,302.00	18,000.00	12.79%	0.00	15,698.00
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	347,553.22	2,081,136.08	4,598,804.00	45.25%	0.00	2,507,648.72
Engineering Expense	0.00	24,264.55	355,000.00	6.84%	43,388.22	287,347.23
Legal Expense	26,209.89	100,145.26	329,000.00	30.44%	237,354.74	(8,500.00)
Audit Expense	725.00	21,125.00	23,000.00	91.85%	0.00	1,875.00
Professional Services	44,073.29	328,892.00	1,133,200.00	29.02%	229,919.83	574,388.17
Professional Fees	71,008.18	474,426.81	1,840,200.00	25.78%	510,662.79	855,110.40
Conference-Staff	(450.00)	6,258.00	13,925.00	44.94%	0.00	7,667.00
Conference-Directors	2,095.00	5,358.00	8,650.00	61.94%	0.00	3,292.00
Travel & Accom.-Staff	4,560.56	16,164.98	38,300.00	42.21%	0.00	22,135.02
Travel & Accom.-Directors	4,304.00	8,273.97	29,600.00	27.95%	0.00	21,326.03
Travel & Conference	10,509.56	36,054.95	90,475.00	39.85%	0.00	54,420.05
Membership/Sponsorship	449.00	67,883.26	90,437.00	75.06%	0.00	22,553.74
CDR Support	0.00	19,980.50	39,961.00	50.00%	19,980.50	0.00
Dues & Memberships	449.00	87,863.76	130,398.00	67.38%	19,980.50	22,553.74
Business Expense	262.71	3,100.74	7,000.00	44.30%	0.00	3,899.26
Maintenance Office	7,804.16	50,156.64	120,768.00	41.53%	63,519.07	7,092.29
Building Repair & Maintenance	1,712.70	5,538.81	10,800.00	51.29%	5,261.19	0.00
Storage Rental & Equipment Lease	1,091.37	6,110.24	40,708.00	15.01%	9,597.76	25,000.00
Office Supplies	1,896.83	13,099.91	24,288.00	53.94%	2,267.73	8,920.36
Postage/Mail Delivery	1,886.49	5,629.03	11,100.00	50.71%	2,429.36	3,041.61
Subscriptions & Books	0.00	256.02	1,600.00	16.00%	0.00	1,343.98
Reproduction Expense	31.25	4,444.45	90,625.00	4.90%	7,745.30	78,435.25
Maintenance-Computers	88.99	2,411.59	6,000.00	40.19%	706.13	2,882.28
Software Purchase	2,096.97	14,519.88	25,515.00	56.91%	720.09	10,275.03
Software Support	991.07	14,961.56	28,869.00	51.83%	0.00	13,907.44
Computers and Equipment	2,256.52	8,183.14	9,300.00	87.99%	0.00	1,116.86
Automotive Expense	1,347.59	6,272.56	13,300.00	47.16%	0.00	7,027.44
Toll Road Charges	94.67	492.40	1,250.00	39.39%	0.00	757.60
Insurance Expense	10,537.16	53,777.20	97,000.00	55.44%	3,823.07	39,399.73
Utilities - Telephone	1,225.00	7,375.40	16,900.00	43.64%	0.00	9,524.60
Bank Fees	893.02	5,316.97	10,700.00	49.69%	0.00	5,383.03
Miscellaneous Expense	4,270.06	24,393.03	109,700.00	22.24%	0.00	85,306.97
MWDOC's Contrb. To WEROC	10,709.00	64,254.00	128,508.00	50.00%	0.00	64,254.00
Depreciation Expense	1,551.53	15,484.87	0.00	0.00%	0.00	(15,484.87)
Other Expenses	50,747.09	305,778.44	753,931.00	40.56%	96,069.70	352,082.86
Election Expense	272,536.97	272,536.97	444,000.00	61.38%	0.00	171,463.03
MWDOC's Building Expense	0.00	0.00	168,000.00	0.00%	0.00	168,000.00
TOTAL EXPENSES	752,804.02	3,257,797.01	8,025,808.00	40.59%	626,712.99	4,141,298.00
NET INCOME (LOSS)	(732,417.83)	4,759,086.27	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	13,735,634.20	102,407,460.40	163,874,103.00	62.49%	61,466,642.60
Readiness to Serve Charge	1,161,520.50	6,969,123.10	13,946,682.00	49.97%	6,977,558.90
Capacity Charge CCF	304,941.67	1,829,650.02	3,659,300.00	50.00%	1,829,649.98
SCP Surcharge	15,020.74	173,444.66	361,200.00	48.02%	187,755.34
Interest	213.45	1,386.76	4,275.00	32.44%	2,888.24
TOTAL WATER REVENUES	15,217,330.56	111,381,064.94	181,845,560.00	61.25%	70,464,495.06
<u>WATER PURCHASES</u>					
Water Sales	13,735,634.20	102,407,460.50	163,874,103.00	62.49%	61,466,642.50
Readiness to Serve Charge	1,161,520.50	6,969,123.00	13,946,682.00	49.97%	6,977,559.00
Capacity Charge CCF	304,941.67	1,829,650.02	3,659,300.00	50.00%	1,829,649.98
SCP Surcharge	15,020.74	173,444.66	361,200.00	48.02%	187,755.34
TOTAL WATER PURCHASES	15,217,117.11	111,379,678.18	181,841,285.00	61.25%	70,461,606.82
EXCESS OF REVENUE OVER EXPENDITURES	213.45	1,386.76	4,275.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	32,465.69	116,000.00	27.99%
Expenses	<u>54,252.75</u>	<u>116,000.00</u>	46.77%
Excess of Revenues over Expenditures	(21,787.06)	0.00	
SmarTimer Program			
Revenues	92,810.84	50,467.00	183.90%
Expenses	<u>85,846.38</u>	<u>50,467.00</u>	170.10%
Excess of Revenues over Expenditures	6,964.46	0.00	
Industrial Water Use Reduction			
Revenues	71,730.17	113,980.00	62.93%
Expenses	<u>99,808.24</u>	<u>113,980.00</u>	87.57%
Excess of Revenues over Expenditures	(28,078.07)	0.00	
Spray To Drip Conversion			
Revenues	23,215.54	65,342.47	35.53%
Expenses	<u>27,726.89</u>	<u>65,342.47</u>	42.43%
Excess of Revenues over Expenditures	(4,511.35)	0.00	
Water Smart Landscape for Public Property			
Revenues	3,756.29	1,248,000.00	0.30%
Expenses	<u>6,014.05</u>	<u>1,248,000.00</u>	0.48%
Excess of Revenues over Expenditures	(2,257.76)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	27,143.00	0.00%
Expenses	<u>0.00</u>	<u>27,143.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	132,980.26	132,250.00	100.55%
Expenses	<u>117,543.56</u>	<u>132,250.00</u>	88.88%
Excess of Revenues over Expenditures	15,436.70	0.00	
HECW Rebate Program			
Revenues	248,204.00	403,000.00	61.59%
Expenses	<u>225,047.49</u>	<u>403,000.00</u>	55.84%
Excess of Revenues over Expenditures	23,156.51	0.00	
CII Rebate Program			
Revenues	11,778.00	159,250.00	7.40%
Expenses	<u>10,878.00</u>	<u>159,250.00</u>	6.83%
Excess of Revenues over Expenditures	900.00	0.00	
Large Landscape Survey			
Revenues	46,070.35	32,000.00	143.97%
Expenses	<u>44,536.62</u>	<u>32,000.00</u>	139.18%
Excess of Revenues over Expenditures	1,533.73	0.00	
Indoor-Outdoor Survey			
Revenues	3,204.96	5,200.00	61.63%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	3,204.96	0.00	
Turf Removal Program			
Revenues	2,637,892.07	725,000.00	363.85%
Expenses	<u>2,636,923.96</u>	<u>725,000.00</u>	363.71%
Excess of Revenues over Expenditures	968.11	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	7,237.84	258,690.00	2.80%
Expenses	<u>24,367.31</u>	<u>258,690.00</u>	9.42%
Excess of Revenues over Expenditures	(17,129.47)	0.00	
Home Certification and Rebate			
Revenues	8,032.50	248,050.00	3.24%
Expenses	<u>21,104.47</u>	<u>248,050.00</u>	8.51%
Excess of Revenues over Expenditures	(13,071.97)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	145,960.00	0.00%
Expenses	<u>240.00</u>	<u>145,960.00</u>	0.16%
Excess of Revenues over Expenditures	(240.00)	0.00	
WEROC			
Revenues	196,160.38	248,622.00	78.90%
Expenses	<u>112,420.31</u>	<u>248,622.00</u>	45.22%
Excess of Revenues over Expenditures	83,740.07	0.00	
WUE Projects			
Revenues	3,319,378.51	3,730,332.47	88.98%
Expenses	<u>3,354,289.72</u>	<u>3,730,332.47</u>	89.92%
Excess of Revenues over Expenditures	(34,911.21)	0.00	
RPOI Distributions			
Revenues	0.00	4,921.00	0.00%
Expenses	<u>0.00</u>	<u>4,921.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Ocean Desalination			
Revenues	0.00	0.00	0.00%
Expenses	<u>(2,045.46)</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	2,045.46	0.00	



Memorandum

DATE: February 11, 2015

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

FROM: Robert Hunter

SUBJECT: Quarter ending December 2014 Financials Actual versus Budget

The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending December 2014 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Projected Year End Cost</u>
<u>REVENUES</u>				
Water Rate revenues:				
Retail connection fees	6,441	6,440	100.0%	6,440
Water rate increment ⁽¹⁾	70	104	68.1%	104
Subtotal	6,511	6,544	99.5%	6,544
Other Revenues:				
Interest income	65	138	47.1%	138
Choice Programs	1,391	1,355	102.7%	1,355
School Contracts	32	70	46.4%	70
Other income ⁽²⁾	18	3	608.3%	3
Transfer to Reserve	0	(84)	0.0%	(84)
Subtotal	1,506	1,482	101.6%	1,482
TOTAL REVENUES	8,017	8,026	99.9%	8,026
<u>EXPENSES</u>				
Personal Expenses (incl. Dir.)	2,081	4,599	45.3%	4,599
Professional services ⁽³⁾	350	1,156	30.3%	1,156
Outside engineering ⁽⁴⁾	24	355	6.8%	355
Legal expense ⁽⁵⁾	100	329	30.4%	329
Travel & Conference	36	91	39.4%	91
Dues and memberships ⁽⁶⁾	88	130	67.4%	130
General & Admin expense	579	1,198	48.4%	1,198
Building Repair & Maintenance ⁽⁷⁾	0	168	0.0%	168
TOTAL EXPENSES	3,258	8,026	40.6%	8,026
EXCESS OF REVENUES OVER EXPENSES	4,759			

RESERVE FUND

Beginning Balance	2,927
Nov 2014 - excess from FY 13-14 General Fund	556
TOTAL RESERVE FUND	3,483

(1) Water rate increment revenue higher from July through October.

(2) Other Income from Open Meetings Act/Brown Act Reform.

(3) Professional Fees: a portion will be used for upcoming projects.

(4) Engineering will be used for the Reliability Study, which was recently started.

(5) Legal Expense expected to be used through Best, Best & Krieger

(6) Most dues and memberships are paid in the first half of the year. We do not anticipate going over budget.

(7) Building Repair will be used; working with OCWD.

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2014 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,440,532	6,440,532	100.00%
Water Increment	70,478	103,564	68.05%
Water rate revenues	6,511,010	6,544,096	99.49%
Choice Programs	1,297,081	1,261,086	102.85%
Choice Prior Year Carry Over	94,000	94,000	100.00%
Interest Revenue	65,048	138,000	47.14%
Miscellaneous Income	18,249	3,000	608.30%
School Contracts	31,495	70,000	44.99%
Transfer to Reserve	0	(84,374)	0.00%
Other revenues	1,505,874	1,481,712	101.63%
TOTAL REVENUES	8,016,883	8,025,808	99.89%

OPERATING EXPENSES			
Salaries & Wages	1,478,232	2,995,855	49.34%
less Recovery from Grants	(11,734)	(16,437)	71.39%
Directors' Compensation	83,317	210,342	39.61%
MWD Representation	46,667	120,197	38.83%
Employee Benefits	426,024	961,916	44.29%
less Recovery from Grants	(3,010)	0	0.00%
OPEB Annual Contribution	0	133,331	0.00%
Directors Benefits	40,547	119,356	33.97%
Health Insurances for Retirees	18,792	50,244	37.40%
Training Expense	2,302	18,000	12.79%
Tuition Reimbursement	0	6,000	0.00%
Personnel Expenses	2,081,136	4,598,804	45.25%
Engineering Expense	24,265	355,000	6.84%
Legal Expense	100,145	329,000	30.44%
Audit Expense	21,125	23,000	91.85%
Professional Services	328,892	1,133,200	29.02%
Professional Fees	474,427	1,840,200	25.78%
Conference-Staff	6,258	13,925	44.94%
Conference-Directors	5,358	8,650	61.94%
Travel & Accom.-Staff	16,165	38,300	42.21%
Travel & Accom.-Directors	8,274	29,600	27.95%
Travel & Conference	36,055	90,475	39.85%
Membership/Sponsorship	67,883	90,437	75.06%
CDR Support	19,981	39,961	50.00%
Dues & Memberships	87,864	130,398	67.38%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2014 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	3,101	7,000	44.30%
Maintenance Office	50,157	120,768	41.53%
Building Repair & Maintenance	5,539	10,800	51.29%
Storage Rental & Equipment Lease	6,110	40,708	15.01%
Office Supplies	13,100	24,288	53.94%
Postage/Mail Delivery	5,629	11,100	50.71%
Subscriptions & Books	256	1,600	16.00%
Reproduction Expense	4,444	90,625	4.90%
Maintenance-Computers	2,412	6,000	40.19%
Software Purchase	14,520	25,515	56.91%
Software Support	14,962	28,869	51.83%
Computers and Equipment	8,183	9,300	87.99%
Automotive Expense	6,273	13,300	47.16%
Toll Road Charges	492	1,250	39.39%
Insurance Expense	53,777	97,000	55.44%
Utilities - Telephone	7,375	16,900	43.64%
Bank Fees	5,317	10,700	49.69%
Miscellaneous Expense	24,393	109,700	22.24%
MWDOC's Contribution To WEROC	64,254	128,508	50.00%
Depreciation Expense	15,485	0	0.00%
Election Expense	272,537	444,000	61.38%
MWDOC Building Expense	0	168,000	0.00%
Other Expenses	578,315	1,365,931	42.34%
TOTAL EXPENSES	3,257,797	8,025,808	40.59%
EXCESS OF REVENUES OVER EXPENSES	4,759,086	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending December 2014 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	102,407,460	163,874,103	(61,466,643)
Ready to Serve Charge	6,969,123	13,946,682	(6,977,559)
Capacity Charge Flat Rate	1,829,650	3,659,300	(1,829,650)
SCP Surcharge	173,445	361,200	(187,755)
Interest	<u>1,387</u>	<u>4,275</u>	<u>(2,888)</u>
Total Water Revenues	<u>111,381,065</u>	<u>181,845,560</u>	<u>(70,464,495)</u>
<u>Water Purchases</u>			
Water Sales	102,407,460	163,874,103	(61,466,643)
Ready to Serve Charge	6,969,123	13,946,682	(6,977,559)
Capacity Charge	1,829,650	3,659,300	(1,829,650)
SCP Surcharge	<u>173,445</u>	<u>361,200</u>	<u>(187,755)</u>
Total Water Purchases	<u>111,379,678</u>	<u>181,841,285</u>	<u>(70,461,607)</u>
EXCESS OF REVENUES OVER			
EXPENDITURES	<u>1,387</u>	<u>4,275</u>	<u>(2,888)</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2014 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	196,160	248,622	(52,462)
Expenditures	<u>112,420</u>	<u>248,622</u>	<u>(136,202)</u>
Excess of Revenues over Expenditures	83,740	0	83,740

WUE Projects (details on next page)

Revenues	3,319,379	3,730,332	(410,954)
Expenditures	<u>3,354,290</u>	<u>3,730,332</u>	<u>(376,043)</u>
Excess of Revenues over Expenditures	(34,911)	0	(34,911)

RPOI Distribution

Revenues	0	4,921	(4,921)
Expenditures	<u>0</u>	<u>4,921</u>	<u>(4,921)</u>
Excess of Revenues over Expenditures	0	0	0

Ocean Desalination

Revenues	0	0	0
Expenditures	<u>(2,045)</u>	<u>0</u>	<u>(2,045)</u>
Excess of Revenues over Expenditures	2,045	0	2,045

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2014 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Landscape Performance Certification</u>					
Revenues	32,466		116,000	27.99%	116,000
Expenditures	<u>54,253</u>		<u>116,000</u>	46.77%	<u>116,000</u>
Excess of Revenues over Expenditures	(21,787)	-67%	0		

Actual Variance: Expenses paid prior to receiving revenues.

Budget Variance: No comment needed.

SmarTimer Program

Revenues	92,811		50,467	183.90%	100,000
Expenditures	<u>85,846</u>		<u>50,467</u>	170.10%	<u>100,000</u>
Excess of Revenues over Expenditures	6,964	8%	0		

Actual Variance: Expenses are incurred monthly while reimbursements are processed semi-annually.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Industrial Water Use Reduction

Revenues	71,730		113,980	62.93%	113,980
Expenditures	<u>99,808</u>		<u>113,980</u>	87.57%	<u>113,980</u>
Excess of Revenues over Expenditures	(28,078)	-39%	0		

Actual Variance: Expenses are incurred monthly while reimbursements are processed semi-annually.

Budget Variance: Program just beginning.

Spray to Drip Conversion

Revenues	23,216		65,342	35.53%	65,342
Expenditures	<u>27,727</u>		<u>65,342</u>	42.43%	<u>65,342</u>
Excess of Revenues over Expenditures	(4,511)	-19%	0		

Actual Variance: Expenses are incurred monthly while reimbursements are processed semi-annually.

Budget Variance: No comment needed.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2014 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Water Smart Landscape for Public Property</u>					
Revenues	3,756		1,248,000	0.30%	1,248,000
Expenditures	<u>6,014</u>		<u>1,248,000</u>	0.48%	<u>1,248,000</u>
Excess of Revenues over Expenditures	(2,258)	-60%	0		

Actual Variance: No comment needed.

Budget Variance: Program just beginning.

Member Agency Administered Passthru

Revenues	0		27,143	0.00%	27,143
Expenditures	<u>0</u>		<u>27,143</u>	0.00%	<u>27,143</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: Program has not started yet.

Budget Variance: Program has not started yet.

ULFT Rebate Program

Revenues	132,980		132,250	100.55%	132,250
Expenditures	<u>117,544</u>		<u>132,250</u>	88.88%	<u>132,250</u>
Excess of Revenues over Expenditures	15,437	12%	0		

Actual Variance: Several agencies provide upfront funding that we draw down as the year progresses.

Budget Variance: No comment needed.

HECW Rebate Program

Revenues	248,204		403,000	61.59%	403,000
Expenditures	<u>225,047</u>		<u>403,000</u>	55.84%	<u>403,000</u>
Excess of Revenues over Expenditures	23,157	9%	0		

Actual Variance: Several agencies provide upfront funding that we draw down as the year progresses.

Budget Variance: No comment needed.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2014 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>CII Rebate Program</u>					
Revenues	11,778		159,250	7.40%	159,250
Expenditures	<u>10,878</u>		<u>159,250</u>	6.83%	<u>159,250</u>
Excess of Revenues over Expenditures	900	8%	0		

Actual Variance: Received pre-funding.

Budget Variance: Program just beginning.

Large Landscape Survey

Revenues	46,070		32,000	143.97%	80,000
Expenditures	<u>44,537</u>		<u>32,000</u>	139.18%	<u>80,000</u>
Excess of Revenues over Expenditures	1,534	3%	0		

Actual Variance: Billing MET for expenses.

Budget Variance: These funds are tied to commercial smart timer installation verifications. MET provides funding for installation inspections and in turn MWDOC uses these funds to pay for a third party installation verifications. Program participation for commercial smart timers was higher than anticipated.

Indoor-Outdoor Survey

Revenues	3,205		5,200	61.63%	5,200
Expenditures	<u>0</u>		<u>5,200</u>	0.00%	<u>5,200</u>
Excess of Revenues over Expenditures	3,205	100%	0		

Actual Variance: These funds are collected from MET and will be used at a later date for installation verification services.

Budget Variance: No comment needed.

Turf Removal Program

Revenues	2,637,892		725,000	363.85%	10,000,000
Expenditures	<u>2,636,924</u>		<u>725,000</u>	363.71%	<u>10,000,000</u>
Excess of Revenues over Expenditures	968	0%	0		

Actual Variance: No comment needed.

Budget Variance: Through the Governor's Drought Declaration and our marketing program, participation continues to grow rapidly.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2014 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	7,238		258,690	2.80%	258,690
Expenditures	<u>24,367</u>		<u>258,690</u>	9.42%	<u>258,690</u>
Excess of Revenues over Expenditures	(17,129)	-237%	0		

Actual Variance: Expenses incurred since Oct 2014.

Budget Variance: Program started January 2015.

Home Certification and Rebate

Revenues	8,033		248,050	3.24%	248,050
Expenditures	<u>21,104</u>		<u>248,050</u>	8.51%	<u>248,050</u>
Excess of Revenues over Expenditures	(13,072)	-163%	0		

Actual Variance: Revenue request from Grants are submitted bi-annually in October and April. Expenses through December will be requested in April.

Budget Variance: Goal is to hit the budget amounts by June 2015.

CII, Large Landscape, Performance (OWOW)

Revenues	0		145,960	0.00%	145,960
Expenditures	<u>240</u>		<u>145,960</u>	0.16%	<u>145,960</u>
Excess of Revenues over Expenditures	(240)	0%	0		

Actual Variance: Program started January 2015.

Budget Variance: Program started January 2015.

Notes:

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

[2] Fiscal year budget versus Actual

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



ACTION ITEM
February 11, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Joe Berg

SUBJECT: **American Water Works Association (AWWA) Sustainable Water Management Conference**

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize travel and attendance by Melissa Baum-Haley at the American Water Works Association Sustainable Water Management Conference in Portland, Oregon from March 15–18, 2015.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The Sustainable Water Management Conference, hosted by the American Water Works Association (AWWA) along with the United States Environmental Protection Agency (EPA), will be held in Portland, Oregon from March 15-18, 2015. As an EPA WaterSense Partner, MWDOC has been recognized as a leader in its Smart Irrigation Timer Rebate Program. Melissa was asked by EPA WaterSense staff to present on the numerous Smart Timer Rebate Program water savings evaluations and the Orange County Garden Friendly Program at this conference. Unfortunately, EPA does not provide for travel or conference registration although speaker registration is reduced.

This conference focuses on presenting solutions for balancing the benefits of conservation with the costs; managing water resources; pursuing sustainable utilities and infrastructure, urban planning and design, energy efficiency, water conservation, and stormwater and reuse. This event will broaden MWDOC's reputation and provide MWDOC with valuable networking opportunities with other water community professionals for discussing the latest

Budgeted (Y/N): No	Budgeted amount: \$0	Core _x_	Choice __
Action item amount: \$1,252	Line item: 12-7150		
Fiscal Impact (explain if unbudgeted): While staff did not budget to attend this specific conference, the budget did provide \$1,200 for attending the Irrigation Association Annual Conference in November that was not attended.			

developments in managing water resources and water conservation. The conference will also provide MWDOC with the ability to gain insights into multiple aspects of sustainable water management.

Melissa Baum-Haley will present on MWDOC's Smart Timer Rebate Program and Orange County Garden Friendly (OCGF) Program as part of the technical session focusing on Effective Partnerships to Reduce Outdoor Water Use. MWDOC was requested by the EPA to present on this topic due to the success of these Programs. The MWDOC Smart Irrigation Timer Program is one of the most effective rebate programs in the country. MWDOC has developed the OCGF Program in conjunction with the County of Orange Stormwater Program and University of California Cooperative Extension and collaborated with the EPA's WaterSense Program.

The full conference registration fee is \$595; however, as a speaker this registration is reduced by \$240. The total cost for conference attendance is estimated to be \$1,252. While this specific conference was not budgeted, staff did not attend the budgeted Irrigation Association conference in November. As a result, budgeted travel funds are available to attend this conference.

Conference Cost Estimate:	Registration	\$ 355
	Meals	\$ 150
	Travel	\$ 300
	<u>Lodging</u>	<u>\$ 447</u>
		\$1,252

In addition, the EPA will be highlighting MWDOC's success in a nationally distributed case study to be released in March 2015, a draft of which is provided as Attachment A. At the March 2, 2015 P&O Committee Meeting, MWDOC staff will present the results of the recently completed Smart Timer Program water savings evaluation.

Sprinkler Spruce-Up in Action

Orange County Gets Garden Friendly

look for



Project Summary

The Municipal Water District of Orange County (MWDOC), a water wholesaler serving 2.3 million customers of 28 water utilities in three California cities, leveraged its wide service area to take action outdoors in the face of a long-standing drought. MWDOC collaborated with several water utilities, municipalities, and other organizations to launch the Orange County Garden Friendly (OCGF) initiative educating consumers on water-efficient landscapes through the adoption of regionally appropriate and low water-using plant selections.

In spring 2014, MWDOC used OCGF as a platform to co-promote WaterSense's Sprinkler Spruce-Up campaign by teaming up with the Orange County Stormwater Program and University of California Cooperative Extension to host three events at Home Depot stores in northern, central, and southern Orange County. More than 700 retail customers learned about WaterSense® labeled weather based irrigation controllers and the importance of "sprucing up" irrigation systems. As a result, WaterSense labeled controller sales at the three retail locations increased by more than 225 percent compared to average daily sales activity. Assuming the 106 weather based controllers rebated replaced standard clock timers, MWDOC estimates their efforts will yield nearly 1.6 million gallons of water savings each year.

Through magazine press, advertisements, and social media exposure, the events garnered more than 7.3 million marketing impressions, further educating consumers on the benefits of WaterSense labeled controllers and water-smart landscapes.

Case Study Highlights



- **WaterSense partner:** Municipal Water District of Orange County
- **Event locations:** Three Home Depot retail stores in Huntington Beach, Laguna Niguel, and Brea, California
- **Number of attendees:** 731
- **Number of marketing impressions:** More than 7.3 million
- **Number of controllers sold:** 106
- **Water savings (daily) for controllers sold:** More than 4,367 gallons per day*
- **Water savings (annual) for controllers sold:** Nearly 1.6 million gallons per year*

Engaging Consumers at the Source

On three Saturdays in April and May 2014, MWDOC and its partners hosted seven-hour educational booth appearances at each of three Home Depots' garden centers and engaged customers before they made landscaping decisions and purchases. Attendees could learn about and purchase OCGF-approved plants and water-efficient irrigation devices, apply for rebates, and consult with gardening experts. MWDOC also encouraged participants to spruce up their irrigation systems with WaterSense's four simple steps: *inspect, connect, direct, and select*.

The event area was stocked with low water-using plants bearing OCGF stickers and WaterSense labeled controllers marked as rebate-eligible for easy identification. Recognizing incentives that reduce upfront costs often drive customer's purchasing behavior, MWDOC offered rebates of up to \$380 per device and \$120 per installation on qualifying WaterSense labeled irrigation controllers. If all consumers who qualified for rebates at these events upgraded their existing irrigation systems with properly installed, programmed, and maintained WaterSense labeled controllers, altogether they could save more than 4,367 gallons of water per day.

Driving Event Demand

MWDOC and its partners used multiple media platforms and advertising initiatives to drive customers to the Home Depot events, including social media, press releases, fliers, brochures, utility inserts, and bus wraps. Cities and water agencies also promoted the event to customers on bill stuffers and in newsletter articles, during certain classes, and on social media and websites. In addition, MWDOC and partner organizations distributed fliers to each Home Depot store within the county prior to the events highlighting the water-efficient irrigation devices available and detailing OCGF's goals.

Raising the Bar for Efficiency

MWDOC's direct customer engagement at these events increased its service territory's water efficiency potential by millions of gallons of water. MWDOC estimates that replacing a standard clock timer with a WaterSense labeled irrigation controller can save an average southern California home nearly 15,000 gallons of water annually. Assuming the 106 labeled controllers rebated were purchased to replace standard clock timers, MWDOC's efforts will yield nearly 1.6 million gallons of water savings each year.

To help gauge its impact, MWDOC and its partner organizations measured two levels of interaction (i.e., one-on-one conversations and Orange County's "Overwatering Is Out" campaign opt-ins) outlined in Table 1. The partner organizations also tracked the number of WaterSense labeled controllers purchased and rebated.



Product Sales

- 7 percent increase in retail foot traffic (at Huntington Beach event)
- 227 percent increase in sales of Garden Friendly-approved drought tolerant plants
- 225 percent increase in sales of labeled irrigation controllers
- \$5,526 in totals sales of rebate eligible products (at Brea event)

Awash With Savings

To incentivize the purchase of WaterSense labeled products, MWDOC offered rebates on WaterSense labeled controllers at the events. According to MWDOC, each labeled controller that is properly installed at a residence within Orange County saves up to 41 gallons per day.

Sprinkler Spruce-Up in Action: Orange County Gets Garden Friendly

Table 1. OCGF Event Statistics

Event	Event Date	Booth Visitors	Campaign Opt-Ins	Controllers Purchased During Event	Associated Controller Rebates	Water Savings (gal/day)
Huntington Beach	April 29	328	70	12	11	453
Laguna Niguel	May 3	193	6	21	7	288
Brea	May 17	210	68	35	88	3,626
Total		731	143	68	106	4,367

Table 2 details the full list of promotions, including the number of impressions attributed to each advertising outlet.

Table 2. OCGF Program Marketing Impressions

Advertisement	Impressions
OC Home Magazine	1,758,000
OC Register Home & Garden Section	1,366,554
Bus Signs	1,723,500
Cable TV	1,844,500
Google AdWords	287,946
Banner Ad	76,008
Home Depot flyers	20,000
Yard Signs	20
Utility Bill Inserts	180,000
Facebook Posts	107,265
Total	7,363,793

Sharing the Work

A critical component of the initiative was city and water agency staff involvement in the planning, execution, and public outreach for each event. City and water agency staff participated in a handful of coordination meetings and conference calls, assisted with applications for necessary permits, and staffed the events. Water agencies and city stormwater representatives also promoted local incentive programs and educated 250 people per event on average, resulting in a measurable increase in participation and sales of smart controllers.

Retail staff's awareness of water agency incentive and rebate programs, climate-appropriate plant material, and irrigation equipment improved over the course of events. Some retail spots displayed the promotional materials for months after the events. For example, the Brea, California store has maintained an in-store, rebate-eligible "Smart Timer" display, along with materials and details about the local controller rebate

Sprinkler Spruce-Up in Action: Orange County Gets Garden Friendly

program. The display and the rebate information have since resulted in even more weather-based controller sales.

Tips for Success

Events with local retailers are often well-attended and worth the effort but can take planning and persistence. Following are some tips on how to successfully collaborate with retailers in your area:

- **Persistence pays off.** It might take several conversations before you can get the local retailer's attention. Take both a top-down and bottom-up approach, and involve those at the national and local levels about your ideas when possible.
- **Make the business case to the retailer.** Promote specific products at in-store events to help the retailer increase sales in that particular product category. Share results from events your or a similar organization has held in the past, such as this case study. Relay metrics, including the percentage sales increase of a particular product during an event, to help your cause.
- **Schedule strategically.** Aim to host your event on a busy weekend morning at a site with high foot traffic, when you can expect ample visitors; weekday events will be more sparsely attended.
- **Let the WaterSense program know your plans.** WaterSense can help promote and support partners' community efforts. Let WaterSense know about your event in advance, so we can amplify your message.
- **Make it a family affair.** If you have kid-friendly materials (e.g., mascot, kids' activities), plan to coincide with a kids' workshop or something similar. Flo the WaterSense "spokesgallon's" appearance brought both kids and parents over to the table, resulting in more booth traffic and customer education.
- **Plan ahead.** Interact with and educate hosting site staff prior to the event to allow for better day-of organization, setup, and rebate-eligible product availability.
- **Develop a script.** Distribute talking points to sales staff that align with your campaign (e.g., "inspect, connect, direct, and select" messaging for Sprinkler Spruce-Up).
- **Develop an event layout that maximizes customer engagement.** Select an easily accessible and visible location that encourages interaction and is located near the WaterSense labeled products you're promoting.
- **Keep information current.** Maintain program displays and rebate information in stores beyond the date of the event.
- **Show, don't tell.** Have sample WaterSense labeled models on display and know where to send customers to find the full selection of models.
- **Staff experts.** Employ the help of experts who can answer community-specific questions and provide information about rebates and programs offered at a local level to promote WaterSense labeled products.
- **Measure your success.** Collect product sales metrics following the event to gauge potential water savings and share results with staff to plan next steps.



Acknowledgements

EPA's WaterSense program would like to acknowledge Municipal Water District of Orange County Water Use Efficiency Specialist Melissa Baum-Haley, Ph.D. for providing information for this case study.

Sprinkler Spruce-Up in Action: Orange County Gets Garden Friendly

Learn More

To learn more about Sprinkler Spruce-Up, visit the WaterSense website at www.epa.gov/watersense/outdoor/watering_tips.html.

DRAFT



ACTION ITEM
February 18, 2015

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Kelly Hubbard, WEROC Program Manager

SUBJECT: **2015 Partners in Emergency Preparedness Conference**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve Kelly Hubbard's travel and attendance at the 2015 Partners in Emergency Preparedness Conference in Tacoma, Washington from April 14-16, 2015.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Staff recommends the Board of Directors approve Kelly Hubbard's attendance at the 2015 Partners in Emergency Preparedness Conference. The Conference is a three-day conference that presents multiple sessions on emergency management, including plenary and breakout sessions that apply to all-disciplines and hazards.

Kelly's attendance will support our member agencies in their endeavors to enhance their emergency preparedness and protect their own water systems. She will be able to collect information on security and emergency preparedness projects across the nation, lessons learned, new product information, and the recommendations of experts in the field. She will be able to present such information back to the member agencies at the quarterly WEROC Emergency Services Coordinator meetings, as well as via informational emails.

Budgeted (Y/N): N	Budgeted amount: \$0	Core _x_	Choice __
Action item amount: \$910		Line item: 7150 (Travel)	
Fiscal Impact (explain if unbudgeted): Due to grant reimbursement for another conference, this line item is significantly under budget.			

Additionally, Kelly was invited to speak at the conference as a leader in the field of Water and Emergency Preparedness. Her proposed presentation "Collaboration with Water Utilities: An Essential Service for Response and Recovery" will include examples of WEROC and Cal WARN (Water/Wastewater Agency Response Network) as best practices for mutual aid, provide insight on the impacts of disaster to water utilities and how that impacts overall community recovery, as well as how to create water liaisons within the traditional response community.

Conference registration is complimentary as an invited speaker. The total estimated costs for travel and expenses is \$910. Although this was not a budgeted conference this year, because Kelly was able to secure grant funding for her and Lisa Parson to attend the California Emergency Services Association (CESA) Annual Training and Conference there is more than adequate budget within the WEROC travel budget for her costs.

Attachment: Conference Description and Schedule



[Home](#) [Venue/Lodging](#) [Registration](#) [Sponsors](#) [Exhibitors](#) [Scholarships](#) [Contact](#)
[Membership Application](#) [Image Gallery](#) [Archive](#)

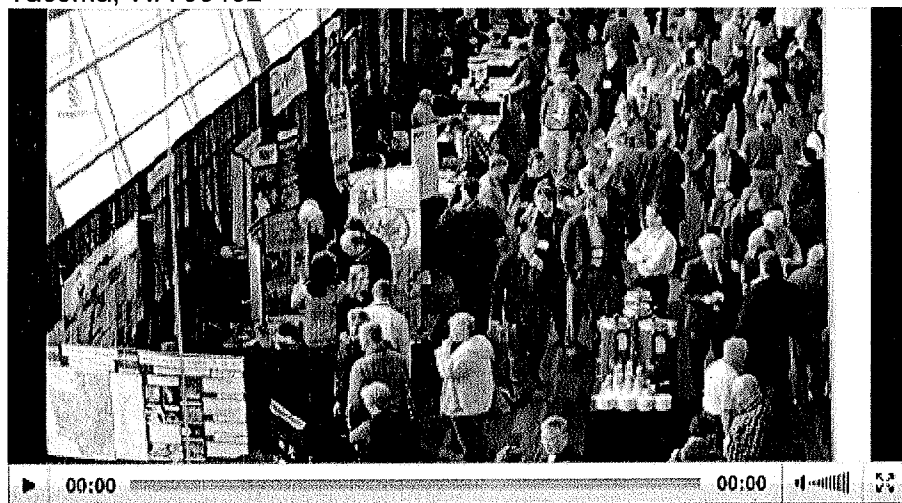
2015 Partners in Emergency Preparedness Conference

Experiencing Private - Public Partnerships

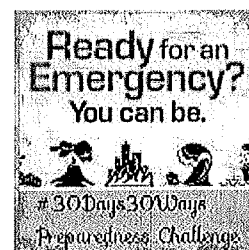
April 14-16, 2015

The Greater Tacoma Convention and Trade Center
 1500 Broadway
 Tacoma, WA 98402

Thank you to our 2015 Sponsors



We're proud to have sponsored the 30 Days, 30 Ways campaign.
<http://www.30days30ways.com>



The Partners in Emergency Preparedness Conference (a non-profit 501 (c)3 charitable organization) is the largest and most successful regional emergency preparedness conference in the Pacific Northwest. Partners in Emergency Preparedness annually hosts nearly 700 people representing business, schools, government, the nonprofit sector, emergency management professionals, and volunteer organizations.

The Partners in Emergency Preparedness Conference attracts top-notch speakers with expertise that includes lessons learned from recent worldwide events like earthquakes, work place violence, current hazards

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research, contingency planning, school preparedness, technology, media interactions, and public health issues. Speakers and exhibitors provide cutting-edge information on subjects such as business continuity planning, school safety, public health preparedness, homeland security, and public information.

Like {391}

Why You Should Attend

Successful management of emergencies can only be accomplished through effective and pre-established partnerships. This conference offers you the opportunity to develop those relationships; gain the necessary information to develop your response, recovery, and mitigation plans; create your preparedness messaging to those you serve; and gain valuable insight into lessons learned and established best practices. This is the largest and most successful regional emergency management preparedness conference in the Pacific Northwest – attracting attendees from:

- Emergency Management
- Law Enforcement
- Fire Services
- EMS
- Business sector
- Schools
- Universities
- Public Health
- Utilities
- Public Works
- Non-profit Sector
- Economic Development
- Local and Federal Government
- Volunteers
- Hospitals
- and all that are tasked with emergency management planning

For more information, please contact Dana Colwell, Conference Coordinator at: 253.507.8506 or Dana.Colwell@wsu.edu.

PARTNERS IN EMERGENCY PREPAREDNESS CONFERENCE 2015

APRIL 14 - 16

THE GREATER TACOMA
CONVENTION & TRADE CENTER
TACOMA, WA



WEDNESDAY April 15 (cont'd.)



Presentations Pertaining to the SR-530 Flooding & Mudslide Incident (Oso Landslide/Mudslide)

Any opinions, findings or conclusions expressed in these presentations are solely those of the presenter and do not necessarily reflect the views of Snohomish County.

TUESDAY April 14

11:00 AM Registration
Convention Center

1:00 PM Special Workshops (GTCTC)

SR530 Landslide: A Collection of Experiences and Lessons Learned* (Heather Kelly/Bob Bippert/Tom Miner/Jill Watson/Ginger Passarelli/Sheila Lein)

Demystifying Virtual Operations Support Teams (VOSTS) (Scott Reuter)

Business Continuity and Disaster Recovery: Bringing It All Together (Frank Perlmutter/Chris Duffy)

PIO Best Practices (Nickel Mines School Shooting) (Duane Hagelgans)

5:00 PM Networking Reception
Hotel Murano

WEDNESDAY April 15

7:00 AM Registration & Exhibitor Display

8:00 AM Welcome
Kelly Kasper, PIEPC Chair

8:15 AM Keynote Speaker
Deborah Hersman, President & CEO of National
Safety Council
TBD

9:15 AM Exhibitor Break

Session A

9:30 AM

Beyond the Basics: Strategies for Creating Truly Disaster-ready Companies (Shelby Edwards)

Map Your Neighborhood (MYN): Next Steps Tabletop Exercise (LuAn Johnson/Rosanne Garrand/Vivian Eason)

A Tale of Preparedness: Ho'omakaukau Case Study (Tourists as Vulnerable Populations in Tsunami) (Lisa Jackson)

Personal Property Reunification in Disasters: SR530 Slide Program* (July Andre)

Pharmacists' Role in Chronic Disease Medication Management During Disaster Response (Vidya Nair/Courtney Sellers)

Using Computer Simulations to Validate Emergency Management Plans (James Rollins)

Carlton Complex Wildland Fire Disaster: Okanogan County 2014 (Scott Miller)

10:45 AM Exhibitor Break

Session B

11:00 AM

Incident Management (Ty Harris)

Collaboration with Water Utilities: An Essential Service for Response and Recovery (Kelly Hubbard)

A New Animal Response Model: Local, State, National, and Federal Collaboration (Dick Green)

Future Shock: How Technology, the Economy, Politics, and Generational Shift are Influencing Rapid Evolution in the Emergency Management Field (Marcus Deyerlin)

Will You Dominate Your Next Oil Response? (Scott Harris)

Managing Urban Floods in a Changing Climate (John Labadie)

Public Alert and Warning: Are We Doing It Right? (Chris Utzinger)

12:15 PM Lunch

APRIL 14 - 16

THE GREATER TACOMA
CONVENTION & TRADE CENTER
TACOMA, WA



www.piepc.org

WEDNESDAY April 15 (cont'd.)

1:30 PM

Session C

Planning for Disaster Response and Business Continuity: Experiences of an Engineering Consulting Firm (Wayne Adams/Michael Warfel)

Identifying Vulnerable Populations and Resources in Emergency and Disaster Planning (Ryan Acker/Brent Meldrum)

Dogs and Field Traumatology: A Partnership That Worked in an EOC (Raquel Lackey/Mary Schoenfeldt)

Down the Riverside: Recovery Efforts of the Minot Community and School District After the Souris River Flood of 2011 (Mark Vollmer)

Designing for Resilience: Building the Adaptive Capacity of Human Centered Design Systems for Information Sharing (Melissa Braxton/Mark Haselkorn)

Building Regional Resilience Through Active Partnerships (Matt Cutts/Daniela Todesdo)

The New National Preparedness System and NIMS Revision and How They Will Affect Federal, State and Local Operations and Recovery (Mathew Bernard)

2:45 PM

Exhibitor Break

3:15 PM

Session D

Practical Business Continuity Planning (Scott Preston)

Seattle Emergency Communications Hubs (Cindi Barker)

Wine and Water All Shook Up: Response to Napa Earthquake (Raymond Riordan)

Unaccompanied Children Crossing the Border: The Federal Response and State Implications (Andrew Stevermer/Jenny Holladay)

Community Cyber Incident Response: What You Need to Know (Natalie Sjelin)

If Only It Weren't for the People... (Deborah Needham)

Partners in Weather Preparedness: New Weather Technologies and Information You Need to Know (Ted Buehner)

4:30 PM

Exhibitor Networking Reception

THURSDAY April 16

7:00 AM

Registration & Exhibitor Display

8:00 AM

Welcome

8:10 AM

Plenary Speaker

TBD

TBD

9:10 AM

Exhibitor Break

9:30 AM

Session E

Business Recovery After a Disaster (Ken Jenkins)

Citizen Corps Council as a Community Organization Active in Disasters (Barbara Nelson)

Partnerships for Preparedness: A Regional Approach to Emergency Transportation Planning for Vulnerable Populations (Robin Pfohman/Sheri Badger/Jon Morrison Winters)

Support Your Local EOC: ESF8 (Public Health and Medical Services) Resource Manual (Erika Henry/Susan Sjoberg)

Crisis Communication Tips for the Non-PIO Spokesperson (Lynne Miller/Michelle Chatterton)

Project Safe Haven and the Ocosta School District (Charles Wallace)

A Conservation District's Role During a Natural Disaster: A Case Study of the Carlton Complex Fire (Bill Eller)

10:45 AM

Exhibitor Break

11:00 AM

Session F

Seattle City Light: A Case Study on the Design and Implementation of an IT Business Continuity Program (Karla Oman/David Brown)

Team Rubicon: Our Service Continues... (Michael Washington)

Recovery From a Local Disaster: Considerations and Lessons Learned From SR530 Slide (Heather Kelly)

Schools and Emergency Response Partners: Collaborating for Success (Mary Schoenfeldt)

Earthquake Early Warning: Forewarned is Forearmed (Bill Steele)

Washington Statewide Catastrophic Incident Planning: Update and Progress Report on Launch of Statewide Catastrophic Planning Team (Jason Biermann/Karen Reed/John Ufford)

From the Crater to the Courtroom: A Historical Perspective of Volcano Hazard Management in Washington State (William Lokey)

12:15 PM

Lunch

1:00 PM

Plenary Speaker

Chief Tim Pellerin, Rangeley (MN) Fire Department

TBD

1:45 PM

Plenary Speaker

TBD, Adjutant General (TAG)

TBD

WWW.PIEPC.ORG

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ACTION ITEM

February 18, 2015

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

FROM: Larry Dick, President

SUBJECT: STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2015; SCHEDULE OF COMMITTEE MEETING DATES FOR 2015

PRESIDENT'S RECOMMENDATION

It is recommended that the Board of Directors: (1) ratify the list of Standing Committee and Ad Hoc Committee Appointments as presented by the President of the Board; and (2) ratify Committee meeting dates/times for 2015.

