

REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Board Room, Fountain Valley, California  
October 15, 2014, 8:30 a.m.

---

**AGENDA**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENTS/PARTICIPATION**

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

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

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

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

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

**EMPLOYEE AWARDS**

**NEXT RESOLUTION NO. 1996**

**CONSENT CALENDAR (Items 1 to 5)**

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

**1. MINUTES**

- a. September 3 , 2014 Workshop Board Meeting
- b. September 17, 2014 Board Meeting
- c. September 17, 2014 Water Facilities Corporation Board Meeting

*Recommendation: Approve as presented.*

**2. COMMITTEE MEETING REPORTS**

- a. Planning & Operations Committee: September 2, 2014
- b. Administration & Finance Committee: September 10, 2014
- c. Public Affairs & Legislation Committee: September 15, 2014
- d. Executive Committee Meeting: September 18, 2014

*Recommendation: Receive and file as presented.*

**3. TREASURER'S REPORTS**

- a. MWDOC Revenue/Cash Receipt Register as of September 30, 2014
- b. MWDOC Disbursement Registers (September/October)

*Recommendation: Ratify and approve as presented.*

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of August 31, 2014
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

*Recommendation: Receive and file as presented.*

**4. FINANCIAL REPORT**

- a. Combined Financial Statements and Budget Comparative for the period ending August 31, 2014

*Recommendation: Receive and file as presented.*

**5. DISTRICT CONFERENCES**

- a. California Special District Leadership Academy, November 16-19, 2014, Anaheim
- b. Association of Metropolitan Water Agencies (AMWA) 2014 Annual Executive Management Conference, October 19-22, 2014, Newport Beach

*Recommendation: Authorize attendance by Directors, and such members of District staff as approved by the General Manager. Note: Authorization for AMWA will be for the General Manager only.*

**– End Consent Calendar –**

**ACTION CALENDAR****6-1 AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONSULTING AGREEMENT WITH CDM-SMITH TO PROVIDE TECHNICAL ASSISTANCE FOR THE OC WATER RELIABILITY STUDY AT A COST NOT TO EXCEED \$197,240**

*Recommendation: Authorize the General Manager to enter into a Consulting Agreement with CDM-Smith to provide technical assistance for the OC Water Reliability Study at a cost not to exceed \$197,240.*

**6-2 ADOPTION OF THE ONE WATER ONE WATERSHED 2.0 PLAN**

**RES. NO. \_\_\_\_\_**

*Recommendation: Adopt Resolution adopting the Santa Ana River Watershed Project Authority One Water One Watershed 2.0 Plan, the Integrated Regional Water Management Plan for the Santa Ana River Watershed.*

**6-3 EXTENSION OF CONSULTING CONTRACT WITH ACKERMAN CONSULTING**

*Recommendation: Authorize extension of contract with Ackerman Consulting for specialized services.*

**6-4 EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP**

*Recommendation: Authorize extension of contract with Lewis Consulting Group.*

**6-5 BOARD SUPPORT FOR LARRY MCKENNEY TO SERVE ON THE ACWA REGION 10 BOARD OF DIRECTORS**

**RES. NO. \_\_\_\_\_**

*Recommendation: Adopt Resolution supporting Director Larry McKenney's efforts to serve on the ACWA Region 10 Board of Directors.*

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

**7. GENERAL MANAGER'S REPORT, OCTOBER 2014 (ORAL AND WRITTEN)**

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

**8. MWDOC GENERAL INFORMATION ITEMS**

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

*Recommendation: Receive and file as presented.*

**CLOSED SESSION ITEM**

**9. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: General Manager  
Government Code Section 54957

**ADJOURNMENT**

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of

the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



**MINUTES OF THE WORKSHOP BOARD MEETING  
OF THE BOARD OF DIRECTORS OF  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)  
WITH THE MWDOC MET DIRECTORS**  
September 3, 2014

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

**MWDOC DIRECTORS**

Brett R. Barbre\*  
Wayne A. Clark  
Larry Dick\* (absent)  
Susan Hinman  
Wayne Osborne  
Jeffery M. Thomas (arr. at 9:20 am)  
Joan Finnegan