SUMMARY

In accordance with the MWDOC Administrative Code, the Board of Directors shall consider the appointment of members of its Standing Committees by the end of February of each year. It also provides the Board shall review and establish Special Committees as appropriate. Members shall be appointed to Standing and Special Committees by the President of the Board and ratified by the Board of Directors.

The current Standing Committees of the Board of Directors are:

Administration & Finance Committee
Planning & Operations Committee
Public Affairs & Legislation Committee
Executive Committee
MWDOC/OCWD Joint Planning Committee (full Board)

Attached is President Dick's slate of nominations to MWDOC Standing and Ad Hoc Committees, along with proposed meeting dates for the upcoming year.

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

2015
STANDING COMMITTEE APPOINTMENTS
Municipal Water District of Orange County

STANDING COMMITTEE	MEMBERS	COMMITTEE DATE (Attached is List of Exact Dates for 2015)
Executive Committee (President, Vice President and Immediate Past President)	L. Dick, Chair W. Osborne J. Finnegan	Thursday following Regular Board meeting 8:30 a.m.
Administration & Finance Committee	J. Thomas, Chair W. Osborne J. Finnegan	2 nd Wednesday 8:30 a.m.
Planning & Operations Committee	W. Osborne, Chair S. Hinman B. Barbre	1 st Monday 8:30 a.m.
Public Affairs & Legislation Committee	B. Barbre, Chair S. Hinman S. Tamaribuchi	3 rd Monday 8:30 a.m.
MWDOC/OCWD Joint Planning Committee	All MWDOC Directors	4 th Wednesday 8:30 a.m.
AD HOC COMMITTEES	Members	Alternates
Ad Hoc Committee on Water Policy Forum	B. Barbre S. Tamaribuchi	
Ad Hoc Committee on Member Agency Relations	J. Thomas S. Hinman S. Tamaribuchi	
Ad Hoc Committee Re Water Summit	J. Thomas L. Dick S. Tamaribuchi	
Ad Hoc Committee on Regulatory Streamlining	S. Hinman S. Tamaribuchi J. Finnegan	
Ad Hoc Committee on MWDOC/OCWD Building Issues	B. Barbre S. Tamaribuchi	
Ad Hoc Committee on Consolidation	B. Barbre L. Dick J. Thomas	
Ad Hoc Committee on Desalination	S. Hinman J. Finnegan W. Osborne	
Ad Hoc Committee on the Admin. Code	B. Barbre L. Dick	

STANDING COMMITTEE DATES FOR 2015 (Through February 2016)

Planning & Operations Committee

*This Committee generally meets the first Monday of each month at 8:30 a.m. An * indicates those months requiring a change in the meeting date and/or time (due to holiday or conflict)*

Monday	March 2, 2015	8:30 a.m.
Monday	April 6, 2015	8:30 a.m.
Monday	May 4, 2015	8:30 a.m.
Monday	June 1, 2015	8:30 a.m.
Monday	July 6, 2015	8:30 a.m.
Monday	August 3, 2015	8:30 a.m.
*Tuesday	September 8, 2015	8:30 a.m. (Meets on Tuesday due to holiday)
Monday	October 5, 2015	8:30 a.m.
Monday	November 2, 2015	8:30 a.m.
Monday	December 14, 2015	8:30 a.m. (Second Monday due to conflict with MET)
Monday	January 4, 2016	8:30 a.m.
Monday	February 1, 2016	8:30 a.m.

Administration & Finance Committee

*This Committee generally meets the second Wednesday of each month at 8:30 a.m. An * indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Wednesday	March 11, 2015	8:30 a.m.
Wednesday	April 8, 2015	8:30 a.m.
Wednesday	May 13, 2015	8:30 a.m.
Wednesday	June 10, 2015	8:30 a.m.
Wednesday	July 8, 2015	8:30 a.m.
Wednesday	August 12, 2015	8:30 a.m.
Wednesday	September 9, 2015	8:30 a.m.
Wednesday	October 14, 2015	8:30 a.m.
*Thursday	November 12, 2015	8:30 a.m. (Meets on Thursday due to holiday)
Wednesday	December 9, 2015	8:30 a.m.
Wednesday	January 13, 2016	8:30 a.m.
Wednesday	February 10, 2016	8:30 a.m.

Public Affairs & Legislation Committee

*This Committee generally meets the third Monday of each month at 8:30 a.m. An * indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Monday	March 16, 2015	8:30 a.m.
Monday	April 20, 2015	8:30 a.m.
Monday	May 18, 2015	8:30 a.m.
Monday	June 15, 2015	8:30 a.m.
Monday	July 20, 2015	8:30 a.m.
*Monday	August 10, 2015	8:30 a.m. (2nd Monday due to MET conflict)
Monday	September 21, 2015	8:30 a.m.
Monday	October 19, 2015	8:30 a.m.

Monday	November 16, 2015	8:30 a.m.
Monday	December 21, 2015	8:30 a.m.
Monday	January 18, 2016	8:30 a.m.
*Tuesday	February 16, 2016	8:30 a.m. (Tuesday due to holiday)

Executive Committee

*This Committee generally meets the Thursday following the Regular Board Meeting at 8:30 a.m.; the Regular Board meeting is held the third Wednesday of each month at 8:30 a.m. An * indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Thursday	March 19, 2015	8:30 a.m.
Thursday	April 16, 2015	8:30 a.m.
Thursday	May 21, 2015	8:30 a.m.
Thursday	June 18, 2015	8:30 a.m.
Thursday	July 16, 2015	8:30 a.m.
Thursday	August 20, 2015	8:30 a.m.
Thursday	September 17, 2015	8:30 a.m.
Thursday	October 22, 2015	8:30 a.m.
Thursday	November 19, 2015	8:30 a.m.
Thursday	December 17, 2015	8:30 a.m.
Thursday	January 21, 2016	8:30 a.m.
Thursday	February 18, 2016	8:30 a.m.

MWDOC/OCWD Joint Planning Committee Meetings

*This Committee generally meets the fourth Wednesday of each month at 8:30 a.m. An * indicates those months requiring a change in the meeting date (due to holiday or conflict)*

Wednesday	April 22, 2015	8:30 a.m.
Wednesday	July 22, 2015	8:30 a.m.
Wednesday	October 28, 2015	8:30 a.m.
Wednesday	January 27, 2016	8:30 a.m.

MWDOC Elected Officials Forums

These meetings are held twice a year (April/November); historically on the first Thursday of the month

Wednesday	April 29, 2015	6:00 p.m.
Thursday	November 5, 2015	6:00 p.m.

By Resolution, the Board established its Board meeting dates as the first and third Wednesdays of each month at 8:30 a.m.

Proposed Canceled Board Meeting Dates Due to Conflicts with ACWA

May 6, 2015 Workshop Board Meeting with MET Directors
December 2, 2015 Workshop Board Meeting with MET Directors



ACTION ITEM
February 18, 2015

TO: Board of Directors

FROM: Larry Dick, President

SUBJECT: ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2015

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. Ratify the appointment of Representatives and Alternates to Associations as presented by the President of the Board; and
2. Adopt proposed Resolution approving the appointment of one Representative and an Alternate to the Santiago Aqueduct Commission (SAC), for submission to SAC.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with Board policy, the appointment of MWDOC Board Representatives to outside associations are to be considered by the end of February of each year. The policy provides that appointments shall be ratified by the Board of Directors, as presented by the President of the Board.

Attached are President Dick's recommendations for Association and Commission appointments for 2015.

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

2015 AGENCY REPRESENTATIVES' APPOINTMENTS Municipal Water District of Orange County		
Association/Commission	Members	Normal Meeting Times
Santiago Aqueduct Commission	Rep.: J. Thomas Alt: K. Seckel	Quarterly; 3 rd Thurs. at 8:30 a.m.
Water Advisory Committee of Orange County (WACO) Planning Committee <i>Staff Support: D.Burke</i>	Rep: L. Dick S. Hinman J. Finnegan	3rd Tuesday 7:30 am
Independent Special Districts of OC (ISDOC) <i>Staff Support: H. Baez</i>	Rep: L. Dick J. Finnegan W. Osborne	1 st Tues 7:30 am
NWRA Municipal Caucus <i>Staff Support: H. Baez</i>	Rep: B. Barbre	
Southern California Water Committee <i>Staff Support: H. Baez/R. Hunter</i>	Reps: S. Hinman S. Tamaribuchi L. Dick	
Orange County Business Council <i>www.ocbc.org</i> Legislative <i>Staff Support: H. Baez</i> Infrastructure <i>Staff Support: H. Baez/R. Hunter</i>	Rep: W. Osborne B. Barbre Rep: S. Hinman W. Osborne	3/6/15 9:30 am 4/10/15 9:30 am 5/1/15 9:30 am 8/7/15 9:30 am 3/10/15 7:30 am 4/14/15 7:30 am 5/12/15 7:30 am 6/9/15 7:30 am
California Special Districts Association	Rep: J. Finnegan Alt: L. Dick	

Colorado River Water Users Association <i>Staff Support: H. DeLaTorre</i>	MWDOC Board of Directors	Annually in Dec.
Center for Demographic Research Oversight Committee <i>Staff Support: K. Seckel</i>	Rep: J. Finnegan Alt: B. Barbre	
ACWA Joint Powers Insurance Authority <i>Staff Support: C. Harris</i>	Rep: J. Finnegan Alt: L. Dick	
ACWA Federal Affairs Committee <i>Staff Support: H. Baez</i>	Rep: L. Ackerman	
ACWA Local Government Committee <i>Staff Support: H. Baez</i>	Rep: S. Hinman	
ACWA Region 10 <i>Staff Support: H. Baez</i>	All Directors Eligible to Attend	
Orange County Council of Governments	Rep: J. Finnegan Alts: S. Hinman	4 th Fri. at 10:30 am (no meetings, August and December; November is 3 rd Fri.)
Orange County Operational Area Executive Board <i>Representative Appointed by ISDOC</i> <i>Staff Support: K. Hubbard</i>	Rep: K. Hubbard Alt: S. Hinman J. Finnegan	Quarterly, 2:45 pm (normally Wed)
CALDesal <i>Staff Support: R. Bell</i>	Rep: K. Seckel Alt: W. Osborne S. Hinman B. Barbre	
South Orange County Economic Coalition	Rep: J. Thomas Alt: S. Hinman	
South Orange County Watershed Management Area Executive Committee <i>Staff Support: K. Seckel J. Berg</i>	Rep: S. Hinman Alt: J. Thomas	

RESOLUTION NO. _____
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

RE: DESIGNATION OF MEMBER AND
ALTERNATES TO SANTIAGO AQUEDUCT COMMISSION

2015

WHEREAS, the Santiago Aqueduct Commission (SAC) was formed to manage and operate the Santiago Aqueduct system; and

WHEREAS, the SAC consists of six (6) members, one member each of the governing bodies from El Toro Water District, Irvine Ranch Water District, Trabuco Canyon Water District, Santa Margarita Water District, Moulton Niguel Water District and Municipal Water District of Orange County (MWDOC); and

WHEREAS, it is understood that MWDOC represents itself and East Orange County Water District, County of Orange and the Irvine Company; and

WHEREAS, under the provisions of the Santiago Aqueduct Commission Joint Powers Agreement, MWDOC has the right to designate one member to the SAC and a first and second alternate to serve in the absence of the regular member.

NOW, THEREFORE, BE IT RESOLVED that MWDOC hereby designates Jeffery Thomas as the member, and Karl Seckel as alternate to the Santiago Aqueduct Commission, to assume their positions upon taking the oath of office.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

Maribeth Goldsby, Secretary
Municipal Water District of Orange County



ACTION ITEM
February 18, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Maribeth Goldsby

**SUBJECT: CONSIDER ADOPTING RESOLUTION CONCURRING IN NOMINATION
OF PAUL DOREY AS ACWA/JPIA EXECUTIVE COMMITTEE MEMBER**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Consider adopting a concurring Resolution in the nomination of Paul Dorey as ACWA/JPIA Executive Committee member.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

ACWA/JPIA will be conducting an election for its Executive Committee during the JPIA's Board meeting to be held at the spring conference on May 4, 2015 in Sacramento.

The election will fill five Executive Committee member positions; four are for a four-year term each and one position is for two years (the remainder of its current term). The current incumbents are Jerry Gladbach (Castaic Lake WA), David Hodgins (Scotts Valley WD), Bill Knutson (Yuima Municipal WD).

The District received a request for a concurring nomination from Paul Dorey of Vista Irrigation District. The deadline for submitting Concurring Nominations is March 20, 2015.

No other requests have been received.

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

RESOLUTION NO. _____
RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

WHEREAS, this district is a member district of the ACWA/JPIA; and

WHEREAS, the Bylaws of the ACWA/JPIA provide that in order for a nomination to be made to ACWA/JPIA's **Executive Committee**, three member districts must concur with the nominating district, and

WHEREAS, another ACWA/JPIA member district, the Vista Irrigation District, has requested that this district concur in its nomination of its member of the ACWA/JPIA Board of Directors to the **Executive Committee** of the ACWA/JPIA;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that this District concur with the nomination of **Paul Dorey** of **Vista Irrigation District** to the **Executive Committee** of the ACWA/JPIA.

BE IT FURTHER RESOLVED the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA/JPIA at P.O. Box 619082, Roseville, California 95661-9082, forthwith.

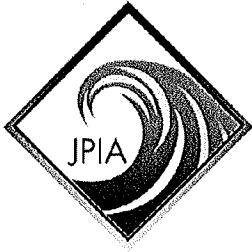
Said Resolution was adopted, on roll call, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

I hereby certify the foregoing is a true and correct copy of Resolution No. _____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on _____, 2015.

ATTEST:

Maribeth Goldsby
District Secretary



ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS
INSURANCE AUTHORITY
P.O. Box 619082, Roseville, CA 95661-9082

e-letter

To: JPIA Directors, Alternates, and Others
From: Sylvia Robinson, Publications & Web Editor
Date: January 7, 2015
Subject: 2015 Executive Committee Election Notice

Notice is hereby given that there will be an Executive Committee election during the JPIA's Board of Directors' meeting to be held on May 4, 2015, at the spring conference in Sacramento, California.

This election will fill five Executive Committee member positions. Four are for a four-year term each and one position is for two years, the remainder of its current term.

The current incumbents are E.G. "Jerry" Gladbach, Castaic Lake WA; David Hodgins, Scotts Valley WD; and W.D. "Bill" Knutson, Yuima Municipal WD.

Candidates for the election must be elected or appointed directors of the JPIA member that they represent and must have been appointed by that member to be on the JPIA's Board of Directors. Further, candidates for the election must also be representatives of JPIA members that participate in all four of the JPIA's Programs: Liability, Property, Workers' Compensation, and Employee Benefits.

The candidates must also each receive concurring in nomination resolutions from **three** other JPIA members. However, JPIA members may **concur** in the nomination of as many candidates as they wish. When asking other JPIA members to concur in a nomination, it would be helpful to them to include some information about the Director and his/her background.

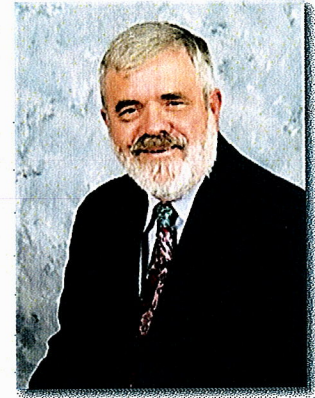
The submission of the nominating resolution, the three concurring in nomination resolutions, and the candidate's statement of qualifications is the sole responsibility of the nominating member. These nominations must reach the JPIA by the close of business (4:30 pm) on **Friday, March 20, 2015**. Nominations may be mailed to the attention of Sylvia Robinson at the JPIA: P. O. Box 619082, Roseville, CA 95661-9082.

Final notice of the qualified candidates will be included as part of the Board of Directors' meeting packet, which will be mailed on or before April 20, 2015, to those who request a meeting packet.

Use this [link](#) to find copies of this notice, the nominating procedures, and sample resolutions on the JPIA's website.

Paul E. Dorey

Statement of Candidacy



I have served on the ACWA/JPIA Board of Directors since 2007. During the last five years, I have had the privilege of serving on the Liability Committee of the JPIA. The Liability Committee has successfully kept its focus on providing member agencies with the most comprehensive, affordable and reliable liability insurance possible. Our Committee has recommended significant reductions in the premiums paid by member agencies while also increasing the insurance coverages provided.

I was elected to the Vista Irrigation District Board of Directors in 2006. The District provides water service to over 120,000 residents in northern San Diego County. I served on the Board of Directors of the Groundwater Resources Association of California, and I currently serve on the Upper San Luis Rey Watershed Authority, the San Luis Rey Watershed Council and the Southern California Water Committee. My wife Nancy and I have lived in Vista since 1971, where we raised our two daughters.

My forty-four years of public service, first in the United States Marine Corps and then in the water industry, have given me the necessary experience and background to serve as a member of the JPIA Executive Committee. This experience has helped me recognize the importance of safety and risk management and the value of developing appropriate policies and procedures, as well as establishing conservative fiscal controls.

As a member of the JPIA's Executive Committee, I will perform my duties and make decisions to guide the organization to most efficiently benefit its member agencies. I will take my responsibility seriously and serve as a very useful and productive member of the Executive Committee. I value your trust and will honor it if elected to the Executive Committee.

Thank you for your support. If you have any questions about my candidacy, feel free to contact me at (760)208-5263 or WN6K@sbcglobal.net.

RESOLUTION NO. 15-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VISTA IRRIGATION DISTRICT
NOMINATING PAUL E. DOREY TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY ("ACWA/JPIA")

WHEREAS, Vista Irrigation District is a member district of the ACWA/JPIA that participates in all four of its Programs: Liability, Property, Workers' Compensation, and Employee Benefits; and

WHEREAS, the Bylaws of the ACWA/JPIA provide that in order for a nomination to be made to ACWA/JPIA's Executive Committee, the member district must place into nomination its member of the ACWA/JPIA Board of Directors for such open position;

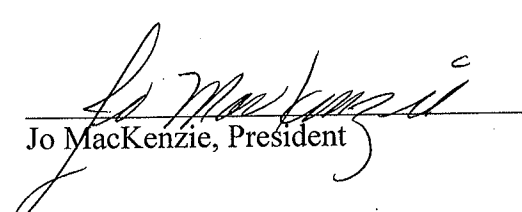
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Vista Irrigation District that its member of the ACWA/JPIA Board of Directors, Paul E. Dorey, be nominated as a candidate for the Executive Committee for the election to be held on May 4, 2015.

BE IT FURTHER RESOLVED that the ACWA/JPIA staff is hereby requested, upon receipt of the formal concurrence of three other member districts, to effect such nomination.

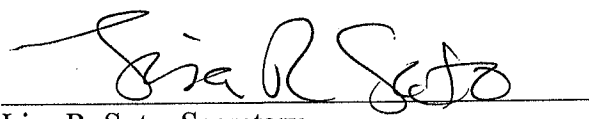
BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the ACWA/JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

PASSED AND ADOPTED by the following roll call vote of the Board of Directors for the Vista Irrigation District this 21st day of January 2015.

AYES: Directors Miller, Vásquez, Dorey, Reznicek, and MacKenzie
NOES: None
ABSTAIN: None
ABSENT: None


Jo MacKenzie, President

ATTEST:


Lisa R. Soto, Secretary
Board of Directors
VISTA IRRIGATION DISTRICT



DISCUSSION ITEM

February 18, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Maribeth Goldsby

SUBJECT: REVIEW DRAFT AMENDED AND RESTATED ADMINISTRATIVE CODE

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Review and discuss the draft Amended and Restated Administrative Code as recommended by the Ad Hoc Committee regarding the Administrative Code.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Over the past several months, the Ad Hoc Committee regarding the Administrative Code met on several occasions to review and make changes to the Administrative Code (along with legal counsel).

Attached is the latest draft Code reflecting the Ad Hoc Committee's recommended changes for Committee's review and discussion. Staff will incorporate any changes from the A&F Committee and present a final draft to the Committee and Board in March.

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

***MUNICIPAL WATER DISTRICT
OF
ORANGE COUNTY***

***AMENDED AND RESTATED
ADMINISTRATIVE CODE***

Adopted
March 18, 2015~~4~~

Updated:

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

PURPOSE - The purpose of this Administrative Code is to provide the members of the Board and the District staff with policy statements which define the duties and functions of the Board and District staff, and the procedures by which the work of the District is carried out.

ADOPTION - This Code was originally developed and adopted on April 21, 1993 and placed on file in the District office of the Secretary of the District ~~and, a restated version was approved on May 18, 2005.~~ Existing Board and/or administrative policies or procedures in conflict with the provisions of this Code were rescinded concurrently with its adoption (~~February 18, 2019~~ May 18, 2019).

AMENDMENTS - From time to time changes or additions will be required to this Code to cover changes in procedure or new activities of the District. Such changes or additions shall be approved only by the Board of Directors, at a duly constituted meeting. Revised or new sections will be inserted in this Code and the superseded sections will be deleted.

DEFINITIONS - Whenever used in the Administrative Code, the following defined terms shall have the meaning indicated herein:

Code	- means the Municipal Water District of Orange County Administrative Code, unless otherwise specifically defined.
MWDOC	- means the Municipal Water District of Orange County.
Board	- means the Board of Directors of MWDOC.
President	- means the President of the Board.
Vice President	- means the Vice President of the Board.
Secretary	- means the Secretary of MWDOC.
General Manager	- means the General Manager of MWDOC.
Treasurer	- means the Treasurer of MWDOC.
State	- means the State of California.
MET	- means Metropolitan Water District of Southern California.
Member Agencies	- means any city, county, water district, county water board, and other entity which receives water from MWDOC, directly or indirectly, the corporate areas of which, in whole or in part, is included in MWDOC.
<u>Parliamentarian</u>	- <u>means MWDOC's Legal Counsel</u>

**ARTICLE 1
DISTRICT PLACE OF BUSINESS, SEAL AND LOGO**

Principal Place of Business - The principal place of business and office of MWDOC shall be located at 18700 Ward Street, Fountain Valley, California, 92708.

Seal - MWDOC shall have and maintain a Seal, which shall be circular in form and have engraved on the outer edge of the face the words "Municipal Water District of Orange County" and within the circle the words "Incorporated January 11, 1951." (R6, 5/25/51)

Logo - MWDOC shall have an official Logo which shall appear as below: (Minute action, 11/24/71)



ARTICLE 2 ORGANIZATION AND BOUNDARIES

Formation of the District - The Municipal Water District of Orange County was formed under the Municipal Water District Act of 1911 on January 11, 1951, by public election and was annexed to the Metropolitan Water District of Southern California (MET) on November 23, 1951. The District was then called the Orange County Municipal Water District. The Orange County Municipal Water District was changed to Municipal Water District of Orange County (**MWDOC**) on September 7, 1969. MWDOC consolidated with Coastal Municipal Water District, effective January 17, 2001, expanding its service area to include the Coastal Municipal Water District agencies. The expanded District remained Municipal Water District of Orange County.

R8, 9, 11, 22, 24, 27, 18; Ord. 1, 2; Minute action 11/13/51; METRes.4022; LAFCO Action; R1-6, 5/25/51

The District was formed for the purpose of securing annexation to MET to obtain deliveries of imported water for portions of Orange County outside of the then-existing cities of Anaheim, Fullerton, Santa Ana and the area served by Coastal Municipal Water District which were at that time part of MET.

The organization of the Board as required by the Municipal Water District Act of 1911, establishing the offices of the Board, the time and place of meeting, procedures for notification of meetings and the rules for conduct, Roberts Rules of Order, were adopted at the first meeting of the Board on May 25, 1951.

CA Water Code 71598; R506, 8/17/69, CA Water Code 71610, 71610.5, 71691, CA Water Code 71611, 71612, 71613, 71616

Functions and Powers – MWDOC is a Municipal Water District, subject to the provisions of the Municipal Water District Law of 1911. Under the Law, MWDOC has the power to:

1. Acquire, control, distribute, store, spread, sink, treat, purify, reclaim, recapture and salvage any water, including sewage and storm water, and undertake water conservation programs, for the beneficial use(s) of MWDOC, its inhabitants, or the owners of rights to water in MWDOC.
2. Sell potable and nonpotable water under its control, to cities, other public corporations and agencies, and persons within the District for use within or **outside MWDOC**, and fix rates therefore.

Functions and Powers (Cont'd)

3. Acquire, construct, maintain and operate conduits, pipelines, reservoirs, water works, and other property useful or necessary to store, convey, supply or otherwise make use of water for a water works plant or system for the benefit of MWDOC.
4. Acquire real and personal property of every kind by grant, purchase, gift, devise or lease; exercise the right of eminent domain; and, hold, use, enjoy, lease or dispose of real and personal property.
5. Contract with other public agencies, private corporations or other persons for the purpose of carrying out any of the powers of MWDOC or to finance acquisitions, construction and operations.
6. Restrict the use of water during any emergency caused by drought, or threatened or existing water shortage, and prohibit the wastage of MWDOC water.
7. Disseminate information concerning the rights, properties and activities of the District.
8. Exercise all powers which are expressly granted to municipal water districts, or which are necessarily implied.

CA Water Code 71691, 71690, 71693, 71720-71725, 71640-71644, 71610.5, 71596, 71590

Mission - Taking into consideration the reasons the District was formed, its legal powers and its current and projected operations, as well the District's role in county-wide leadership and resource management, the Board of Directors has established that the overall mission of the District is to provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County.

M-10/20/10

Service Area - The original boundaries of the MWDOC were structured in 1951 when MWDOC was formed and have been changed numerous times by annexation and by reorganization. The annexations took place between 1957 and 1983. All annexations to the District have been accomplished by resolutions of the Board of Directors, in accordance with provisions of the California Government Code. The boundaries were expanded in January 2001 (upon the consolidation with Coastal Municipal Water District) to include that portion of the County previously served by Coastal Municipal Water District.

District Annexation to MET - The District was annexed to MET on November 23, 1951, and the Certificate of Proceedings was filed with the Secretary of State on November 26, 1951.

Division Boundaries - The District consists of seven political divisions, each represented by a Director elected by the voters of the division, generally comprised as follows:

Division 1: Cities of Brea, Buena Park and La Habra, and the City of La Palma Water Division, a portion of the Golden State Water Company service area, and Yorba Linda Water District.

Division 2: A portion of the City of Garden Grove, Serrano Water District, City of Orange Water Services, East Orange County Water District, a portion of Irvine Ranch Water District, and a portion of City of Tustin Water Services

Division 3: Cities of Fountain Valley, Westminster, a portion of the City of Garden Grove, and a portion of the Golden State Water Company service area.

Division 4: Cities of Huntington Beach and Seal Beach, and Mesa Water District.

Division 5: City of Newport Beach Water Services, El Toro Water District, and a portion of Irvine Ranch Water District.

Division 6: Santa Margarita Water District, Trabuco Canyon Water District, a portion of Irvine Ranch Water District, and a portion of City of Tustin Water Services.

Division 7: Emerald Bay Service District, Laguna Beach County Water District, Moulton Niguel Water District, City of San Clemente, City of San Juan Capistrano Water Utility, and South Coast Water District.

It is the general policy of the Board to evaluate the division boundaries in coordination with the census data (every ten years) and to best maintain the District's "Community of Interest" as the member agency service areas (water providers as the primary guideline and keeping cities intact as to the greatest extent practicable)..

The official map of the division District Boundaries is filed with the Orange County Registrar of Voters every election year.

CA Gov. Code, 56000 et seq., R22; METRes. 4022, CA Water Code 71170, 71250, 71540-71542; Minute action 5/25/51; R1111, 10/28/81; R1308, 6/4/86; R1466, 6/17/92; R1510, 5/18/94; LAFCO Action: 1/17/01; Motion – 2/15/06 (effective 11/7/06); R1926, 3/7/12

**ARTICLE 3
GOVERNING BODY
BOARD OF DIRECTORS**

Elections - The District is governed by a seven member Board of Directors who are elected for four-year terms. Elections for Directors are held in November of even-numbered years, with the Directors for Division 1, 2, and 5 elected at one election and the Directors for Divisions 3, 4, 6 and 7 elected at the next election. A candidate for the Board must be a registered voter and a resident of the District and of the Division the candidate wishes to represent.

If, on the 83rd day prior to the day fixed for the general District election, only one person has declared his or her candidacy for each office of Director to be filled at that election, or if no person has filed a declaration of candidacy for any one or more of such offices, and the officer conducting the election has not received a petition signed by ten percent of the voters requesting that the election be held, then the officer conducting the election shall immediately request the Board of Supervisors of the County to make an appointment.

Each candidate for Director who, at the general District election, receives the highest number of votes cast for the candidate for that office is elected as a Director of the District.

CA Water Code 71250-71256, 71500, 71505, 71270; AB 2182; R5, 5/25/51; Motion - 9/21/94; CA Elections Code 23520; CA Water Code 71503

Term of Office - Each Director shall hold office for a term of four years from and after the date of taking office. For Directors elected at the November general election, the term shall commence at noon on the first Friday in December following the election. Directors-elect must take and subscribe their oath of office before assuming office.

CA Water Code 71252 and 71253

Term of Office: Relocation of Division - Whenever a change is made in the division boundaries, each Director then in office shall, until that office becomes vacant by expiration of that Director's term or otherwise, continue to be Director for the respective division even though not a resident of the relocated division. The successor shall be a registered voter and a resident of the relocated division.

Vacancy in Office of Director - If a vacancy occurs in the office of Director, the remaining Directors shall, within 60 days, appoint a qualified person residing in the division in which the vacancy occurs to hold the office until the next District general election which is 130 days or more after the occurrence of the vacancy or call a special election to be held in the division affected as provided for by law.

If the Board of Directors fails to fill a vacancy or call an election within 60 days, the Board of Supervisors may fill the vacancy or call an election to fill the vacancy. If the Board of Supervisors fails to fill the vacancy or call an election within 90 days of the office becoming vacant, the District shall call an election on the next available election date that is 130 or more days after the vacancy occurs.

Persons appointed to fill a vacancy shall hold office until the next District general election and thereafter until the person elected at such election to fill the vacancy has been qualified. Persons elected to fill a vacancy shall hold office for the unexpired balance of the term of office.

CA Water Code 71254; Gov. Code 1780

Oath of Office - Newly elected or re-elected members of the Board shall take the Oath of Office ~~prior to noon on the first Friday in December following the election~~~~prior to 12 o'clock noon on the first Monday after January 1.~~ The oath may be administered by the County Elections Official, the District Secretary, their respective designees, or other persons authorized by law to administer oaths such as judges, members of the state legislature, and notaries. Directors appointed to fill an unexpired term shall take the Oath of Office prior to ~~taking a seat on~~~~assuming office as a member of~~ the Board. The second paragraph of the oath was invalidated by the California Supreme Court in 1967.

CA Constitution Section 3, Article XX; *Vogel v. County of Los Angeles* (1967) 68 Cal.2d 18;
CA Water Code 71253; Gov. Code 24200; CA Elec. Code 10512

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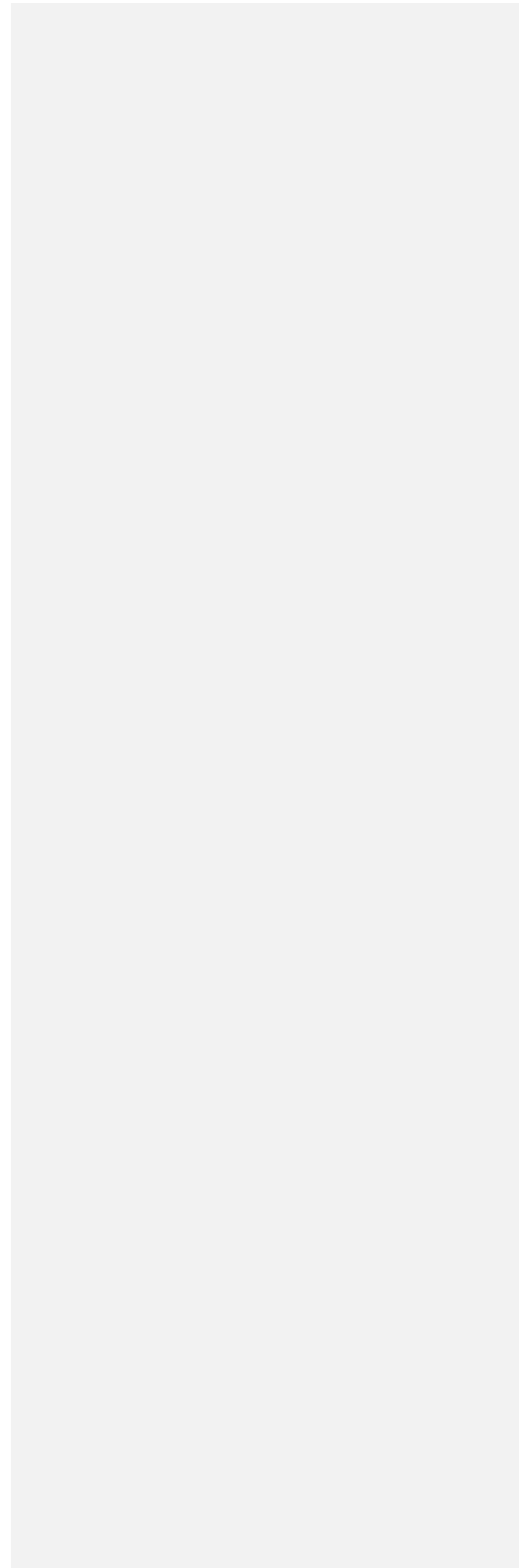
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**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE**

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1000 PURPOSE/MISSION

The primary mission of MWDOC is to provide reliable, high-quality water supplies from MET and other sources, to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County. The Board and staff will be guided by a Strategic Plan, Business Plan, Personnel Manual, and Investment Policy, all of which shall be adopted and reviewed by the Board on a periodic basis.

M-10/19/10

1001 THE ROLE OF THE BOARD OF DIRECTORS

As MWDOC's legislative body, the Board of Directors is responsible for providing policy-based leadership and strategic governance for the management of MWDOC's organization and operations. Though day-to-day operations are the responsibility of the General Manager, the appropriate level of involvement by Board members pursuant to this Code is critical to MWDOC's leadership. Board Member responsibilities include:

- i. Providing guidance to the General Manager in the management of the District.
- ii. Reviewing outcomes and metrics of MWDOC operations, programs, policies, and initiatives.
- iii. Reviewing agenda and supporting materials prior to board and committee meetings.
- iv. Approving MWDOC's annual budget, audit reports, and material business decisions.
- v. Staying informed of, and meeting all, legal and fiduciary responsibilities.
- vi. Contributing to an annual performance evaluation of the General Manager and Legal Counsel.
- vii. Partnering with the General Manager and other board members to ensure that board ordinances, resolutions, and directives are carried out.
- viii. Serving on committees and taking on special assignments.
- ix. Serving as a representative of MWDOC to stakeholders and external organizations.

1002 FIDUCIARY DUTIES OF INDIVIDUAL BOARD MEMBERS

As public officials, MWDOC Board members have fiduciary duties to both MWDOC as an organization and the public at large. The Board recognizes its duty to comply with the law and to model ethical and civil behavior for MWDOC's customers, staff, vendors, and the public, as provided in Chapter 7 of this Code and other applicable laws.

A. Duties to MWDOC

As members of MWDOC's governing board, Board members must always act for the good of the MWDOC as an institution, rather than for the benefit of themselves or other special interests. Board members must exercise reasonable care in all decision making, without placing the organization under unnecessary risk. Pursuant to these duties, Board members shall be obligated to conduct themselves as follows:

- (a) Limit official actions to the scope of MWDOC's purpose and authority.
- (b) Stay informed about MWDOC's purpose, finances, services, policies, and programs.
- (c) Render decisions in good faith, without allowing personal or special interests to prevail over the institutional interests of MWDOC.
- (d) Prepare for meetings by reviewing agenda items, contacting appropriate staff through the General Manager, and providing adequate notice of issues that staff should be prepared to address.
- (e) Preserve the financial solvency of MWDOC and its ability to serve member agencies, customers, and the general public for the long term.
- (f) Ensure that use of MWDOC equipment, supplies, staff time, telephones, computers, and fax machines is limited to official purposes, consistent with District policies, the Fair Political Practices Commission Regulations, and State law.

B. Duties to the Public

As stewards of the public trust, Board members must also place the interests of the public above their own personal interests. A public official must exercise the powers conferred on him or her with disinterested skill, zeal, and diligence, and primarily for the benefit of the public. The minimum standards of conduct are set forth in the conflict of interest provisions of California Law, including Government Code section 1090, the Political Reform Act, and common law, which are discussed further in Chapter 7 of this Code. Pursuant to these duties, Board members shall be obligated to conduct themselves as follows:

- (a) Protect confidential information received during any Closed Session of the District Board held pursuant to State law.
- (b) Refrain from discussions that are not properly noticed pursuant to State law.

(c) Provide impartial and fair treatment of all persons and matters coming before the Board.

(d) Safeguard ability to make independent, objective, fair and impartial judgments by scrupulously avoiding financial and social relationships and transactions that may compromise, or give the appearance of compromising, objectivity, independence, and honesty.

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

BOARD MEETINGS/COMMITTEE MEETINGS/ PROCEDURES	§1100-§1117
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§1100 BOARD AND COMMITTEE REGULAR MEETINGS

The Board of Directors of MWDOC shall meet twice monthly. The first meeting shall be a workshop held jointly with the MWDOC MET Directors (Workshop/MET Directors) on the first Wednesday of each month at 8:30 a.m. The second meeting of the Board (or Regular Meeting) shall be held on the third Wednesday of each month at 8:30 a.m. The Workshop/MET Directors meetings are held for the purpose of reviewing and discussing issues pertaining to MET and to develop consensus on positions that impact Orange County. If such meeting dates fall on a MWDOC holiday, the meeting shall be rescheduled for another time determined by the Board.

The Board shall appoint and eliminate Standing Committees (see Sections 1200—1201) as necessary. Standing Committee meetings shall be held on a monthly basis. The dates and times of Standing Committee meetings shall be determined by the Board by the end of February of each year and shall remain fixed for the remainder of the year.

Meetings of the MWDOC Board's Standing Committees MWDOC Committee meetings are noticed and held as a committee of the whole, where all members of the Board 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.

The Board of Directors shall conduct MWDOC business at regular, adjourned, special, and emergency meetings in compliance with Government Code Section 54950-54962.

R6 - 5/25/51; amended by R31 - 2/11/52; amended by R153 - 3/26/57; amended by R209 - 2/6/61; amended by R338 - 1/22/64; amended by R511 - 11/26/69; amended by R1290 - 3/26/86; R1473 - 12/9/92; R1484 - 3/17/93; Motion - 4/21/93; Motion - 4/20/94; R1540 - 4/19/95; R1612 - 10/21/98; R-1640-3/15/00; R-1651 2/15/01; R-1679 8/15/01; R-1689 3/20/02; R-1699 9/21/02; R-1712 2/19/03; 5/18/05; M-02/15/06; R-1835 6/18/08; R-1859 9/16/09; R-1867 1/20/10

§1101 SPECIAL MEETINGS

In accordance with Government Code Section 54956, special meetings of the Board may be called by the President, or by a majority of the directors, by delivering personally or by U.S. mail, electronic email, or facsimile, written notice to each member and to all others who requested written notice of meetings. The notice shall be delivered personally or by U.S. mail, electronic email, or facsimile, and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the date, time and place of the special meeting and the agenda items to be transacted. No other business shall be considered at these meetings. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the MWDOC District Secretary a written waiver of notice. The waiver may be given by U.S. mail,

facsimile and/or electronic email. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

R6 - 5/25/51; amended by minute action 6/12/53; Motion - 4/21/93; Motion 4/20/94;

§1102 WORKSHOP MEETINGS

Should there be less than a quorum of MWDOC directors present at regularly scheduled workshop meetings, then the Board Meetings shall be adjourned for lack of a quorum and such member or members as are present shall constitute an ad hoc committee of the Board, and the meeting may proceed as a committee meeting solely for the purpose of receiving information. Nothing in this section shall be construed as contrary to Water Code Section 71274 which provides that a majority of Board shall constitute a quorum for transaction of business, and no ordinance, motion or resolution shall be passed to become effective without affirmative vote of a majority of the members of the Board. Should action need to be taken, compliance with Section 71274 is required.

R1118 - 1/27/82; Motion - 4/21/93

§1103 EMERGENCY MEETINGS

Pursuant to Government Code Section 54956.5, in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board may hold an emergency meeting without complying with either the 24-hour notice or posting requirement. Emergency situation means a) work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the Board; or b) crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the Board.

All ~~newspapers and radio or television stations~~~~persons and entities~~ that have requested notice of special meetings pursuant to Government Code Section 54956 shall be notified by the President or his/her designee one hour prior to the emergency meeting, or, in the event of a dire emergency, at or near the time the members of the Board are notified. Notice shall be by telephone, and all telephone numbers provided in the most recent request for notification shall be exhausted. In the event that telephone services are not functioning at the time notice would otherwise be given, the notice requirements of this section are waived. In this event, those ~~who have requested~~~~requesting~~ notice of special meetings pursuant to Government Code Section 54956 shall be notified of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible. Except for the 24-hour notice ~~and posting requirements requirement~~, the requirements for Special Meetings set forth above in Section 1101 shall apply. The minutes of an emergency meeting called pursuant to this section, a list of persons notified or attempted to be notified, a copy of the roll call vote, and any actions taken shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

During a meeting held pursuant to this section, the Board may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the Board

present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present. (Government Code Section 54956.5(c)). With the exception of the 24-hour notice requirement, all requirements applicable to a special meeting under Section 1101 shall apply to meetings under this section.

4/21/93; Motion 4/20/94; [Gov. Code 54956.5](#)

§1104 NOTICES OF MEETINGS

Pursuant to Government Code Section 54954.1, notice of the regular meetings of the Board and any special meeting of the Board which is called at least one week prior to the date set for the meeting shall be mailed to any person who has filed a written request for the notice with the District Secretary. Such notice shall be mailed not later than the time the agenda is posted pursuant to the provisions of this Administrative Code or upon distribution of the agenda to a majority of the Board, whichever occurs first.

Any request for notice filed pursuant to this section shall be valid for one year from the date on which it is filed unless a renewal request is filed. The failure of any person to receive the notice given pursuant to this section shall not constitute grounds for any court to invalidate the actions of the Board for which the notice was given.

Motion – 4/21/93

§1105 MEETINGS OPEN TO PUBLIC

Pursuant to Government Code Section 54953, all meetings of the Board and standing Committees shall be open and public, and all persons shall be permitted to attend any meeting, except Closed Sessions held in accordance with law.

Motion – 4/21/93; Motion – 7/16/97;

§1106 PLACE OF MEETINGS

Meetings of the Board, unless otherwise specified in the notice, shall be held at the Offices of Municipal Water District of Orange County, ~~18700 Ward Street, Fountain Valley, California 92708.~~

R6 - 5/25/51; amended by R21 - 8/27/51; amended by R53 - 9/14/53; amended by R206 - 1/18/61; amended by R511 - 11/26/69; amended by R551 - 1/27/71; amended by R800 - 5/25/77; R1290 - 3/26/86; Motion - 4/21/93;

§1107 CLOSED MEETINGS

Prior to holding any closed session, MWDOC's Legal Counsel shall disclose the item(s) to be discussed in the closed session and provide such other information required by law. The disclosure may take the form of a reference to item(s) as they are listed by number or letter on the agenda. In the closed session, the Board may consider only those matters covered in its statement. After any closed session, the Board shall reconvene into open session and report any action(s) taken and the vote or abstentions of the Board as required by Government Code Section 54957.1.

Matters discussed or documents presented in closed sessions shall be kept confidential to the extent permitted under Government Code Section 54950 et seq and the Public Records Act. Any Director who has not attended a closed session and wishes to be advised of the content of the session may inquire of any Director who attended the closed session. The Director contacted may advise the inquiring Director of the content of the session. The advised Director shall not disclose any matters discussed in closed session without the prior authorization of the Board of Directors.

Motion - 4/21/93; Motion - 4/20/94;

§1108 ADJOURNED MEETINGS

Pursuant to Government Code Section 54955, the Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. If a majority of the Board are not present for any regular or adjourned regular meeting, the District Secretary may declare the meeting adjourned and shall cause a written notice of the adjournment to be given in the same manner as provided in Government Code Section 54956 which shall be posted in a location that is freely accessible to members of the public within 24 hours after the time of the adjournment.

Motion - 4/21/93;

§1109 MINUTES OF MEETINGS

Minutes of regular and workshop Board meetings, consisting of topics discussed and actions taken, shall be prepared and mailed to each Director prior to the next regular or workshop Board meeting. Such minutes shall not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the District Secretary. Minutes approved by the Board shall be kept at MWDOC's offices. Minutes of Board meetings shall be posted on MWDOC's website and sent to those who request hard copies.

~~Pursuant to Government Code Section 54953.5, Audio and video recordings of Board and Committee meetings shall, if created by the District, may be erased or destroyed after approval of minutes of said meetings and not less than 30 days after taping. Video tape recordings may be erased or destroyed 30 days after said the meeting at the discretion of the General Manager.~~

Minute action - 6/11/51; Minute action - 7/3/51; Minute action - 8/17/51; Minute action - 11/9/53; Minute action - 1/8/64; Minute action - 4/15/64; Minute action - 8/16/67; Minute action 5/27/79; Minute action - 11/25/81; Motion - 4/21/93; Motion - 4/20/94; Gov. Code 549535(b)

§1110 AGENDA OF BOARD AND STANDING COMMITTEE MEETINGS

At least 72 hours before a regular meeting, the District Secretary or designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session.

The agenda(s) shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to the public, ~~as well as to and to MWDOC's website~~. No action shall be taken on any item not appearing on the posted agenda, unless the Board or Committee determines any of the following exist:

1. Upon a determination by a majority vote of the Board or Committee that an emergency situation exists, as defined in Government Code Section 54956.5; or
2. Upon a determination by a two-thirds vote of the Board or Committee, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Board or Committee subsequent to the agenda being posted; or
3. The item was posted for a prior meeting of the Board or Committee occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

The Board or Committee agenda shall provide an opportunity for members of the public to address the Board or Committee on matters on the agenda or that are within the subject jurisdiction of the Board or Committee.

Motion - 4/21/93; Motion - 4/20/94; Motion – 7/16/97;

§1111 MEETING CONSENT CALENDAR

The agenda for the regular meetings of the Board shall contain a Consent Calendar to expedite Board consideration of routine matters so as to enable the Board to devote added time to other matters. The Consent Calendar will not be discussed, but will be approved by a single motion unless individual consideration is requested by members of the Board, staff or public. Matters which may be included on the Consent Calendar are as follows:

1. Minutes of Board Meetings
2. Financial Reports

- a. disbursement schedule
 - b. financial disbursement resolutions
 - c. monthly financial statements
3. Committee Meeting Reports
4. Memberships (new and renewal)
5. Associations (new and renewal)
6. Conference Attendance Requests
7. Routine Administrative Matters
8. Any other matters recommended by a Committee to be included on the Consent Calendar.
9. Any items that are unanimously approved by a Committee, unless otherwise required by law.

Matters for the Consent Calendar shall be submitted to the District Secretary prior to the meeting of the Board and pertinent materials sufficient to enable a member to formulate an opinion on each Consent Calendar item shall be included with the agenda mailed to Directors. Matters requiring a roll call vote or a vote other than a simple majority will not be placed on the Consent Calendar.

Motion - 4/21/93;

§1112 AVAILABILITY OF AGENDA AND OTHER WRITINGS DISTRIBUTED AT PUBLIC MEETINGS

The District Secretary upon request shall make available to the public, without delay, copies of public meeting agendas and other writings when distributed to all or a majority of the members of the Board in connection with any matter subject to discussion or consideration at a public meeting. This does not include any writings that are exempt from public disclosure under Sections 6253.5, 6254 or 6254.7 of the California Public Records Act (Government Code Section 6250 et seq). Written material which is public record and which is distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the MWDOC staff or a Board member or after the meeting if prepared by some other person or as soon thereafter as practicable.

Motion - 4/21/93; Motion - 4/20/94;

§1113 LEGAL REPRESENTATION AT MEETINGS

MWDOC's Legal Counsel shall be present at any regular meetings of the Board of Directors upon request of the Board President or the General Manager.

Motion - 4/21/93

§1114 QUORUM OF BOARD

A majority of the Board shall consist of four members of the Board and shall constitute a quorum for the transaction of business at a Board meeting. Any ordinance, motion or resolution shall become effective with the affirmative vote of a majority of the members of the full Board only at a regular, special, adjourned, or emergency Board meeting.

Motion - 4/21/93; Motion – 7/16/97; Motion – 5/2005

§1115 ACTIONS OF BOARD

The Board shall act only by ordinance, resolution or motion. No action shall be taken by secret ballot. On all ordinances and resolutions and actions taken in closed session, the roll shall be called and the ayes, noes, abstentions and absences recorded in the journal of the proceedings of the Board. Motions may be adopted by voice vote, along with each Board member raising a hand in support, opposition, or abstention, but on demand of any member of the Board, the roll shall be called. Votes of the members of the Board shall not be cast or exercised by proxy. Every member of the Board shall have one vote. The President of the Board or the President Pro Tempore shall have the right to participate in and vote upon any question before the Board, provided that he or she is not barred by a conflict of interest or other legally imposed disability.

R6 - 5/25/51; Motion - 4/21/93; Motion - 4/20/94;

§1116 PUBLICATION/POSTING OF ORDINANCES

At least ten days prior to the Board meeting at which a proposed ordinance or amendment to an existing ordinance is to be adopted, a copy of the full text thereof shall be posted in the MWDOC office and mailed or electronically emailed to each of MWDOC's Member Agencies. Within ten days after adoption of the ordinance or amendment, MWDOC shall publish for one day, in a newspaper of general circulation, either the full ordinance or a summary thereof with the names of Board members voting for and against the ordinance or amendment. At the same time, a certified copy of the full text along with the names of Board members voting for and against the ordinance or amendment shall be posted in MWDOC'S offices for not less than ten (10) days. Water service ordinances considered and adopted pursuant to Section 1117 below are excepted from the procedures set forth in this Section.

Motion - 6/16/93; Motion 4/17/02

**§ 1117 POSTING/MAILING OF WATER SERVICE ORDINANCE AND WATER RATES
RESOLUTION**

MWDOC must establish its water rates on an annual basis and these rates shall take effect July 1st of each year. The classes and conditions of water service shall be established by Board Ordinance and water rates for the various classes of water service and other fees and charges shall be established by Resolution. At least ten days before the adoption of an Ordinance establishing classes and conditions of water service or a Resolution setting rates and other fees and charges, the General Manager shall provide written notice (U.S. mail or electronic email) that the Board will consider adoption of the Ordinance and/or Resolution at a Board meeting to be held on a specified date, along with a copy of the proposed Ordinance and/or Resolution, to each of the MWDOC's Member Agencies. Within ten days after the adoption of the Ordinance and/or Resolution, MWDOC shall provide written notice (U.S. mail or electronic email) of the adoption of the Ordinance and/or Resolution to its Member Agencies, along with a copy of the adopted Ordinance and/or Resolution. At the same time, a certified copy of the full text of the Ordinance and/or Resolution, along with the names of the Board members voting for and against the Ordinance or Resolution shall be posted ~~at~~ MWDOC's offices for not less than ten (10) days. This section shall apply to amendments to any ordinance establishing classes and conditions of water service or resolution setting water rates then in effect.

M – 4/17/02

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

COMMITTEES	§1200-§1211
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§1200 ESTABLISHMENT OF COMMITTEES

The Board, at its discretion, may create Standing and Special (Ad hoc) Committees for the purpose of studying, reviewing and making recommendations concerning certain operations or subjects of interest to the Board and meeting with other persons or entities on the Board's behalf. Except for ad hoc advisory committees composed solely of less than a quorum of the Board, and which do not have continuing subject matter jurisdiction or meetings scheduled by the Board, the meetings of all committees created by formal action of the Board shall be open and public and shall comply with the requirements of the Brown Act. The general function and areas of concern for each Committee shall be defined. Committees will meet on a monthly basis or as needed basis.

Standing and Special Committees are responsible for reporting their findings and making recommendations to the Board of Directors. Committees are not empowered to act for the Board, however meetings of MWDOC's Standing Committees meetings are noticed and held as committees of the whole, joint meetings of the Committee and the entire Board of Directors, and where all members of the Board of Directors may attend and participate in the discussion. On certain occasions, a Committee meeting may be adjourned and held as a full Board meeting to take action, with the appropriate noticing requirements met.

§1201 STANDING COMMITTEES

Standing Committees shall be formed for the purpose of considering, studying, reviewing and making recommendations to the Board on matters and subjects within the Committee's area of concern and shall be composed of any three members of the Board, with the exception of the Executive Committee which shall be composed of the President, Vice President, and the immediate past President. The President of the Board shall act as non-voting ex officio member ~~(non-voting member)~~ of each Standing Committee. If the Committee Chair requests that the President serve as an alternate Committee member for a member of the Standing Committee who is absent (pursuant to Section 1204), the President may vote in the capacity of the alternate Committee member. The President of the Board may also participate as a voting member of a Standing Committee to give the casting vote in the case of a tie.

The Standing Committee of the Board of Directors are:

- Executive Committee
- Administration & Finance Committee
- Planning & Operations Committee
- Public Affairs & Legislation Committee
- ~~Desalination Committee~~
- MWDOC/OCWD Joint Planning Committee

Rev. by Resolution No. 1707 - 1/15/03; Motion – 1/21/04; Motion – 02/15/06; M-04/19/06;
M-02/15/12

§1202 APPOINTMENTS

The Board President, by the end of February of each year, shall recommend to the Board, consider the appointment of members of its Standing Committees (Executive, Administration & Finance, and Planning Operations; Public Affairs & Legislation, ~~Desalination~~, and MWDOC/OCWD Joint Planning Committee) as well as establish the dates and times of the Committee meetings. ~~The Board~~ shall also review and establish Special Committees as appropriate and consider the appointment of members thereto. Members, including the Committee Chairs, shall be appointed to the Standing and Special Committees by the President and ratified by Board action. The President of the Board shall act as a non-voting ex-officio member ~~(non-voting member)~~ of each Standing Committee.

Upon approval of these appointments, the District Secretary shall prepare and post on the District's website, Fair Political Practices Commission (FPPC) Form 806 outlining all Director appointments. This form is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. This form is required pursuant to FPPC Regulation 18705.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

Motion - 5/15/85; Rev. 2/4/87; Motion - 4/20/94; Motion 2/19/97; RES. No. 1707 1/15/03;
Motion – 02/15/06; M-04/19/06

§1203 COMMITTEE MINUTES

The minutes of Standing Committee meetings shall be in writing and presented to the Board at its regular monthly meeting.

Motion - 4/21/93; Motion - 4/20/94;

§1204 ALTERNATE COMMITTEE MEMBERS

Whenever any member of a Committee is absent from a Committee assignment, any member of the Board ~~may~~ shall be requested to serve as alternate Committee members and shall be entitled to vote as a regular Committee member. The Committee Chair shall determine who the alternate Committee members shall be.

Motion - 4/21/93; Motion – 1/21/04

§1205 SPECIAL MEETINGS

Special meetings of any Committee shall be called upon order of its Chairman and duly noticed as required by Government Code section 54950 et seq.

Motion - 4/21/93; Motion - 4/20/94;

§1206 EXECUTIVE COMMITTEE

PURPOSE: The Executive Committee shall study, advise, and make recommendations with regard to policies and procedures to be considered by the Board; questions raised by members of the Board and staff between meetings of the Board and in unexpected situations and emergencies and other matters as may be required.

The Executive Committee shall review the draft Standing Committee agendas. Any substantive changes to the agendas subsequent to the review by the Executive Committee shall be approved by the Committee Chair.

The Executive Committee shall consist of the President, Vice President, and the immediate past President.

Motion - 8/6/86; Motion - 2/4/87; Motion - 4/21/93; Motion - 4/19/95; Resolution No. 1707 1/15/03; Motion – 1/21/04

§1207 ADMINISTRATION & FINANCE COMMITTEE

PURPOSE: The Administration & Finance Committee shall study, advise and make recommendations with regard to the form of MWDOC's organization and the flow of authority and responsibility; the classification of positions, job duties, salaries, and salary ranges; matters affecting wages, hours, pension plans and other employee benefits, policies and rules regarding employment, discipline and discharge; selection of management, personnel, auditors, financial and insurance consultants and the determination of the scope of their assignments; the terms and conditions of employment of all consultants, advisors, and special counsel; individuals to serve in positions requiring Board approval; and proposed amendments to the MWDOC Act affecting the organization and personnel policies as well as the finance and insurance functions of MWDOC. The Committee shall also study, advise and make recommendations with regard to the preparation of budgets; sale of bonds and borrowing and repayment of money; disposition and investment of funds; authorization of appropriations; revenues to be obtained through sale of water; financial impact and requirements of policies concerning annexation; financial aspects of MWDOC's risk management program; questions pertaining to insurance coverage; reports of auditors and financial statements; form and contents of accounts; financial reports and financial statements. The Administration & Finance Committee shall provide oversight for any legal matters affecting MWDOC within the Committee's scope of interest and responsibility.

Motion - 4/21/93; Motion 2/19/97

§1208 PLANNING & OPERATIONS COMMITTEE

PURPOSE: The Planning & Operations Committee shall study, advise and make recommendations with regard to plans, specifications and bids; the initiation, scheduling, contracting, and performance of construction programs and work, and the equipment or materials to be used, replaced, disposed of, or salvaged; operation, protection, and maintenance of the facilities required for the delivery of water; the providing of storage and distribution facilities and connections for the delivery of water; construction claims; the selection of engineering and geologic consultants and the determination of the scope of their assignments; functions relating to the Water Emergency Response Organization of Orange County (WEROC); and proposed amendments to the MWDOC Act affecting the engineering and operations functions of MWDOC.

Motion - 4/21/93; Motion - 4/20/94; Motion - 4/19/95; Motion - 2/19/97

§1209 PUBLIC AFFAIRS & LEGISLATION COMMITTEE

The Committee shall study, advise and make recommendations with regard to policies and practices and means of disseminating MWDOC information; copy or content of MWDOC public information projects; selection and compensation of public information consultants; budget allocations for public information; review or develop legislation and MWDOC position regarding support of or opposition to legislation; develop legislative policy principles and priorities, including key proposals to be presented to legislator(s) and/or legislative staff; MWDOC relationships with other governmental agencies or bodies; other matters related to or involving other governmental and/or regulatory agencies; any legal matters affecting the MWDOC within the Committee's areas of interest.

Motion – 02/15/06; M-04/19/06

§1210 MWDOC/OCWD JOINT PLANNING COMMITTEE

The Committee shall study, advise, and make recommendations with regard to policies and practices of joint interest to OCWD and MWDOC; discuss MET policies and programs as they relate to OCWD; and discuss other items as necessary for efficient coordination between imported and local OCWD supplies.

§1211 ~~DESALINATION COMMITTEE~~

~~**PURPOSE:** The Desalination Committee shall study, advise, and make recommendations with regard to policies and procedures to be considered by the Board with respect to ocean and brackish desalination. This shall include a broad range of oversight with respect to MWDOC's participation and planning on desalination activities, including coordination with MET, as well as legislative and regulatory activities relative to desalination (grant funding opportunities, etc.), and local and regional desalination activities~~

§121~~1~~2 SPECIAL COMMITTEES

Special (Ad Hoc) Committees may be established by an action of the Board for the purpose of considering, studying, reviewing and making recommendations to the Board on specific matters and shall be terminated when its task is completed. A Special Committee may, at the direction of the Board, meet with certain individuals or entities and report its findings to the Board for its consideration. Special Committees shall be composed of no more than three members of the Board. Members shall be appointed to Special Committees by the President and ratified by Board action.

Motion - 5/15/85; Rev. 2/4/87; M-02/15/12

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

BOARD OFFICERS AND EMPLOYEES	§1300-§1309
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§1300 ESTABLISHMENT OF BOARD OFFICES

There shall be one office of President, and one office of Vice President. Directors may serve concurrently as either President or Vice President of MWDOC and as an appointee from MWDOC to the Board of Directors of MET.

R2 - 5/25/51; R6 - 5/25/51; R-1729 – 1/21/04

§1301 TERMS OF OFFICE; ELECTION OF BOARD OFFICERS; APPOINTMENT OF MWDOC OFFICERS

The President and Vice President of the Board shall serve one-year terms and shall be elected to such term by the members of the Board at its first Regular Board meeting in January of each year. Nominations will be taken from the floor and a roll call vote of the Directors shall be the method for electing President and Vice President. If the President is absent or unable to act, the Vice President shall perform the duties of the President.

The Board shall appoint, by majority vote, at its pleasure, a Secretary, Treasurer, Legal Counsel, General Manager and Auditor and shall define their duties and fix their compensation. At its first regular meeting in January of each year, the Board shall appoint the Secretary, Treasurer, and Legal Counsel. The Board may also appoint a Deputy Secretary and Deputy Treasurer. Each of these officers shall serve at the pleasure of the Board. The Auditor shall serve a term no longer than five (5) years.

x

R1 - 5/25/51; Minute action - 8/13/51; Motion - 8/17/51; R33 - 5/12/52; Motion - 1/12/53; R66 - 5/10/54; Motion - 1/10/55; R 119 - 4/9/56; R160 - 5/7/58; R26 - 9/11/59; R188 - 4/6/60; R324 - 11/6/63; Motion 5/18/66; R452 - 1/18/67; Motion - 1/15/69; R631 - 1/24/73; R751 - 1/28/76; R746 - 11/26/76; R851 - 4/4/78; Minute action - 9/23/81; Minute action & R1156, R1157 - 1/26/83; R1192 - 8/83; R1231 - 5/23/84; R-1729 – 1/21/04

§1302 VACANCY IN OFFICE

Whenever a vacancy occurs in the offices of President or Vice President during a term of office, the Board shall elect one of its members to serve the unexpired term.

R324 - 1/6/63; R-1729 – 1/21/04

§1303 DUTIES AND POWERS OF PRESIDENT

The President of the Board of Directors shall be the presiding officer and shall preserve order and decorum at all MWDOC meetings. The President shall appoint (with ratification by the Board) all standing, special, and ad hoc committees (including the Committee Chair persons). In the absence of the President, Vice President shall act as President. In the absence of the President and Vice President, the immediate past President(s) shall act as President, and in the absence of any immediate Past President(s), the Secretary acts as President until the Board selects one of its members President Pro Tempore, who shall have all of the Board powers of the President during the continuance of the meeting as well as during the absence of the President.

R6 - 5/25/51; R-1729 – 1/21/04;

§1304 DUTIES AND POWERS OF VICE PRESIDENT

In the absence or disability of the President, the Vice President shall perform all of the duties of the President.

R452 - 1/18/67; R631 - 1/24/73; R-1729 – 1/21/04

§1305 DUTIES OF SECRETARY

The Secretary shall post all notices and agendas required by law, shall keep a record of all proceedings had at meetings of the Board, and shall be custodian of the MWDOC Seal and all documents pertaining to MWDOC affairs. In accordance with California Code of Regulations, Title 2, Section 18227, the Secretary shall serve as filing officer or filing official, responsible for receiving, forwarding or retaining statements of economic interest or campaign statements. The Secretary, in addition to the duties imposed by law, shall perform such duties as may be assigned by the Board. The Board may appoint one or more Deputy Secretaries. Under the direction of the Board and the Secretary, each such Deputy Secretary shall assist the Secretary in performance of the Secretary's duties, and shall perform such other duties as provided by the Board.

Motion - 4/20/94;

§1306 DUTIES OF TREASURER

The Treasurer and/or such other persons as may be authorized by the Board, shall invest and monitor MWDOC funds and draw checks or warrants to pay demands when such demands have been audited and approved in the manner prescribed by the Board. The Board may appoint one or more Deputy Treasurers or Alternate Deputy Treasurers who shall perform the duties of the Treasurer in the absence of the Treasurer.

R1166 - 3/23/83; R1277 - 12/18/85; R1429 - 1/16/91; R1434 - 4/3/91; Motion 4/21/93;

§1307 GENERAL MANAGER

a. Powers and Duties of the General Manager

The Board employs a General Manager to carry out its policies, manage MWDOC operations and provide day-to-day supervision of MWDOC employees and control of MWDOC expenditures, and the Board has determined that clear delineation of the General Manager's authority is essential to effective MWDOC management. The General Manager may appoint a designee to act on his behalf in cases of his temporary absence.

Specifically, the Board delegates to the General Manager or his designee the authority to:

- 1) make and carry out management decisions in conformity with Board-established MWDOC policies;
- 2) employ, terminate, assign duties to, and direct the day-to-day activities of all MWDOC employees consistent with California law and the policies and procedures set forth in the MWDOC Personnel Manual. The Board retains authority to employ, terminate, and assign duties to the General Manager, Secretary, Treasurer, and Legal Counsel. The Board retains authority to establish salary ranges for all employees, and to authorize employee travel on MWDOC business outside the State of California;
- 3) establish MWDOC employee job classifications and descriptions, subject to periodic review of overall personnel utilization by Board. The Board retains authority to control overall staffing levels by setting number of authorized positions;
- 4) direct activities of contractors performing services for MWDOC including the authority to retain, define the scope of efforts of, and dismiss consultants;
- 5) manage MWDOC financial operations, oversee the investment of MWDOC funds and assure MWDOC funds are expended in conformity with Board-approved budgets and applicable laws. Annual budget shall be proposed in form and at level of detail as determined by Board. Upon Board approval of budget, General Manager shall have authority to commit budgeted funds for purposes and up to limits authorized for each budget category. When not authorized by the budget, the General Manager, but shall seek specific authorization from the Board to expend budgeted sums in excess of \$25,000 for any contract or purchases except as otherwise authorized in Exhibit A (Section 8000); General Manager shall review budget status quarterly with Board, and shall propose corrective action if revenues or expenditures vary materially from budget. The General Manager shall have the authority to move budgeted funds between cost centers, however the General Manager must notify the Board when moving between cost centers. Board approval is required to move funds between core and choice budget items, and to re-allocate grant funding. Funds that may not be moved between cost centers are (1) movement between core and choice budget items, and (2) grant funding.
- 6) expend non-budgeted funds to meet an emergency which adversely affects,

directly or potentially, ability of MWDOC to perform its services; which puts MWDOC property or personnel in jeopardy; or which may jeopardize health or property of the community or its residents. General Manager shall determine that an emergency exists and shall inform Board of the emergency, at the earliest opportunity, the steps taken and expenditures incurred to meet it;

7) propose and carry out, upon Board approval, MWDOC management objectives and plans;

~~7)8)~~ remove or prohibit an item that has passed through a Committee from being presented to the full Board (only with the concurrence of the Committee Chair);

~~8)9)~~ Board retains to itself, sole authority to accept and convey, on behalf of MWDOC, real property or real property rights, and water and capacity rights.

b. Rights and Benefits of General Manager

Unless otherwise set forth in this Administrative Code, the employment rights and benefits for the General Manager are limited to those enumerated in the General Manager's written employment contract with MWDOC. No employment rights or benefits for the General Manager are contained in the MWDOC Personnel Manual.

c. Compensation of General Manager

The salary of the General Manager shall be fixed at a flat rate set by the Board of Directors upon recommendation by the Executive Committee. Merit increases will be instituted in accordance with the approved Pay Increase Guidelines included in the Board Performance Evaluation Policy.

d. General Manager's Evaluation Process

The General Manager's evaluation process shall be in accordance with the Board Performance Evaluation Policy, as follows:

- On a quarterly basis the General Manager is expected to report on progress in attaining goals
- The performance appraisal will cover the prior fiscal year period of July 1 to June 30
- The performance appraisal is completed in October
- A mid-year update may be conducted in March of each year
- The Board shall conduct the appraisal interview with the General Manager in closed session

Specific details on the evaluation process is included in the Board Performance Evaluation Policy regarding Evaluation of the General Manager and can be obtained from the District Secretary and Human Resources.

R1201- 8/24/83; Motion - 4/21/93; Motion – 11/25/96; Motion 5/18/05; Motion 4/18/12

§1308 DUTIES OF LEGAL COUNSEL

The Legal Counsel shall be the legal adviser of MWDOC and shall perform such duties as may be prescribed by the Board. The Legal Counsel shall serve at the pleasure of the Board, and shall be compensated for services as determined by the Board.

Motion - 4/21/93;

§1309 DUTIES OF AUDITOR

The Board shall appoint by majority vote, an Auditor, and shall determine the duties and compensation. The auditor shall serve a term ~~not~~ longer than five (5) years.

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

MWDOC DIRECTORS	§1400-§1405
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§1400 DIRECTORS' COMPENSATION

The amount of compensation to be received by Directors shall be pursuant to Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the Board may increase its compensation only to the maximum allowed for one year with no catch-up provision. Members of the Board shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206 of this Code.

The Compensation Vouchers shall be approved by the Board President. In the absence of the Board President, any member of the Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers.

So that they may devote as much time as is necessary or beneficial to the full performance of their roles, such compensation shall be paid for each day's attendance at meetings of the Board, its Committees, and other functions deemed necessary and approved or ratified by the Board. Attendance at all meetings/conferences require Board approval or ratification except those meetings outlined in Section 1403 (meetings that do not require prior Board approval or ratification). The maximum number of days for which a Director may receive compensation shall not exceed ten in any calendar month.

R724 - 7/23/75; R1242 - 10/24/84; Ord. 33 - 1/22/86; Ord. 38 - 3/7/90; Ord. 40 - 12/9/92; R1472 - 12/9/92; R1504 - 2/16/94; R1524 - 12/21/94; 11/15/95; R1552 - 1/17/96; R1572 - 12/18/96; Motion - 9/16/98; Motion - 6/16/99; Ord. 47- 4/18/01; Motion - 8/15/01; Motion - 9/19/01; Motion - 4/16/03

§1401 DIRECTORS BENEFITS

Board members are eligible to participate in any health and welfare benefit provided by MWDOC pursuant to Government Code Sections 53200(d) and 53201 and 53208 and in the Directors' pension plan. Directors are not eligible to participate in the CalPERS retirement benefit.

Motion - 2/6/91; Motion - 3/16/94; Motion - 7/16/97; Motion - 4/16/03; Motion 4/21/10

§1402 DIRECTORS LEAVING STATE

Pursuant to Government Code Section 1062, Board members shall seek consent of the Board for absences from the State of more than 60 days and shall notify the Secretary of the Board of such request at least 7 days prior to the meeting of the Board, when possible.

The Secretary shall place the request on the Consent Calendar of the agenda of the Board for its consideration. In the event there is insufficient time for the Director to provide said request or there is insufficient time to agendaize said request prior to the departure of the Director, the Secretary shall notify the President and Vice President and agendaize the matter for consideration by the Board as soon as possible. Directors are requested to notify the Secretary of expected absences from the State of less than 60 days at least 3 days prior to departure when possible. Board members traveling outside the United States and to locations within the United States that do not have facsimile access, shall execute a Waiver of Notice of Special Board Meetings effective for the duration of the Directors absence.

The Secretary shall notify the Board, to the extent possible, when a majority of the Board will not be available for the transaction of MWDOC business due to absence from the State.

R1252 - 1/23/85; Rev. 6/16/99; Motion – 4/16/03

§1403 DIRECTORS ATTENDANCE AT OTHER MEETINGS

It is recognized that each member of the Board expends a considerable amount of time and effort serving on committees and attending meetings. While the MWDOC and its Directors derive great benefit through participation in various meetings, Directors' attendance at conferences, conventions, workshops, seminars, etc. outside the MET service area requires prior authorization of the Board. Additionally, any registration exceeding \$5200 also must have prior authorization of the Board. Expenses incurred that do not meet the above criteria require Board ratification before expenses can be approved. Without approval or ratification of the Board, such expenses will not be reimbursable.

Attendance is authorized without prior authorization of the Board, at the following meetings, but shall be monitored by periodic Board review. Directors may attend, without prior Board approval, association board, council and committee meetings as necessary, if the Director has been appointed to a specific board, council or committee or association.

Additional meetings that do not require prior approval or ratification of the Board (to be eligible for per diem compensation and expense reimbursement) include attendance at:

- MET Board and Committee meetings
- Water-related Inspection Trips
- Member Agency Board and Committee meetings
- Meetings with members of the boards, city councils, or management staff of MET and agencies within Orange County regarding water-related issues (*see meal restrictions below)
- Meetings with legislators and/or legislative staff
- Independent Special Districts of Orange County (ISDOC) meetings
- Meeting with elected officials and/or the elected official's staff

- Meetings with representatives of bureaucracies at the local, state, and regional levels
- Water Advisory Committee of Orange County (WACO) meetings
- Orange County Water Association Meetings
- Educational and compliance training
- Other MWDOC or water-related meetings

In accordance with AB 1234, eEach Director shall provide a brief report (oral or written) on meetings attended at the expense of the District, at the next monthly Board meeting, to the Board regarding these meetings.

~~*Only breakfast and luncheon meetings shall be eligible for per diem compensation and expense reimbursement and do not require prior Board approval/ratification. Dinner meetings shall not be eligible for compensation or expense reimbursement, unless the event includes official business of MWDOC.~~

~~Breakfast and luncheon meetings held in the normal course of business (e.g. following regularly held Board and Committee meetings) between two or more Directors shall not be eligible for purposes of expense reimbursement.~~

Motion - 4/21/93; Motion – 6/16/99; Motion – 4/16/03

§1404 DIRECTOR PARTICIPATION IN MEETINGS VIA TELECONFERENCE

Directors may attend MWDOC Board and Committee meetings via teleconference provided the meeting has been duly noticed as a teleconference meeting and complies with the Ralph M. Brown Act ~~requirements~~. For the purposes of establishing a quorum of the Board, the Director participating in the meeting by teleconference must be participating from a location within the jurisdictional boundaries of MWDOC. A Director is entitled to vote from a teleconference location, which shall constitute attendance for which and shall be eligible for compensation.- All voting shall be done by roll call when a Director is teleconferencing.

Gov. Code 71255 and 53232.1

§1405 DIRECTOR AUTHORIZATION TO TRAVEL

Travel outside of California on MWDOC-related business by MWDOC Directors shall be undertaken upon the approval of the Board. Exceptions to this rule are MET or MWDOC sponsored inspection trips.

When it is necessary for the General Manager and/or Directors to travel outside California but not possible to receive Board approval prior to travel dates, the General Manager may approve travel outside California for himself and/or members of the Board. Please see §2300-2303 for Travel guidelines.

Rev. 6/16/99; Motion – 4/16/03

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

MWDOC MET DIRECTORS	§1500-§1505
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MWDOC appoints Directors to the Board of Directors of Metropolitan Water District of Southern California (MET). These Directors are appointed to serve at the pleasure of the Board. MWDOC/MET Directors' workshop meetings are held monthly to encourage exchange of ideas and information between the MWDOC Board and the MET Directors. Generally, the MWDOC Board avoids giving explicit direction on voting to the MET Directors, but may do so at any time.

§1500 APPOINTMENT OF MET DIRECTORS

A. APPOINTMENT PROCESS

The President of the MWDOC Board, with the consent and approval of the Board, shall appoint MET Directors to serve at the pleasure of the Board.

1. REVIEW OF CANDIDATES

The President of the Board will receive names and qualifications of proposed candidates submitted by MWDOC Directors.

2. SELECTION

To assist in the selection of a candidate, the President of the Board may appoint a Special Committee of the Board to interview and/or discuss the list of potential candidates. The Committee shall submit its recommendation to the President and the Board. The MWDOC Board shall retain a minimum of two (2) of the four (4) available MWDOC seats on the MET Board.

3. TERM OF OFFICE

The MWDOC Board shall appoint its MET Directors to serve at the pleasure of the Board.

B. QUALIFICATION OF CANDIDATES

The following guidelines shall be used to evaluate the qualifications of MET Director candidates:

1. AREA OF REPRESENTATION

MET emphasizes that MET Directors are required to consider problems and issues from the standpoint of their Metropolitan responsibility (i.e., a Southern California regional perspective). In addition, MWDOC requires that the candidate(s) shall represent the interests of the entire MWDOC service area in

carrying out the responsibilities of a MET Director. While the candidate(s) will be nominated from a specific geographical area of Orange County, the Director must represent the interest of the entire MWDOC and MET service areas. The candidate shall represent the interests of the MWDOC service area in carrying out the functions and responsibilities of a Director on the MET Board. A balanced geographical representation and dependence on imported water supplies shall be considered.

2. MEETING ATTENDANCE

The candidate shall be able to regularly attend the meetings related to the duties of being a MET Director and is expected to allot adequate time to prepare for and participate in the activities associated with the position. If a candidate is employed, the candidate must submit evidence of approval from his employer that the time commitments are allowed.

3. LEADERSHIP AND ACTIVITIES

The candidate should plan to participate actively in the affairs of MET, representing the interest of MWDOC. The candidate shall have a broad base of acquaintanceship and support within Orange County, as the candidate needs to be able to call upon supporting groups who have knowledge of subject matter on a broader regional and/or national basis. The candidate's field of expertise should be an avenue for seeking support of experts in those special areas when the endeavor is within the MWDOC and MET framework. The candidate is expected to be an active, credible representative of MWDOC.

4. RESIDENCE

The candidate shall be a resident of Orange County and must reside within the MWDOC service area.

5. INCOMPATIBILITY OF OFFICE

It is the position of the MWDOC Board of Directors that the candidate they approve and appoint as a MET Director must correct potential incompatible office conditions prior to assuming the MET Director role. Such conditions would include the public offices of Director, City Council Member, or Mayor of one of the MWDOC Member Agencies. Incompatibility also would apply to City Managers and General Managers as principal executive officers of member agencies. Candidates would not need to resign the incompatible office to be nominated or tentatively selected as a MET Director. However, the candidate would need to resign the incompatible office, as defined by the MWDOC Board, with an effective date prior to being sworn in as a MET Director.

§1501 REQUEST BY MWDOC MET DIRECTORS TO SEEK ELECTED OFFICE AT MET

A MWDOC/MET Director desiring to seek any elected office of the MET board shall first obtain concurrence of the MWDOC Board.

Motion – 4/21/93; Motion – 5/27/98; Motion – 1/20/99; Ord. No. 46-12/6/00

§1502 MET DIRECTORS' COMPENSATION

The amount of compensation to be received by MET Directors shall be pursuant to Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the MWDOC Board may increase the compensation only to the maximum allowed for one year with no catch-up provision. MET Directors shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206. The Compensation Vouchers shall be approved by the MWDOC Board President. In the absence of the MWDOC Board President, any member of the MWDOC Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers. The maximum number of days for which a MET Director may receive compensation shall not exceed 10 in any calendar month in addition to any days for which the MET Director may be compensated as a MWDOC Director.

Ord. 38 - 3/7/90; Ord 40 - 12/9/92; R1472 - 12/9/92; 11/15/95; R1552 – 1/17/96; R1572 – 12/18/96; R1596 – 12/17/97; Ord. 47- 4/18/01

§1503 MET DIRECTOR LEAVING STATE

MET Directors shall notify the Secretary of the Board of their request to be absent from the State for 60 days or more, at least 7 days prior to the meeting of the Board, when possible. The Secretary shall place the request on the Consent Calendar of the agenda of the Board for its consideration. In the event there is insufficient time for the MET Director to provide said request or there is insufficient time to agendaize said request prior to the departure of the MET Director, the Secretary shall notify the President and Vice President and agendaize the matter for consideration by the Board as soon as possible.

MET Directors should notify the Secretary of expected absences from the State of less than 60 days at least 3 days prior to departure when possible.

R1253 - 1/23/85;

§1504 CHANGE IN RESIDENCE OF MET DIRECTORS OUTSIDE BOUNDARIES OF MWDOC SERVICE AREA

If a MWDOC MET Director moves his or her residence, as defined in Section 244 of the Government Code, outside the boundaries of the MWDOC service area, and if within 180 days of the move or the effective date of this section, the MET Director fails to reestablish a place of residence within MWDOC's service area, the MWDOC Board shall presume that a permanent change of residence has occurred and the MET Director at issue is no longer eligible for appointment to that position.

M-9/21/09

§1505 LEAVE OF ABSENCE FOR MET DIRECTORS

For good cause, the MWDOC Board may authorize a leave of absence for a MWDOC MET Director of up to 90 days. Such an approval must be obtained prior to requesting a leave of absence from the MET Board. ~~At the Board's discretion, an interim MET Director may be appointed to serve during an authorized leave of absence.~~

M-9/21/09

§ 1506 TEMPORARY VACANCY APPOINTMENT

In the event a vacancy occurs on the MWDOC MET delegation, and to avoid any lapse in coverage, the MWDOC Board may appoint a new Director, considered by MWDOC as an "Interim MET Director," to serve on the MET Board until such time as the MWDOC Board concludes its MET Director appointment process. To allow a quick and seamless transition during the vacancy, the "Interim MET Director" shall be -(in the following order): (1) the immediate past President of the MWDOC Board; or (2) the MWDOC Board President, or; (3) the MWDOC Board Vice President; or (4) the MWDOC Public Affairs & Legislation Committee Chair; or (5) the MWDOC Administration & Finance Committee Chair; or (6) the MWDOC Planning & Operations Committee Chair.

In the rare event two vacancies occur at the same time on the MWDOC MET delegation, one vacancy shall be filled as outlined above. In the case where a second vacancy would create a quorum of the MWDOC Board as MET Directors (via the process above), the MWDOC General Manager shall serve as the second "Interim MET Director" until such time as the MWDOC Board concludes its MET Director appointment process

§ 1507 MWDOC MET DIRECTOR DELEGATION PROTOCOL

The Leader of the MWDOC MET delegation, who is empowered to speak on behalf of the MWDOC MET delegation and coordinate votes at MET, will be the elected MWDOC Director on the MET Board with the most seniority at MET. Should another member of the MWDOC MET delegation be elected as Chairman of the MET Board, they shall assume the position as Leader of the MWDOC MET delegation.

The Leader of the MWDOC MET delegation will be responsible for preserving the decorum of the delegation at MET, and they shall also chair the MWDOC MET Director Workshop Board meeting, the MWDOC MET delegation Caucus meetings, and all other meetings prior to MET's monthly board and committee meetings. In consultation with other members of the MWDOC MET delegation, the Leader will have the ability to select the time and location of all Caucus meetings of the MWDOC MET delegation.

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

APPOINTMENT TO ASSOCIATIONS/BOARDS	§1600-§1603
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The Board, by the end of February of each year, shall consider the appointment of members of various associations/boards. Members shall be appointed to those associations/boards by the President and ratified by adoption of a Board resolution unless otherwise directed.

§1600 APPOINTMENT TO SANTIAGO AQUEDUCT COMMISSION

The Santiago Aqueduct Commission (SAC) consists of seven members, one member and up to two alternates selected by each of the following agencies: El Toro Water District, Irvine Ranch Water District, Santa Margarita Water District, Trabuco Canyon Water District, Moulton Niguel Water District, and MWDOC, to manage and operate the aqueduct system.

The member and alternate(s) appointed to SAC are chosen from the governing body and staff of the Districts. The member and alternates serve at the pleasure of the governing body of the appointing agency. MWDOC's member to SAC represents MWDOC, East Orange County Water District, ~~Santiago County Water District~~, the County of Orange, and The Irvine Company.

SAC is composed of agencies which are contained within the boundaries of MWDOC's Divisions 5 and 6; MWDOC's representatives to SAC shall be the Director from Division 5 or 6. Nomination of the member and alternate(s) (to serve in the absence of the regular member) shall be made in February of each year by the President of the MWDOC Board and ratified by adoption of a resolution. The alternate may be selected from among the members of the MWDOC Board-at-large and/or the staff.

Minute action 5/13/81; R1256 - 2/27/85; R1309, 7/2/86; Minute action 8/6/86; R1317, 2/4/87

§1601 APPOINTMENT TO MWDOC WATER FACILITIES CORPORATION

In April 1978, MWDOC formed the MWDOC Water Facilities Corporation (WFC), a nonprofit corporation to assist in financing the construction of the Allen-McColloch Pipeline. The Corporation consisted of five members who were appointed by the MWDOC Board to act as its directors.

Effective December 31, 2000, the MWDOC WFC Board is governed by the MWDOC Board of Directors sitting as the ex-officio Board of Directors to the Water Facilities Corporation.

The MWDOC Board of Directors perform the duties and obligations of the Water Facilities Corporation by virtue of and for the same term as they hold office as a Director of the Municipal Water District of Orange County.

The MWDOC Board of Directors shall receive no additional compensation for serving as Directors of the Water Facilities Corporation over and above the compensation which they receive as Directors of MWDOC.

Minute Action - 4/20/78; Motion - 6/17/96; Res. No. 1646 –11/15/00

§1602 APPOINTMENT TO WATER ADVISORY COMMITTEE OF ORANGE COUNTY (WACO)

In 1983, a joint committee of representatives of Coastal Municipal Water District, Municipal Water District of Orange County, and Orange County Water District was created to encourage discussion and agreement between Orange County water agencies on water-related issues, coordinate the development of Orange County water policies, and provide a forum for communication between County government and the Orange County water community. The member representatives were subsequently increased to include the cities of Anaheim, Fullerton and Santa Ana, plus all retail water agencies, including cities with water departments, and Public Utilities Commission regulated water utilities.

WACO also formed a Planning Committee which meets monthly to arrange a WACO program of activities and educational forums for the regular monthly WACO meetings. Representatives from MWDOC, Orange County Water District, the cities of Anaheim, Fullerton, and Santa Ana, as well as other interested agencies, comprise the WACO Planning Committee.

MWDOC shall designate two Directors to serve as WACO Representatives. In the event such Directors are unable or unwilling to serve, then the agency shall designate alternate members. MWDOC's representatives shall be members of the Board. The nomination of two representatives shall be made in February of each year by the President of MWDOC's Board and ratified by the MWDOC Board.

R1207 - 9/28/83; R1346 - 5/4/88; Motion - 4/21/93;

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

DISTRICT AND INDIVIDUAL MEMBERSHIPS	\$1700
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§1700 GENERAL POLICY

~~The~~ MWDOC ~~has~~Strategic Plan identified the need for directors and staff to be involved with other associations to disseminate and acquire information, participate in forums which could lead to consensus building, and gain the support for and understanding of existing and future water supply needs as well as to represent MWDOC's financial interests.

~~A MWDOC Membership Action Plan was developed to document MWDOC's participation in various associations. It identifies the purpose of each association, identifies the staff and/or Directors who will be involved, their capacities, the frequency of meetings, the dues of the association, a narrative explaining the purpose of MWDOC's participation, and a recommendation for continued participation.~~

During the annual Budget process, the Board reviews and approves all District memberships and sponsorships.

Individual memberships in the Colorado River Water Users Association (CRWUA) are authorized for members of the MWDOC Board who will be attending conferences and staff as authorized by the General Manager. Individual memberships in the Orange County Water Association (OCWA) are authorized for members of the MWDOC Board and staff as authorized by the General Manager. At such time that an individual membership exceeds \$500, the matter of renewal would be submitted to the Administration & Finance Committee for consideration.

Due to the varying degrees of commitment, in terms of time and related costs, necessary for active participation in these associations, it is recommended a formal process for appointments to association boards and committees be implemented. In February of each year, the Board President (with ratification by the Board) shall make appointments for participation in the various associations that the District belongs. Upon approval of these appointments, the District Secretary shall prepare and post on the District's website, Fair Political Practices Commission (FPPC) Form 806 outlining all Director appointments. This form is used to report additional compensation that officials receive when appointing themselves to positions on committees, boards, or commissions of another public agency or to a committee or position of the agency of which the public official is a member. This form is required pursuant to FPPC Regulation 18705.5. Each agency must post on its website a single Form 806 which lists all the paid appointed positions to which an official will vote to appoint themselves. When there is a change in compensation or a new appointment, the Form 806 is updated to reflect the change. The form must be updated promptly as changes occur.

In those instances where a Director or staff would like to participate in an entity that was not previously approved/ratified (as stated above), the~~The~~ proposed appointment of

Directors and staff will be presented to the Executive Committee by the Board President and subsequently to the Board for approval prior to submission of interest or nomination to the individual associations. On occasions when prior approval is not feasible, either due to timing or information limitations, the matter will be presented to the Board for concurrence and ratification.

Motion - 2/24/82; Motion 5/26/82; Motion - 10/4/89; Motion - 3/6/91;

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

DIRECTORS VEHICLE AND MILEAGE REIMBURSEMENT POLICY	§1800 - §1804
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The following provisions outline the guidelines for Directors' mileage reimbursement, and insurance requirements. Please consult MWDOC's Personnel Manual for staff vehicle policy provisions (including provisions on Automobile Allowances).

§1800 GENERAL

When necessary during the course of a Director's official duties, transportation or reimbursement shall be provided by the District. The transportation method authorized will be determined in terms of the best interest of the District and in accordance with the provisions of this policy. Directors are not eligible to receive an Automobile Allowance (staff provisions are included in the Personnel Manual).

§1801 PURPOSE

It is the purpose of this policy to establish and provide for the implementation of procedures relative to the reimbursement procedures and insurance requirements for privately-owned vehicles used for MWDOC business and for which MWDOC pays mileage.

§1802 DRIVER RESPONSIBILITY

1. Only those Directors who possess a valid California driver's license may drive on behalf of the District. .
2. It is the responsibility of all Directors who drive vehicles on District business to practice safe and defensive driving.

~~3. As required by the District's insurance carrier, all Directors who receive mileage reimbursement, are to attend, at District cost, a defensive driver training course every four years or more often if driving record so dictates.~~

~~It is mandatory that lap belts and shoulder harnesses be used by the driver and all passengers.~~

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

DIRECTORS VEHICLE AND MILEAGE REIMBURSEMENT POLICY	§1800 - §1804
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§1803 MILEAGE REIMBURSEMENT

Directors are to use their own vehicles and be reimbursed for mileage driven when on official District business at the rate then permitted by the IRS. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage reimbursement rate.