**MWDOC STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Maribeth Goldsby, Secretary  
Harvey De La Torre, Principal Water Res. Planner  
Joe Berg, Water Use Efficiency Prog. Mgr.  
Darcy Burke, Director of Public Affairs  
Heather Baez, Governmental Affairs Manager  
Keith Lyon, Principal Water Res. Analyst  
Melissa Baum-Haley, Water Use Eff. Prog. Spec.  
Richard Bell, Principal Engineer

\*Also MWDOC MET Directors

**OTHER MWDOC MET DIRECTORS**

Linda Ackerman

**OTHERS PRESENT**

Brian Ragland  
William Kahn  
Ken Vecchiarelli  
Steve Lamar  
Peer Swan  
Paul Cook  
Paul Weghorst  
Larry McKenney  
Don Froelich  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Richard Gardner  
Fred Adjarian  
Laer Pearce  
Elizabeth Mendelson  
Ed Means  
Betsy Eglash

City of Huntington Beach  
El Toro Water District  
Golden State Water Company  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Moulton Niguel Water District  
Moulton Niguel Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
Dana Point Resident  
Adjarian Consulting Services  
Laer Pearce & Associates  
San Diego County Water Authority  
Means Consulting  
Brady & Associates

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

No items were presented.

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

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

No items were distributed.

**PUBLIC PARTICIPATION/PUBLIC COMMENTS**

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

No comments were received.

**PRESENTATION/DISCUSSION/INFORMATION ITEMS****MWD'S LOCAL RESOURCE PROGRAM PROPOSED REFINEMENTS**

Mr. Harvey De La Torre updated the Board regarding potential changes to MET's Local Resource Program (LRP). His presentation included an overview of the purpose and role of the LRP, an overview of the incentives (since 1982) and the need for additional local supplies, as well as MET observations of the current LRP (not at capacity and cost remains a predominant constraint).

Mr. De La Torre highlighted potential improvements to the LRP that are being considered; namely (1) update the incentive amount and payment structure; (2) include recycled water on-site retrofits; (3) include other water resources (seawater desalination, storm water regional benefits); and (4) provide reimbursable services.

Mr. De La Torre concluded his presentation with an overview of the next steps, which include (1) MET continuing to seek input from its member agencies and Board; (2) MET providing information to the Water Planning and Stewardship Committee; and (3) potential Board action in October.

Director Osborne highlighted the fact that the \$250/af incentive was implemented some time ago, noting it may not be applicable to today's costs and incentive amounts (thereby necessitating an increase).

Considerable discussion ensued with specific emphasis on the \$250/af incentive, its history, recycled water on-site retrofit costs, and MET's IRP target (20% by 2020) and the LRP acre-foot goal of 174,000 af.

The Board received and filed the report as presented.

### **METROPOLITAN'S AND ORANGE COUNTY'S EFFORTS IN RESPONSE TO THE STATE WATER RESOURCE CONTROL BOARD'S EMERGENCY WATER CONSERVATION REGULATIONS**

Mr. De La Torre provided information on MET's and Orange County's efforts in response to the State Water Resource Control Board's (SWRCB) emergency water conservation regulations. His presentation included background on MET's actions over the past 25 years (resulting in a 24% reduction in service area's per capita potable demands, cumulative investments in reliable local supplies exceeding \$1 billion, and doubling of surface water storage capacity). Mr. De La Torre also provided information on recent precipitation levels, water use trends for Orange County, and urban water use and SBx7-7 targets.

Water Use Efficiency Programs Manager Joe Berg then highlighted Orange County's conservation activities, including the Turf Removal Program, MWDOC's outreach success, and upcoming events (community events, public drought updates, drought specific trainings, allocation discussions with MET, and water use reporting by retail agencies to the SWRCB).

The Board received and filed the report as presented.

### **STATUS UPDATE REGARDING THE MET DIRECTOR APPOINTMENT PROCESS**

Director Barbre, Chairman of the Ad Hoc Committee regarding the MET Director appointment, advised that the ad hoc committee would be meeting with candidate Larry McKenney on September 4<sup>th</sup>, after which a report would be made to President Dick, and then to the full Board.

### **MWD ITEMS CRITICAL TO ORANGE COUNTY**

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects

General Manager Hunter highlighted a letter from the U.S. EPA which outlined the EPA's position on the BDCP as well as a number of issues that may have a significant impact on the BDCP.