§1804 INSURANCE REQUIREMENTS

Directors driving personal vehicles on MWDOC business, shall maintain insurance to cover their normal private use of the vehicle. Directors of the District who are paid mileage reimbursement as set forth in Section 1803 for use of privately-owned automobile for District business, shall possess and maintain insurance on such automobile as mandated by law with liability coverage acceptable to the District. ~~Each Director shall provide private automobile insurance information which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of Director, insurance company, policy number, and expiration date.~~

CHAPTER 2

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

FINANCIAL MATTERS	§2000-§2008
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§2000 GENERAL POLICY

MWDOC activities are financed, to the extent possible, from water revenues, taxes, assessments, interest on investments, and any other revenue sources authorized by law. The Board establishes MWDOC fiscal policies and carefully reviews fiscal performance. The Board delegates to the General Manager the authority to manage MWDOC's day-to-day financial operations, including the investment of MWDOC funds and expending MWDOC funds in conformity with Board-approved policies, budgets and applicable laws. The General Manager also has the authority to expend non-budgeted funds to meet an emergency, as defined elsewhere in this Code, and inform the Board of the emergency, the steps taken and the expenditures incurred to meet such emergency.

R1201 - 8/24/83; Motion - 11/25/96;

§2001 BUDGET PREPARATION AND REVIEW

The MWDOC's fiscal year runs from July 1 to June 30. There shall be prepared, under the direction of the General Manager, a proposed annual consolidated budget which shall be submitted to all the members of the Board no later than the date of the regular Board meeting in May, immediately preceding the fiscal year to which the budget applies. The proposed budget shall indicate by fund all anticipated expenditures and required reserves and the source of moneys to be used to meet such expenditures and provide such reserves. Copies of the proposed budget shall be reviewed with the Administration & Finance Committee and the Member Agencies in advance of adoption of the Budget. After considering the proposed budget and making any revisions thereto that it may deem advisable, the Board shall adopt the budget before the beginning of the fiscal year to which the budget applies.

All amendments to the budget or transfers of operating budget appropriations ~~to or from~~ reserve accounts require the approval of the Board. The General Manager is authorized ~~to transfer budgeted amounts within and between Cost Centers. Programs to move budgeted funds between cost centers, with notification to the Board. Board approval is required to move funds between core and choice budget items, and to re-allocate grant funding.~~ The General Manager shall review with the Administration & Finance Committee, at least quarterly, the status of the budget and any transfer of budgeted amounts, and propose appropriate corrective actions if revenues or expenditures vary materially from the budget.

Motion - 4/21/93;

§2002 ESTABLISHING FUNDS

To provide for accountability of public monies in accordance with applicable federal and state law and regulations, bond covenants, tax and non-arbitrage certificates, bond counsel letters of instruction and Board policies, all funds of MWDOC shall be maintained in accordance with standards for accounting and reporting established by the Government Accounting Standards Board (GASB).

§2003 BANKING SERVICES

Any state or national bank designated by the Board as an official depository for funds of MWDOC may be requested, authorized and directed to honor all checks, drafts or other orders for the payment of money drawn in MWDOC's name on its accounts when bearing the electronic facsimile signature of the members of the Board, Treasurer, Deputy Treasurer, Accounting Manager, Director of Finance, Assistant General Manager, and/or General Manager. Said banks shall be entitled to honor and to charge MWDOC for all such instruments, regardless of by whom or by what means the actual electronic facsimile signature thereon may have been affixed thereto, if such electronic facsimile signature is identical to one of the specimen electronic facsimile signatures filed with the said banks. Authorized signatures for MWDOC's accounts are established by resolution of the Board, members of the Board, Treasurer, Deputy Treasurer, Accounting Manager, Director of Finance, Assistant General Manager and/or General Manager.

R17 - 7/19/51; R278 - 9/15/62; R476 - 5/15/68; R485 - 8/21/68; R532 - 10/28/70; Minute action - 3/4/87; R1326 - 4/1/87; R1375 - 4/5/89; R1446 - 11/6/91; R1480 - 1/20/93; Motion - 4/21/93; R1561 - 7/17/96; R1565 - 10/16/96; R1641 - 3/15/00; R1654 - 1/17/01

§2004 CHECK SIGNER DISBURSEMENT CONTROL MEASURES

~~All MWDOC disbursement checks must be processed through the check signer. General disbursement checks require two authorized signatures; one of which shall be an authorized signature processed through the check signer, and one of which shall be a handwritten original signature of another authorized signatory. Payroll disbursement checks require one authorized signature, which will be processed through the check signer. Check signer keys will be assigned so that no one individual will possess both keys needed for operation of the check signer. During emergency periods when the check signer is not operable, manual signatures are allowed.~~

All disbursements are processed via a check or electronically through ACH.

Check Procedures

Accounts Payable disbursement checks require two authorized signatures; the current President of the Board of Directors, which is electronically printed on the check and an original signature from the Director of Finance, General Manager or Assistant General Manager. Payroll disbursement checks require one authorized signature, which is the current President of the Board of Directors' electronically printed signature. The electronic signature is imported from a folder under the Finance drive.

~~The blank checks are kept shall be secured in a locked computer room with access given accessible to Tthe Director of Finance, Accounting Manager, Financial Analyst, and Network Administrator, of which, tThe Accounting Manager and, the Financial Analyst, and the Accountants are authorized -have access to print checks along with the Accountants. All checks require an online Positive Pay filing through Bank of America online. if none exists, Tthe Accounting Manager or Financial Analyst shall have the authority to make appropriate filings with MWDOC's bank to authenticate the transactions release positive pay upon receiving and reviewing the Positive Pay notice from Bank of America will send an email notifying the Finance department when the check is trying to clear. The Accounting Manager and Financial Analyst have access to file and release a Positive Pay.~~

ACH Procedures

~~All ACH disbursements are reviewed by the Accounting Manager and approved by the Director of Finance, General Manager or Assistant General Manager. The initial ACH report is shall be reviewed and approved by the Accounting Manager; and the final ACH report is shall be reviewed and approved by the Director of Finance, General Manager or Assistant General Manager. These final report is shall be filed with the uploaded to bBank of America online for disbursement. No changes can shall be made to the final report unless an item is voided, in which case and then the approval process starts over shall restart with the review of the initial ACH report.~~

Minutes action - 10/2/91

§2005 APPROVAL OF VOUCHERS

~~Except for payment of the principal or interest on MWDOC bonds and for making investments, each disbursement must be supported by a voucher, certified by the Finance Manager. To each voucher must be attached, or incorporated by reference, such contract documents, invoices, receiving memoranda signed by an officer or employee qualified to attest to the receipt of the materials or services and as to their conformance with the terms of the contract, and other papers as are necessary for the complete documentation of the propriety of the disbursement.~~

~~Except for payment of the principal or interest on MWDOC bonds and for making investments, each disbursement must be supported by appropriate documentation, i.e. such as an invoice, or voucher, etc., and approved electronically or manually and in writing by the Director of Finance or the Accounting Manager. Each document must have attached, or incorporated by reference, such contract documents, invoices, receiving memoranda signed by a manager or employee qualified to attest to the receipt of the materials or services and as to their conformance with the terms of the contract, and other papers as are necessary for the complete documentation of the propriety of the disbursement.~~

Motion - 4/21/93; Motion - 11/25/96;

§2006 YEARLY AUDIT REPORT

At the end of the fiscal year, or at the Board's pleasure, an outside accounting firm audits MWDOC. The audit summarizes MWDOC's financial activities for the year, and also contains historical information on MWDOC's financial enterprises. The Board has given the General Manager the authority to retain an audit firm to perform MWDOC's auditing services for a period not to exceed five consecutive years.

Motion - 2/9/53; Minute action - 5/11/53; Minute action - 7/13/53; Motion - 9/14/53; Motion - 9/12/55; Motion - 11/14/55; Minute action 11/7/56; Motion - 9/4/57; Minute action - 7/2/58; Motion 6/6/62; Minute action - 4/4/78; Motion 11/22/78; Motion - 5/17/95;

§2007 REPORT TO STATE CONTROLLER

State law requires all special districts to file ~~an~~ (1) an Annual Report of Financial Transactions of Special Districts, and (2) an annual Local Government Compensation Report with the State Controller. The completed reports must be filed within 90 days after the close of each fiscal year. ~~-(CA Government Code §53891)-~~

Motion - 4/21/93; Gov. Code 53891

§2008 TIER TWO CONTINGENCY FUND

- ~~1. **Creation of Tier Two Contingency Fund:** From the revenues derived by MWDOC on the sale of all water subject to MWDOC's water rate, an amount equal to the difference between MWDOC's molded water supply rate and Metropolitan's Tier One rate, shall be deposited into a restricted fund designated the "Tier Two Contingency Fund", which fund shall be restricted to the uses and purposes specified herein.~~
- ~~2. **Uses of Tier Two Contingency Fund:** Money deposited into the Tier Two Contingency Fund shall not be expended or transferred except for the following purposes:~~
 - ~~(a) **Payment of Tier Two Costs:** Funds from the Tier Two Contingency Fund may be expended to pay the difference between Metropolitan's Tier One and Tier Two water rates, in the event MWDOC's water purchases from Metropolitan exceed the Tier One block.~~
 - ~~(b) **Cash Flow Management:** Funds from the Tier Two Contingency Fund may be advanced to the General Fund to pay those charges which are imposed on MWDOC by Metropolitan, the revenues designated to pay for such charges are collected by MWDOC over a different period. Advances made for such purposes shall be repaid into the Tier Two Contingency Fund, as the revenues designated to pay such charges are collected by MWDOC.~~

~~(c) Rate Stabilization: To the extent funds from the Tier Two Contingency Fund are not immediately needed for the purposes set forth in subsections (a) and (b) hereof, the Board may utilize such funds to offset any increase in water rates or charges imposed by Metropolitan which would otherwise necessitate an increase in MWDOC's water rate.~~

~~3. **Maximum and Minimum Fund Targets:** The Fund balance will be managed to achieve a calendar year end balance between a minimum and maximum target. The target amount will be determined as:~~

~~(a) Minimum Fund Target: The Minimum Fund Target shall be determined as sufficient funds to purchase 25,000 acre feet of Tier 2 supply multiplied by the differential in the Tier 2 and Tier 1 Metropolitan Supply Rate.~~

~~(b) Maximum Fund Target: The Maximum Fund Target shall be determined as sufficient funds to purchase 50,000 acre feet of Tier 2 supply multiplied by the differential in the Tier 2 and Tier 2 Metropolitan Supply Rate.~~

~~4. **Disposition of Excess Funds:** After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. If the Fund Balance exceeds the Maximum Fund Target, a credit shall be issued to the member agencies. The General Manager shall present an analysis to the Board to determine the appropriate credit amount taking into account projected water sales, variations in weather, the Molded Supply Rate, rate stability objectives, and the Tier 2 Contingency Fund targets. The Board shall review the General Manager's recommendation and determine the appropriate credit amount. The credit amount will be distributed to the member agencies in proportion to the amount of "molded rate" water each agency purchased in the calendar years since the last credit was issued (or from the fund inception date if no prior credit has been issued). The credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).~~

MET has a tiered rate structure, wherein Tier 1 rates apply to a specified annual volume. The higher Tier 2 rates apply to purchases above that specified volume.

1. **Creation of Tier Two Contingency Fund:** MWDOC has established the Tier Two Contingency fund for the uses and purposes specified herein, as well as other uses as approved by the MWDOC Board. From time to time it may be necessary to increase the level of funds, utilize the funds for the purposes specified herein, or to reduce the level of funds being held by MWDOC. Historically, MWDOC has funded the Tier Two Contingency Fund by assessing a "molded water supply rate" on all firm water sales by increasing the supply rate from that charged by MET by an amount equal to the molded water rate increment.

2. **Uses of Tier Two Contingency Fund:** Funds deposited into the Tier Two Contingency Fund shall not be expended or transferred except for the following purposes:

(a) Payment of Tier Two Costs: Funds from the Tier Two Contingency Fund may be expended to pay the difference between MET's Tier One and Tier Two water rates, in the event MWDOC's water purchases from MET exceed the Tier One block of allowable purchases.

(b) Cash Flow Management: Funds from the Tier Two Contingency Fund may be advanced to the General Fund to pay those charges which are imposed on MWDOC by MET, when the revenues designated to pay for such charges are collected by MWDOC over a different period. Advances made for such purposes shall be repaid into the Tier Two Contingency Fund, as the revenues designated to pay such charges are collected by MWDOC.

(c) Rate Stabilization: To the extent funds from the Tier Two Contingency Fund are not immediately needed for the purposes set forth in subsections (a) and (b) hereof, the Board may utilize such funds to purchase water or offset any increase in water rates or charges imposed by MET which would otherwise necessitate an increase in MWDOC's water rate.

3. **Maximum and Minimum Fund Targets:** The Fund balance will be reviewed from time to time and managed by MWDOC to achieve a calendar year end above the minimum target based on a risk analysis performed by MWDOC staff regarding the likelihood of having to purchase Tier 2 water under various hydrologies and demand situations.

(a) As of January 2015, the MWDOC Board established both the Minimum and Maximum Fund Target at approximately \$1,000,000, due to the diminished likelihood of purchasing MET water above the Tier 1 limit. At the current differential between Tier 1 and Tier 2, the minimum level of funding provides the ability to purchase about 7,500 AF of water.

(b) The Board may consider changes in the Policy of utilizing these funds to pay for the Tier 2 purchases differential based on the circumstances that are involved at such time as MWDOC purchases exceed the Tier 1 limit. The Tier 2 Contingency Fund was established within MWDOC to provide a regional mechanism to fund purchases above the Tier 1 limit such that any single MWDOC Member Agency would avoid direct exposure. Also, it avoided the need for MWDOC to allocate a Tier 1 limit to its Member Agencies. Tier 2 purchases can be triggered by a number of events in the County such as large purchases of water into Irvine Lake, large purchases of water for groundwater replenishment and large purchases of imported water due to a decrease in the OCWD Basin Production Percentage (BPP). Based upon how such circumstances arise, the Board may consider changes to this policy if they determine there is a more appropriate manner of dealing with Tier 2 costs. MWDOC's A&F Committee and Board reviewed the issues of Tiered or Melded Water Rates for Tier-1 and Tier-2 purchases from MET in November 2004, and retained the Melded Rate, with a provision for further review should OCWD's BPP fall below 60% in the future. Based upon such circumstances, the Board may consider one of the following actions:

4. **Disposition of Excess Funds:** After the conclusion of each calendar year, the General Manager will review the year end Tier 2 Fund Balance (adjusted for certifications of non firm water purchases) and report this amount to the Board of Directors. The Board may consider issuing a credit to the member agencies or consider other uses of funds which would result in long-term savings to the District. The General Manager shall present an analysis to the Board to determine the appropriate credit amount taking into account projected water sales, variations in weather, the Molded Supply Rate, rate stability objectives, and the Tier 2 Contingency Fund targets. The Board shall review the General Manager's recommendation and determine the appropriate credit amount. The credit amount, if issued, will be distributed to the member agencies in proportion to the amount of "molded rate" water each agency purchased in the calendar years since the last credit was issued (or from the fund inception date if no prior credit has been issued). In the event credits are to be provided, the credit will be provided to each member agency either in check form or as a credit on the monthly water invoice (at the choice of the member agency).

§2009 RESERVE POLICY --BOARD WANTS SIMPLIFIED

The MWDOC Reserve Policy became effective June 1, 2011 and will last five years. This policy agreement categorizes the reserves as follows into the following categories:

- General District
- Cash Flow
- Election Expense
- Building Expense
- OPEB Reserves

General District Reserves:

The agreement states that the General District Reserve should be set at \$1.85 million as of July 1, 2010 and should increase by the inflation rate each year. The following table shows a brief history of the General District reserves.

<u>MWDOC General Reserves</u>					
<u>Fiscal Year</u>	<u>Inflation Rate</u>	<u>Increase</u>	<u>Reserve Ending Balance Should Be per Agreement</u>	<u>Actual Reserve Ending Balance</u>	<u>Difference</u>
<u>FY2010-11</u>	<u>2.25%</u>	<u>41,625</u>	<u>1,891,625</u>	<u>1,760,000</u>	<u>(131,625)</u>
<u>FY2011-12</u>	<u>2.35%</u>	<u>44,453</u>	<u>1,936,078</u>	<u>1,213,000</u>	<u>(723,078)</u>
<u>FY2012-13</u>	<u>1.60%</u>	<u>30,977</u>	<u>1,967,055</u>	<u>1,672,000</u>	<u>(295,055)</u>
<u>FY2013-14</u>	<u>1.50%</u>	<u>29,506</u>	<u>1,996,561</u>	<u>1,986,000</u>	<u>(10,561)</u>
<u>FY2014-15⁽⁺⁾</u>	<u>1.50%</u>	<u>29,948</u>	<u>2,026,510</u>	<u>2,028,000</u>	<u>1,490</u>

— Projected

Cash Flow:

Cash flow reserves should be set at \$1.00 million and said amount shall be reviewed from time to time for appropriateness based on the District's current operational needs. These have remained at \$1.00 million for cash flow purposes since June 1, 2011 and the recommendation is to leave it at that level.

Election expense:

MWDOC's we should have enough money in the election reserve shall be managed to fund to cover up to seven elections every four years. Based on previous election costs we have determined that \$1.04 million (or \$148,000 per division) shall would be is sufficient to cover seven elections. This requires that \$260,000 be contributed to the election reserve annually. These estimates will be updated annually as part of the budget process. -with a reserve cap of \$600,000 (since a maximum of four elections occur every other year and not all the districts are contested). The following table shows a brief history of the Election Expense Reserves. In the event the election funds are not fully utilized, the Board may consider other uses that would lower the long-term costs of the District.

MWDOC Election Reserves			
Fiscal Year	Beginning Reserve Balance	Contribution	Election Expenses
<u>FY2010-11</u>	<u>500,000</u>	<u>128,000</u>	<u>128,000</u>
<u>FY2011-12</u>	<u>500,000</u>	<u>0</u>	<u>0</u>
<u>FY2012-13</u>	<u>500,000</u>	<u>225,000</u>	<u>497,000</u>
<u>FY2013-14</u>	<u>228,000</u>	<u>0</u>	<u>0</u>
<u>FY2014-15⁽⁺⁾</u>	<u>228,000</u>	<u>260,000</u>	<u>444,000</u>

—Projected

Building Expense:

MWDOC Building Reserves should be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility. The plan for rebuilding the building reserves is to contribute after the election reserves until 350k is reached. The following table shows brief history of the Building Expense Reserves.

A major renovation of MWDOC's HVAC Air Handler was completed this year. Additional work is required to be completed with OCWD on the boiler unit and the chiller unit that provide hot water and cold water to both buildings and to the Energy Management System that controls both buildings. MWDOC's estimated cost for the coming year has been estimated at \$168,000. Additional future work on the roof will be required in the next several years; a cost estimate for the roofing work has not be completed at this time.

MWDOC Building Reserves			
Fiscal Year	Beginning Reserve Balance	Contribution	Building Expense
<u>FY2010-11</u>	<u>350,000</u>	<u>0</u>	<u>0</u>
<u>FY2011-12</u>	<u>350,000</u>	<u>0</u>	<u>0</u>

<u>FY2012-13</u>	<u>350,000</u>	<u>37,125</u>	<u>37,125</u>
<u>FY2013-14</u>	<u>350,000</u>	<u>0</u>	<u>239,000</u>
<u>FY2014-15⁽⁴⁾</u>	<u>111,000</u>	<u>407,000</u>	<u>168,000</u>
<u>Projected</u>			

OPEB Reserve:

To the greatest extent practicable, any excess from higher reserve targets shall be deposited into MWDOC's OPEB trust.

The agreement states that initially there should be a contribution of \$500,000 in FY11-12 with \$120,000 annual contributions to fully fund the liability in 20 years. The \$120,000 was decided before the 2011 actuarial report was prepared. The 2011 report recommended an annual 20-year level pay amount of \$155,000.

In managing MWDOC's OPEB liability, the Board has taken the following actions:

- Beginning in January 2013, MWDOC no longer provides medical benefits to retirees after they become Medicare eligible, except for a supplemental Medicare policy in the amount of \$1800 annually. This will substantially reduce future OPEB costs after dealing with the existing employees who qualified for the prior benefits.
- The Board requested that staff examine options for accelerating the payoff of the OPEB liability by increasing the annual payments.
- The Board also took action on February 19, 2014 to utilize funds remaining from the Capacity Charge Close-out in the amount of \$90,000 to accelerate the OPEB payoff.

More recently, sStaff Staff examinedhas taken a look at the demographics of MWDOC's OPEB liabilities and has estimated that the bulk of the liabilities will occur by 2023 take place over the next 10 years as long term MWDOC employees who had access to lifetime medical coverage retire. The Board requested staff to take actions to increase the annual contributions toward fulfilling the OPEB liability by 2023 or sooner. At the end of each fiscal year, the Board may determine additional contributions to the OPEB reserves from any of the reserve accounts over the next 10 years. Taking into account the additional \$90,000 towards the OPEB liability plus an additional \$28,000 this year, staff has estimated that an increased annual contribution of \$52,000 per year starting next year and each year thereafter will move MWDOC toward fulfilling the OPEB liability over the next 10 years.

Summary of Reserves:

Table 1 provides a summary of MWDOC's target for existing reserves, actual reserve levels at the end of 2013-14 and a projected balance at the end of fiscal year 2014-15.

<u>Table 1</u> <u>MWDOC Reserves</u>				
<u>Reserve Fund Description</u>	<u>2014 Target</u>	<u>Increases With</u>	<u>June 30, 2014 Projected Level</u>	<u>June 30, 2015 Projected Level</u>

<u>General Fund (Designated)</u> <u>Used for variations in income; operations, expense,</u> <u>litigation, other</u>	<u>\$1.997M</u>	<u>Inflation</u>	<u>\$1.933M</u>	<u>1.973M</u>
<u>Cash Flow Reserves (Designated)</u> <u>Used for Grant and proposed project & program cash</u> <u>flow</u>	<u>\$1.0 M</u>	<u>Cost</u> <u>Experience</u>	<u>\$1.00 M</u>	<u>\$1.00 M</u>
<u>3. Election expense costs (Designated)</u>	<u>\$0.6M</u> <u>(Maximum)</u>	<u>Cost</u> <u>Experience</u>	<u>\$0.228M</u>	<u>\$0.044M</u>
<u>Building Repair (Designated)</u> <u>Used for office building repair, replace, refurbish</u>	<u>\$0.35 M</u>	<u>With Needs</u> <u>Assessment</u>	<u>\$0.111M</u>	<u>\$0.35 M</u>
<u>Total Designated Reserves</u>	<u>\$3.947M</u>		<u>\$3.325M</u> <u>Short by \$0.63 M</u>	<u>\$3.409M</u> <u>Short by \$0.43M</u>
<u>5. OPEB Reserves (Restricted in Irrevocable Trust)</u>	<u>\$2.3M Liability</u> <u>per 2011</u> <u>Calculations</u>	<u>With annual</u> <u>Payments,</u> <u>Interest</u> <u>earnings</u>	<u>0.90M± Estimated</u>	<u>\$1.4M</u> <u>Remaining</u> <u>Liability</u>

The District will have two types of operational reserves unrestricted, designated funds and restricted funds. The general district reserves, cash flow reserves, election expense and building reserves are all proposed to be unrestricted but designated funds. These funds will be identified individually, but the funds may be comingled as needed for District purposes. The following analysis presents the recommended size, method of replenishment and proposed management approach for each unrestricted and restricted fund.

General District Reserve—staff proposes that the General District Reserve be set in July 2010 at \$1.85 million with a minimum of \$1.6 million and a maximum of \$2.1 million depending upon end of year cash flow, grant payments and other factors influencing the District's cash balance. The projected balance of \$1.85 million should increase annually with inflation, since the reasons for this reserve are all impacted by inflation. The reserve should be replenished from the MWDOC rates.

Cash Flow Reserves—the cash flow reserves needs are estimated to be approximately \$1.0 million dollars, based upon actual expense in the last 5 years and projected needs. In the past, trailing payments for District funds advanced for water use efficiency payments from MET and Federal and State grants payments have reached this amount. Given the payment schedule of the Federal grants, the State's financial situation and MET's payment process, we expect the need to remain constant for the next 5 years. The District should review its expenses and upcoming needs for grant cash flow every 5 years, and adjust the needed amount based upon expenses. The reserve should be replenished from trailing grant payments as they occur, and from rates if needed.

Election Expense—Normally, the District will have four directors up for election in one year, and 3 others up 2 years later. Because of the resignation of a director and the appointment of a replacement, MWDOC will have 4 directors up for election in 2010 and 4 up for election again in 2012. Each director's seat, if contested, cost \$175,000 in the last election. Based upon this, the reserve needed could be \$700,000. However, historically, not all seats are contested. Consequently, staff recommends an initial election reserve of \$500,000. The reserve should be replenished from the District's rate structure over the subsequent 2 years after each election to a level equal to the cost of 3 contested seats. In the event 4 seats are contested, the General Reserve can be used. Note that the swing in costs due to contested seat will result in a significant impact in the District's budget and rates post election.

Building Repair/Refurbishment—MWDOC purchased its current office in 1991 for \$2.1 million (exclusive of the land). The potential repair/refurbishment reserve incurred was estimated at \$350,000 several years ago. Staff recommends a designated reserves be established in this amount, and updated every 5 years based upon expense incurred and an estimate of actual needs.

Other Post Employment Benefit Reserve—MWDOC's Board is currently considering augmenting the initial \$500,000 OPEB restricted reserve funding with annual funding over the next 20 years so that at the end of 20 years, the current liability is fully funded at \$2.4 million. This would require annual contributions of approximately \$120,000 over the next 20 years to pay both current costs and reserve funding. Sources of funds should be the District's rates and charges.

Summary

Table A below summarizes the proposed MWDOC reserve policy and dollar amounts as of June 2010. Total reserves, exclusive of Tier 2 restricted reserves, are \$4.2 million, with \$3.7 million for 4 designated reserves and \$0.5 million in 1 restricted reserve. Note: the various reserve levels will be reviewed and revised, as needed, on a periodic basis.

M-4/19/06; M-6/16/10; 6/1/11

MWDOC Draft Reserve Summary

Name	Use	Type	Amount	Range	Increase	Source of Funds
General	Variations in income; oper. expense, litigation, other	Designated (unrestricted)	\$1.85 M	\$1.6—2.1	With inflation	District rates
Cash Flow Reserves	Grant and proposed project /program cash flow	Designated	\$1.0 M	—	5-yr. experience	Trailing revenue; district rates
Election Expense	Election costs	Designated	\$0.5 M	\$0.5–0.7	With cost experience	District rates
Building Repair	Repair, replace, refurbish	Designated	\$0.35 M	—	With need assessment	District rates
	Total Designated Reserves		\$3.70 M			
OPEB Liability	Pay OPEB liability	Restricted	\$0.5 M	\$0.5–2.1	With annual payment	District rates
	Total Restricted Reserves		\$0.5 M			

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

INVESTMENT POLICY AND GUIDELINES	§2100-§2109
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§2100 PURPOSE

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of Municipal Water District of Orange County. These policies have been adopted by, and can be changed only by a majority vote of the Board of Directors.

These policies are designed to ensure the prudent management of public funds, the safety of principal, the availability of operating funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this policy will be provided to all investment dealers and investment managers doing business with the Municipal Water District of Orange County. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with the Municipal Water District of Orange County's account will be received prior to any organization providing investment services to the Municipal Water District of Orange County.

§2101 STATUTORY AND DELEGATED AUTHORITY TO INVEST FUNDS

Authority to manage the investment of surplus funds is derived from California Government Code Sections 53601, et seq. In accordance with Section 53607 of the Government Code of the State of California, the authority of the Board of Directors to invest public funds may be delegated to the Treasurer for a one-year period, which may be renewed annually.

The Municipal Water District of Orange County (MWDOC) Board of Directors has expressly delegated the investment authority of the Board of Directors to the Treasurer pursuant to Resolution No. 1166. By Resolution No. 1277, the Board of Directors created the office of Deputy Treasurer and delegated to the Deputy Treasurer the authority to direct investment of MWDOC funds under the circumstances set forth in said Resolution, and to make a monthly report of those transactions to the Board. The Board of Directors created the office of Alternate Deputy Treasurer by Resolution No. 1434 and specified circumstances under which the Alternate Deputy Treasurer would have authority to direct the investment of MWDOC funds.

No person may engage in an investment transaction on behalf of MWDOC unless he or she has been duly appointed by the Board of Directors to the office of Treasurer, Deputy Treasurer, or Alternate Deputy Treasurer, and subject to the limitations and conditions set forth in the Resolutions establishing those offices and the terms of this

policy. Notwithstanding the foregoing, upon the occurrence of a vacancy in the office of Treasurer, the Board of Directors may appoint an Acting Treasurer, who shall have and exercise the authority delegated to the Treasurer until appointment of a successor Treasurer by the Board of Directors.

The delegations in Resolution Nos. 1277 and 1434 are renewed on the adoption of this Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials.

§2102 ORGANIZATION

The organizational structure of the investment functions of MWDOC shall consist of the Board of Directors, the Administration & Finance Committee, the Treasurer and Deputy Treasurers. The responsibilities of these groups are as follows:

Board of Directors - the elected body responsible for the administration and investment of the assets of MWDOC. The Board may acquire, hold, manage, purchase, sell, assign, trade, transfer and/or dispose of any security, evidence of debt, or other investment in which MWDOC's assets may be invested by law. To assist them in discharging their responsibilities, the Board shall appoint a Treasurer, Deputy Treasurers and custodians of assets.

Administration & Finance Committee - appointed by the Board to review transactions, performance and asset mix, monitor, recommend policy, and propose adjustments for Board approval.

Treasurer - responsible for the administration and the investment of the funds, subject to the policies and restrictions set by the Board. The Treasurer as investment officer of MWDOC is granted full authority and responsibility by the Board in the purchase, sale, assignment, exchange and transfer of securities and for the safe custody of security holdings, subject to Board policies, rules, regulations and directives consistent with regulatory and statutory limitations. The Treasurer is responsible for interpreting, administering and advising on legal requirements, investment policies and strategies; collecting income, preparation of reports. Also responsible for Deputy Treasurer, and investment staff compliance with this Investment Policy and guidelines.

Deputy Treasurers - act in the absence of the Treasurer as specified within the Resolution of appointment to fulfill the duties and responsibilities as assigned by the Treasurer.

§2103 INVESTMENT PHILOSOPHY

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this

Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This Standard shall be applied in the context of managing the overall investment portfolio. The investment officer, acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

§2104 SCOPE

It is intended that this Investment Policy cover all funds and investment activities of MWDOC. Any reference to the portfolio shall mean the collection of MWDOC securities held by the Treasurer. Those securities held in Trust or escrow by a third-party Trustee or escrow agent on behalf of MWDOC~~WFC~~ are invested under the Treasurer's direction in accordance with this Investment Policy and the terms of the specific escrow or trust agreements related to the funds.

MWDOC funds are divided into two categories, and the investment objectives and policies vary with the nature of the fund.

- Operating and Fiduciary Funds - These funds are to provide for the ordinary annual operating expenses of MWDOC (General Fund, Water Fund) and Funds to provide for trustee functions and expenditures (WFC, with the exception of the Debt Service Reserve) and other specified reoccurring and non-reoccurring purposes where MWDOC serves in a fiduciary role. These funds are considered "short-term" for investment purposes and will be invested to provide the safety and liquidity to meet all anticipated expenditures.
- Reserve Funds – These funds are designated for contingencies or emergencies and may be used to supplement the other funds as necessary. These funds may be invested "longer-term" as defined in this Investment Policy.

§2105 INVESTMENT OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing MWDOC's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of MWDOC. The third objective is to achieve a maximum return on invested funds (California Government Code Section 53600.5.). It is the policy of MWDOC to invest funds in a manner to obtain the highest yield possible while meeting the daily cash flow demands of MWDOC as long as

investments meet the criteria established by this investment policy for safety and liquidity and conform to all laws governing the investment of MWDOC's funds.

Safety of Principal.

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit risk is the risk of loss due to the failure of a security's issuer or backer. Interest rate risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

1) Credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of permissible investments as described in Section 2106;
- (b) By pre-qualifying the financial institutions with which the Agency will do business; and
- (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

2) Interest rate risk will be mitigated by:

- (a) Structuring the portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (b) Investing primarily in shorter term securities.

Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized.

Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the MWDOC's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

§2106 INVESTMENT POLICY GUIDELINES

MWDOC authorized investments types, amounts, maturities, and other characteristics are stated in the Government Code Section 53601 (as periodically amended), and with the following exceptions as noted below.

- Collective Investment (Pools) - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk.
- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools described in Section 2105. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years experience managing market mutual funds with investment portfolios of greater than \$500 million ~~or greater~~.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
 - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized. Negotiated certificates of deposit shall not exceed 20% of portfolio in effect immediately after such investment.
 - U.S. Treasury obligations.
 - U.S. Government Agency obligations and, U.S. Government Instrumentality

obligations.

- Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment).
 - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment).
 - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services (shall not exceed 30% of portfolio in effect immediately after such investment).
 - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 10 percent of the market value of the portfolio. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
- All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.
 - Corporate Securities with a rating of "A" or better by at least two nationally recognized rating service (shall not exceed 20% of portfolio in effect immediately after such investment).
- Prohibited Investments and Investment Practices - The following are prohibited:
- Purchases on margin or short sales.
 - "Derivative" securities of any type.
 - Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).
 - Futures, Options and Margin Trading
 - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a Total Return basis.
 - Investments are limited to maturities of five years or less without express authorization of the Board prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
- Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or

liquidation, such monies shall be reinvested only as provided by the current policy.

§2107 EXECUTION

The responsibility for the execution of security transactions shall rest with such qualified members of the investment staff as designated by the Board. The selection of the broker-dealer for a specific transaction shall be based on price and yield quotations. Every effort shall be made to obtain appropriate discounts on individual orders.

Security orders shall be placed on the basis of accepted investment practices. All security transactions, including for repurchase agreements, entered into by MWDOC shall be on a Delivery-vs.-Payment (DVP) basis, i.e. payment will be made upon receipt of the securities to the safekeeping or trust account or custodial facility. All securities shall be held in MWDOC's name pursuant to an agreement and all financial institutions are instructed to mail confirmation and safekeeping receipts directly to MWDOC within three business days after the trade.

Receipts for the confirmation of trades of authorized securities will include information on trade date, par value, maturity, interest rate, price, yield, settlement date, description of securities purchased, agency's name, amount due, and third party custodial information.

§2108 PERSONAL CONDUCT

The Board of Directors of Municipal Water District of Orange County is acutely aware of the responsibilities the staff has in administering the investment assets of MWDOC. Therefore, the integrity of the staff and all others involved in making investment decisions must be unquestioned.

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of conduct established by the applicable state statutes, the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that could conflict with the proper execution and management of the MWDOC investment

program, or that could impair their ability to make impartial investment decisions.

§2109 REPORTING

The Treasurer shall prepare an investment report monthly, including a management summary that provides the status of the current investment portfolio and transactions made over the last month. The Report shall be submitted within thirty (30) days following the quarter ended. The report should be provided to and reviewed by the General Manager, the Administration & Finance Committee and provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period;
- Average weighted yield to maturity of portfolio on MWDOC investments;
- Listing of investments by maturity date;
- Market values of current investments;
- Percentage of the total portfolio which each type of investment represents.

This investment policy shall be reviewed by the Administration and Finance Committee annually and as frequently as necessary, to enable the Treasurer to respond to changing economic and market conditions.

§2110 GLOSSARY

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

BROKER-DEALER: A person or firm acting as a principal in securities transaction as either a broker or a dealer depending on the transaction. Technically, a broker is only an agent who executes orders on behalf of clients, whereas a dealer acts as a principal and trades from the firm's own account. Transaction confirmations must disclose this information. Because most brokerage firms act as both brokers and principals, the term broker-dealer is commonly used to describe them.

CASH EQUIVALENTS (CE): Highly liquid and safe instruments or investments that can be

converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report of ~~MWD~~~~DOC~~~~the (entity)~~. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per entity.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TOTAL RETURN: A measure of performance, Total Return is the actual rate of return of an investment or a pool of investments, over a given evaluation period. Total Return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

R1166 - 3/23/83; R1277 - 12/18/85; R1345 - 3/2/88; R1398 - 11/1/89; R1429 - 1/16/91; R1434 - 4/3/91; R1460 - 4/1/92; R1483 - 3/17/93; R1503 - 2/16/94; R1508 - 3/16/94; R1538 - 4/19/95; R1541 - 5/17/95; R1560 - 5/15/96; R1566; - 10/16/96; Motion - 11/25/96; R1584 - 5/21/97; R1694 - 4/17/02; R1718 - 6/18/03; R1736 - 5/19/04; R1880 - 5/19/10; R1907 - 5/18/11; R1942 - 10/17/12

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

BUSINESS EXPENSE & CREDIT CARD POLICY	§2200-§2208
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§2200 POLICY

Payment for MWDOC-related expenses incurred by MWDOC staff, MWDOC Directors, and MWDOC MET Directors, shall be allowed only for the purpose of furthering the interests of MWDOC. Directors attending events outside the MET service area and events requiring a registration fee in excess of \$200 require prior approval of the Board or ratification as per Section 1403. The purpose of this policy is to establish rules and procedures for reimbursement of expenses, use of MWDOC-issued credit cards and cash advances. Any expenses incurred by MET Directors, except mileage to MWDOC Board meetings, are to be submitted to MET for payment with accompanying receipts.

§2201 LEVEL OF EXPENSES AND EXPENSE REIMBURSEMENT RATES

Expenditures for lodging, meals, and transportation should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are being spent and that only a reasonable level of expense is warranted. MWDOC shall not incur any costs for a spouse, or other accompanying person. The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for travel expenses are subject to the following limits:

(a) Lodging shall be obtained at government group rates, when available. For conferences and organized educational activities, lodging costs shall not exceed the maximum group rate published by the sponsor of the conference or activity. If there is no government or group rate available, then lodging expenditures will be subject to the limitations of Section 2201 (c).

(b) Transportation costs and costs associated with transportation ~~will~~ shall be reimbursed according to the requirements of Section 2203.

(c) Reimbursement to directors for meals, ~~lodging~~, and other ~~actual-reasonable~~ and necessary incidental expenses (excluding costs described in Section 2201 (a) or 2201 (b) above, shall not exceed ~~\$500-700~~ per day.

(d) ~~The maximum Reimbursement amounts in Section 2201(c) shall will be increased by aincrease by~~ 5% COLA each year on January 1, commencing January 1, ~~2016~~ 2017.

Motion 12/21/05

§2202 SUPERVISION

Since circumstances vary considerably in those instances where MWDOC Directors and employees must incur expenses, care by those incurring expenses and supervision by those approving expense accounts is the most effective method of control over expenditures. When expenses that will exceed the cap are foreseen, the Director shall seek Board approval before expenditure. When expenses which might be regarded as out of the ordinary are foreseen, Directors and the General Manager shall seek the approval of the Board President prior to incurring the expense. Staff members shall seek approval from the General Manager before incurring the expense. Requests for reimbursement of authorized business expenses will be submitted on a MWDOC Business Expense Report form and will include only one month's business expenses per report form.

The General Manager will approve all expenditures for business expenses of staff over \$300. The appropriate Program Manager shall approve all staff expenditures less than \$300. The Board President or Vice President shall approve all expenditures for business expenses incurred by the General Manager. The Board President or Vice President shall approve all Compensation Vouchers and expenditures for business expenses incurred by the MWDOC Directors, and MWDOC MET Directors, following the procedures outlined in Section 2206. In the absence of both Board President and Vice President, any member of the Executive Committee or Administration & Finance Committee shall have approval authority.

The General Manager shall reject or reduce claims for reimbursement resulting from any unauthorized expenses.

§2203 AUTHORIZED EXPENSES

For purposes of this Section, the term "employees" shall include Directors.

(a) Transportation Costs and Cost Associated with Transportation - expenses may include, common carrier fares, rental of automobiles, parking fees, toll charges, and mileage reimbursement for the use of personal automobiles (both Directors and employees) at the currently authorized mileage reimbursement rate.

(b) Overnight Travel – (See Section 2208 DEFINITIONS) expenses may include telephone calls, including one telephone call per day to the employee's family, common carrier fares, rental of automobiles, use of personal vehicles, meals and lodging, baggage handling, tips, etc., and other expenses essential to the business of MWDOC. Any additional expenses incurred by any family members accompanying the employee are not reimbursable.

(c) Meals & Lodging - Subject to the requirements of Section 2201(c) meals and lodging will be reimbursed for the day before a conference, only if it is necessary to be present early the next morning or if early travel is necessary due to limited travel alternatives. Meals and lodging on the day after a conference will only be reimbursed if attendance

beyond noon of the last day of the conference is required or if travel the next day is necessary due to limited travel alternatives.

(d) Rental Vehicles – rental cars should be used only when less expensive transportation is not available; i.e., shuttle vans, taxis, etc. The rental of a vehicle while traveling on MWDOC business is allowable under this policy and can be arranged by MWDOC staff in conjunction with an employee's travel plans. **Travelers are not to obtain additional insurance when renting cars as they are covered for car rentals by existing MWDOC insurance policies as long as the rental is being used for business purposes.** The use of rental vehicles should be coordinated among employees traveling on MWDOC business to the same location. The use of hotel/airport shuttle buses or taxis, depending on the amount of expected business use, is encouraged.

(e) Business Meal - business meal expenses may include the reasonable cost of meals and beverages, except alcoholic beverages, ordinarily associated with normal eating customs.

~~——(i) Business meals for others: When two or more employees or Directors have a meal with non-employees for a business purpose (such as travel status or discussion with a non-employee) the cost of the meal will be reimbursed as follows: (a) A meal furnished to a fellow employee will only be reimbursed if 1) both/all would be entitled to reimbursement; 2) if the meal is in connection with a business discussion with a non-employee; or 3) while both employees are in overnight travel status. An employee who provides a business meal to an employee or non-employee must provide on their expense report the guests name(s) and the business reason for the expense. Expenses for business meals between two Directors that are not otherwise authorized in connection with an outside meeting or conference are not subject to reimbursement unless incurred in the performance of duties required or authorized by the Board.~~

~~Directors shall not be eligible for compensation or expense reimbursement for dinner meetings, unless the event includes official business of MWDOC. Breakfast and luncheon meetings held in the normal course of business (e.g. following regularly held Board and Committee meetings) between two or more Directors shall not be eligible for purposes of expense reimbursement.~~

~~Notwithstanding, the cost of a meal for another employee, Director, or guest shall not exceed the maximums set out above unless otherwise approved in advance by the Board of Directors.~~

(f) Transportation - the type of transportation employed shall be selected on the basis of the lowest cost to MWDOC after all costs are considered, including the travel time and compensation; however, travel by common carrier bus or train shall not be required. For any one trip in excess of 200 miles one way, the preferred mode of travel shall be by airline coach or economy class. Except in emergency situations, all air travel arrangements shall be made by MWDOC. It should be considered that there are occasions when an employee/Director is able to secure a lower rate than normal by

making his/her own reservations. In these instances, and to allow for appropriate tracking and accounting documentation, said Director shall notify staff immediately and payment for said reservations shall be made by MWDOC in accordance with this policy.

In the event a Director or employee chooses a higher fare (for personal reasons), said Director or employee shall be responsible for reimbursing MWDOC for the price difference in fare.

Should an employee elect a form of travel other than air for any one trip in excess of 200 miles one way, reimbursement for such travel shall not exceed the cost that would have been incurred and reimbursable if airline transportation had been used; i.e., Director compensation, travel to and from the airport (mileage, shuttle, taxi), round trip coach airfare to the ultimate destination in effect at the time, and airport parking. Expenses for extra lodging and meals, mileage, and Director compensation, as a result of such alternative travel will only be reimbursed if the total reimbursable cost does not exceed the costs that would have been incurred and reimbursable if airline transportation had been used. Under no circumstances shall reimbursement exceed the actual cost of the method of transportation used.

Any alternative travel for MWDOC business must be by the most direct route, considering the mode of transportation used. Additional expense resulting from travel by an indirect route for the personal interest of the employee is not reimbursable.

An employee who obtains airline tickets from MWDOC for the purpose of combining personal travel with MWDOC travel, or for travel with a family member, shall, prior to receipt of such ticket, make payment for the portion of cost attributed to personal travel or to the family member's travel.

Motion - 7/21/93; 11/15/95; Motion - 9/16/98; Motion - 6/16/99; Motion – 4/16/03;
Motion – 10/15/03; 12/21/05

§2204 EMPLOYEE/DIRECTOR CASH ADVANCES

Employees and Directors on travel status are expected to provide themselves with sufficient funds to cover all out-of-pocket expenses, which will be reimbursed by MWDOC, if appropriate.

If necessary, funds up to \$200 per day for business-related expenses will be advanced to employees and Directors to be on travel status on a temporary basis. Employees are required to complete a Seminar/Conference Attendance and Cash Advance Request form to be approved by the Program Manager or General Manager and must be submitted in advance to allow adequate time for processing. Directors shall obtain approval from the Board President or Vice President and shall notify staff at least two weeks in advance of traveling to allow adequate time for processing. Only one employee/Director advance shall be outstanding at any time and must be cleared through submission of a MWDOC Business Expense Report within 30 days from last day of travel. Any Business Expense

report outlining the cash advance expenditures submitted after 30 days will be submitted to the Executive Committee for approval. The Director must repay any amount of the advance not covered by receipts or mileage claims.

§2205 MWDOC CREDIT CARD ADVANCE OF FUNDS

These guidelines and regulations provide the rules, procedures and restrictions for use of MWDOC-issued credit cards. Adherence to these procedures and restrictions in conjunction with the above authorized expenses is mandatory. Use of a MWDOC credit card in any manner determined by the Board as inappropriate or outside of the established regulations could result in the loss of credit card privileges. Credit cards are issued to only the General Manager, Finance/Information Systems Manager, and Assistant General Manager. Cards are issued in the name of MWDOC and the General Manager, Finance/Information Systems Manager and Assistant General Manager.

Credit card limits are set at ~~\$5,000 for the Finance/Information Systems Manager,~~ \$240,000 for the General Manager and \$240,000 for the Assistant General Manager. Increased limits require action by the Board. Use of the General Manager's credit card by staff is only with the expressed authority of the General Manager. Use of the MWDOC issued credit card for any personal expenses is prohibited.

If, inadvertently in the course of use of the MWDOC-issued credit cards, expenses that are unsubstantiated by receipts or not allowed under this policy are charged to the credit card, the amount will be identified on the MWDOC Business Expense/Credit Card Report form and subtracted from the allowable total.

Because the use of the MWDOC issued credit card is considered the same as a cash advance, all credit card expenses are to include the date, purpose and amount, with the total allowable charges reflected as a cash advance at the bottom of the Business Expense/Credit Card Report form, reducing the total amount due for reimbursement. All receipts for expenses over \$25 must be attached to the MWDOC Business Expense Report. If an employees' or Directors' Business Expense/Credit Card Report form results in a negative balance, a personal check for that amount is to be attached at the time of submittal. Any MWDOC Business Expense Report submitted incomplete and without proper attachments will be returned to the employee or Director. Expenses over \$25 without a receipt will require written explanation of the charge and shall be signed by the employee or Director.

If a Director's Business Expense Report is not submitted by the time MWDOC must make payment on the credit card, all charges reflected on the billing will be charged against and used as a reduction of the next per diem compensation voucher. If the MWDOC Business Expense Report is submitted subsequent to the reduction of the compensation voucher, reimbursement will be made at the issuance of the next per diem compensation check.

Any disputed or unsubstantiated charges for Directors will be submitted to the Executive Committee for review. Until a determination has been made and resolution has been

arrived at, the amount in question will be charged against and used as a reduction of the next per diem compensation voucher.

Any disputed or unsubstantiated charges for employees will be submitted to the General Manager for review and appropriate action.

Motion – 7/21/93; 11/15/95; 7/16/97; 4/16/03; 10/20/04; M 12/21/05

§2206 APPROVAL FOR REIMBURSEMENT OF FUNDS

MWDOC Business Expense Reports and Compensation Vouchers should be submitted within 60 days and should be separated by the month with which the activity/expense occurred. Credit card charges and cash advance details, however, shall be submitted for approval within 30 days of incurring the credit card or cash advance expense. More frequent submission may be required in the case of an Employee Advance. Payment for Compensation Vouchers for the MWDOC Directors is coordinated with MWDOC's bi-weekly payroll period.

Detailed expenses shall be reported on the MWDOC Business Expense/Credit Card Report, substantiated by the appropriate back up material as outlined in Section 2205 and submitted to the Program Manager for review and approval. The approved claim is submitted to the Accounting Department and scheduled for payment at month-end unless an early disbursement is requested. Expenses over \$25 without a receipt will require written explanation of the charge and shall be signed by the employee or Director.

Any Compensation Voucher or MWDOC Business Expense/Credit Card Report submitted more than 60 days after the close of any given month will be submitted to the Executive Committee for approval and may be disallowed for reimbursement. As stated above, credit card charges and cash advance explanations must be submitted to MWDOC within 30 days of incurring the expense. When Compensation Vouchers or expense reports are not submitted within 60 days after the expense is incurred, the expense may not be reimbursed unless a written explanation of the exceptional circumstances which caused the delay is submitted to and approved by the Executive Committee.

Motion: 11/15/95; 4/16/03; 12/21/05

§2207 PETTY CASH REIMBURSEMENT/ADVANCES

The Board has established a petty cash fund for the purpose of reimbursing MWDOC employees for minor expenses necessarily incurred in carrying out their duties. Requests for reimbursement must be accompanied by a receipt and must be approved by the Program Manager. Requests for reimbursement from petty cash are not to exceed \$100.00. The fund is available for purchases of miscellaneous items authorized by the Program Manager totaling less than \$100.00. An itemized receipt is to be submitted to Accounting within one working day of purchase.

Claims for minor local mileage, parking, tolls, or postage expenses aggregating not more than \$50.00 may be reimbursed from petty cash. The claim shall include all information and approvals required to substantiate the claim. No business expenses other than those expenses identified may be reimbursed through the petty cash fund.

Employee advances from petty cash must not exceed \$50.00 per employee and must be cleared within one week of issuance. Exception to this amount would be any advances required by the employee for the approved purchase of MWDOC supplies.

R526 - 8/26/70; R539 - 11/25/70; Motion - 7/1/87; Motion - 2/6/91; Motion - 3/3/91; Motion - 1/15/92; Motion - 4/21/93; Motion 7/16/97; Motion 4/16/03; Motion 12/21/05

NOTE: The policies relating to authorization to travel, and route and mode of travel are located in the Conferences and Travel Section of the Code.

§2208 DEFINITIONS

"Employee" shall mean MWDOC Directors, and MWDOC employees unless specifically stated otherwise. MWDOC MET Directors shall also be considered employees under this definition for the purpose of mileage reimbursement to attend MWDOC Board meetings. MET Directors are to submit all other expenses incurred in the performance of their duties as MET Directors to Metropolitan Water District of Southern California.

"Travel" shall mean attendance at meetings, conferences, or other functions on MWDOC business at other than the employee's headquarters or temporary headquarters or, in the case of Directors, their residences or places of business, whichever is applicable.

"Overnight travel" shall mean travel which prevents employees from spending their usual sleeping hours at their residences. Unless a meeting or conference is outside of the local area (Orange or Los Angeles County), lodging for such travel will not be considered an eligible expense unless the function spans more than one day AND requires travel time of one hour or more each way.

"Business meal" shall be one in which employees provide ~~non-employees and themselves~~ meals and beverages, except alcoholic beverages, ordinarily associated with normal eating customs under circumstances which are generally considered to be conducive to furthering the business of MWDOC. A "business meal" shall also include employees' meals at business meetings with non-employees who pay for their own meals, or at a business program sponsored by a business or professional association where the subject matter of the discussion is of importance to MWDOC.

Employees (not including Directors) ordinarily may not themselves partake in, or provide for others, business meals without authorization by the Program Manager or General Manager.

Whenever an employee who customarily performs MWDOC job assignments outside

Orange County and is required to be outside of Orange County on MWDOC business during a period when a meal is usually partaken, the employee shall be reimbursed by MWDOC for the expense of meals partaken.

"Mileage reimbursement" shall mean the product of "business miles driven" times "the currently approved mileage rate" to reflect reimbursement for the use of a personal vehicle. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage rate. Direct reimbursement for any expense incurred for a personal vehicle is discouraged and will at no time exceed the total amount derived from the "mileage" times "business miles driven" formula.

Motion - 7/21/93; Motion 8/17/94; Motion 6/16/99; 4/16/03; Motion12/21/05

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

CONFERENCES AND TRAVEL	§2300-§2303
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§ 2300 GENERAL POLICY

a. Employees

Attendance at most conferences is approved in the annual budget. Attendance at conferences by employees for those conferences not pre-approved in the annual budget requires Board approval. An employee wishing to attend a seminar, workshop, or convention must complete a Seminar/Conference Attendance and Cash Advance Request form and obtain approval by the Program Manager and General Manager prior to arrangements being made.

b. Directors

Attendance at conferences and seminars by Directors requires Board approval. (Please see Section 1403 for meetings that do not require Board approval).

Following Board approval for Director attendance at conferences, meetings, and seminars, the following shall apply:

1. For conferences, meetings and seminars within Southern California, all Directors are eligible to attend;
2. For the Association of California Water Agencies (ACWA) Spring and Fall conferences, all Directors are eligible to attend;
3. For conferences, meetings, and seminars involving travel outside of Southern California, without special Board approval, attendance at any one event shall be limited to participation by no more than three Directors (for expense reimbursement by MWDOC). It shall be the duty of the Executive Committee, or the Board President, at the time of approval, to determine which Directors may attend if more than three are interested.
4. A Director attending a conference, meeting or seminar for which he/she receives reimbursement shall make a brief report on that conference, meeting or seminar at the next open session after his/her return.

Travel expenses are subject to the terms of Section 2201(c).

§2301 AUTHORIZATION TO TRAVEL

Inside California –For staff travel within California, but outside of MET service area, on MWDOC-related business shall be undertaken only with prior approval of the Program

Manager and the General Manager. The Board shall approve all travel by members of the Board.

Outside California - Travel outside California on MWDOC-related business shall be undertaken only upon approval of the Board.

Emergency Travel Situations - In those instances when there is no Board meeting scheduled and Board approval cannot be obtained, the General Manager shall seek the approval of the Board President, or a member of the Executive Committee prior to such travel. The General Manager shall then immediately notify the Board of the approval and the nature of the travel. The General Manager shall then seek ratification by the Board.

§2302 TRAVEL EXPENSES

Payment of travel expenses while on MWDOC-related business shall be as allowed under the provisions outlined in Section 2200-2208 of this Code.

§2303 TRAVEL ARRANGEMENTS

All travel arrangements for attendance at meetings on MWDOC-related business (by both Board and staff) shall be made by staff pursuant to the provisions provided under Section 2300.

Motion - 4/21/93 (previously part of Credit Card & Business Expense Policy, Code Section 7200); Motion - 7/21/93; Motion – 4/16/03; Motion 1/21/04

CHAPTER 3

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

ANNEXATIONS	§3000-§3005
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§3000 POLICY CONSIDERATIONS

The main policy considerations by MWDOC ~~for-in-considering~~ a prospective annexation ~~of territory includes~~are the ~~annexation fees for both MWDOC and MET, costs involved, the calculation of MWDOC's annexation fees, a determination of who will be providing the~~ retail water service to annexing ~~lands, the level of~~ ; future water demands ~~that will develop as a result of the annexation, compliance with the terms and conditions of the MET Annexation Policy, proposed conservation measures,~~ and the exclusion of public lands.

§3001 REQUEST FOR ANNEXATION

Prior to providing water service to an area not currently within MWDOC or MET's service area, the area will require concurrent annexation to both Districts. ~~Annexation to one of MWDOC's member agencies is not requisite.~~ A request for annexation of areas to MWDOC shall be made in writing executed on behalf of the local agency or property owner. The request shall include:

1. A general description of the area proposed to be annexed and a map of the area indicating the boundaries of the area and existing streets and highways;
2. A certificate from the county assessor setting forth the assessed valuation of each parcel included within the proposed area to be annexed;
3. Identification of the ownership of each parcel included within the area proposed to be annexed;
4. A description of the present use of each of the parcels included within the area proposed to be annexed;
5. A description of the existing or proposed development plans for such parcels;
6. The estimated total annual and peak demands for water service to the area proposed to be annexed; and
7. A description of the water conservation measures used or planned for the area, including use of local groundwater, surface water, and ~~recycled~~~~claimed~~ wastewater.

In addition, the local agency or property owner shall furnish such other information as may be requested by MWDOC ~~or MET~~. The agency or property owner seeking the annexation

to MWDOC shall bear all associated costs.

§3002 CONSIDERATION OF REQUEST

MWDOC staff will review the legal description and boundary map for accuracy and completeness and will submit proposed annexation to MWDOC Board at their next regular meeting taking place no earlier than 30 days after receipt by MWDOC of the request or after receipt of all supplemental information required.

§3003 ANNEXATION PROCEDURES

1. If MWDOC Board approves, a resolution requesting preliminary terms and conditions will be requested from MET. Evidence of compliance with MET's Administrative Code Section 3107 Water Use Efficiency Guidelines must also be provided.
2. MET's ~~Water Problems Committee~~ Finance and Insurance Committee receives report and recommends preliminary terms and conditions to their Board; legal description and sketch must be prepared.
3. MWDOC's Board adopts resolution applying to LAFCO for hearing, terms, conditions, and environmental assessment.
4. LAFCO approves annexation following hearing and provides MWDOC with certified copy of resolution.
5. MWDOC's Board requests formal terms and conditions from MET's Board, providing certified MWDOC and LAFCO resolutions approving annexation and documents complying with California Environmental Quality Act.
6. MET's ~~Water Problems Committee~~ Finance and Insurance Committee and Board approves formal terms and conditions.
7. LAFCO holds hearing and, if successful, orders annexation.
8. As a term of any annexation, the deposit requests for processing of the applications must be paid up-front and the MWDOC will make a part of its resolution of application a requested term that annexation fees to both MWDOC and MET must be paid in full, prior to completion of the annexation cash to MWDOC and MET. MET's annexation fees are estimated based on the greater of the amounts of (1) the Back Tax Computation and (2) the Per-Acre charge adopted by their Board. MET's Per-Acre charge in 2014 was \$4,498. MWDOC's annexation fees are based on the Back Tax Computation.
9. LAFCO prepares a certificate of completion and makes the filings required by

Government Code Sections 57203 and 57204.

The entire process typically takes between six and twelve months.

§3004 MWDOC ANNEXATION CHARGES

Besides MET and MWDOC annexation fees, other costs involved in the processing of an annexation include legal, environmental, engineering and administrative costs. As a prerequisite to MWDOC submitting a resolution of application to LAFCO for an annexation, MWDOC will require that the agency or property owner requesting annexation agree to be fully responsible for all of the costs, including any legal costs incurred as a result of an action against the MWDOC.

MWDOC's annexation fees are estimated based on prior tax rates (Back Tax Computation). MWDOC's engineering, legal and administrative costs are estimated up front and a deposit is requested from the applicant.

§3005 EXCLUSION OF PUBLIC LANDS

Public lands, not subject to annexation fees, include public roads, streets, highways, freeways, and other such public lands that may be determined by MET.

Minute action - 9/8/52; R39 - 10/14/59; Motion - 6/11/56; R150 - 5/13/57; R151 - 7/8/57;
Ord. 3 - 8/26/57; R152 - 8/26/57; R155 - 10/7/57; Minute action 12/4/57; Motion - 4/21/93;

CHAPTER 4

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

WATER SERVICE, CLASSIFICATION AND RATES POLICIES	§4000 – 4001
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§4000 GENERAL WATER SERVICE POLICY

Municipal Water District of Orange County is authorized and directed by Section 71616 of the California Water Code to establish water rates and charges for the sale of water which will result in revenues sufficient to meet the operating expenses of MWDOC, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt.

~~A copy of the current Ordinance on file with MWDOC establishing classifications and the water service policy may be obtained from the District Secretary.~~

§4001 CLASSIFICATION AND WATER RATES

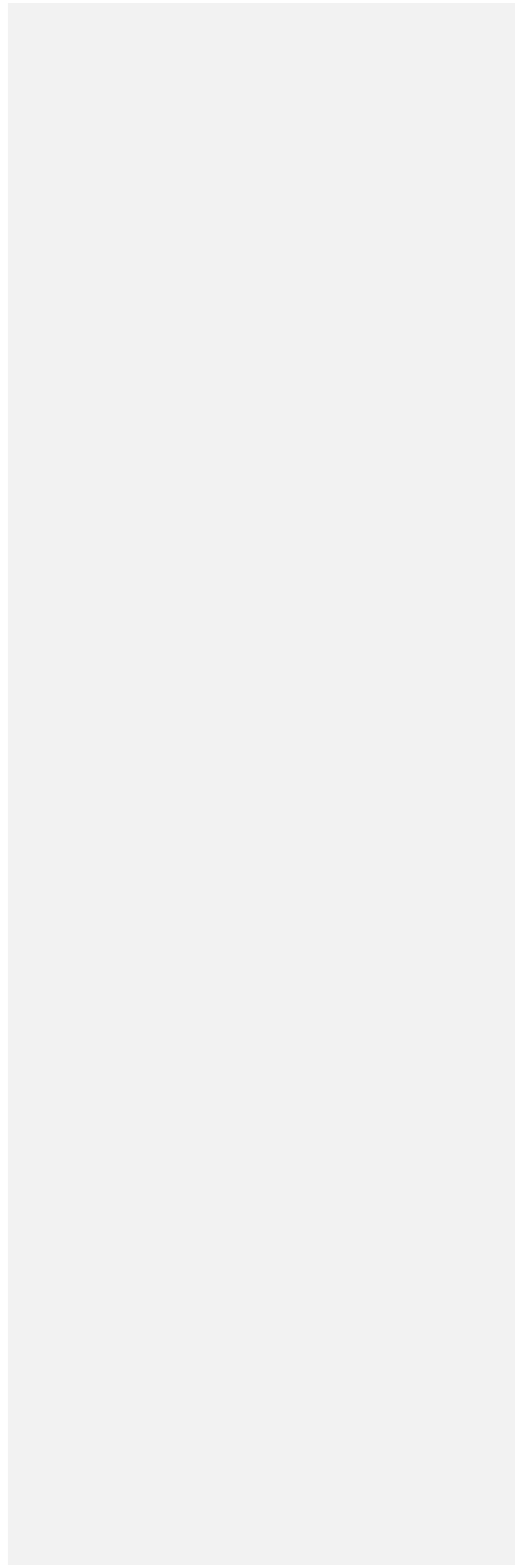
~~A copy of the current Ordinance on file with MWDOC establishing classifications and the current Water Rate Resolution may be obtained from the District Secretary. The water rate shall be established by the MWDOC Board of Directors in an amount which, in combination with revenues from other charges collected by MWDOC, will result in revenues sufficient for the purposes set forth in Section 71616 of the California Water Code.~~

~~A copy of the current Resolution on file with MWDOC establishing the classifications and water rates may be obtained from the District Secretary.~~ The procedures for establishing water rates resolutions and ordinances are outlined under Section 1117.

§4002 DISCOVERY OF MISTAKES OR ERRORS

~~In the event a mistake or error is discovered in a District water sales record, the General Manager shall initiate appropriate corrective action. No mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District. In the event a mistake or error is discovered by a member agency in its water sales record or certifications, no mistake or error made more than three years prior to its discovery shall be corrected unless otherwise specified in an agreement with the District.~~

~~If an incorrect invoice has been issued to a member agency, the General Manager shall notify the affected agency of any adjustment and the manner of making any required credit or charge, neither of which shall bear interest.~~



CHAPTER 5

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

SERVICE CONNECTIONS	§5000-§5013
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§5000 GENERAL

Upon formal request by a Member Agency for a service connection, the ~~Board may authorize the General Manager~~ is authorized to prepare for the Board's consideration, to execute on behalf of MWDOC a formal agreement for the sale and delivery of water with the Member Agency being required to accept and comply with the terms and conditions of the Administrative Codes, rate resolutions, and rate ordinances put forth by MWDOC's and MET's which may be amended from time to time ~~resolutions relating to such service agreement~~. MWDOC will furnish the Member Agency with the appropriate provisions and conditions with respect to completion of any service connection agreement.

The Member Agency shall make arrangements for the completion of service connections ~~through or~~ with MWDOC. The Member Agency shall make all deposits required and execute and furnish all necessary documents within sixty (60) days of notification by MWDOC. If necessary deposits and documents are not submitted within the required time, MWDOC will consider application for service connection canceled, no longer pending and of no force and effect.

The service connection agreements shall have provisions covering the topics in Sections 5001-5013.

§5001 DELIVERY OF WATER

Upon completion of said connection, MWDOC will deliver from said connection ~~to Member Agency, as it receives said water from MET,~~ such quantities of water as requested and at such times as Member Agency may request, subject to the capacity of the connection, the availability of the water and the terms and conditions ~~and subject to the an agreements between MWDOC and MET. Delivery of water by MWDOC is~~ Water through said connection is available to MWDOC only from MET, and MWDOC's obligations thereunder are subject to its ability to purchase said water from MET.

§5002 TITLE

Delivery of water to ~~M~~member ~~A~~agency shall occur as the water is discharged from MET to MWDOC to the Member Agency ~~said connection~~, and thereafter such water shall be the property of the member agency, which shall be solely responsible for it.

§5003 PAYMENT FOR WATER

The Member Agency shall pay MWDOC for all quantities of water delivered subject to the

price, rates, classification and conditions established by MWDOC from time to time according to the use to be made of such water. All deliveries shall be metered by MET and monthly statements will be presented by MWDOC to the Member Agency. Statements are due and payable within the time and according to the conditions established by MWDOC from time to time.

§5004 EQUIPMENT AND RIGHT OF WAY

The Member Agency must furnish without cost to MWDOC and MET all facilities, including any rights of way, meter or meters or other measuring devices, vaults, facilities and equipment for the securing of water from the lines of MET and will pay all costs, charges and expenses incurred in connecting its lines to, maintaining said connection and disconnecting said lines from the lines of MET. The Member Agency must agree to install and maintain such flow control device or devices in connection with the service connection as required by MWDOC and MET.

The Member Agency must furnish, operate and maintain its own lines for the distribution of any water received by it from MET and MWDOC who shall not be under any duty relative thereto or obligated therefor in any way.

§5005 AMOUNT OF WATER DELIVERED

If any question arises as to the amount of water delivered to the Member Agency and/or others, the decision of MWDOC's General ManagerEngineer shall be final as to determining the amount and the apportionment thereof. The method of measure of water used by the member agency shall also be as determined by MWDOC's General ManagerEngineer, who is also authorized and empowered to fix and apportion to the Member Agency the loss, if any, incurred in the transportation of water at and below the place of measuring of said water.

§5006 RESPONSIBILITY FOR FACILITIES AND ACCESS

MWDOC is not the owner of any meter, vaults, facilities and equipment, nor ~~it-is-it~~ responsible in any way for any vaults, meter, facilities and equipment used in serving its Member Agencies. However MWDOC's General ManagerEngineer shall have access at all times to any such facilities and equipment furnishing water to the Member Agencies and used in measuring water purchased by member agencies from MWDOC, whether connected to the source of supply of MET, or otherwise, and if such devices are under lock or located in any structure, MWDOC's General ManagerEngineer shall have ~~the-keys thereto and shall have~~ free and unobstructed access to any and all facilities in which such devices are kept. Said MWDOC General ManagerEngineer has the right, power and authority to test any such device, used by the member agency or on its behalf, if it is believed to be inaccurate or faulty in any way, and any devices found defective shall be promptly repaired or replaced without cost to MWDOC.

§5007 MET's CONDITIONS

Member Agencies shall accept and agree to comply with all the terms and conditions of MWDOC's and MET's resolutions relating to service connections and agree to grant or cause to be granted to MWDOC and MET such permanent easement as may be necessary for the construction, reconstruction, operation, maintenance, repair and removal of said connection in, over, through and under a parcel of land, the location and dimensions of which parcel shall be adequate for said purposes as determined by the Chief Executive Officer of MET, and which easement shall be in form satisfactory to MET's General Counsel.

§5008 WATER RATES

MWDOC charges a water rate in addition to the price charged for water by MET. If, in the opinion of MWDOC, it should become necessary for MWDOC to charge additional rates in connection with the furnishing of any water to a Member Agency under the agreement, the Member Agency shall promptly pay MWDOC its proportion of any such charges, based on the amount of water received which may be deemed necessary by MWDOC to be charged Member Agency in MWDOC, provided, however, that no such charge shall be levied or made by MWDOC to or against the member agency until MWDOC first gives written notice by registered mail to the member agency of its intention to make such a charge at least 10 days prior to making such charge or levy.

Notwithstanding any agreement to the contrary, in the event MWDOC incurs expenses relative to the operation and maintenance pertaining to said service connection, the Member Agency shall reimburse MWDOC for such expenses on presentation of bills for such expense.

See Sections 4001 and 1117 for additional Water Rates procedures and information.

§5009 REPAIRS

Pursuant to the terms of any agreements and/or MET resolutions or Administrative Code provisions, MET shall be responsible for any subsequent maintenance, alteration, reconstruction or relocation of said service connection, except changes which are requested by the member agency or MWDOC which changes shall be handled as a new service connection.

§5010 INDEMNITY

The Member Agency must agree that it will at all times indemnify and save harmless MWDOC from and against all loss, cost, damage and expense, including, but not limited to, reasonable engineers' and attorneys' fees, and from and against any and all claims or demands on account of injury to persons or property which may be made against MWDOC in any way related to the Member Agency's operations or the attachment, maintenance and operations of its facilities to or the removal of its facilities from the facilities of MET.

§5011 MWDOC/MET AGREEMENT

The Member Agency must accept and agree to comply with, and be subordinate to, the agreement between MWDOC and MET, which agreement shall be attached to and made a part of Member Agency's agreement with MWDOC.

§5012 ENVIRONMENTAL PROCEDURES

In connection with the water service of such service connection agreement and agreement with MET, the Member Agency shall be responsible for compliance with all governmental environmental impact procedures and shall be responsible for all governmental permits, if any, prerequisite to the performance of any service agreement with MWDOC and comply with laws applicable thereto.

Original policy adopted 9/8/52 - R36; rescinded by R43 - 5/11/53; R74 - 10/11/54; Motion - 4/21/93;

§5013 ABILITY TO DEAL WITH A SUSPENSION OF IMPORTED WATER DELIVERIES

The goal of MWDOC ~~is for its's~~ Member Agencies is to ~~have available~~ provide sufficient water supplies to their customers during both planned and unplanned outages of the import water system ~~to. It is the goal of the MWDOC Board of Directors that each of MWDOC's Member Agencies~~ be able to continue providing service to their consumers, from storage, local resources or interconnections with other agencies, without benefit of imported water through MET's system, for 7 average days of demand. MWDOC staff will be available to work with the Member Agencies toward meeting this goal. ~~The MWDOC staff shall submit periodic progress reports to the Planning & Operations Committee.~~

In the event one or more of MWDOC's Member Agencies are unable to sustain a planned shutdown, MWDOC may pass on any costs imposed by MET. MWDOC may also pass on any non-staff costs directly incurred by MWDOC for helping agencies to plan for or to sustain a planned or unplanned outage of the import water system. Costs imposed by MET and non-staff costs incurred by MWDOC, if passed on to MWDOC's Member Agencies, may be passed through to certain Member Agencies by way of a special invoice. MWDOC will determine the "need for import" supplies, based on demands and available local supplies including storage. Supplies that would have been available from MET will be allocated proportionally among all agencies by their "need for import supplies". The special invoice will be allocated proportionally among all agencies calculated to have a "remaining unmet demand" after the MET supplies that would have been available have been fully allocated. In the event MWDOC cannot reasonably determine to which agency or agencies to pass the costs, the Board shall have the option to (1) pass the costs on to all of MWDOC's Member Agencies, or (2) fund the costs from MWDOC's reserves.

~~To provide for a transition period for implementation of this policy, during calendar years 2006 through 2010, the Board shall consider the specific circumstances, projects and costs for upcoming planned shutdowns and may use a portion of MWDOC's reserves, as approved by the Board, toward measures to improve the ability of the Member Agencies to sustain shutdowns.~~

Motion 10/19/05

CHAPTER 6

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

PERSONNEL MATTERS	\$6000
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MWDOC's personnel policies are detailed in its Personnel Manual and revised as necessary.

Personnel policies apply to all employees of MWDOC. Every employee is provided with a copy of the Personnel Manual upon hire. The Manual covers salary policies and regulations governing hours, benefits and working conditions with periodic revisions submitted to the Board for approval.

Pursuant to Section ~~132~~07 of this Code, the Board has delegated to the General Manager the authority to employ, terminate, assign duties to, and direct the day-to-day activities of all MWDOC employees, except that the Board retains the authority to employ, terminate, and assign duties to the General Manager, Secretary and Treasurer of the Board, and Legal Counsel.

The General Manager has the authority to establish MWDOC employee job classifications and descriptions, subject to periodic review of overall personnel utilization by the Board. The Board retains the authority to control the overall staffing levels by setting the number of authorized positions.

Motion - 7/21/93; Motion – 7/21/04

CHAPTER 7

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

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

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

§7001 MWDOC CONFLICT OF INTEREST CODE

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

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

Res. No. 1874 – 2/17/10

§7002 FILING OFFICER/OFFICIAL

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

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

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

§7003 FILING OF STATEMENTS OF ECONOMIC INTERESTS

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

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

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

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

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

Motion - 4/20/94;

§7004 OPINIONS OF LEGAL COUNSEL

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

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

Motion 4/20/94

§7005 DESIGNATED POSITIONS AND CATEGORIES

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

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

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

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

Motion – 9/20/06; Res. No. 1861 – 11/18/09; Res. No. 1874 – 2/17/10; M-11/17/10; M-11/19/14

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

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

DISCLOSURE CATEGORIES
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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

EXHIBIT B: CATEGORIES

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

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

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

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

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

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

Minute action - 6/24/81; R1132 - 6/23/82; R1306 - 6/4/86; R1386 - 7/5/89; Minute action - 4/3/91; R1468 - 9/2/92; Motion - 7/21/93; Motion - 3/16/94; Motion - 4/20/94; R1519 - 9/21/94; R1564 - 9/18/96; Motion - 11/15/00; Motion - 11/20/02; Motion - 9/20/06; Motion 9/19/12; [Motion 11/19, 2014](#)

\$7006 ARTICLE 2. POLITICAL REFORM ACT

Pursuant to Article 2 of the Political Reform Act (Government Code Section 87200 et seq.)

those positions which involve the management of public investments are required to report their economic interests under the provisions of Article 2 rather than under MWDOC's Conflict of Interest Code, on Form 700. Those positions with MWDOC who are required to report their economic interests are as follows:

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

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

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

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

ETHICS POLICY	§7100-§7110
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§7100 PURPOSE

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

§7101 RESPONSIBILITIES OF BOARD MEMBERS

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

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

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

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

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

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

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

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

§7104 GIFTS

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

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

4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.

5. Acceptance of incidental transportation from a private organization, provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

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

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

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

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

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

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

§7106 USE OF CONFIDENTIAL INFORMATION

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

§7107 POLITICAL ACTIVITIES

All employees are prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries, except where such activities are required in the course of the employee's official duties. Employees are otherwise free to endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities. In any personal political activity an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. ~~All staff of MWDOC is prohibited from engaging in any campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, and from influencing changes in the MWDOC Division boundaries. These provisions are intended to protect employees against assessments for political purposes and other involuntary, coerced political activities and to prevent political activity on the part of employees from interfering with the efficiency of MWDOC. Nothing in this section shall be applied in a manner that unlawfully curtails the constitutional rights of the employee.~~

§7108 IMPROPER ACTIVITIES

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

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to any of the following: (1) the General Manager; (2) Human Resources; (3) the Board of Directors; or (4) any member of the management staff, for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination.

If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action. The Executive Committee may make a determination and present the issue to the full Board.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY – DIRECTORS

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

§7111 PERIODIC REVIEW OF ETHICS, CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

Pursuant to the terms of Government Code Sections 53234 through 53235.2, each Director shall receive at least two hours of training in general ethics principles every two years. Pursuant to Government Code Section 53235(c), the curricula for ethics training must be approved by the Fair Political Practices Commission (FPPC) and the Attorney General. It is the general desire of the MWDOC Board to meet and review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct during the first quarter of the year immediately following an election (every two years).

Each Director shall retain the certificate of completion from any ethics course in which he/she participates and shall provide a copy of such report to MWDOC. Such records shall be retained for five years from the date they are received.

M-12/21/05

CHAPTER 8

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

CONTRACTS	§8000-§8004
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§8000 CONTRACTS

Contract documents shall consist of such documents as the General Manager may deem desirable and as approved as to form by MWDOC's Legal Counsel in addition to those required by law. The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings. Whenever an award is made by the Board, such award shall constitute approval of the contract documents and contractor or consultant shall be authorized to proceed with the provision of services or materials described in the contract document, subject to compliance with the insurance and bonding requirements, execution of all documents and, where applicable, issuance by MWDOC of a Notice to Proceed.

The procedures for entering into contracts shall be pursuant to the laws governing MWDOC and those policies outlined in MWDOC's Contracts Manual (currently in draft form and under review by staff).

§8001 APPROVING AUTHORITY FOR PURCHASES/CONTRACT SERVICES

Approving authorities listing the standards and procedures for various purchases and contract services are listed in the matrix attached to this section as Exhibit A.

The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000. The General Manager may delegate all purchasing approval authorities to the Assistant General Manager during periods when the General Manager is absent.

§8002 STANDARD AGREEMENT FOR CONSULTANT SERVICES

During the budget approval process, each fiscal year, a listing of all proposed contracts with consultants to provide ongoing or new professional services such as auditing, legal or engineering services shall be included in the budget for approval. After Board approval, a "Standard Agreement for Consultant Services" shall be prepared and completed, including receipt of all required insurance documents, before services are initiated. The Agreement shall have a scope of work attached and incorporated into the Agreement by reference, specifically setting out the tasks to be completed. Tasks other than those specifically described shall not be performed without prior written approval of the General Manager. In the event the same consultant is hired five years in a row, the appropriate Standing Committee shall review the contract and determine whether it

would be prudent to issue a Request for Proposal (RFP) for future services.

Work performed under such Agreement is to be billed and paid for at rates set forth in the consultant's fee schedule or schedule of charges and invoices must reference the appropriate Purchase Order number as referenced in the Agreement. MWDOC's Ethics Policy (Section 7100-7111) shall be incorporated in to the Standard Agreement for Consultant Services, as an Exhibit.

Motion – 12/9/92; 7/21/93; 7/16/97; 11/21/01; 06/15/11; 02/15/12

Selection of Consultants

The following criteria shall be used to qualify candidates for professional services.

1. Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
2. The consultant's familiarity with types of problems applicable to the project.
3. Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
4. The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
5. The consultant's level of financial responsibility.
6. The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.
7. Types of guarantees or warranties offered by the consultant.
8. Estimate of the range of proposed services and costs.

Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority

In the event that Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item, prior to starting the work. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President at least a week prior to starting the contract work and then will still include the

Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract. The General Manager shall submit an annual written status report on all contracts executed under the General Manager's authority to the Administration & Finance Committee.

Procedures for Developing Requests for Proposals

Staff will prepare a description of the proposed project, its purpose, location, and other pertinent facts and shall request interested consultants to submit proposals; consultants may be requested to submit a statement of qualifications for certain activities. The proposals shall contain detailed information, including, but not limited to, the firm's ability to perform the job within the designated timeframe, the firm's design team, the firm's proposed use of sub-contractors, the firm's proposed scope of work, level of effort and estimated cost range, and contract documents.

M-6/15/11

§8003 REQUISITIONS AND PURCHASE ORDERS

All requests for purchases require the completion of a requisition signed by the appropriate ~~Cost CenterProgram~~ Manager. If the ~~Cost CenterProgram~~ Manager is not available, the Assistant Manager may sign the requisition. All requisitions for purchases over \$3,000 require the issuance of a purchase order. A copy of the purchase order is to be provided to the ~~Cost CenterProgram~~ Manager. The ~~AccountingFinance~~ Manager may authorize purchases up to \$3,000. ~~with-t~~The General Manager and the ~~AccountingFinance~~ Manager required to jointly sign for purchases over \$3,000.

In the absence of the ~~AccountingFinance~~ Manager or General Manager, the Assistant Manager and/or the ~~Alternate Deputy Treasurer(s)Sr. Accountant~~ are authorized to sign purchase orders. It is normally expected that neither the General Manager nor the ~~AccountingFinance~~ Manager nor those signing in their absence shall sign their own purchase orders. However, if those whose signatures are normally required are not available, they may sign their own purchase orders provided the purchase is ratified upon the return of the one who would normally sign. Confirming purchase orders are used for emergency situations only and require approval of the General Manager.

A. Procurement Policy

Every attempt will be made to obtain the best quality materials, equipment supplies and services in the optimum time frame for the minimum price. Quality of performance, as well as lowest cost, will be considered in the process.

B. Requisition Forms

The purchase requisition form shall be used for requesting the purchase of supplies, material, equipment, labor or services. The requisition form shall be submitted sufficiently in advance of the date the supplies, materials, equipment, labor or services are needed, in order to allow time for processing of a purchase order.

Requisitions are to clearly specify the type, quantity, quality and cost of the goods or services required. Common-use items should be described by their popular names, supplemented by number, size, style or other identifying data. In the case of items or services regularly needed in MWDOC operations, where experience and convenience have indicated the most economical and convenient place of purchase, the requisition should indicate the name and address of the customarily used vendor. If the vendor is not incorporated, their Tax ID number must be indicated on the form.

If transportation costs are involved, the manner in which the goods are to be shipped is to be shown on the requisition together with the approximate cost if MWDOC is to pay those costs. If items requisitioned need to be installed or assembled, it should be stated on the requisition whether MWDOC or the vendor is to do the installing or assembling. Any unusual conditions in connection with delivery and/or installation/assembly should be indicated.

C. Chargeable Account

Each requisition will specify the program and activity for which the supplies, materials, equipment or services are necessary so that the costs of such purchase may be charged to the proper account. The ~~Cost Center~~Program Manager approving the requisition shall insure there are sufficient unencumbered funds in the proper account to cover the cost of the purchase.

D. Inspection and Acceptance of Order

The requisitioner in all cases is responsible for inspecting and for accepting or rejecting deliveries and for determining that both the quality and quantity of the delivery are as specified on the purchase order. The requisitioner shall sign the delivery ticket and submit it to Accounting as certification that the goods were received and accepted. If the goods delivered do not conform to the specifications indicated on the purchase order, the requisitioner shall immediately notify the vendor and Accounting that the delivery is rejected and will require satisfactory replacement or a supplemental delivery or a credit for returned goods.

M-6/15/11

§8004 PERSONS OR COMPANIES REPORTING GIFTS

All contracts shall contain provisions as contained in Administrative Code Section 7105 with regard to reporting of gifts.

Exhibit A
AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND
CONSULTING & PROFESSIONAL SERVICES

TABLE 1 – REGULAR SITUATIONS

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$3,000	<ul style="list-style-type: none"> 2 written quotes on purchases Selection based on qualifications for professional services 	Program Manager & Accounting Finance Manager	N/A
\$3,001 - \$25,000**	<ul style="list-style-type: none"> Competitive bidding process on purchases Competitive proposals on professional services contracts. If competitive proposals are not utilized, a justification for sole source services must be completed and submitted to the next Board meeting as an informational item. 	Program Manager & GM	N/A
Over \$25,000	<ul style="list-style-type: none"> Request for competitive proposals or bidding as appropriate or justification of a sole source contract 	General Manager	Committee and Board of Directors

*Any aggregate work that will exceed \$25,000 for any one consultant over a one year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors for the work to be authorized.

**The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

TABLE 2 – EMERGENCY SITUATIONS**

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$100,000	Purchase order/Agreement or Contract	General Manager	Board of Directors ratification at next regular meeting or earliest special meeting
Over \$100,000	Agreement or Contract	General Manager	Board of Directors

**Events requiring immediate extraordinary action to protect public health, safety, welfare and property

CHAPTER 9

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

MWDOC PROPERTY	§9500-§9501
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§9500 DISPOSAL OF SURPLUS PERSONAL PROPERTY

The General Manager shall have the authority and responsibility for the ultimate sale or disposal of surplus personal property of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall be informed whenever MWDOC personal property is surplus to the needs of MWDOC. The ~~Accounting~~ ~~Finance~~ Manager shall investigate whether the recommended surplus material or equipment can be economically used by another department within MWDOC. If, after this investigation, it is determined that the material or equipment is either broken, obsolete or of no further use for the purposes of MWDOC the following guidelines shall apply:

- In the case of items listed on MWDOC's fixed assets, submit the item(s) to the General Manager who is authorized to declare items as surplus and to sell, scrap or dispose of such items. The Administration & Finance Committee shall be informed of the intention to write off or dispose of any items declared as surplus.
- Both items listed on the fixed assets and those items not listed on fixed assets shall be reviewed and may be disposed of at the discretion of the General Manager and in no event shall it be distributed to an officer, Director, employee or family member.
- Under the direction of the ~~Accounting~~ ~~Finance~~ Manager, staff will conduct a physical inventory of fixed assets every three years.
- Whenever it is advantageous or useful to MWDOC to publicly advertise surplus personal property for sale or otherwise dispose of said property, the ~~Finance~~ ~~Accounting~~ Manager shall sell such materials to the highest bidder at auction or by an established fixed price based on value analysis of the material
- An attempt shall be made to determine the value of items declared surplus by contacting vendors who normally take items as trade-in or buy surplus items.
- If the ~~Accounting~~ ~~Finance~~ Manager determines that surplus personal property shall be disposed of by sale or auction, notice of the time and place of said sale or auction shall be either published in a newspaper of general circulation or posted in at least three public places at least seven, but not more than 14 days prior to the date of the sale or auction. The notice shall identify with reasonable particularity the items to be sold and shall state that any person may bid on said items and that all sales will be paid in cash. No officer or Director of MWDOC or immediate family of an officer or Director shall be permitted to bid at auction for or purchase any surplus property of MWDOC.

No MWDOC employee or immediate family of an employee shall be permitted to bid at auction for or purchase any surplus property of MWDOC if such employee was in any way involved in the decision to originally purchase the item, the recommendation or decision to declare said item surplus, the determination of the value of items declared surplus, or the advertising or conduct of any sale or auction.

Motion - 9/5/90; Motion – 11/17/99; 11/21/01

§9501 DISPOSAL OF SURPLUS REAL PROPERTY

SECTION 1: IDENTIFYING SURPLUS REAL ~~TAIL~~ PROPERTY

- 1.1 Preliminary Requirements - The General Manager shall establish a procedure for the continuous review of real property owned by MWDOC for the purpose of determining which of such property is surplus to MWDOC's needs. Upon determination by the General Manager that property is surplus, the Board shall be notified of the determination, then a) cause the property to be appraised by one or more appraisers and b) comply with the California Environmental Quality Act and the legal requirements pertaining to the disposition of property in cities or counties which have a general plan. If, upon such compliance, any official body objects to the proposed sale, the Board shall first expressly uphold or reject the objections. There being no objections, or the objections having been completed, the General Manager may then sell the surplus property as hereinafter set forth.
- 1.2 Authority for General Manager to Sell Surplus Property - If, after offering the property for sale to certain public agencies, as required by law, at the fair market value was determined by the General Manager after review of any or all appraisals of the property, no such offer is accepted, the General Manager may sell it either by public auction or by using the services of real estate brokers or a professional auctioneer.

SECTION 2: AUCTION BY MWDOC STAFF

- 2.1 If the General Manager or a duly authorized agent elects to sell the property by public auction, such auction shall be at such time and place as may be determined by the General Manager, with or without sealed bids having been first submitted.
- 2.2 Whenever the General Manager or a duly authorized agent determines that the sale shall be at public auction without sealed bids having been first submitted, no bid at the auction shall be considered unless the bidder shall, prior to the holding of the auction, deposit with the person designated by the General Manager to conduct such sale, the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, in cash, cashier's check or check certified by a responsible bank, as a guarantee that the person making the bid will purchase the

property under the terms specified in the notice of sale. The property shall be sold to the highest responsible bidder at or above the minimum bid and the deposits of all other bidders be returned forthwith. The General Manager or a duly authorized agent shall reject all bids below the minimum bid.

- 2.3 Whenever the General Manager determines that the sale be by sealed bids, all bids shall be filed in the MWDOC office at or before the time specified in the notice of sale, shall be on forms approved by the General Manager, and shall be accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. The General Manager shall, at the time and place specified in the notice of sale, open the bids. Thereafter, there shall be a public auction at a time and place specified in the notice of sale, and any person shall be eligible to bid at the auction; provided, however, that any oral bid shall be ignored unless it exceeds by at least five percent the highest sealed bid made by a responsible person. No oral bid at such sale not preceded by a sealed bid from the same party shall be considered unless accompanied by a cash deposit, cashier's check or check certified by a responsible bank in an amount not less than the percentage indicated in Section 4.1 of the amount specified in the notice of sale as the minimum bid, as a guarantee that the person making the bid will purchase the property under the terms specified in the notice of sale. If no oral bid is made at the public auction, or if such oral bid is not in accordance with the provisions hereof, the property shall be ordered sold to the highest responsible bidder at or above the minimum bid. The General Manager shall reject all bids below the minimum bid.

- 2.4 A real estate commission shall be paid in connection with a sale at public auction on the following basis: the real estate commission shall not exceed the prevailing rate in the same area where the property is located and it shall be stated in the bid for which a claim for the payment of a commission is made that it is subject to the same. The commission shall be distributed in this manner:

When at a public auction, without sealed bids, the highest bid was procured by a licensed real estate broker, the commission shall be paid to the broker. When at a public auction following submission of sealed bids, the successful bid is the highest sealed bid, and it was procured by a licensed real estate broker, the commission shall be paid to that broker.

When at a public auction following the submission of sealed bids, the successful bid was procured by a licensed real estate broker, but the highest sealed bid was not obtained by such a broker, the commission shall be paid to the broker. When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was procured by a different licensed real estate broker, the commission shall be divided equally

between the brokers.

When at a public auction following the submission of sealed bids, the highest sealed bid was procured by a licensed real estate broker, but the successful bid was not subject to a commission, one-half of the commission based upon the amount of the successful bid shall be paid to the broker.

In determining which is the highest bid, there shall not be subtracted therefrom the commission, if any, which the bid provides shall be paid to a licensed real estate broker.

- 2.5 The General Manager shall cause a notice of sale to be posted on the property in at least one conspicuous place. It shall specify the minimum bid which will be accepted for the property, which shall not be less than 90 percent of the lowest appraisal and shall state the terms of the sale which shall be in conformity with Section 1. The General Manager shall cause one or more advertisements of the sale to be placed in a newspaper, or newspapers, so as to give reasonable notice of the sale.