The Board received and filed the report as presented.

### **OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES**

No new information was presented.

**METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

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

The Board received and filed the report as presented.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 10:15 a.m.

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
September 17, 2014**

At 8:30 a.m. President Dick called to order the Special Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Mr. Sat Tamarabuchi led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Brett R. Barbre  
Wayne A. Clark  
Larry Dick  
Joan C. Finnegan  
Susan Hinman  
Wayne Osborne  
Jeffery M. Thomas

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Keith Lyon, Prin. Water Resources Analyst  
Cathy Harris, Administrative Services Manager  
Joe Berg, Water Use Efficiency Prog. Manager  
Heather Baez, Governmental Affairs Manager  
Harvey De La Torre, Prin. Water Res. Planner

**ALSO PRESENT**

Ray Miller  
William Kahn  
Ken Vecchiarelli  
Doug Reinhart  
John Kennedy  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Andrew Brunhart  
Gary Melton  
Sat Tamaribuchi  
Betsy Eglash

City of San Juan Capistrano  
El Toro Water District  
Golden State Water Company  
Irvine Ranch Water District  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District

Brady & Associates

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

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

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

No items were presented.

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

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

No items were presented.

**EMPLOYEE SERVICE AWARDS**

President Dick presented an award to Keith Lyon for 25 years of service with the District.

**CONSENT CALENDAR**

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

Director Hinman commented on Item 2(c) (Public Affairs & Legislation Committee Meeting Report) and asked that the report reflect that she attended the meeting via teleconference.

Upon MOTION by Director Thomas, seconded by Director Barbre, and carried (7-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor.

**MINUTES**

The following minutes were approved.

August 6, 2014 Workshop Board Meeting  
August 20, 2014 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: August 4, 2014  
Administration & Finance Committee Meeting: August 13, 2014  
Public Affairs & Legislation Committee Meeting: August 11, 2014  
Executive Committee Meeting: August 21, 2014  
MWDOC/OCWD Joint Planning Committee Meeting: July 23, 2014

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of August 31, 2014  
MWDOC Disbursement Registers (August/September)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of July 31, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

### **FINANCIAL REPORT**

The following items were received and filed as presented.

Preliminary Financial Report for the Fiscal Year 2013-14 (Unaudited)

Audit Report for FY 2013-14

### **2014 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW**

The Board authorized staff to submit the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors indicating that revisions to MWDOC's Conflict of Interest Code are necessary.

### **TRAVEL TO WASHINGTON, DC IN 2014 TO COVER FEDERAL INITIATIVES**

The Board received and filed the report regarding Washington travel, as presented.

### **END CONSENT CALENDAR**

### **ACTION CALENDAR**

#### **APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER**

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (7-0), the Board adopted RESOLUTION NO. 1990, reappointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey and Mary Snow as Alternate Deputy Treasurers, and appointing Lina Gunawan as an additional Alternate Deputy Treasurer. Said RESOLUTION was adopted by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas  
NOES: None  
ABSENT: None  
ABSTAIN: None

#### **APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR THE 2013 GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE AS THE LOCAL ADMINISTRATOR OF HOMELAND SECURITY GRANT FUNDS**

Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (7-0), the Board approved the execution of the 2013 Grant Transfer Agreement with the County of Orange as the Local Homeland Security (HLS) Grant Administrator, and adopted RESOLUTION NO. 1991 which provides authority to the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas  
NOES: None  
ABSENT: None  
ABSTAIN: None

#### **THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted a "Support" position on the Water Quality, Supply and Infrastructure Improvement Act of 2014, a \$7.54 billion bond approved by the Legislature and will be Proposition 1 on the November 2014 ballot for California voters. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

#### **S2198 (FEINSTEIN) EMERGENCY DROUGHT RELIEF ACT OF 2014**

Director Barbre advised that the Public Affairs & Legislation Committee reviewed this item, and that the Committee recommended staff send letters to both Senator Feinstein and Congressman Valadao urging them to work together and combine their drought legislation bills (S2198 and HR3964) that address California's urgent needs regarding the current water crisis, and beyond.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board directed staff to send letters to both Senator Feinstein and Congressman Valadao urging them to work together and combine their drought legislation bills (S2198 and HR3964) that address California's urgent needs regarding the current water crisis, and beyond. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

#### **RESOLUTION HONORING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY RETIRING DIRECTOR WAYNE CLARK**

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 1992, honoring Director Wayne Clark for his service to the Municipal Water District of Orange County, by the following roll call vote:



AYES: Directors Barbre, Dick, Finnegan, Hinman, Osborne & Thomas  
NOES:None  
ABSENT: None  
ABSTAIN: Director Clark

**RESOLUTION HONORING ORANGE COUNTY WATER DISTRICT RETIRING  
DIRECTOR KATHRYN "KAY" BARR**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1993, honoring Kathryn "Kay" Barr for her service to the Orange County Water District, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas  
NOES:None  
ABSENT: None  
ABSTAIN: None

**RESOLUTION HONORING ANAHEIM METROPOLITAN DIRECTOR KRIS  
MURRAY**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1994, honoring Kristine "Kris" Murray for her service to the Metropolitan Water District of Southern California, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas  
NOES:None  
ABSENT: None  
ABSTAIN: None

**ISDOC OFFICER ELECTIONS**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board authorized President Dick to vote on behalf of MWDOC. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

**INFORMATION CALENDAR**

**GENERAL MANAGER'S REPORT, SEPTEMBER 2014**

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

Mr. Hunter thanked the Board for their support with respect to the Orange County Reliability Study, noting that staff continues to work with the member agency managers and workgroup; he anticipates that the proposed contract will be presented to the Board in October.

Responding to an inquiry by Director Hinman, Mr. Seckel provided an overview of the proposed Amendment to the South County Pipeline Agreement as prepared by MET management staff.

Director Dick commented on the recent WEROC OA Radio and MARS radio test, noting that in the past, participation has been spotty; he requested staff update him on current participation.

Discussion ensued regarding San Clemente's Expanded Recycled Water Project, with Mr. Seckel advising that when the Doheny Desalination Project comes to fruition, the City of San Clemente will most likely support the project.

Director Dick highlighted the District's upcoming Water Policy Forum (October 2<sup>nd</sup>), noting that Mr. John Coleman (President of ACWA) would be the featured speaker; he encouraged all to attend.

The Board received and filed the report as presented.

## **MWDOC GENERAL INFORMATION ITEMS**

### **BOARD OF DIRECTORS**

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

Director Finnegan reported that she attended the regular MWDOC meetings, the quarterly meeting with Mesa Water, and the Center for Demographic Research meeting.

Director Osborne reported on attending the MWDOC regular Board and Committee meetings, as well as the WACO meeting.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as the WACO meeting, an E&O tour at LaVerne site, a Doheny Desalination Project tour with Karl Seckel, Heather Baez and representatives from Congresswoman's Loretta Sanchez office, a legislative trip to Sacramento with Jeff Kightlinger, as well as a breakfast meeting with candidate for Assembly, Bill Brough, and a meeting with Diane Harkey regarding special district property tax allocations. He also attended two meetings of the Ad Hoc Committee re MET Director appointment, a meeting with Rob Hunter and representatives from the City of La Habra, the Yorba Linda Water District Board meeting, the OC Taxpayers Association event "Roses & Radishes" (wherein MWDOC was nominated to receive the Transparency Award), a meeting with Aaron Grunfeld, and the retirement event for Syd Bennion (MET Assistant General Counsel). He reported on a legislative trip to Washington, DC which included a meeting with Christina Moore, minority counsel for the Environment for Public Works Committee who wrote a report entitled "Chain of Environmental Command" and he encouraged all to read. Mr. Barbre highlighted a recent study by the California State Controller regarding pension spikes, noting that MET was highlighted as an agency that resisted the urge to spike pensions.

Director Hinman reported on attending the regular MWDOC Board and Committee meetings, as well as the Laguna Beach County Water District meeting, the San Juan Basin Authority meeting, the WACO and WACO Planning Committee meetings, and a meeting with San Clemente Council Member Lori Donchak. Ms. Hinman highlighted the fact that South Coast Water District (SCWD) needs to take their groundwater treatment plant off-line for approximately 45 days due to salt water intrusion, and the City of San Juan Capistrano has taken two wells off-line on the San Juan Creek.