SECTION 3: OPEN LISTING

If the General Manager elects to sell the property by using the services of licensed real estate brokers, he shall do so by offering it for sale by advertising in a newspaper, or newspapers, that the property is being offered for sale with courtesy to brokers, and by notifying real estate boards in the area in which the property is located that the property is being offered for sale with courtesy to licensed brokers. The initial offer for sale shall be for no less than the highest appraised valuation of the property. The General Manager is authorized to sell the property for the highest price which can be obtained; provided, however that such price shall be no lower than the lowest appraisal without approval of the Board. The General Manager is authorized to pay to the broker who procures the accepted offer, a commission not to exceed the prevailing rate in the area in which the property is located.

- 3.1 Exclusive Listing - The General Manager may with the approval of the Board, give an exclusive listing to an individual licensed broker; provided, however, that the property shall not be sold for less than the lowest appraisal without the approval of the Board. In such case, the General Manager is authorized to pay a commission, upon consummation of the sale, not to exceed the prevailing rate in the area in which the property is located.

SECTION 4: AUCTION BY PROFESSIONAL AUCTIONEERS

The General Manager may sell the property by using the services of a professional auctioneer and may in connection therewith pay the reasonable expense of advertising the auction, and agree to pay a commission to the auctioneer not in excess of the prevailing rate in the area upon the consummation of the sale. Any such sale shall be

subject to the approval of the Board of Directors.

- 4.1 Required Deposit - No bid offer made pursuant to Sections 2, 3.0, and 3.1 above, shall be considered unless the bidder or offeror shall at the time the bid or offer is made, deposit with the person designated by the General Manager the percentage indicated below of the specified amount in cash, cashier's check or check certified by a responsible bank as a guarantee that the bidder or offeror will purchase the property for the bid or offered price.

<u>Specified Amount</u>	<u>Deposit</u>
To \$500	Full amount of bid or offer
\$501 to \$10,000	\$500 + 10% of minimum bid or offer
\$10,001 to \$50,000	\$1,500 + 5% over \$10,000
\$50,001 to \$100,000	\$3,000 + 3% over \$50,000
\$100,000 and above	\$4,500 + 2% over \$100,000

- 4.2 Terms - Any sale shall be for cash or on the following minimum terms: 20 percent down payment with balance amortized over 10 years at an interest rate equal to the prevailing rate charged by financial institutions in the area in which the property is located, and to be secured by a deed of trust on the property sold. No prepayment penalty shall be required.
- 4.3 Where the property was appraised on the basis of a different zoning on the property than the existing zoning, the sale may be made contingent upon the bidder or offeror's obtaining a rezoning of the property within a reasonable time to be determined by the General Manager.
- 4.4 Policy of Title Insurance - The General Manager may furnish the successful bidder or offeror with a policy of title insurance, if possible, and open an escrow to complete the sale, paying the usual seller's charges in connection therewith; provided, however, that if it subsequently develops that the title company is unwilling to issue a policy insuring title to the bidder or offeror in the manner indicated, the General Manager shall not be required to furnish such a policy and the bidder has the option to cancel the sale; whereupon money previously deposited by offeror shall be refunded promptly and there shall be no further obligation on the part of either the bidder or the General Manager in connection with the sale; provided, further, that if under such circumstances the bidder or offeror elects not to cancel the transaction, the General Manager shall furnish such title insurance as the title company will then issue, and shall be released from liability on any representation relating to title theretofore made and not covered by the title insurance policy.
- 4.5 Completion of Sale - Execution and Delivery of Deed - The General Manager shall apply the deposit made by the successful bidder, or offeror, on the purchase price or down payment if the sale is on terms, and, upon completion of the sale either

directly to him, or through an escrow, the General Manager is authorized to execute and deliver on behalf of MWDOC a grant deed conveying the property to such bidder or offeror. In the case of a sale for cash (1) without an escrow, the successful bidder or offeror must pay the balance of the purchase price to the General Manager within thirty days after the auction or acceptance of the offer or (2) with an escrow, upon the closing thereof; provided, however, that the General Manager may choose to give the successful bidder or offeror extensions of time in which to make the payment.

- 4.6 Forfeiture of Deposits - Any deposit made by a successful bidder or offeror shall be retained by MWDOC as liquidated damages if the bidder or offeror shall fail to complete the purchase in accordance with the terms and conditions of the notice of sale or offer. If there is such a failure, a licensed real estate broker, otherwise entitled to a commission under the provisions of this Section shall be paid as a commission, an amount not to exceed one-half of the deposit so retained after deducting title and escrow expenses, if any; but in no event shall it exceed the commission which would have been received in the absence of such failure. If the successful bidder or offeror does not complete the sale as required by this Section, the property may be sold to the next highest bidder or offeror who wishes to buy.

SECTION 5: RESERVATION OF OIL, GAS AND MINERAL RIGHTS

The right to extract all oil, gas hydrocarbons or other minerals without the right of surface entry for the development thereof, shall be reserved in the sale of any real property under the provisions of this Resolution provided, however, that there shall be no such extraction within 500 feet of the surface.

R1101 - 8/26/81; R1245 - 11/26/84;

CHAPTER 10

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

RISK MANAGEMENT AND CLAIMS HANDLING	§10000-§10004
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§10000 OBJECTIVE

To preserve and protect MWDOC assets and public service capabilities against loss, destruction, or depletion to the extent physically and financially reasonable; to protect against the financial consequences of such loss; to prevent or minimize the effects of injury to employees and the public; to identify various risks and procure appropriate protection against such losses at the most reasonable long-term cost; and, to follow sound risk transfer practices by transferring risks to third parties through appropriate provisions whenever practicable and feasible.

§10001 POLICY STATEMENT

MWDOC has established this policy for management of MWDOC risks. This policy applies to all risks of loss such as fire, natural disaster, liability claims, theft, employee injury claims and other risks of property and liability loss, direct and indirect. This policy does not apply to deliberately assumed costs such as employee benefits, depreciation, wear and tear, or obsolescence. It shall be the policy of MWDOC to:

- Identify and measure risks of accidental loss
- Avoid or eliminate loss where practical
- Minimize, control or contractually transfer loss to others where practical
- Retain risks that can be assumed from current funds without serious impact on MWDOC's financial condition where this is the most economical and practical approach
- Purchase insurance coverage or participate in joint self-insurance arrangements with other public entities when the risks of loss are beyond MWDOC's capacity to absorb or where this expenditure is justified economically
- Maintain information for proper reporting and record keeping of losses, claims, premiums and related costs, insurance policies, coverage documents and other information

It is MWDOC's policy to follow the guidelines developed by ~~its insurance provider-the Association of California Water Agencies/Joint Powers Insurance (ACWA/JPIA) for which outline the~~ risk transfer procedures for contracts.

§10002 RESPONSIBILITY

MWDOC shall designate a staff member as Risk Manager for the purpose of carrying out the intent of this policy. That person shall be responsible to direct and administer the program and to recommend changes as required to best implement the overall policy of

MWDOC as set forth above. It is the responsibility of management and staff personnel at all levels to maintain lines of communication to the Risk Manager so that he/she will be advised on a timely basis of factors that would have a bearing in the management of risks or on the purchase of insurance or participation in a joint self-insurance program. This responsibility applies particularly to contracts, new or discontinued facilities, newly-recognized hazards, potential losses and known losses.

Re – Motion 10/21/98

§10003 DETAILS OF RISK TRANSFER PROGRAM

The details for implementation of MWDOC's risk transfer program are outlined in both the Contracts Manual and Personnel Manual (with each manual containing the pertinent provisions for its area of interest). Please consult those manuals for further information.

CHAPTER 11

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

MWDOC RECORDS	§11000-§11003
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SUMMARY

MWDOC records shall be open to inspection at all times during normal office hours. The District Secretary shall be the official custodian of MWDOC records and shall make all nonexempt records freely available to the public in accordance with Government Code Section 6250 et seq. Certain MWDOC records may be exempted from disclosure under the Public Records Act or other provisions of law.

§11000 INSPECTION OF MWDOC RECORDS

The following rules shall apply to MWDOC records with the exception of requests for inspection or reproduction of documents created or retained in MWDOC files in accordance with the Political Reform Act, Government Code Sections 81000 through 91015. See Section 11003 regarding procedures for said documents.

Procedure for Responding to Inspection Request

Persons desiring to inspect any public record shall submit a request in writing specifying the records desired to be inspected. The request shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, a minimum of two (2) working days will be required to search for, retrieve, and make said records available. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days stating the reason therefor and identifying the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date which would result in an extension of more than ten (10) additional working days. Unusual circumstances are defined in Section 11001.

Any person requesting inspection of records under the provisions of the California Public Records Act shall be assisted in making a focused and effective request by the District Secretary or designated representative. Original records and copies which are permanently retained by MWDOC may not be removed by the inspecting person from the designated inspection area.

Motion - 7/21/93; Motion - 4/20/94

Search for Records and Restriction on Access

A reasonable effort shall be made to locate requested records. If the records are located and are determined to be exempt from disclosure under the Public Records Act, the requesting party shall be advised in writing of the reasons for the restrictions and, in cases of denial of access, of the name and title of the person responsible for the denial. If only a portion of a record is exempt from disclosure, any reasonably segregable non-exempt portion of the record shall be provided to a person requesting such record after deletion of the portions which are exempt. If the documents requested cannot be located after a reasonable search the requesting party is to be so advised.

Motion - 7/21/93; Motion 4/20/94;

§11001 REQUESTS FOR COPIES OF RECORDS

Any person requesting copies of records shall submit a written request to the District Secretary and shall reasonably describe an identifiable record or information produced therefrom. Since the majority of MWDOC records are kept off-site, the District Secretary shall determine whether said records are on the premises or at an off-site location. If found to be off-site, copies of documents determined to be subject to disclosure will be provided within ten (10) working days. The requesting party shall be advised of date and time said records will be available. If access is to be denied, a written notice shall be given to the requesting party within ten (10) days identifying the reason therefor and the person responsible for denying the request. The time limit may be extended in unusual circumstances through written notice by the District Secretary to the requesting party, setting forth the reasons for the extension and the date on which such determination is expected to be made. No such notice shall specify a date that would result in an extension for more than ten (10) additional working days.

For purposes of this section, "unusual circumstances" means:

- a. The need to search for and collect the requested records from off-site facilities or other establishments that are separate from the office processing the request.
- b. The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request.
- c. The need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more units of MWDOC having substantial subject matter interest therein.

Motion 7/21/93; Motion - 4/20/94

§11002 FEES FOR DUPLICATION OF RECORDS

The direct cost for ~~photocopies of reproduction of~~ MWDOC records, except as provided in Section 11003, shall be twenty-five cents (\$0.25) per page, and for electronic copies provided on a compact disk (CD) the direct cost shall be \$1 per CD. For records produced through other media, the requestor shall be responsible for the direct costs of duplication. Where production of an electronic record either (1) involves a record that is produced only at otherwise regularly scheduled intervals, or (2) requires data compilation, extraction, or programming, the requester shall bear the cost of producing a copy of the record, including the cost to construct a record, and the cost of programming and computer services necessary to produce a copy of the record. An invoice and a receipt shall be furnished to the person or agency requesting copies. Actual postage charges incurred in mailing such copies shall be included in the invoice and receipt; however, no fee may be charged for time involved in research or retrieval. All fees shall be paid on or before delivery of such copies. Public agencies may, at the discretion of MWDOC, be exempted from payment of such fees if duplication of records is deemed to be pertinent to the business of such public agency.

§11003 RECORDS PURSUANT TO THE POLITICAL REFORM ACT

Documents prepared and filed in the MWDOC records in accordance with the Political Reform Act (conflict of interest code, statements of economic interest, campaign statements) are a public record open for public inspection and reproduction during regular business hours, commencing as soon as practicable, but no later than the second business day following the day on which the request for inspection or reproduction was received.

Copies shall be provided at a charge not to exceed ten cents (\$.10) per page. A retrieval fee not to exceed five dollars (\$5.00) per request shall be charged for copies of reports and statements which are five years old or more (Government Code Section 81008).

Motion - 4/20/94;

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

RECORDS RETENTION/DESTRUCTION SCHEDULE	§11100-§11104
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The purpose of this policy is to provide for the maintenance, retention and disposal of MWDOC's historical, administrative, legal, and financial records while complying with the legal requirements and the needs of MWDOC. All District records should be inventoried and analyzed to ensure that valuable records are adequately preserved; and non-records and obsolete records are destroyed in accordance with the approved records retention schedule.

§11100 PERMANENT RETENTION OF ORIGINAL RECORDS

Records which shall be retained permanently in their original form include resolutions, ordinances and orders of the Board, minutes of meetings of the Board, deeds, easements, records that are determined by an executive officer of MWDOC to be of very significant and lasting historical, administrative, engineering, legal, fiscal or research value and records required by law to be filed and preserved as advised by General Counsel. The attached chart, made a part of this section, should be referenced as it is more comprehensive and easier to use.

§11101 DESTRUCTION OF RECORDS WHERE ALTERNATE ARCHIVING IS REQUIRED

The following records may be destroyed at any time provided they are first archived on alternate media in accordance with the requirements of Government Code Section 60203:

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

§11102 DESTRUCTION OF ORIGINAL DOCUMENTS WHERE ALTERNATE ARCHIVING IS NOT REQUIRED

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

- a. Rough drafts, notes and working papers accumulated in preparation of a

communication, study or other document unless of a formal nature contributing significantly to preparation of a document representing the work of any department of MWDOC;

- b. Cards, listings, nonpermanent indices, other papers used for controlling work and transitory files including letters of transmittal, suspense letters and tracer letters;
- c. Duplicate records, after the officer or employee authorizing destruction of a record is certain that the original record or at least one copy thereof is available within MWDOC;
- d. Any records, other than those included in Section 11101, whose content is substantially found in another record.

§11103 CUSTODIAN OF MWDOC RECORDS

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

§11104 ELECTRONIC MAIL (E-MAIL) RETENTION POLICY

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

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

Motion-10/19/05; 10/20/10

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
BOARD OF DIRECTORS			
BOD01	BOARD OF DIRECTORS ADMINISTRATIVE RECORDS		
	Records related to the Board of Directors. Includes general correspondence and reports. <i>Citation(s): CA GC 60201, 60203, AC 11102</i>	2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
BOD02	BOARD AND INTERNAL POLICIES		
	Policy set by Board of Directors. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
BOD03	ORDINANCES AND RESOLUTIONS		
	Records related to regulations for the District that are approved or adopted by the Board of Directors, and the formal expression of the will, opinion, and intent voted by the Board of Directors. Includes Proofs of Publication. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
BOD04	BOARD & COMMITTEE MEETING AGENDAS, PACKETS, AND NOTICES		
	Records related to information provided to the official Board of Directors for consideration and action at official proceedings. Includes agendas, records related to committee operations and meetings, rosters of committee members, discussion points, action and information submittals, regular and special meeting notices, and adjournment and cancellation notifications. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
BOD05	BOARD & COMMITTEE MEETING MINUTES		
	Records related to actions and decisions of the Board of Directors. Includes minutes, administrative orders, minute orders, and minute actions. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
BOD06	BOARD & COMMITTEE MEETING NOTES		
	Records include shorthand notebooks, stenotype records, and keys to audio tapes. <i>Citation(s): AC 11103</i>	1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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BOD07	BOARD & COMMITTEE MEETING AUDIO AND VIDEO TAPES		
	Records include audio and video tape recordings of Board & Committee Meetings when used for minute preparation or where they may have historical value. <i>Citation(s): AC 11103 / CA GC 60201, 60203</i>	CL+30 Days	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
BOD08	ELECTION RECORDS		
	Records related to the election process. Includes filing information, maps, directors divisions, polling places and election results. <i>Citation(s): CA GC 60201, 81009, CA EC 17100</i>	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
BOD09	OATH OF OFFICE		
	Records of the Oaths of Office and related materials depicting the authenticity of the appointment of any of the Directors or Executive Officers of MWDOC. <i>Citation(s): CA GC 60201, 60203, AC 11101</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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ADMINISTRATION			
ADM01	ADMINISTRATION		
	Records related to general administrative activities and duties of the District. Includes general memos, letters, reports, visitor log, District Report of Gifts forms, and surveys pertaining to day to day function of the District office. <i>Citation(s): CA GC 60201, 60203</i>	3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM02	SUCCESSFUL PROPOSALS RELATING TO REAL PROPERTY		
	Records related to bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid, relating to real property. Successful bid is awarded a contract. This file does not include the original contract or insurance information. <i>Citation(s): CA GC 60201, CA CCP 337</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM03	SUCCESSFUL PROPOSALS NOT RELATING TO REAL PROPERTY		
	Records related to construction and service bid invitations, RFP's, successful proposals and bids, drawings and specifications issued by the District for competitive bid. Successful bid is awarded a contract. This file does not include the original contract or insurance information. <i>Citation(s): CA GC 60201, CA CCP 337</i>	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM04	UNSUCCESSFUL PROPOSALS		
	Records related to Request for Proposals issued for competitive bids received and not selected for services. <i>Citation(s): CA GC 60201, 60203</i>	CL+6	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM05	BUSINESS PLAN RECORDS		
	Reports describing long-range planning, District services, and goals of the District. Includes strategic plans and financial planning records. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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ADM06	HISTORICAL RECORDS		
	Records related to the history of the District. Includes photos, anniversary celebrations, facility dedications, proclamations, and awards. These items are the archives collection. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM07	PERMITS & LICENSES		
	Records related to permits and licenses necessary for the operation of the facilities and District. Includes business license, building & construction permits, and Department of Health and Safety permits. <i>Citation(s): CA GC 60201, 60203; 40 CFR 122.41, 40 CFR 141.33, 40 CFR 141.91</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM08	ADMINISTRATIVE POLICIES & PROCEDURES		
	Records providing documentation on the implementation of management and administrative policies and directions for District functions. Includes MWDOC's Rules and Administrative Code. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM09	SAFETY		
	Records regarding District Safety Policy & training. Including employee safety training, special skills of staff, IIPP Manual, OSHA Information, Sexual Harassment Training, and Ergonomics Training. <i>Citation(s): 8 CCR 3203, CA GC 60201, 60203</i>	SU+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM10	EMERGENCY & SECURITY		
	Records providing instructions in the event of a disaster, including evacuation information, Emergency & Disaster Plans, Emergency Response Inspection Requirements, Security Policies, Continuity of Operations Plan and related correspondence. <i>Citation(s): CA GC 60201, 60203</i>	SU+3	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM11	MATERIAL SAFETY DATA SHEETS		
	Records related to the use of hazardous substances. <i>Citation(s): AC 11103, 40 CFR 122.21</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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ADM12	PUBLIC INFORMATION REQUESTS		
	Requests for records under the Public Records Act, includes MWD OC response. <i>Citation(s): CA GC 6251, 60201</i>	CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM13	RECORDS MANAGEMENT FILES		
	Records related to the management of District records: (a) Documentation of the location of records within the District offices, and transfer of records to an offsite records center (b) Destruction Certificates that certify (confirm) the destruction of official records that have been approved for destruction, and attests that destruction was accomplished in accordance with policies and procedures (c) Records Retention Schedule: a legal document listing record series maintained by the District, with associated retention periods, characteristics, the responsible department, and legal citations <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM14	DISTRICT INSURANCE RECORDS		
	Records related to insurance policies purchased by the District, includes the policies and any amendments. Excludes invoices, premium payment information, and general correspondence pertaining to insurance. <i>Citation(s): AC 11103</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM15	PUBLIC NOTICES		
	Records announcing Requests for Proposals or Requests for Quotes including proofs of publication. <i>Citation(s): CA GC 60201</i>	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM16	GENERAL CORRESPONDENCE		
	Records related to internal and external general communications. Includes memos and letters kept in chronological order as a convenience file. <i>Citation(s): CA GC 60201, 60203</i>	3	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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ADM17	REFERENCE FILES		
	Documents used for reference and research, such as books, technical journals, reference materials, reports, studies, magazines, periodicals, and presentations. Includes Library Policies & Procedures. <i>Citation(s): CA GC 60201, 60203</i>	AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM18	EQUIPMENT MAINTENANCE & WARRANTY INFORMATION		
	Records related to the maintenance, & warranty information for equipment & furniture purchased by the District. Does not include purchase or repair invoices (see Finance section). <i>Citation(s): CA GC 60201, 60203</i>	SA+4	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM20	MWDOC MEMBER AGENCIES		
	Correspondence to and from Member Agencies relating to issues directly impacting MWDOC business and information from Member Agency Manager's Meetings. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM21	OTHER AGENCIES		
	Correspondence to and from other agencies relating to MWDOC business. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM22	OUTSIDE AGENCY EVENT INFORMATION		
	Records related to events sponsored by other agencies attended by MWDOC Directors & Staff. Includes conference & seminar information and travel records. Does not include attendance records, expense reports, or payment records. <i>Citation(s): CA GC 60201, 60203</i>	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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LEGAL			
LGL01	ANNEXATION FILES		
	Records related to receiving or transferring land within District boundaries. <i>Citation(s): CA GC 60201</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
LGL02	FORMATION FILES		
	Records documenting the terms under which the District was formed, organized, re-organized or consolidated. Includes directives from LAFCO on boundaries or services. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
LGL03	PARCEL RECORDS		
	Records related to real property. Includes deeds, easements, and similar documents related to property which MWDOC holds or owns. <i>Citation(s): CA GC 60201, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
LGL04	LEGAL OPINIONS		
	Records related to legal opinions on issues, problems, and policies impacting the organization. <i>Citation(s): CA GC 60201</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
LGL05	LITIGATION FILES		
	Records related to threatened or actual litigation or government investigations. Includes subpoenas, pleadings, discovery files, work product, exhibits, final judgments, and court documents. <i>Citation(s): CA GC 60201, 60203, CA CCP 583.310</i>	CL+5	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
LGL06	SUBPOENAS		
	Records related to subpoenas received by the District, where MWDOC is a third party. Includes the District's response. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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LGL07	FAIR POLITICAL PRACTICES COMMISSION FILINGS		
	Records related to FPPC filings for campaign contributions. Includes annual conflict of interest filings (Form 700) for Board members, employees, and consultants; assuming/leaving statements; and lobbyist registration. <i>Citation(s): CA GC 81009, CA EC 17000</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
LGL08	CONTRACTS & AGREEMENTS, RELATING TO REAL PROPERTY		
	Records related to obligations defined in contracts and agreements relating to real property. Includes promissory agreements, contracts for services, purchases and sales, certificates of insurance from vendors, and change orders. <i>Citation(s): AC 11103, CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
LGL09	CONTRACTS & AGREEMENTS, CONSTRUCTION		
	Records related to obligations defined in construction contracts and agreements. Includes promissory agreements, contracts for services, purchases and sales not relating to real property, certificates of insurance from vendors, and change orders. <i>Citation(s): AC 11103, CA GC 60201, 60203</i>	CL+10+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
LGL10	CONTRACTS & AGREEMENTS, GENERAL		
	Records related to obligations defined in contracts and agreements. Includes software licenses, promissory agreements, contracts for services, purchases, and sales, certificates of insurance from vendors, and change orders. Excludes construction contracts. <i>Citation(s): CA GC 60201, 60203</i>	CL+7+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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HUMAN RESOURCES

HR01	EMPLOYEE BENEFIT PLANS & PROGRAMS		
	Records related to all employee benefits plans and programs, including health and life insurance policies & information, tuition reimbursement, eligibility, and retirement plans. Does not include employee enrollment or other individual forms. <i>Citation(s): 29 CFR 1627.3, CA GC 60201 (d)(12)</i>	CL+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR03	SALARY SCHEDULES		
	Records related to District Salary Schedules as established by the Board. <i>Citation(s): CA GC 60201(d)(12), 60203, 29 CFR 1627.3</i>	SU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR04	MEDICAL FILES		
	Records related to the medical history of employees, required physicals or drug testing, doctor releases/notes for workers' compensation or other absences. <i>Citation(s): 8 CCR 3204</i>	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
HR05	PERSONNEL MANUAL		
	Records related to Personnel Policies of the District. <i>Citation(s): CA GC 12946, 60201, 60203</i>	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR06	PERSONNEL ADMINISTRATION RECORDS		
	Records related to the overall administration of personnel activities. Includes studies, surveys, and reports. <i>Citation(s): CA GC 60201</i>	4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR07	PERSONNEL FILES		
	Records related to individual employees. Includes employment applications, pre-employment physicals, I-9 forms, training records, performance evaluations, driving records, awards or certificates, salary information, insurance enrollment, beneficiary designations and other forms, and separation documents. <i>Citation(s): CA GC 60201, 60203, 29 CFR 1627.3, 8 USC 1234a</i>	TE+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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HR08	EMPLOYEE COMPLAINTS		
	Records related to employee complaints, includes MWDOC response and disciplinary action. <i>Citation(s): CA GC 60201, 60203, 29 CFR 1602.31</i>	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
HR09	RECRUITMENT RECORDS		
	Records regarding the advertisement of available positions. Includes job descriptions, job postings, advertising, interviews, resumes, applications, testing questions and results. <i>Citation(s): 29 CFR 1602.32, 29 CFR 1627.3</i>	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
HR11	FORMS		
	Blank forms pertaining to Personnel administration. <i>Citation(s): CA GC 60201, 60203</i>	SU+1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR12	ORGANIZATIONAL CHART		
	Records related to District organizational structure. <i>Citation(s): CA GC 60201, 60203</i>	SU+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR13	RETIREE BENEFITS		
	Records regarding benefits offered to retirees <i>Citation(s): CA GC 60201(d)(12), 60203; 29 CFR 1627.3</i>	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
HR14	NEW HIRE INFORMATION		
	Records related to background checks for newly hired employees. <i>Citation(s): CA GC 60201, 60203</i>	TE+5	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
HR16	RISK MANAGEMENT		
	Records related to Worker's Compensation Claims, Disability Claims, and Incident/Accident Reports. <i>Citation(s): 29 CFR 1904 et seq.</i>	ST+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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ENGINEERING

ENG01	ENGINEERING PROJECTS		
	Records related to major projects or capital improvements for District services. <i>Citation(s): CA GC 60201, 60203</i>	CL+10+AR	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ENG02	LOCAL WATER OPERATIONS AND WATER USAGE DATA		
	Records related to non-Metropolitan water operations. Includes water usage & production information and joint facility operations & maintenance allocations. <i>Citation(s): CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ENG03	DRAWINGS & MAPS		
	Records of graphic depictions (drawings, sketches) of facilities. Includes bid set drawings marked up by contractors during construction to show how facility or component is actually constructed, base maps for service areas, Director divisions, and atlases. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ENG04	FACILITIES MAPS		
	Records related to planning of District facilities that are geographical in nature and show pipelines and other waterworks facilities. <i>Citation(s): CA GC 34090</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ENG05	RESEARCH & PLANNING		
	Records related to planning of District projects and programs. Includes water reliability & drought issues, Orange County Water Plan, Water Demand Forecast & Regional Urban Water Management Plan, Five Year Water Projections, and water supply alternatives. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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ENG06	SERVICE CONNECTIONS & ALLEN MCCOLLOCH PIPELINE		
	Records related to service connections, local distribution systems, and Allen McColloch Pipeline (AMP) operations. Does not include records regarding sale of AMP. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ENG07	RATES, FEES AND CHARGE RECORDS		
	Records related to determining rates and fees charged by the District, includes annual water rates survey. <i>Citation(s): CA GC 60201, 60203</i>	10+AR	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MWD01	METROPOLITAN ADMINISTRATIVE INFORMATION		
	Records related to Metropolitan issues of vital interest to MWDOC business, that are not easily obtained or readily available through electronic means. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD02	OPERATIONS & SERVICE INTERRUPTIONS		
	Records related to Metropolitan water operations that are of vital interest to MWDOC business. Includes shutdown & chlorination notifications & reports, treatment facilities, distribution system (including maps, capacity diagrams, & detailed schematics), water quality, and water reliability. <i>Citation(s): CA GC 60201, 60203, 40 CFR 141.33</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD03	PROJECTS & PROGRAMS		
	Records related to Metropolitan projects and programs that are of vital interest to MWDOC business. Includes Capital Improvement Program, desalination projects, water supply projects, Interim Agricultural Water Program, Local Resources Program, power related projects, groundwater Conjunctive Use Programs, and Community Partnering Program. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD04	WATER TRANSFERS & WHEELING		
	Records related to Water Transfers and Wheeling that are of vital interest to MWDOC business. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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GOVERNMENTAL AFFAIRS

GA01	FEDERAL LEGISLATION		
	Information regarding House and Senate Bills. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
GA02	STATE LEGISLATION		
	Information regarding Assembly & State Senate Bills and Ballot Initiatives. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
GA03	LEGISLATIVE CORRESPONDENCE		
	Records of correspondence related to State & Federal Legislation, including support & oppose letters and floor alerts. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
GA04	LOBBYIST CORRESPONDENCE		
	Information regarding lobbyist activities & related correspondence. Does not include FPPC filings/Lobbyist registrations. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
GA05	CONSUMER CONFIDENCE REPORTS		
	Information from Member Agencies, consultants, state government, related to the content for and annual production of the report. <i>Citation(s): CA GC 60201, 60203</i>	SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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WATER USE EFFICIENCY

WUE01	CONSERVATION AND LANDSCAPE PROGRAMS		
	Records related to conservation and landscape programs facilitated by the District to encourage efficient use of water. Includes exchange and rebate programs, performance certification and training programs, and surveys. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
WUE02	WATER USE EFFICIENCY ADMINISTRATIVE RECORDS		
	Records related to general WUE program correspondence, transmittals and workgroup meeting information. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
WUE03	CONSERVATION RESEARCH ACTIVITIES		
	Records related to District research activities in the area of conservation and water use efficiency. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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PUBLIC AFFAIRS

PA01	INSPECTION TRIPS & EVENTS		
Records related to District sponsored trips/tours and other events. Includes venue information, invitations, agendas, and final attendee list. Does not include expense or cost reports or other financial information (see Finance section). <i>Citation(s): CA GC 60201, 60203</i>		CL+5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
PA02	PUBLIC RELATIONS INFORMATION		
Records related to preparing public information, brochures describing District activities, and advertising materials that promote District events or programs. Includes samples of promotional items, newspaper clippings and photographs, artwork, videos, news releases and newsletters. <i>Citation(s): CA GC 60201, 60203</i>		4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
PA03	MWDOC WEBSITE		
Records relating to the creation & maintenance of the official MWDOC website. <i>Citation(s): CA GC 60201, 60203</i>		SU+3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
PA04	PUBLIC COMPLAINT FILES		
Records related to verbal and written public complaints. Includes documentation regarding MWDOC's response. Does not include government and/or legal claims. <i>Citation(s): CA GC 60201, 60203</i>		CL+4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
PA05	SPEECHES & PRESENTATIONS		
Records related to the preparation of presentation materials by staff. Includes text of speeches, presentation materials, and computer presentation software files. <i>Citation(s): CA GC 60201, 60203</i>		5+AR	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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PA06	SCHOOL PROGRAM		
	Includes information from Discovery Science Center, contests, school presentations, and information from other education related events. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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FINANCE			
FIN01	GENERAL LEDGER		
	Financial records related to the general ledger posting. <i>Citation(s): CA GC 60201, 60203, AC 11101</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
FIN02	INTERIM FINANCIAL REPORTS		
	Records describing the financial status of the District. Includes financial, fiscal, and monthly reports, worksheets, printouts, and statements on the financial position and condition of the District. <i>Citation(s): CA GC 60201</i>	10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
FIN03	AUDIT RECORDS		
	Records related to reviewing the District's activities to ensure compliance with policies, procedures, and standards. Includes draft reports and correspondence. Does not include final audit report. <i>Citation(s): CA GC 60201, 60203, 26909</i>	AU+7	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
FIN04	ANNUAL FINANCIAL REPORT & AUDITOR REPORT		
	Records describing the financial status of the District, including the Annual Financial Report and the Final Audit Report. <i>Citation(s): CA GC 60201, 60203, 26909</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
FIN05	DRAFT MWDOC BUDGET		
	Records related to internal financial planning and management. Includes final budget vs. cost reports, summaries, worksheets, and goals and objectives. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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FIN06	FINAL MWDOC BUDGET		
	Records related to the Final MWDOC Annual Budget and milestones for the final approved budget. Final budget is approved by the Board. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN07	ACCOUNTS PAYABLE		
	Records related to payment of financial obligations (money owed by the District). Includes vendor invoices, bills, check requests, statements including credits/refunds, disbursement reports, completed purchase orders & purchase requisitions, travel & expense reports, membership renewal payments, and petty cash. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN08	ACCOUNTS RECEIVABLE		
	Records related to accounting for money owed to the District. Includes cash receipts, check copies, uncollectible debts, MWDOC invoices and bankruptcies. Excludes Water Billing. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN09	PAYROLL RECORDS		
	Records related to payment of labor costs. Includes employee timesheets, completed request for leave forms, salary, wage, and deferred compensation; deduction, garnishment, and retirement contribution. <i>Citation(s): 29 CFR 516.5, 29 CFR 516.6, CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
FIN10	PAYROLL TAX RECORDS		
	Records related to Annual & Quarterly payroll tax filings, includes W-2 forms. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>

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FIN11	BANKING RECORD		
	Records related to bank transactions. Includes deposits of funds, cancelled checks, check registers, bank advices, wire transfers, bank statements, and reconciliations. <i>Citation(s): AC 11100, CA GC 60201, 60203</i>	AU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN12	CASH & INVESTMENT RECORD		
	Records related to portfolio investments. Includes cash flow statement, transaction records, and investment pool statements. <i>Citation(s): CA GC 60201, 60203, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN13	WATER BILLING RECORD		
	Records related to the processing of the monthly water billing. Includes Metropolitan invoices, invoices issued, and reconciliation reports. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN14	FIXED ASSET RECORD		
	Records related to the acquisition, depreciation, and accruals of fixed assets. Includes purchase and sale or disposition information. <i>Citation(s): CA GC 60201, 60203</i>	SA+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN15	GRANT RECORDS		
	Records related to accepted / approved federal or state grants, includes financial records. <i>Citation(s): CA GC 60201, 60203</i>	CL+5	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN16	OLD BUSINESS		
	Records related to previously closed finance related issues not included in other record categories. Includes the OC Bankruptcy. <i>Citation(s): CA GC 60201, 60203</i>	CL+10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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FIN17	CONSERVATION FUNDING RECONCILIATION		
	Records related to conservation project & program grant reconciliation. <i>Citation(s): CA GC 60201, 60203</i>	CL+7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
FIN18	TRUSTEE ACTIVITY RECORDS		
	Records of non-WFC trustee activities for agency deposits related to special projects. <i>Citation(s): CA GC 60201, 60203</i>	AU+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

INFORMATION TECHNOLOGY

IT01	COMPUTER SYSTEM RECORDS		
	Records and manuals related to District hardware records, maintenance files, software application files, database programs and back up tapes. Excludes data contained in any of the above programs. <i>Citation(s): CA GC 60201</i>	SU	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
IT02	NETWORK OPERATING MANUAL		
	Records related to the operation of the District Information Technology. <i>Citation(s): CA GC 60201, 60203</i>	SU+2	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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WATER FACILITIES CORPORATION

WFC01	WATER BONDS & CERTIFICATES OF PARTICIPATION – OTHER DOCUMENTS		
	Records related to interest-bearing certificates issued by the District to raise revenues, includes interest & redemption vouchers and Certificates of Participation (COPS). Does not include Official Statement. <i>Citation(s): CA GC 26907.1, CA CP 337.5, AC 11103</i>	CL+10	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
WFC02	WATER BONDS & CERTIFICATES OF PARTICIPATION –OFFICIAL STATEMENT		
	Records including final official statement for Bond or COPS issuance. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WFC03	ALLEN-MCCOLLOCH PIPELINE SALE TO METROPOLITAN		
	Records related to the sale of the AMP to Metropolitan. Includes the Sales Proceed Agreement, RPOI distribution to the participants. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

IMPROVEMENT DISTRICT NO. 1

ID101	IMPROVEMENT BONDS & COPS		
	Records related to interest-bearing certificates issued by the District to raise revenues. Includes certificates of participation (COPS). <i>Citation(s): CA GC 60201, 60203, CA CP 337.5</i>	CL+10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ID102	PROPERTY TAX FILING		
	Records related to the filing of Property Taxes with the County of Orange. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY

WER01	PROGRAM ORGANIZATION & HISTORY		
	Records relating to the development and administrative functions of WEROC, including Steering Committee & Executive Committee Meeting information & minutes, and Indemnification Agreements. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
WER02	EMERGENCY RESPONSE PLANS		
	Records relating to the Standardized Emergency Management System, National Incident Management System, Hazard Mitigation Plan, and Vulnerability Assessments & Emergency Response Plans. <i>Citation(s): CA GC 60201, 60203</i>	SU+30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WER03	VOLUNTEER INFORMATION & TRAINING DOCUMENTATION		
	Records relating to WEROC volunteers & training. Includes contact information forms and training records. <i>Citation(s): CA GC 60201, 60203</i>	TE+15	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WER04	FACILITIES		
	Records related to the Emergency Operations Center. Includes information on maintenance and maps & equipment. <i>Citation(s): CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WER05	WEROC MEMBER AGENCIES		
	Records related to communications, Quarterly Meetings & Metropolitan Agency Radio System. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

RETENTION PERIOD EVENT CODES

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review
 AU – After Audit
 CL – Closed, Completed

CU- Current Year
 EX – Expiration/end of usefulness
 PE – Permanent

RE –Revised
 SA – Sale, Disposition
 ST – Settlement

SU – Superseded
 TE – Termination

Characteristics

V - Vital
H - Historical
C - Confidential

Municipal Water District of Orange County (MWD OC)
Records Retention Schedule

April 2013

Page 24 of 25

Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
WER06	COUNTY, STATE & FEDERAL EMERGENCY SERVICES		
	Records related to Orange County Emergency Management Organization & Operational Area Executive Board, State of California Office of Emergency Services, Federal Emergency Management Agency, Water/Wastewater Agency Response Network, California Utility Emergency Association, and Infragard. <i>Citation(s): CA GC 60201, 60203</i>	30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
WER08	DISASTER RESPONSE		
	Records containing documentation for individual events, filed by incident. Includes activation records and communications. <i>Citation(s): CA GC 60201, 60203.</i>	CL+30	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>

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Municipal Water District of Orange County (MWDOC)
Records Retention Schedule

April 2013

Page 25 of 25

Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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Event Code Descriptions

Code	Event Name	Description
+	Plus	Some retention periods consist of two or more components; i.e. CL+6 means they should be kept until closed plus 6 years.
AR	Annual Review	Subject to an annual review to determine if record has continued value.
AU	After Audit	Retain until audit has been performed.
CL	Closed; Completed	Retain until District Manager determines closed or project completion date.
CU	Current Year	A period of time starting after the end of the current calendar year – December 31.
EX	Expiration / end of usefulness	Retain until file has expired or is no longer useful or relevant.
M	Month	Additional retention period of 1 calendar month
PE	Permanent	Record retained indefinitely.
RE	Revised	The corrected or updated version of a record.
SA	Sale	Retain until item is sold, demolished or removed from service.
ST	Settlement	The act of settling, or the state of being settled.
SU	Superseded	Record is maintained until made obsolete by the creation or receipt of a newer version.
TE	Termination	Retain until termination, retirement, or death.

Record Characteristics

Code	Characteristic Name	Description
V	Vital	A record identified as essential for the continuation or survival of the organization if a disaster strikes. Such records are necessary to re-create the organization's legal and financial status and to determine the rights and obligations of employees, customers, stockholders, and citizens.
H	Historical	The value attributed to a record which preserves documentation on significant historical events including the organization's operations, origin, policies, authorities, functions, and organizations, as well as significant administrative decisions.
C	Confidential	A record requiring protection against unauthorized disclosure, modification, or destruction. A document with restricted access.

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 AU – After Audit
 CL – Closed, Completed

CU - Current Year
 EX – Expiration/end of usefulness
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Characteristics
V - Vital
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CHAPTER 12

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

MWDOC/COASTAL CONSOLIDATION ISSUES	§12000-12002
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§12000 INTRODUCTION

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

§12001 Standby Charge Levied in MWDOC and Coastal Service Areas

This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by ~~MetropolitanMET~~ is higher in the Coastal service area because at the time the Standby Charge was established by ~~MetropolitanMET~~ (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by ~~MetropolitanMET~~ through the Standby Charge are forwarded to each participating ~~MetropolitanMET~~ member agency (including MWDOC and Coastal) as credits against the amount owing under ~~MetropolitanMET~~'s Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), ~~MetropolitanMET~~ engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a ~~MetropolitanMET~~ Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that ~~MetropolitanMET~~ equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

§12002 ~~MetropolitanMET~~ Capacity Provided in the EOCF#2 for the Coastal Service Area

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by ~~MetropolitanMET~~, Anaheim, Santa Ana,

MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service area in 1951 the Anaheim and Santa Ana city service areas from ~~MetropolitanMET~~ had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, ~~MetropolitanMET~~ provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. ~~MetropolitanMET~~'s 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
Santa Ana	15
Coastal	63

Met Total 84

In ~~MetropolitanMET~~ Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to ~~MetropolitanMET~~ in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to ~~MetropolitanMET~~ and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by ~~MetropolitanMET~~ for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that ~~MetropolitanMET~~ has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with ~~MetropolitanMET~~. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by ~~MetropolitanMET~~.

M-5/2005; M-2/16/11

Municipal Water District of Orange County
Legal and Professional Services Open Purchase Orders
as of December 31, 2014

Department	Consultant	Purpose	Approval Method	PO #	Date Opened	PO Amount including prior year increases	PO Increase/Decrease	Expensed This Fiscal Year	Total Expensed	Remaining Amount	% Complete
Legal Expenses											
Administration	Aleshire & Wynder LLP	Legal council services	Budget Approval	PO001789	8/2014	20,000.00		3,781.78	3,781.78	16,218.22	19%
	Best Best & Krieger	Legal council services	Budget Approval	PO001756	7/2014	300,000.00		80,020.21	80,020.21	219,979.79	27%
	Best Best & Krieger	Legal council services- Personnel Issues	Budget Approval / GM Approved	PO001756	7/2014	6,000.00	10,000.00	14,843.27	14,843.27	1,156.73	93%
	Best Best & Krieger	Legal council services-AMP	Budget Approval	PO001756	7/2014	17,000.00		11,896.54	11,896.54	5,103.46	70%
Audit Expenses											
Engineering Expenses											
Met Issues & Special Projects	Means Consulting, LLC	Consulting on MET Issues	Budget Approval	PO001794	7/2014	54,000.00		10,611.78	10,611.78	43,388.22	20%
	Ronald R. Gastelum	Consulting on MET Issues	Budget Approval for MWDOC's share of 1/12	PO001809	8/2014	97,500.00		52,500.00	52,500.00	45,000.00	54%
Professional Expenses											
Administration	Americh Massena, Inc.	Semi-Annual review of Deferred Compensation and Defined Contribution Plan portfolios	Budget Approval	PO001782	7/2014	15,000.00			-	15,000.00	0%
	Dissinger	Pension Plan administration	Budget Approval	PO001757	7/2014	3,400.00		500.00	500.00	2,900.00	15%
	Raffelis Financial Consultants	Budget Based Tiered Rates grant assistance	Board Approval 5/19/10	PO000265	10/2010	36,350.00		-	12,481.15	23,868.85	34%
	WageWorks	Cafeteria Plan administrative fee	Budget Approval	PO001764	7/2014	2,400.00			-	2,400.00	0%
Governmental Affairs	Lewis Consulting Group, LLC	County issues consulting	Budget Approval	PO001911	11/2014	48,000.00		21,500.00	21,500.00	26,500.00	45%
	Richard Ackerman	Legal and regulatory consulting	Budget Approval	PO001910	11/2014	36,000.00		7,912.50	7,912.50	28,087.50	22%
Conservation	Aquaficient Consulting	Customized irrigation reports for IRWD	R. Hunter Approval 8/13/14	PO001793	7/2014	18,000.00		9,000.00	9,000.00	9,000.00	50%
	ConserVision Consulting, LLC	Landscape Performance Certification	R. Hunter Approval 12/19/14 & Budget	PO001939	12/2014	110,000.00		21,619.50	21,619.50	88,380.50	20%
	Maureen Erbezniak & Associates	Independent Process and Quality Control Evaluation of Turf Removal Rebate program	K. Seckel Approval 11/19/14	PO001940	12/2014	5,000.00		-	-	5,000.00	0%
	Mission Resource Conservation District	Field verification for Smart Timer and Rotating Nozzle rebate programs	Board Approval 9/19/12 & 4/17/13	PO001149	10/2012	378,000.00	225,505.34	146,978.96	373,312.77	230,192.57	62%
Desalination Programs	Mission Resource Conservation District	Field verification for Landscape Device Installation inspections	Board Approval 10/6/14	PO001953	12/2014	309,000.00		11,345.18	11,345.18	297,654.82	4%
	URS Corporation	Continuation of the Industrial Process Water Use Reduction program	Board Approval 11/17/10	PO000416	1/2011	108,150.00		18,175.00	100,311.10	7,838.90	93%
	Waterwise Consulting, Inc.	Hotel Water Use Reduction program	Board Approval 9/17/08 & 2/16/11	100000165	1/2009	337,125.00	(85,631.00)	2,500.00	238,484.00	13,010.00	95%
	SDG&E	Electrical service for Doherty Desal project	K. Seckel Approval	PO001816	9/2014	1,600.00		1,034.27	1,034.27	565.73	65%
Public Affairs	Discovery Science Center	School Program	Budget Approval	PO001903	9/2014	259,099.00		63,372.59	63,372.59	195,726.41	24%
	Immersiv Media, Inc.	Website support & maintenance	D. Burke Approval	PO001878	10/2014	2,100.00		1,050.00	1,050.00	1,050.00	50%
Finance / IT	Union Bank	Custodial bank fees	Budget Approval	PO001848	9/2014	2,500.00		1,250.00	1,250.00	1,250.00	50%
Totals							149,874.34	479,891.58	1,036,826.64	1,279,271.70	45%



INFORMATION ITEM

February 11, 2015

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Karl Seckel

SUBJECT: FY 2014-15 BUDGET YEAR END PROJECTION AND CONCEPTUAL FY 2015-16 BUDGET REVIEW

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Receive and file the information.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Projected Year-End Estimates for 2014-15

Staff has begun preparation of the 2015-16 Budget and as part of that process, projections are being prepared for the remainder of the current fiscal year to develop estimated fiscal year 2014-15 Year End Projections. Preliminary variances for 2014-15 include:

1. Election expenses came in at \$171,000 under budget.
2. Salaries and benefits are projected to be \$290,000 under budget because:
 - a. The Finance Director position remains unfilled, budgeted at about half-time (\$87,000)
 - b. More labor hours are being used in Choice programs than budgeted, primarily for WUE (\$67,000).
 - c. Employee turnover resulted in three positions not working a full year.

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

- d. Benefits are projected to be \$100,000 under budget due to fewer hours as described above, plus health care rates for Jan-Jun 2015 being 6% less than budgeted and CALPERS rate being less for new hires than most current employees.
- 3. Increase in overhead reimbursement from increased labor hours in Choice programs (\$49,000)
- 4. Directors Compensation & benefits decreased by \$76,000 due to an unfilled MET director position for part of the year, fewer meetings, lower health care rates and suspension of MWDOC contribution of 13.5% for directors pension.

Development of 2015-16 Estimates

Looking forward to the Proposed Budget for 2015-16, staff has begun assessing a number of issues, including:

- Spin-off work from the OC Water Reliability Study – it is too early to predict the exact nature of the spin-off efforts, however, staff will seek to provide sufficient budget to accommodate whatever work efforts may arise. This could include:
 - A conjunctive use program between OCWD and South Orange County
 - Consideration of ocean desalination
 - Consideration of central valley banking and transfers
 - On-going work with OCWD on basin issues
 - Support for additional recycling, Indirect Potable Reuse and Direct Potable Reuse planning
 - Improvements to respond to emergency outages
 - Work with MET and DWR on Emergency Colorado River and State Water Project Outages
 - Examination of additional investments in WUE to reduce demands
 - Sharing of supplies and resources within the County
- Preparing for the MET Update of its Integrated Resources Plan. Work from the OC Water Reliability Study will position us well to provide input into the process. Additional work may be required to demonstrate the need for MET to conduct work in specific areas.
- Tracking Progress on the BDCP and whether any deeper involvement from MWDOC and OC is warranted
- Value of Water Communications Program
- Need to complete the 2015 Urban Water Management Plan
- Completion of a study to support MWDOC's rates and charges.
- Work on the continuing drought, drought messaging and water allocations.
- Review of staffing levels and succession planning issues.
- The status of the OPEB funding and Pension funding.
- Building Maintenance/Improvement costs.
 - Renovation of Joint Boardroom, including conference room C-3 and the Lobby/Entrance area
 - Renovation of restrooms outside of the Joint Boardroom
 - Renovation of transition area from Lobby to MWDOC offices
 - Renovation of one set of MWDOC Bathrooms

- Replacement of Boiler, Chiller and Energy Management System
- Upgrade to front Landscaping
- Renovation of office roof

Staff is working with OCWD to get an estimate of the costs involved for these projects to include in the budget.

Staff will continue working on preparation of the budget towards publication of the first DRAFT by March 1 for distribution to the Board and member agencies.

**Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/14 to 12/31/14**

Activity Description	MWDOC Director's							Tamaribuchi	Subtotal	MET Director's				Subtotal	Director's Total
	Thomas	Barbre	Clark	Dick	Finnegan	Hinman	Osborne			Barbre	Ackerman	McKenney	Dick		
Per Diem ⁽¹⁾															
MWDOC Committee & Board mtg	8,897	11,345	12,025	12,245	8,258	8,706	7,636		69,112			733	489	1,955	71,067
MET Committee & Board mtg												733	2,199	15,637	15,637
Meetings with Member Agencies	1,367	6,113		1,223	3,756	1,183	1,996		15,637						15,637
Other Misc meetings & activities	8,629	4,565	391	7,421	2,654	2,325	2,362		28,347	8,796	8,307	4,154	7,819	29,075	57,423
Benefit Reimbursement by Director					(1,677)	(1,483)			(3,160)						(3,160)
Subtotal-Per Diem	18,892	22,022	12,416	20,889	12,991	10,731	11,995		109,937	14,660	12,461	7,086	12,461	46,667	156,604
<u>Travel & Conferences ⁽²⁾</u>															
ACWA	1,181					1,212	1,690	1,308	5,390						5,390
CRWUA		1,531						1,461	2,992						2,992
CSDA	225	225		225				225	900						900
Bond Buyers Conf	170	170							340						340
Washington DC Legslat Trips		2,885							2,885						2,885
ISDOC	17	17		34	34	17	34		153						153
OCWA												30		30	30
Sacramento Legislative Trips		728							728						728
Other Travel Expenses		154		80	20				254						254
Mileage	672	108	403	906	364	1,278	116	95	3,942			394		394	4,336
Toll Charges	67					264			331						331
Subtotal-Travel & Conferences	2,332	5,817	403	1,245	418	2,770	1,840	3,090	14,826			394		424	15,249
Total	21,225	27,840	12,820	22,134	13,409	13,501	13,835	3,090	124,763	14,660	12,855	7,116	12,461	47,091	171,853

(1) Per Diem for MWDOC Directors includes benefits

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

2/5/2015

Municipal Water District of Orange County
Semi-Annual Comparison for Overtime Hours Worked
for the six-month periods ending December 2014 and 2013

Employee	7/1/14 - 12/31/14		7/1/13 - 12/31/13	
	Hours Worked	Dollar Equivalent (1)	Hours Worked	Dollar Equivalent (1)
Davanaugh, Katie	16.00		7.00	
Fahl, Beth	25.25		0.00	
Goldsby, Maribeth	0.00		4.00	
Gunawan, Lina	0.00		14.00	
Ramirez, Sergio	86.25		6.00	
Baum-Haley, Melissa	7.00		29.00	
Franks, Sarah	2.25		0.00	
Ouwerkerk, Jessica	0.00		4.00	
Parson, Lisa	1.00		0.00	
TOTAL	137.75	\$5,988	64.00	\$ 3,520

(1) Dollar equivalent calculated at 1.5 x hourly rate



INFORMATION ITEM

February 11, 2015

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

**FROM: Robert Hunter,
General Manager**

**Staff Contact: Cathy Harris
Administrative Services Manager**

SUBJECT: ANNUAL AUTO ALLOWANCE REPORT

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with the Auto Allowance Policy, the General Manager shall submit an annual report to the Administration and Finance Committee listing employees receiving a vehicle allowance and any exceptions to the provisions of the policy. The following positions are currently receiving monthly auto allowances in the amount of \$500:

Title
Principal Engineer
Water Use Efficiency Programs Manager
Director of Public Affairs
Principal Water Resources Planner
Governmental Affairs Manager
WEROC Programs Manager
Assistant General Manager

Budgeted (Y/N): Y	Budgeted amount:	Core <input checked="" type="checkbox"/> X	Choice <input type="checkbox"/>
Action item amount:		Line item: Salaries and Wages	
Fiscal Impact (explain if unbudgeted):			



INFORMATION ITEM

February 11, 2015

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

FROM: Robert Hunter, General Manager

SUBJECT: Annual Review of Coastal Municipal Water District Issues

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: No changes at this time.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Below is the excerpt from the Administrative Code relative to outstanding issues involving MWDOC's consolidation with Coastal Municipal Water District. Staff has reviewed the sections and does not recommend any changes at this time.

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

§12000 INTRODUCTION

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

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This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by Metropolitan is higher in the Coastal service area because at the time the Standby Charge was established by Metropolitan (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by Metropolitan through the Standby Charge are forwarded to each participating Metropolitan member agency (including MWDOC and Coastal) as credits against the amount owing under Metropolitan's Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), Metropolitan engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a Metropolitan Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that Metropolitan equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

§12002 Metropolitan Capacity Provided in the EOCF#2 for the Coastal Service Area

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by Metropolitan, Anaheim, Santa Ana, MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service area in 1951 the Anaheim and Santa Ana city service areas from Metropolitan had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, Metropolitan provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. Metropolitan's 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
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Coastal	63
Met Total	84

In Metropolitan Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to Metropolitan in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to Metropolitan and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by Metropolitan for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that Metropolitan has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with Metropolitan. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by Metropolitan.

M-5/2005; M-2/16/11



INFORMATION ITEM

February 11, 2015

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: Other Post Employee Benefits (OPEB) Actuarial as of July 01, 2014

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the information as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Attached for your information is the GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2014.

The report includes the following information:

- MWDOC's actuarial liability for District-paid retiree benefits is \$2,453,585 as of July 1, 2014. An increase of \$115,159 compared to the prior valuation in 2011.
- The District's unfunded accrued liability is \$624,296. A decrease of \$986,458 since 2011 due to our initial deposit and prefunding with extra contributions.
- All schedules assume the fund earns 6.0% per annum on its investments; which is unchanged.
- New Level Contribution for a 10 year payoff is \$120,820. \$34,755 less than previous level contribution for 20 years.

The next actuarial evaluation will be completed as of July 1, 2017.

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

JAN 12 2015

MWD OF OC

Demsey, Filliger & Associates
21006 Devonshire, Suite 205
Chatsworth, CA 91311-2386
Phone: 818.718.1266
Fax: 760.875.7133

January 8, 2015

Ms. Hilary Chumpitazi
Accounting Manager/Treasurer
Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728-0895

Re: Municipal Water District of Orange County ("District") GASB 45 Valuation

Dear Ms. Chumpitazi:

This report sets forth the results of our GASB 45 actuarial valuation of the District's retiree health insurance program as of July 1, 2014.

In June, 2004 the Governmental Accounting Standards Board (GASB) issued its final accrual accounting standards for retiree healthcare benefits, GASB 43 and GASB 45. GASB 43/45 require public employers such as the District to perform periodic actuarial valuations to measure and disclose their retiree healthcare liabilities for the financial statements of both the employer and the trust, if any, set aside to pre-fund these liabilities. The District must obtain actuarial valuations of its retiree health insurance program under GASB 43/45 not less frequently than once every three years.

To accomplish these objectives the District selected Demsey, Filliger and Associates (DF&A) to perform an actuarial valuation of the retiree health insurance program as of July 1, 2014. This report may be compared with the valuation performed by DF&A as of July 1, 2011, to see how the liabilities have changed since the last valuation. We are available to answer any questions the District may have concerning the report.

Financial Results

We have determined that the amount of actuarial liability for District-paid retiree benefits is \$2,453,585 as of July 1, 2014. This represents the present value of all benefits expected to be paid by the District for its current and future retirees. If the District were to place this amount in a fund earning interest at the rate of 6.0% per year, and all other actuarial assumptions were exactly met, the fund would have exactly enough to pay all expected benefits.

This includes benefits for 9 retirees as well as 21 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the cutoff date for eligibility for benefits, July 1, 2012.

When we apportion the \$2,453,585 into past service and future service components under the Projected Unit Credit Cost Method, the past service liability (or Accrued Liability) component is \$1,740,686 as of July 1, 2014. This represents the present value of all benefits earned to date assuming that an employee earns retiree healthcare benefits ratably over his or her career. The \$1,740,686 is comprised of liabilities of \$1,278,789 for active employees and \$461,897 for retirees.

The District has established an irrevocable Section 115 Trust through Public Agency Retirement Services (PARS), trustee by Union Bank, for the pre-funding of retiree healthcare benefits. As of July 1, 2014, the PARS Trust had a value of \$1,116,390. Therefore, the Unfunded Accrued Liability (called the UAL, equal to the AL less assets) is \$624,296.

We have determined that Municipal Water District of Orange County's "Annual Required Contributions", or "ARC", for the fiscal year 2014-15, is \$130,117. The \$130,117 is comprised of the present value of benefits accruing in the current year, called the "Service Cost", and a 30-year amortization of the UAL. We estimate that the District will pay approximately \$41,142 for the 2014-15 fiscal year in healthcare costs for its retirees and covered spouses, so the difference between the accrual accounting expense (ARC) and pay-as-you-go is an increase of \$88,975.

There are two adjustments to the ARC that are required in order to determine the District's Annual OPEB Cost (AOC) for the 2014-15 fiscal year. We have calculated these adjustments based on a Net OPEB (Asset) of (\$37,041) as of June 30, 2014, resulting in an AOC for 2014-15 of \$130,586.

We show these numbers in the table on the next page and in Exhibit I. All amounts are net of expected future retiree contributions, if any.

Municipal Water District of Orange County
Annual Liabilities and Expense under
GASB 45 Accrual Accounting Standard
Projected Unit Credit Cost Method

Item	Amounts for Fiscal 2014-15
Present Value of Future Benefits (PVFB)	
Active	\$1,991,688
Retired	<u>461,897</u>
Total: PVFB	\$2,453,585
Accrued Liability (AL)	
Actives	\$1,278,789
Retired	<u>461,897</u>
Total: AL	\$1,740,686
Assets	<u>(1,116,390)</u>
Total: Unfunded AL	\$624,296
Annual Required Contributions (ARC)	
Service Cost At Year-End	\$84,763
30-year Amortization of Unfunded AL	<u>45,354</u>
Total: ARC	\$130,117
Adjustments to ARC	
Interest on Net OPEB (Asset)*	(2,222)
Adjustment to ARC*	<u>2,691</u>
Total: Annual OPEB Cost (AOC) for 2014-15	\$130,586

*Amounts based on June 30, 2014 Net OPEB (Asset) of (\$37,041).

The ARC of \$130,117, shown above, should be used for the fiscal years 2014-15, 2015-16, and 2016-17, but the Annual OPEB Costs for the 2015-16 and 2016-17 fiscal years must include adjustments based on the ending Net OPEB Obligation/(Asset) for the immediately preceding fiscal year, which are not known precisely in advance.

When the District begins preparation of the June 30, 2015 government-wide financial statements, DF&A will provide the District and its auditors with complimentary assistance in preparation of footnotes and required supplemental information for compliance with GASB 45 (and GASB 43, if applicable).

Differences from Prior Valuation

The most recent prior valuation was completed as of July 1, 2011 by DF&A. The AL (Accrued Liability) as of that date was \$1,610,754, compared to \$1,740,686 as of July 1, 2014. In this section, we provide a reconciliation between the two numbers so that it is possible to trace the AL from one actuarial report to the next.

Several factors have caused the AL to change since 2011. The passage of time increases the AL as the employees accrue more service and get closer to receiving benefits. There are actuarial gains/losses from one valuation to the next, and changes in actuarial assumptions and methodology for the current valuation. To summarize, the most important changes were as follows:

1. There was a gain of \$103,434 (a decrease in the AL) due to increases in healthcare premiums less than expected. This includes the effects of a rule adopted in 2012 that requires a contribution from all retirees buying up to a plan other than the lowest cost option.
2. We increased the initial healthcare trend rate from 5% to 8% to better reflect our expectations for increases in healthcare premiums over the next several years. This change caused an increase in the AL of \$73,300.
3. We changed to more up-to-date mortality tables. This change caused an increase in the AL of \$4,598.
4. There was a net census gain (a decrease in the AL) of \$294,190, primarily due to fewer retirements and higher turnover than expected.

The estimated changes to the AL from July 1, 2011 to July 1, 2014 are summarized below:

Changes to AL	Amount
AL as of 7/1/11	\$1,610,754
Passage of time	449,658
Increase in premiums < expected	(103,434)
Change in trend rates	73,300
Change in mortality tables	4,598
Census (gain)	<u>(294,190)</u>
AL as of 7/1/14	\$1,740,686

Funding Schedules

There are many ways to approach the pre-funding of retiree healthcare benefits. In the *Financial Results* section, we determined the annual expense for all District-paid benefits. The expense is an orderly methodology, developed by the GASB, to account for retiree healthcare benefits. This amount will fluctuate from year to year based on the asset performance and as the population matures. The GASB 45 expense has no direct relation to amounts the District may set aside to pre-fund healthcare benefits.

The table on the next page provides the District with three alternative schedules for funding (as contrasted with expensing) retiree healthcare benefits. The schedules all assume that the retiree trust fund earns 6.0% per annum on its investments, a starting trust value of \$1,116,390 as of July 1, 2014, and that contributions and benefits are paid mid-year.

The schedules are:

1. A level contribution amount for the next 20 years.
2. A level contribution amount for the next 10 years.
3. A constant percentage (3%) increase for the next 20 years.

We provide these funding schedules to give the District a sense of the various alternatives available to it to pre-fund its retiree healthcare obligation. The three funding schedules are simply three different examples of how the District may choose to spread its costs.

By comparing the schedules, you can see the effect that early pre-funding has on the total amount the District will eventually have to pay. Because of investment earnings on fund assets, the earlier contributions are made, the less the District will have to pay in the long run. Of course, the advantages of pre-funding will have to be weighed against other uses of the money.

The table on the following page shows the required annual outlay under the pay-as-you-go method and each of the above schedules. **The three funding schedules include the "pay-as-you-go" costs; therefore, the amount of pre-funding is the excess over the "pay-as-you-go" amount.**

These numbers are computed on a closed group basis, assuming no new entrants, and using unadjusted premiums.

Municipal Water District of Orange County

Sample Funding Schedules (Closed Group)

Starting Trust Value of \$1,116,390 as of July 1, 2014

Fiscal Year	Pay-as-you-go	Level Contribution for 20 years	Level Contribution for 10 years	Constant Percentage Increase
Beginning				
2014	\$41,142	\$77,530	\$120,820	\$61,070
2015	51,683	77,530	120,820	62,902
2016	58,466	77,530	120,820	64,789
2017	70,584	77,530	120,820	66,732
2018	81,219	77,530	120,820	68,734
2019	88,642	77,530	120,820	70,796
2020	102,053	77,530	120,820	72,920
2021	112,085	77,530	120,820	75,108
2022	103,187	77,530	120,820	77,361
2023	113,505	77,530	120,820	79,682
2024	124,210	77,530	0	82,072
2025	135,036	77,530	0	84,534
2026	127,950	77,530	0	87,071
2027	136,900	77,530	0	89,683
2028	156,317	77,530	0	92,373
2029	162,889	77,530	0	95,144
2030	153,750	77,530	0	97,999
2031	159,282	77,530	0	100,939
2032	171,704	77,530	0	103,967
2033	177,920	77,530	0	107,086
2034	183,367	0	0	0
2035	188,831	0	0	0
2036	194,088	0	0	0
2037	196,999	0	0	0
2038	200,788	0	0	0
2039	201,247	0	0	0
2040	200,618	0	0	0
2041	201,575	0	0	0
2042	200,934	0	0	0
2043	200,606	0	0	0
2044	197,851	0	0	0
2045	194,566	0	0	0
2046	192,270	0	0	0
2047	189,287	0	0	0
2048	184,513	0	0	0
2049	178,970	0	0	0
2050	173,911	0	0	0
2055	141,477	0	0	0
2060	103,590	0	0	0
2065	67,082	0	0	0
2070	36,807	0	0	0

Actuarial Assumptions

In order to perform the valuation, the actuary must make certain assumptions regarding such items as rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest rates. Our assumptions are based on a standard set of assumptions we have used for similar valuations, modified as appropriate for the District. For example, turnover rates are taken from a standard actuarial table, T-5, increased by 100% at all ages. This matches the District's historic turnover patterns. Retirement rates were also based on recent District retirement patterns. Both assumptions should be reviewed in the next valuation to see if they are tracking well with experience.

The discount rate of 6.0% is based on our best estimate of expected long-term plan experience. It is in accordance with our understanding of the guidelines for selection of this rate under GASB 45 for funded plans such as the District's. The healthcare trend rates are based on our analysis of recent District experience and our knowledge of the general healthcare environment.

In determining the cost of covering early retirees (those under the age of 65), we used an age-adjusted claims cost matrix fitted to the average premium for active employees and early retirees. A complete description of the actuarial assumptions used in the valuation is set forth in the "Actuarial Assumptions" section.

Projected Annual Pay-as-you go Costs

As part of the valuation, we prepared a projection of the expected annual cost to the District to pay benefits on behalf of its retirees on a pay-as-you-go basis. These numbers are computed on a closed group basis, assuming no new entrants, and are net of retiree contributions:

FYB	Pay-as-you-go
2014	\$41,142
2015	51,683
2016	58,466
2017	70,584
2018	81,219
2019	88,642
2020	102,053
2025	135,036
2030	153,750
2035	188,831
2040	200,618
2045	194,566
2050	173,911
2055	141,477
2060	103,590
2065	67,082
2070	36,807

Net OPEB Obligation/(Asset) and Annual OPEB Cost (AOC)

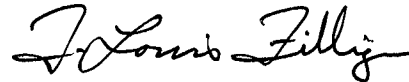
Exhibit I, attached at the end of the report, shows a development of the District's Net OPEB Obligation/(Asset) as of June 30, 2008 through June 30, 2014, and the Annual OPEB Cost ("AOC") for the fiscal years 2008-9 through 2014-15.

Certification

The actuarial certification, including a caveat regarding limitations of scope, if any, is contained in the "Actuarial Certification" section at the end of the report.

We have enjoyed working with the District on this report, and are available to answer any questions you may have concerning any information contained herein.

Sincerely,
DEMSEY, FILLIGER AND ASSOCIATES

A handwritten signature in cursive script, reading "T. Louis Filliger".

T. Louis Filliger, FSA, EA, MAAA
Partner & Actuary

Benefit Plan Provisions

MWDOC provides health benefits for employees and qualified dependents (and also for retirees and their dependents) with a choice of three medical plans through the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority: Blue Cross Classic Plan (PPO), Blue Cross CaliforniaCare Plan (HMO) and Kaiser. Employees attaining age 55 and completing at least 10 consecutive years of full-time service with the District may retire with District-paid health premiums until age 65. The District will pay 100% of the premium for the lowest cost plan plus 90% of the difference to the plan actually selected, for retiree-only medical coverage, plus 80% of the combined retiree and spouse's (or domestic partner's) medical premium if such coverage is elected. If a retiree in receipt of benefits dies before age 65, the surviving spouse or domestic partner will receive the coverage to which the retiree would have been entitled until age 65 only.

When a retiree reaches age 65 and/or eligibility for Medicare, the District will pay the retiree up to \$1,800 per year for reimbursement of the cost of Supplemental Medical Insurance and Medicare Prescription Drug (Part D) Insurance, upon satisfactory proof of reimbursable expenses. This benefit will continue for the further lifetime of the retiree only, with no coverage for spouse or domestic partner either before or after the retiree's death.

Retirees who had at least 25 consecutive years of full-time service with the District receive the following enhancements in addition to the benefits listed above:

- (1) District-paid coverage includes dental and vision benefits as well as medical benefits;
- (2) The post-age 65 coverage includes Medicare Part B premium reimbursements;
- (3) The \$1,800 per year limit on reimbursements does not apply; and
- (3) Surviving spouses and/or domestic partners of retirees dying after age 65 receive ongoing District coverage for their further lifetimes.

Employees hired on or after July 1, 2012 will be ineligible for District-paid health benefits.

The following tables summarize the monthly premiums for selected healthcare coverages for the 2014 calendar year (the valuation was based on a 50/50 blend of 2014 and 2015 premiums):

Employees and Early Retirees	Blue Cross HMO	Blue Cross Classic PPO	Kaiser HMO	Delta Dental PPO	Vision
Employee/Retiree	\$595.75	\$656.06	\$524.11	\$57.53	\$14.76
Emp./Ret. + 1	1,181.60	1,426.09	1,038.33	96.59	23.46
Emp./Ret. + 2+	1,584.03	1,793.39	1,465.14	146.98	45.71

Medicare-eligible Retirees	Blue Cross HMO	Blue Cross Classic PPO	Kaiser Senior Advantage	Delta Dental PPO	Vision
Retiree	\$500.00	\$498.40	\$176.35	\$57.53	\$14.76
Retiree + 1	990.17	1,179.81	342.82	96.59	23.46
Retiree + 2+	N/A	N/A	N/A	N/A	N/A

Valuation Data

Active and Retiree Census

Age distribution of retirees included in the valuation

Age	Count
Under 55	0
55-59	1
60-64	1
65-69	3
70-74	3
75+	<u>1</u>
Total	9
Average Age	68.56

Age/Years of service distribution of active employees included in the valuation

Years→	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
<u>Age</u>									
<25	0								0
25-29	0	0							0
30-34	1	2	0						3
35-39	0	0	2	0					2
40-44	1	2	0	0	0				3
45-49	0	1	1	0	1	0			3
50-54	0	0	1	0	1	1	0		3
55-59	1	1	0	1	0	0	0	0	3
60-64	0	0	0	0	0	1	1	0	2
65+	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>2</u>
All Ages	3	6	5	1	2	3	1	0	21

Average Age: 48.71
Average Service: 13.14

Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions described in this section.

Valuation Date:	July 1, 2014
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	30-year level dollar, open period
Discount Rate:	6.0% per annum, net of expenses
Return on Assets:	6.0% per annum, net of expenses
Pre-retirement Turnover:	According to Crocker-Sarason Table T-5 less mortality, increased by 100% at all ages. Sample rates are as follows:

Age	Turnover (%)
25	15.4%
30	14.4
35	12.6
40	10.3
45	8.0
50	5.1
55	1.9

Pre-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 employees are as follows:

Age	Males	Females
25	0.33	0.18
30	0.42	0.23
35	0.73	0.42
40	0.98	0.59
45	1.29	0.93
50	1.72	1.36
55	2.88	2.47
60	5.56	4.76

Post-retirement Mortality: RP-2000 Combined Mortality, static projection to 2012 by scale AA. Sample deaths per 1,000 retirees are as follows:

Age	Males	Females
60	5.56	4.76
65	10.75	9.14
70	18.52	15.77
75	31.95	25.52
80	57.06	42.17
85	101.80	72.05
90	174.80	127.02

Actuarial Assumptions (Continued)

Claim Cost per Retiree or Spouse:

Age	Medical/Rx	Dental/Vision
50	\$8,146	\$867
55	9,444	867
60	10,948	867
64	12,322	867
65	4,568	867
70	4,921	867
75	5,301	867

Retirement Rates:

Age	Percent Retiring*
55	7.0%
56	8.0
57	9.0
58	10.0
59	15.0
60	20.0
61	25.0
62	30.0
63	35.0
64	40.0
65	50.0
66	60.0
67	70.0
68	80.0
69	90.0
70	100.0

*Of those having met the eligibility for District-paid benefits. The percentage refers to the probability that an active employee reaching the stated age will retire within the following year.

Trend Rate:

Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/Rx	Dental/Vision
2014	8.0%	4.0%
2015	7.0	4.0
2016	6.0	4.0
2017+	5.0	4.0

Percent Married:

Future retirees: 60%, male spouses assumed 3 years older than female spouses. Current retirees: actual dependent data used.

Actuarial Certification

The results set forth in this report are based on our actuarial valuation of the health and welfare benefit plans of the Municipal Water District of Orange County ("District") as of July 1, 2014.

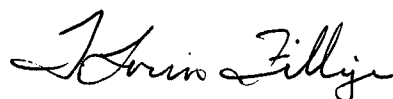
The valuation was performed in accordance with generally accepted actuarial principles and practices. We relied on census data for active employees and retirees provided to us by the District in December, 2014. We also made use of claims, premium, expense, and enrollment data, and copies of relevant sections of healthcare documents provided to us by the District, as well as trust statements provided to us through the District by Union Bank and PARS.

The assumptions used in performing the valuation, as summarized in this report, and the results based thereupon, represent our best estimate of the actuarial costs of the program under GASB 43 and GASB 45, and the existing and proposed Actuarial Standards of Practice for measuring post-retirement healthcare benefits. We have assumed no post-valuation mortality improvements, consistent with our belief that there will be no further significant, sustained increases in life expectancy in the United States over the projection period covered by the valuation.

Throughout the report, we have used unrounded numbers, because rounding and the reconciliation of the rounded results would add an additional, and in our opinion unnecessary, layer of complexity to the valuation process. By our publishing of unrounded results, no implication is made as to the degree of precision inherent in those results. Clients and their auditors should use their own judgment as to the desirability of rounding when transferring the results of this valuation report to the clients' financial statements.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

Certified by:



T. Louis Filliger, FSA, EA, MAAA Date: 1/8/15
Partner & Actuary

	Amount
Net OPEB Obligation 6/30/2008	-
ARC for 2008-9	170,117
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
Annual OPEB Cost 2008-9	<u>170,117</u>
Employer Contribution	<u>(31,385)</u>
Net OPEB Obligation 6/30/2009	138,732
ARC for 2009-10	170,117
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
Annual OPEB Cost 2009-10	<u>170,117</u>
Employer Contribution	<u>(36,356)</u>
Change in Net OPEB Obligation 2009-10	133,761
Net OPEB Obligation 6/30/2009	<u>138,732</u>
Net OPEB Obligation 6/30/2010	272,493
ARC for 2010-11	170,117
Interest on Net OPEB Obligation	-
Amortization adjustment to ARC	-
Annual OPEB Cost 2010-11	<u>170,117</u>
Employer Contribution	<u>(34,155)</u>
Change in Net OPEB Obligation 2010-11	135,962
Net OPEB Obligation 6/30/2010	<u>272,493</u>
Net OPEB Obligation 6/30/2011	408,455
ARC for 2011-12	205,390
Interest on Net OPEB Obligation	24,507
Amortization adjustment to ARC	<u>(29,674)</u>
Annual OPEB Cost 2011-12	<u>200,223</u>
Employer Contribution	<u>(621,370)</u>
Change in Net OPEB Obligation 2011-12	(421,147)
Net OPEB Obligation 6/30/2011	<u>408,455</u>
Net OPEB (Asset) 6/30/2012	(12,692)
ARC for 2012-13	205,390
Interest on Net OPEB Obligation	24,507
Amortization adjustment to ARC	<u>(29,674)</u>
Annual OPEB Cost 2012-13	<u>200,223</u>
Employer Contribution	<u>(155,575)</u>
Change in Net OPEB Obligation 2012-13	44,648
Net OPEB (Asset) 6/30/2012	<u>(12,692)</u>
Net OPEB Obligation 6/30/2013	31,956
ARC for 2013-14	205,390
Interest on Net OPEB Obligation	1,917
Amortization adjustment to ARC	<u>(2,322)</u>
Annual OPEB Cost 2013-14	<u>204,985</u>
Employer Contribution	<u>(273,982)</u>
Change in Net OPEB Obligation 2013-14	(68,997)
Net OPEB Obligation 6/30/2013	<u>31,956</u>
Net OPEB (Asset) 6/30/2014	(37,041)
ARC for 2014-15	130,117
Interest on Net OPEB (Asset)	(2,222)
Amortization adjustment to ARC	<u>2,691</u>
Annual OPEB Cost 2014-15	<u>130,586</u>



INFORMATION ITEM

February 11, 2015

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

FROM: **Robert Hunter, General Manager**
Staff Contact: Cathy Harris, Administrative Services Manager

SUBJECT: DISTRICT BENCHMARK COMPENSATION STUDY

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

In accordance with District policy, a comprehensive compensation and benefits survey shall be conducted every three to five years to evaluate market practices and job grading. Staff prepared and sent an RFP to 9 firms and 3 responded. Staff reviewed the 3 proposals and based on its review, staff will enter into an agreement with Creative Management Solutions to complete the benchmark study.

In accordance with the District Administrative Code, the proposed contract amount of \$18,200 is within the General Manager's authority. This item was included in the FY 14-15 budget in the amount of \$20,000.

Firm	Proposal Cost
Creative Management Solutions	\$18,200
Koff & Associates	\$34,970
Reward Strategy (RSG)	\$19,900

The following firms did not provide proposals:

- Becker & Bell
- Cindy Collins
- CPS-HR

Budgeted (Y/N): Y	Budgeted amount: \$20,000	Core x	Choice __
Action item amount: \$18,200		Line item: 2000-13-7040	
Fiscal Impact (explain if unbudgeted):			

- Fox Lawson/Gallagher
- Hay Group
- Public Sector Personnel Consultants

This information is being presented for information.



INFORMATION ITEM

February 11, 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 Imported water was the main supply in December.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in December 2014 was below above average compared to past usage.

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

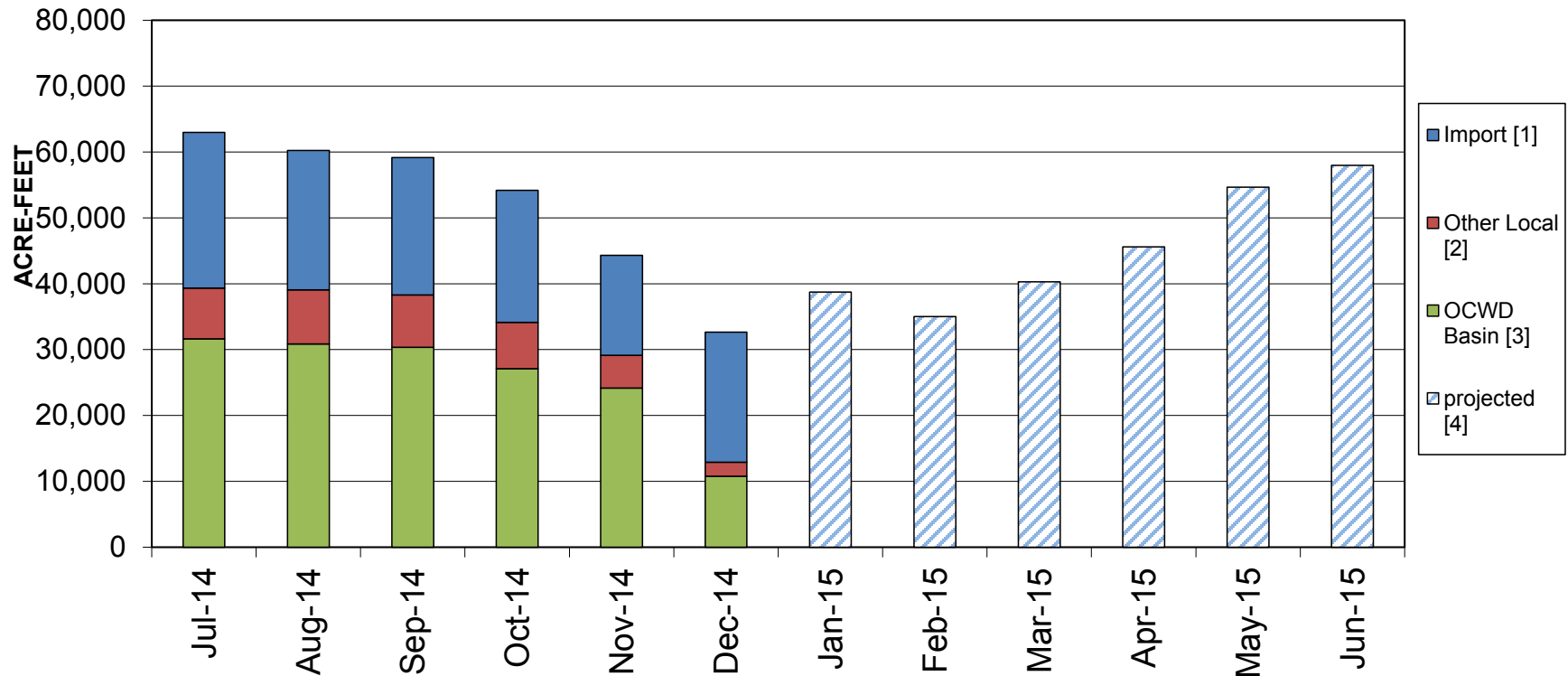
Fig. 4 MWDOC "Firm" Water Purchases, 2014 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2014.

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

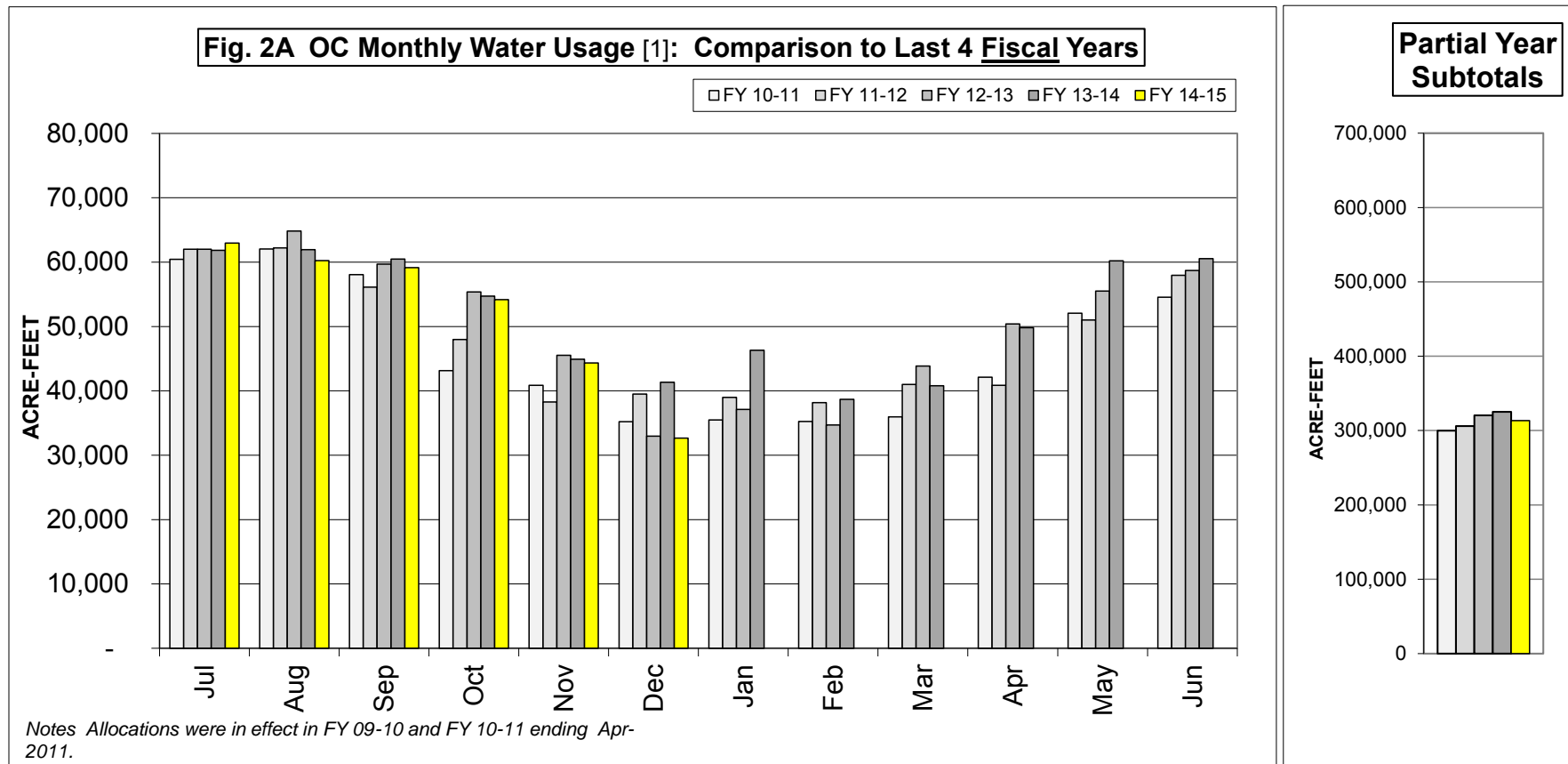
Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data has implications for the magnitude of supplies from the three watersheds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

- Orange County's accumulated rainfall through January was slightly 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.
- Northern California accumulated precipitation in January was around 89% of normal for this period. The Northern California snowpack was 21% of normal as of January 31st, the date used for year-to-year comparison. This follows two 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 15% as of the end of January. This percentage will most likely remain similar due to dry conditions throughout the state.
- Colorado River Basin accumulated precipitation in January was a little 82% average for this period. The Upper Colorado Basin snowpack was 86% of average as of January 30th. 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 59% of their average storage volume for this time of year. If Lake Mead's level falls below a "trigger" limit, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. The USBR predicts that the "trigger" limit could be reached as early as July 2015 and most likely in March 2016.

**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**

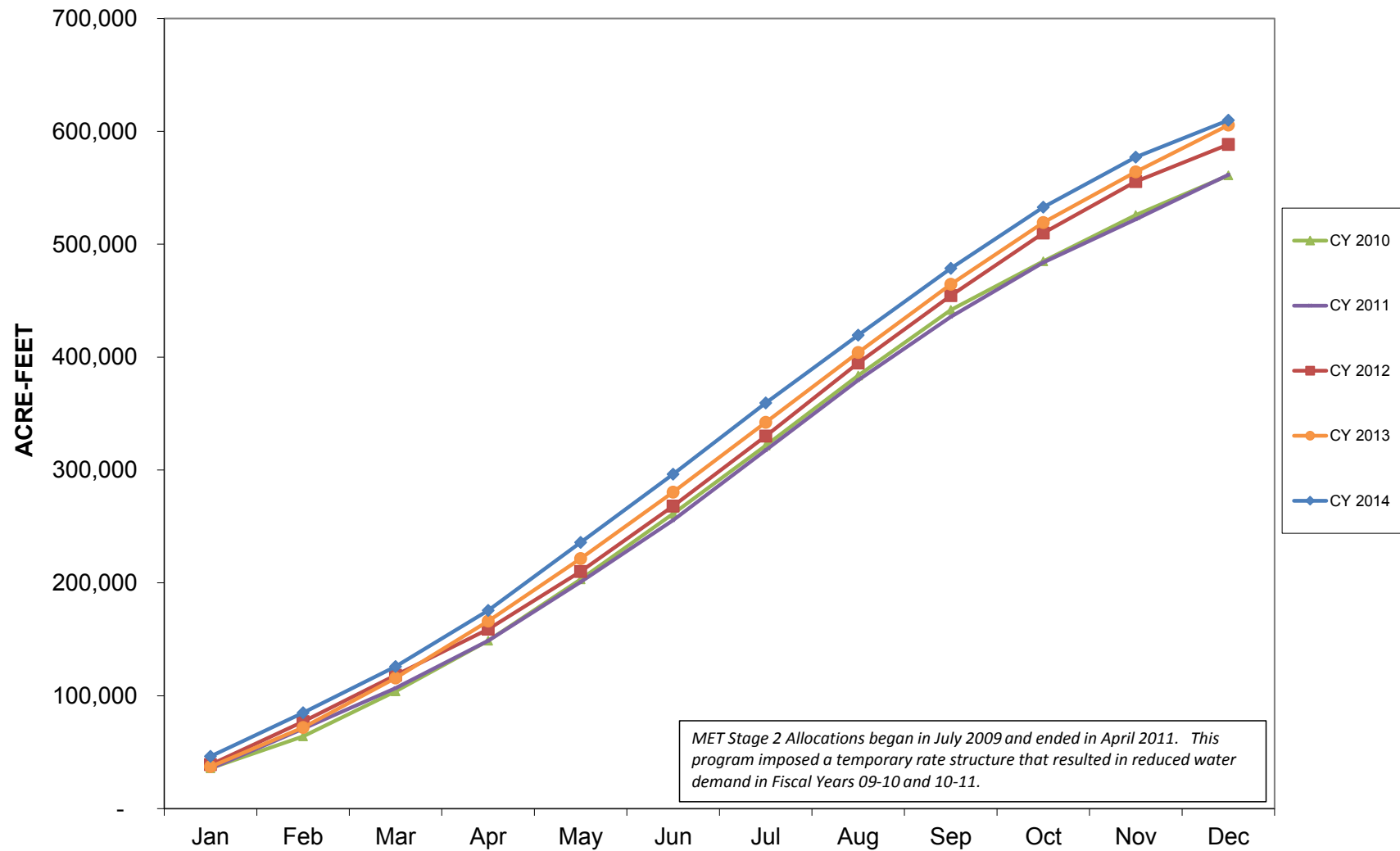


- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '14-15 is 72%.
- [4] MWDOC's estimate of monthly demand is based on the projected FY 14-15 "Retail" water demand and historical monthly demand patterns.

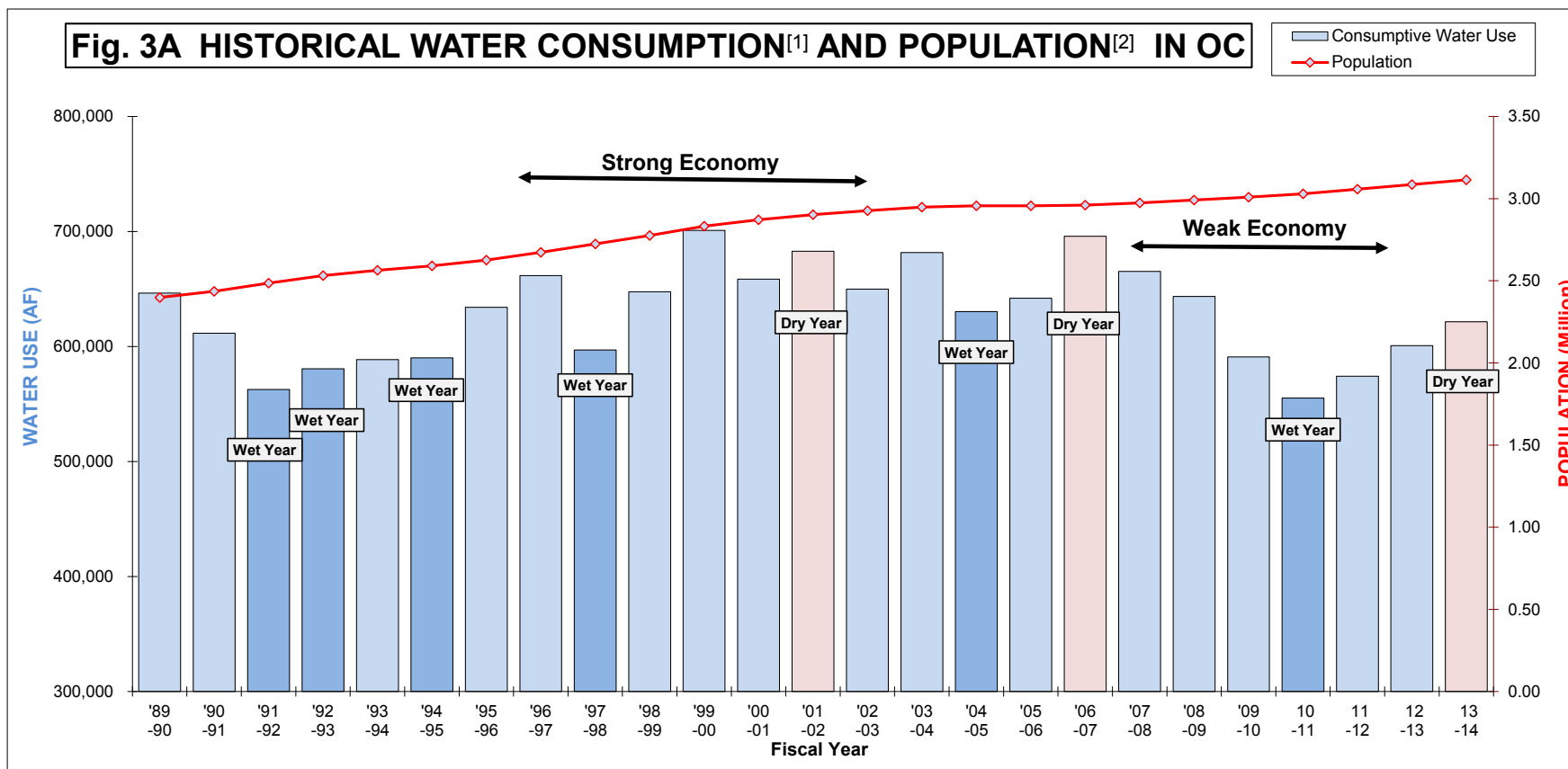


[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment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

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



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

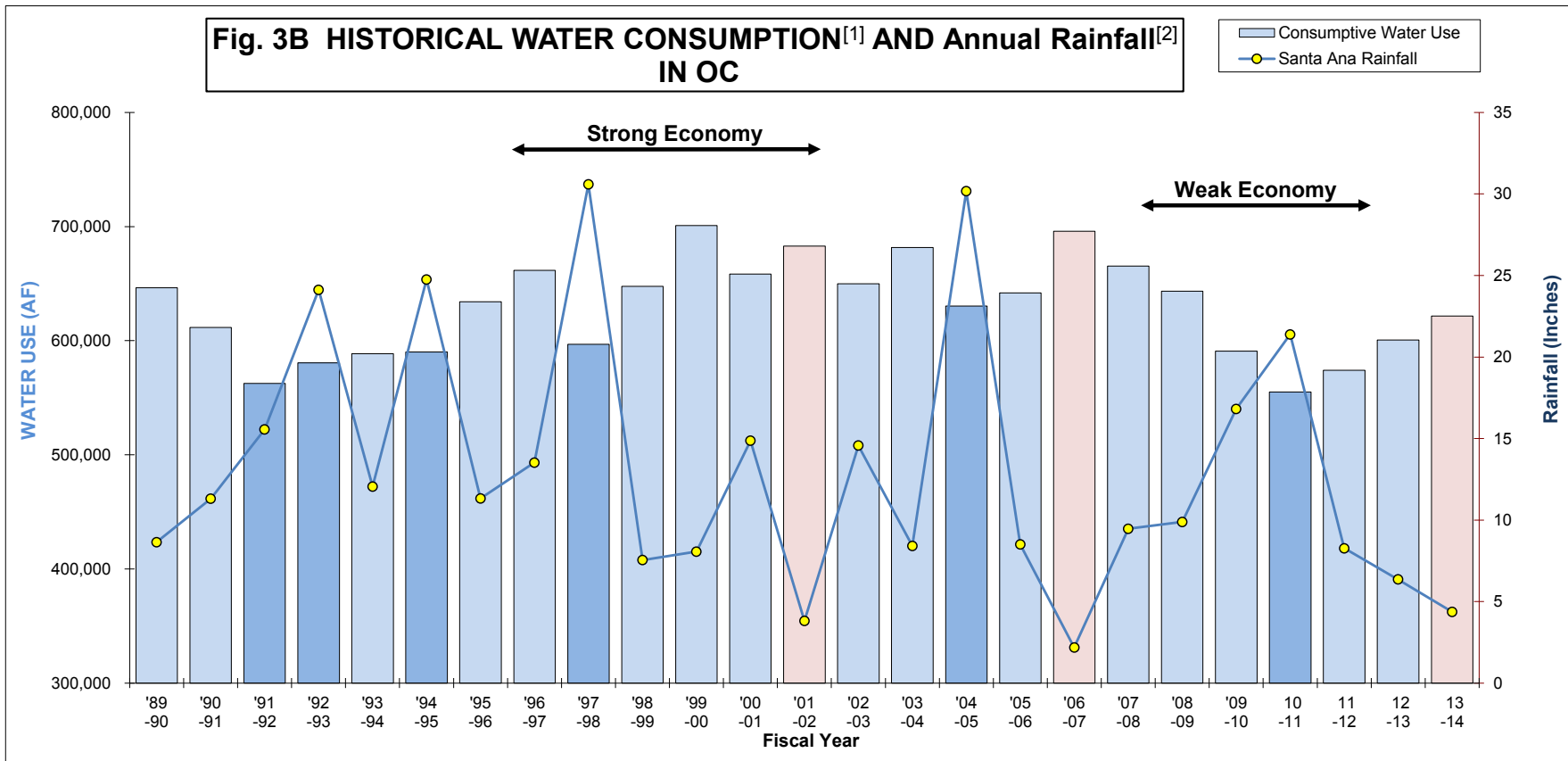


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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

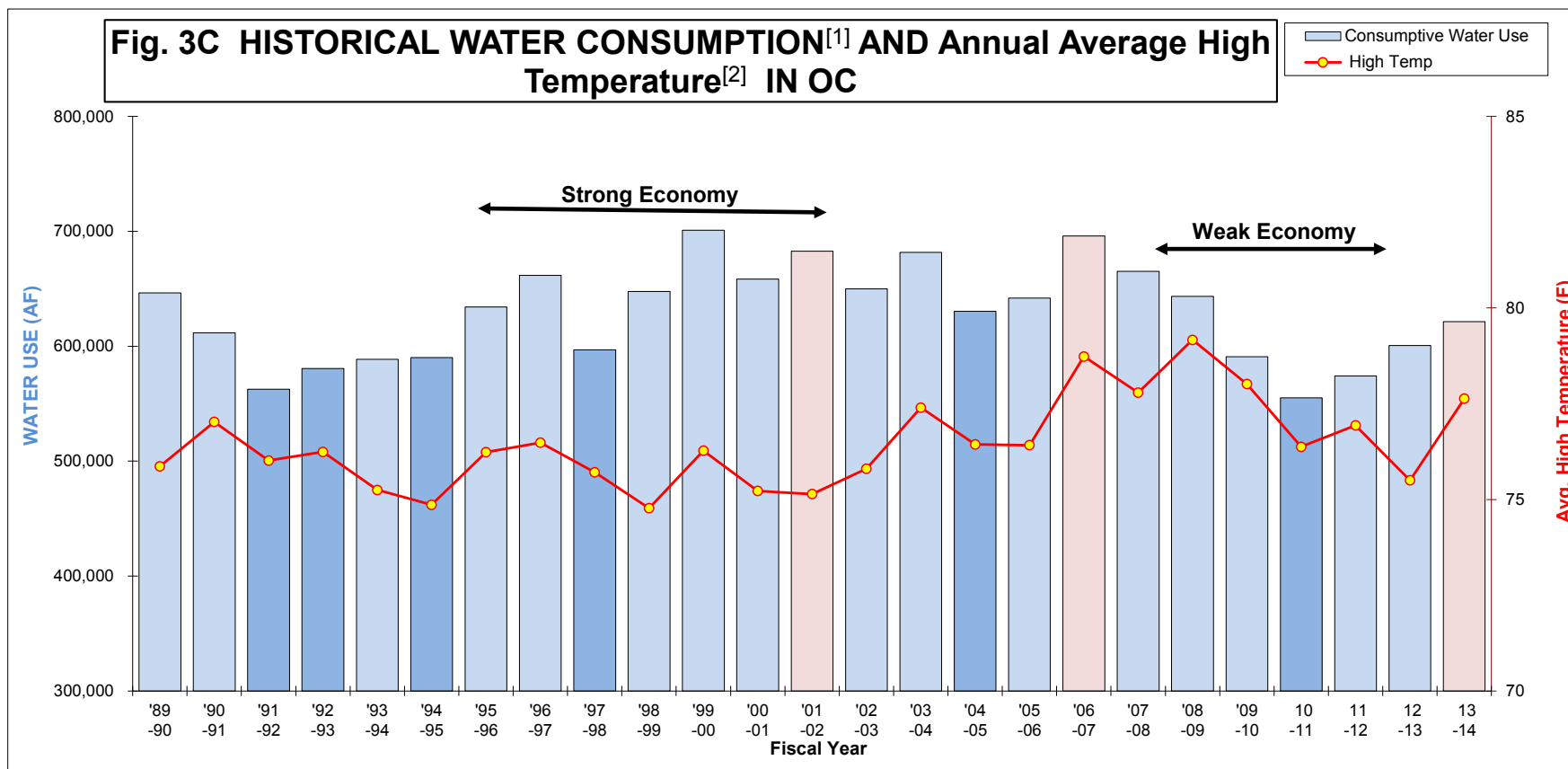
[3] Projection of FY 14-15 water use estimated by MWDOC based on partial-year data.

Projection of FY 14-15 population estimated by MWDOC continues historical trend.



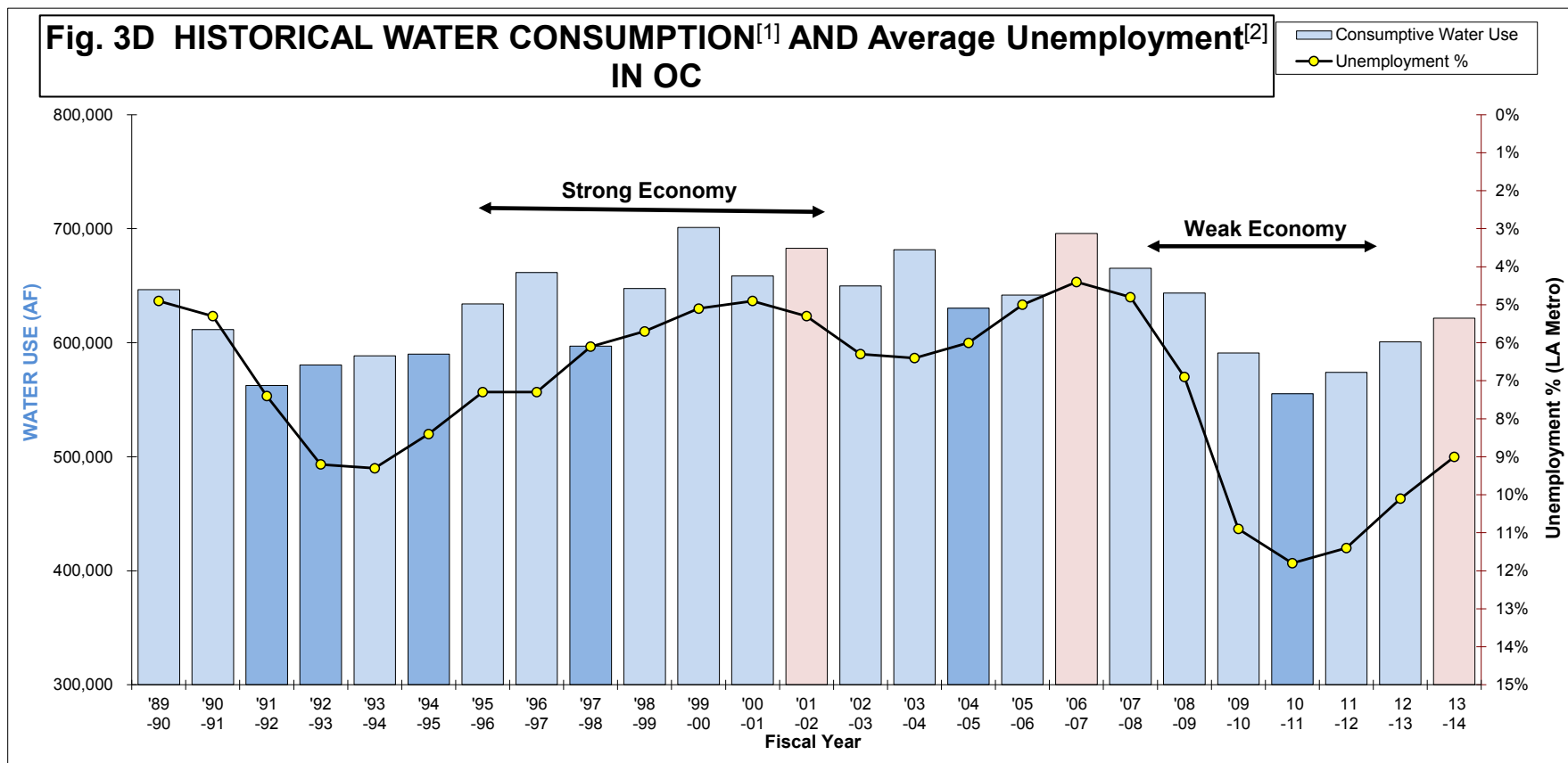
[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Rainfall data from Santa Ana Statin #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'

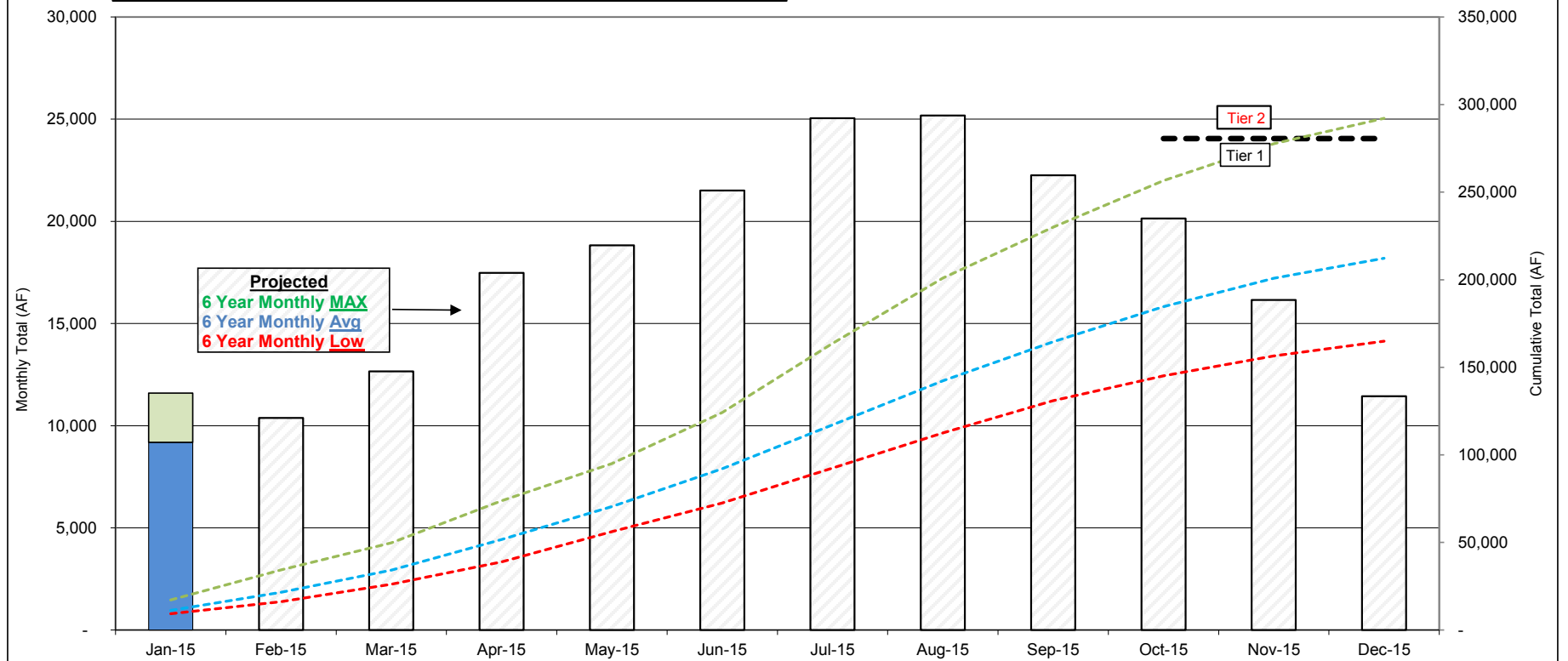


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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

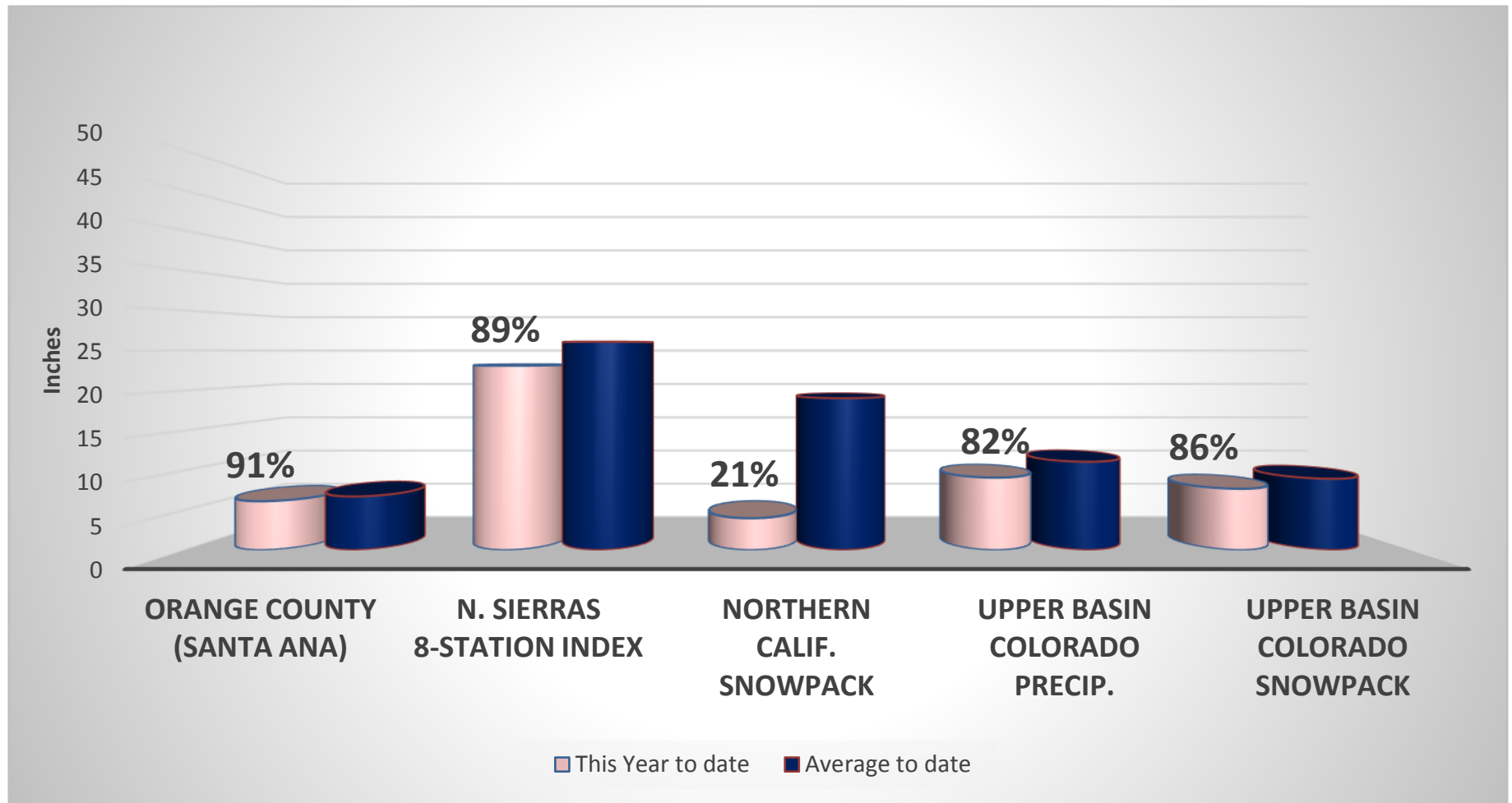
<http://www.bls.gov/lau/>

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



Accumulated Precipitation

for the Oct.-Sep. water year, through January 2015

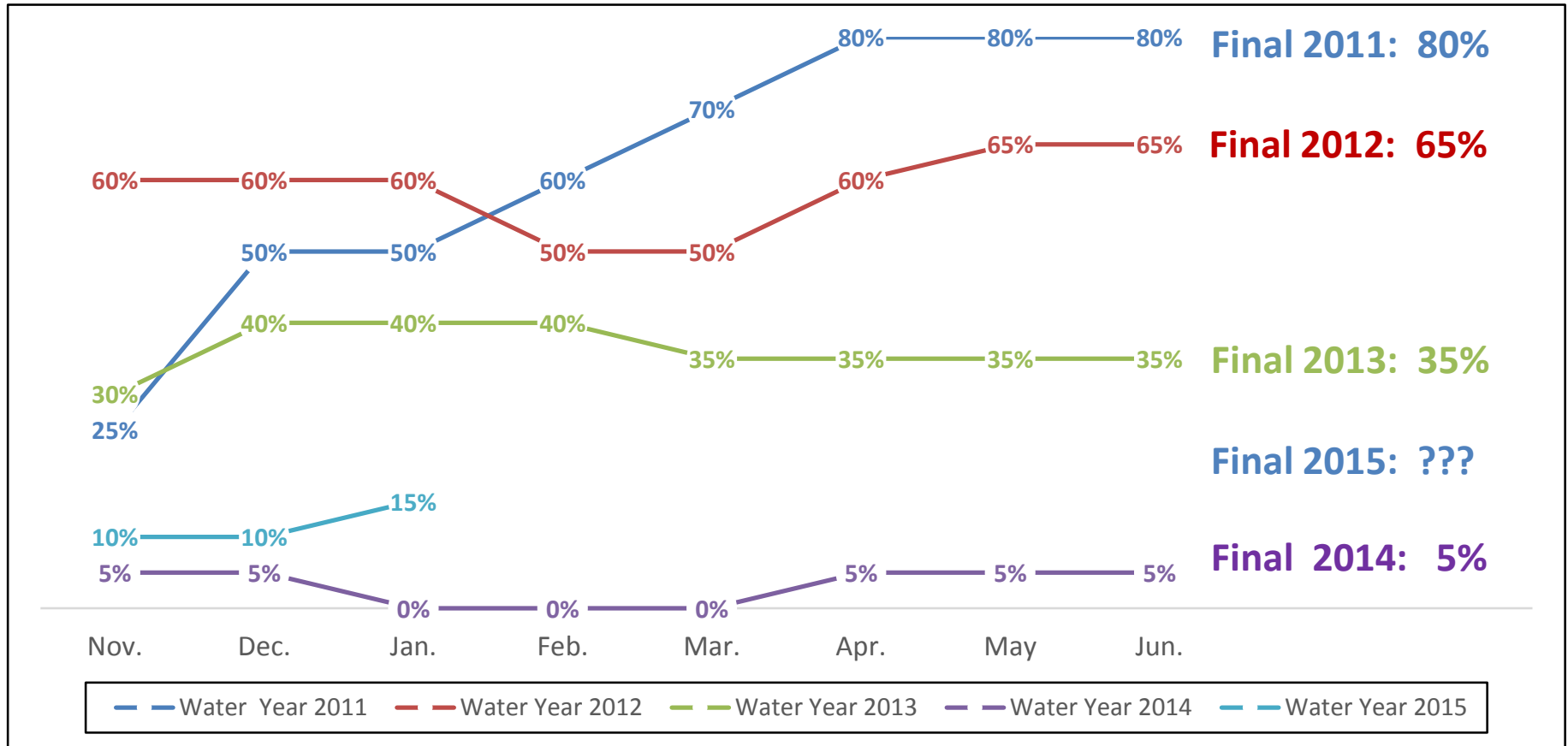


* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

prepared by the Municipal Water District of Orange County

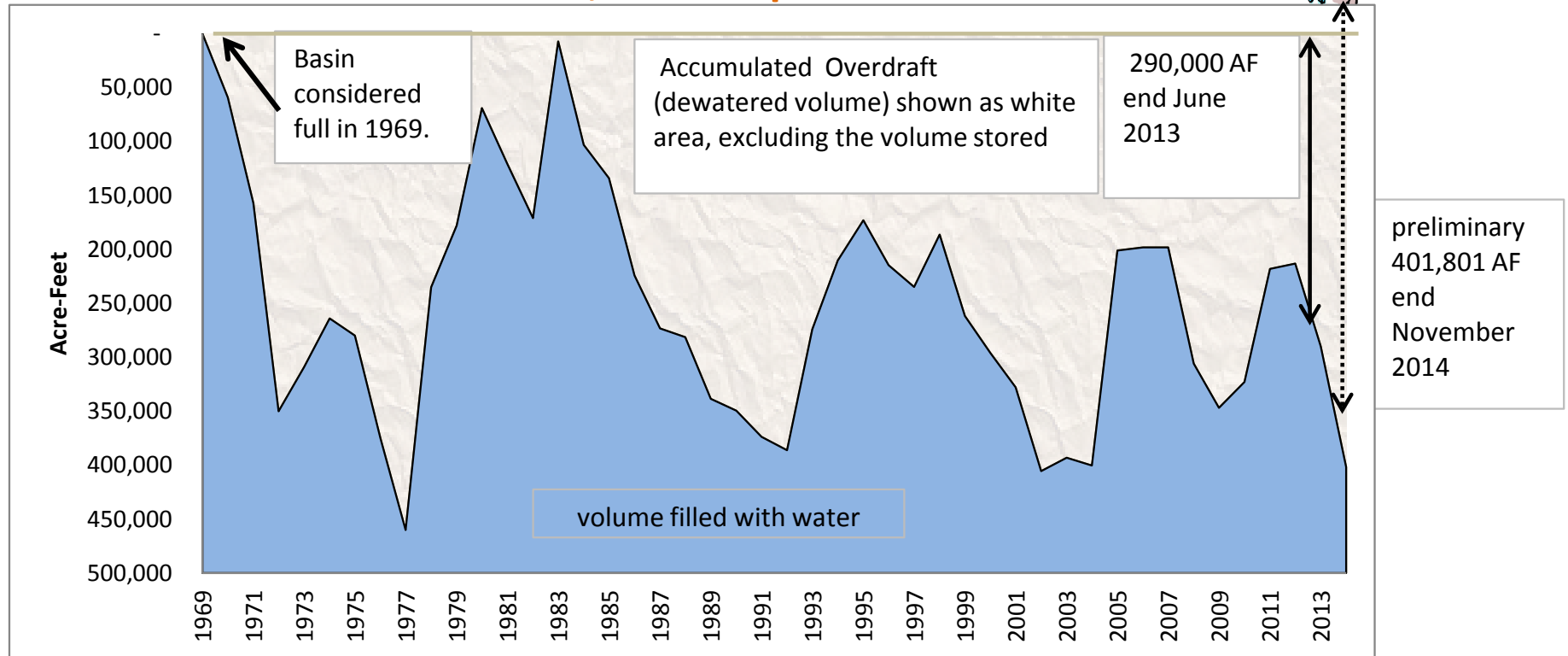
**numbers are subject to change*

SWP Table A Allocation for State Water Project Contractors



OCWD Basin Accumulated Overdraft

Annual, 1969 to present

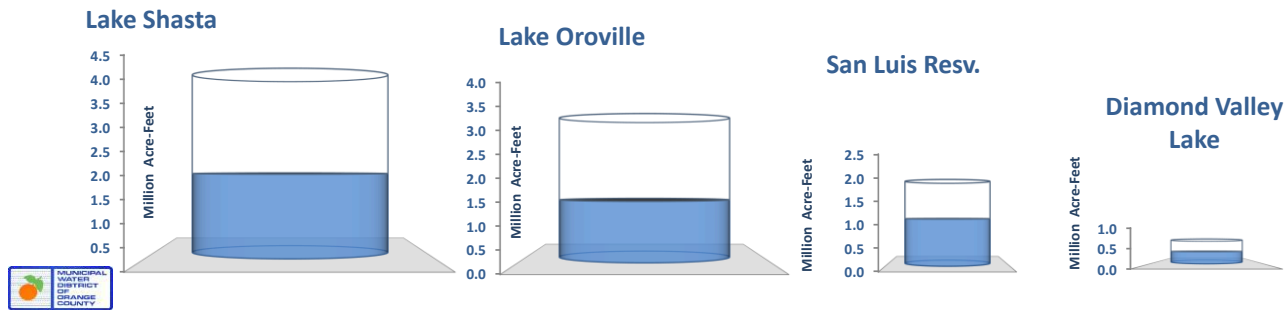
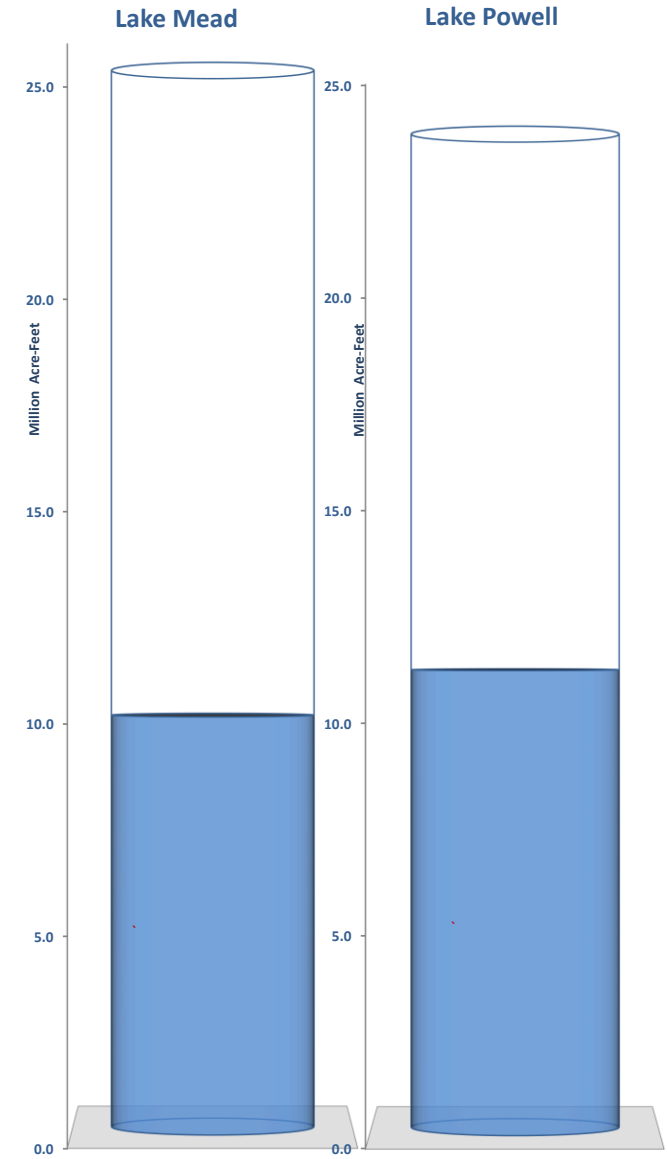
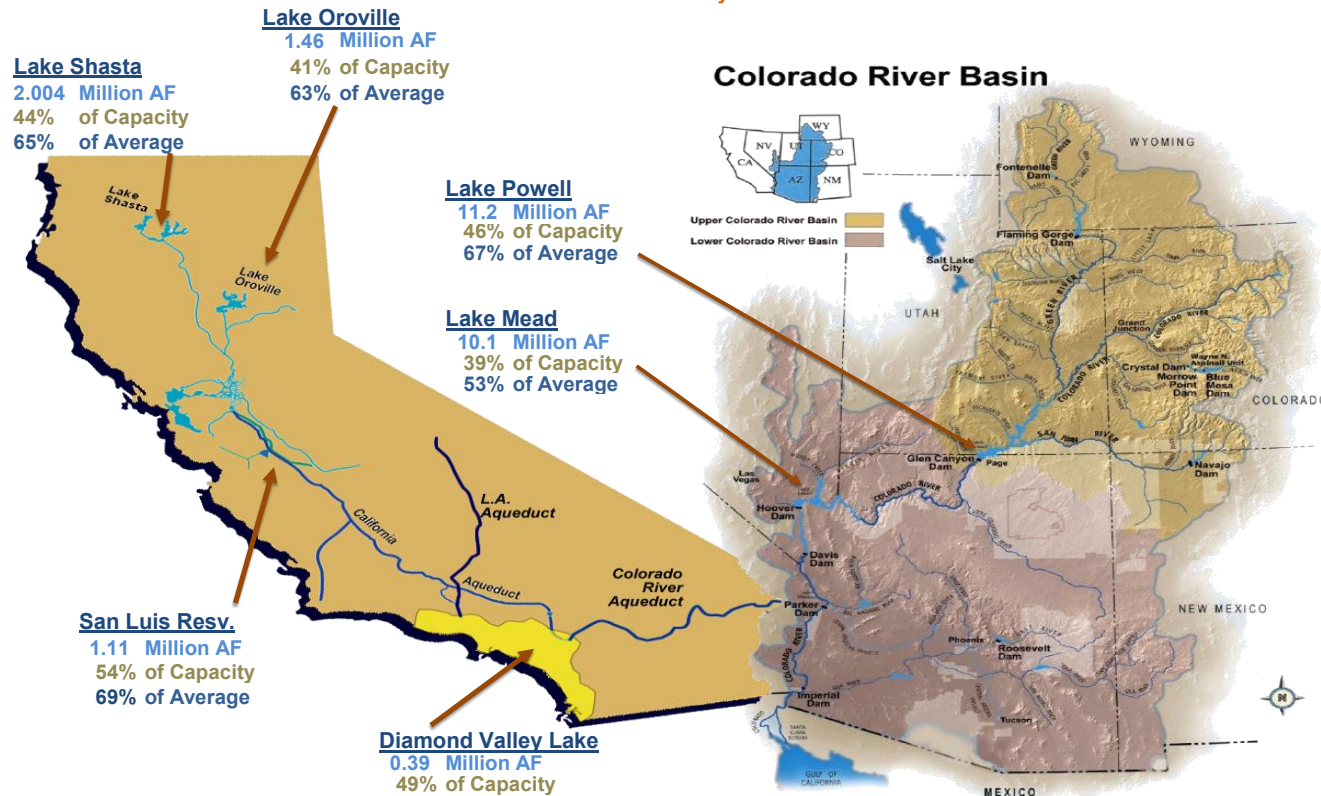


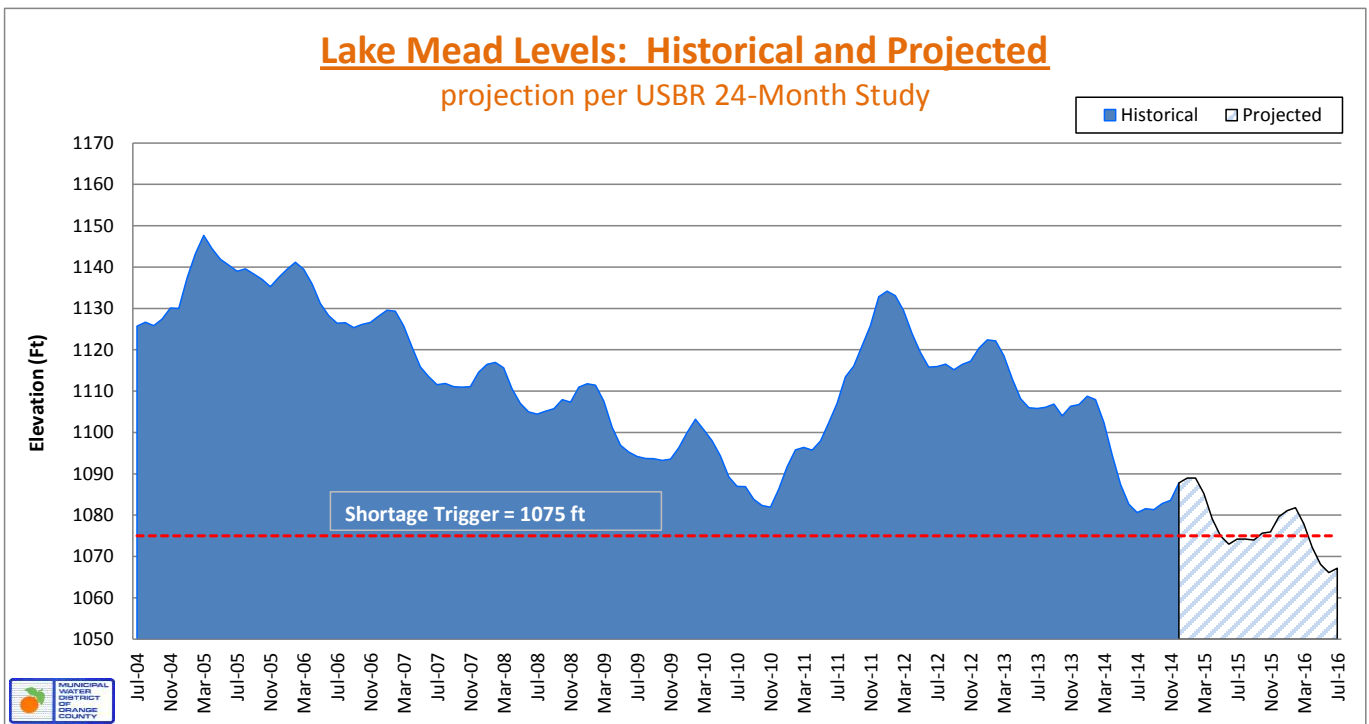
values as of November 30th

source: OCWD

State Water Project, Colorado River, and MWD Reservoir Storage

as of End of January 2015





**Administration Activities Report
January 8, 2015 to February 4, 2015**

Item No. 18a

Activity	Summary
Administration/Board	<ul style="list-style-type: none"> • Maribeth has been scheduling meetings for Rob Hunter and for various Ad Hoc Committees of the Board. • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as research projects. • Maribeth has been working with legal counsel and the Ad Hoc Committee regarding revisions to the Administrative Code. • In preparation for the Form 700s, Maribeth mailed gift request forms to all MWDOC vendors, and is in the process of distributing the forms to Board and staff • Maribeth has been working with President Dick regarding Committee assignments • Maribeth has been working with Richard and other staff regarding District Agreements. • Pat has been scheduling meetings for Karl and Harvey. • Pat prepared agreements for Heather for Lewis, TPA and Barker. She also assisted Heather with purchase requisitions. • Pat assisted Darcy with the Consumer Confidence Reports (CCRs) process. She updated the consultant's scope and prepared an agreement; updated the Water Quality list in Outlook and created a table for contact information for the kick-off meeting. • Pat proofed and formatted letters for Karl and Harvey. • Pat has been scheduling travel for the ACWA DC Conference, ACWA Legislative Committee, CUWCC and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Pat continued updating Contacts and Lists.
MWDOC/OCWD Joint Administration	Cathy and Karl met with OCWD General Manager and Assistant General Manager to discuss the status of current budgeted joint building projects and proposed projects for 2015/16.
Health Benefits	<ul style="list-style-type: none"> • All claims for the 2014 year must be submitted no later than 3/31/15. • The new Employee Assistance Program with Sun Life is being finalized and will be distributed to participants in late February
Records Management	<ul style="list-style-type: none"> • Provided one-on-one Laserfiche training for staff members • Continued to scan and/or purge records from Iron Mountain • Import new records into Laserfiche
CalPERS	Staff received the CalPERS valuation report ending June 30, 2013 and information is included in the committee packet.
Agency Inquiries	None to report.

Recruitment /Departures	<ul style="list-style-type: none"> • Recruitment continues for the WEROC Program Coordinator with interviews being conducted during the week of February 2nd. • Recruitment continues for a Water Use Efficiency Intern., due to departure of Elizabeth Nam. • Recruitment continues for the Part-Time Temporary Public Affairs Assistant for the Value of Water program. • Recruitment efforts have been initiated to replace the Public Affairs Manager, with departure of the current Public Affairs Manager anticipated in spring 2015. • Melanie Inskeep resigned as Sr. Administrative Assistant. • Pari Francisco has been hired as a part-time Administrative Assistant, starting February 9th.
Other	
Projects and Activities	<ul style="list-style-type: none"> • Cathy and Katie reviewed proposals for the classification and compensation study and is in the process of being finalized with selection of a consultant anticipated during the week of February 9th. • Cathy and Katie are coordinating with management staff on reviewing job descriptions in preparation of starting the study in mid-February. • Landscaping clean-up was conducted at the Dana Point desal site in preparation for the February open house. • Mid-Year Performance reviews are underway • All MWDOC staff meeting was held on January 29th • Cathy, Kelly and Karl participated in telephone interviews for the WEROC Coordinator position on January 27 and 30th.



INFORMATION ITEM

February 11, 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 and department activities that are in-progress or to be completed during FY 2014-15.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Implementation of WUE Landscape Programs Database for Member Agencies.	90%	6/30/15	In Progress
\$500k Bond Investment matured 1/30/15. Invested in a 3 yr. FHLMC Step-up callable bond at 1.74%.	100%	01/30/15	Completed
Preparation of documents for FY15-16 budget process.	35%	6/30/15	In Progress

<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade MS Office 2013 for remain Desktop Computers	100%	3/31/2015	Completed

Implement Web Security for District Network	50%	6/30/2015	In Progress
Purchase and upgrade Network Attach Storage for Offsite Backup.	50%	3/31/2015	In Progress
Purchase and upgrade 4 Desktop Computers for WEROC NEOC (hardware and software).	100%	12/31/2014	Completed
Program and implement "Music On Hold" for District Phone System.	30%	6/30/2015	In Progress

FY 2014-15 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
Upgrade Serenic ERP Software from version 5 to version 7	100%	7/31/14	Completed
Research additional Investment options for Reserves	100%	8/31/14	Invested \$1,000,000 in four CD's; laddered terms. Approximate monthly gain of \$970.
Investment in OCIP	100%	8/15/2014	Invested \$3 million in OCIP from Retail Meter revenues. May need to transfer some back out in 6 months for operating expenses.
State Tax filing for Water Facilities	100%	9/30/14	Completed
Government Compensation in California report	100%	10/31/14	Completed
State Controller Report preparation	100%	10/31/14	Completed
Annual financial audit conducted by Vavrinek, Trine, Day & Company	100%	10/31/14	Completed

Description	% of Completion	Completion date	Status
<u>Information Technology</u>			
Upgrade existing Windows Server Operating Systems from 2003 and 2008 versions to 2012 version (software upgrade).	100%	6/30/14	Completed
Purchase and upgrade District Record Management Database Server (hardware and software).	100%	6/30/14	Completed
Purchase and upgrade Finance database Server (hardware and	100%	6/30/14	Completed

software) to run new version of Serenic application (64-bit).			
Purchase and upgrade 4 Desktop Computers for WEROC SEOC (hardware and software).	100%	09/30/14	Completed
Purchase and upgrade 2 Network Printers.	100%	10/31/14	Completed
Purchase and upgrade 5 Desktop Computers for Staff.	100%	10/31/14	Completed
Purchase and implement SmartDraw software for Public Affairs Dept.	100%	10/31/14	Completed
Purchase and replace Projection Screen in Conference Room 102	100%	10/31/14	Completed
Program auto voice respond for "Turf Removal Program" for WUE Department	100%	11/30/14	Completed
Purchase and upgrade 3 laptops for Staff.	100%	12/31/14	Completed
Purchase and upgrade portable Projector.	100%	12/31/14	Completed
Implement and upgrade ACT software on a new Virtual Windows Server.	100%	12/31/14	Completed