Director Thomas reported that he attended the MWDOC Board and Administration & Finance Committee meeting, the Community Leaders luncheon in Long Beach, the OC Water Summit Planning meetings, the Ad Hoc Committee meetings re the appointment of the MET Director, and a MET meeting.

Director Clark advised that he attended the MWDOC regular Board and Committee meetings.

Director Dick reported on attending the Public Affairs & Legislation Committee meeting, the Administration & Finance Committee meeting, the MET Caucus meeting, the MET Board and Committee meetings, a meeting with MET IT staff, and the Ad Hoc Committee meetings regarding the Administrative Code. He also reported on attending the Garden Grove Chamber Legislative Committee meeting, the Community Leaders luncheon featuring Congressman Lowenthal, a reception for MET Chair, Randy Record, the WACO Planning Committee meeting, and a meeting with Ken Khachigian regarding the Cadiz Project. Mr. Dick then highlighted events from his recent vacation abroad.

Legal Counsel Behrens then provided an overview of AB 1234, and the reporting requirements therein, noting that a report on all meetings attended must be made prior to payment for attending the meeting. He advised that AB 1234 does not require the reports to be lengthy. The length of the report is subject to the discretion of each director.

## **ADJOURNMENT**

There being no further business to come before the Board, President Dick adjourned the meeting at 9:27 a.m.

Respectfully submitted,

---

Maribeth Goldsby, Secretary

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
WATER FACILITIES CORPORATION  
September 17, 2014

At 8:30 a.m. MWDOC Water Facilities Corporation (MWDOC WFC) President Dick called to order the Regular Meeting of the Municipal Water District of Orange County Water Facilities Corporation in the Board Room at the District facilities located in Fountain Valley. Mr. Sat Tamaribuchi led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Brett R. Barbre  
Wayne A. Clark  
Larry Dick  
Joan C. Finnegan  
Susan Hinman  
Wayne Osborne  
Jeffery M. Thomas

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Keith Lyon, Prin. Water Resources Analyst  
Cathy Harris, Administrative Services Manager  
Joe Berg, Water Use Efficiency Prog. Manager  
Heather Baez, Governmental Affairs Manager  
Harvey De La Torre, Prin. Water Res. Planner

**ALSO PRESENT**

Ray Miller  
William Kahn  
Ken Vecchiarelli  
Doug Reinhart  
John Kennedy  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Andrew Brunhart  
Gary Melton  
Sat Tamaribuchi  
Betsy Eglash

City of San Juan Capistrano  
El Toro Water District  
Golden State Water Company  
Irvine Ranch Water District  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District

Brady & Associates

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

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

No comments were made.

### **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

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

No items were presented.

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

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

No items were distributed.

### **FINANCIAL REPORT**

#### **a. Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board authorized the annual filing of the tax compliance reports as presented. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

Responding to an inquiry by Director Barbre, Legal Counsel Behrens advised that due to changes in regulations, it would be no longer necessary to file separate Statements of Economic Interests (Form 700) on behalf of the Water Facilities Corporation (in addition to the Form 700 filed with respect to MWDOC). Mr. Behrens advised that he was working with the County Board of Supervisors to add the MWDOCWFC to the MWDOC Form 700.

Responding to an inquiry by Director Barbre, Legal Counsel Behrens advised that due to changes in regulations, it would be no longer necessary to file Statements of Economic Interests (Form 700) on behalf of the Water Facilities Corporation. Mr. Behrens advised that he was working with the County Board of Supervisors to remove WFC from their filing lists.

### **ANNUAL REORGANIZATION OF BOARD OFFICERS FOR THE MWDOC WATER FACILITIES CORPORATION**

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

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board appointed Wayne Osborne as MWDOC WFC President and Director Jeffery M. Thomas as MWDOC WFC Vice President to serve a one-year term. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

Upon MOTION By Director Finnegan, seconded by Director Barbre, and carried (7-0), the Board appointed Hilary Chumpitazi as MWDOC WFC Treasurer to serve a one-year term. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

## **ADJOURNMENT**

There being no further business to come before the Board, MWDOC WFC President Osborne adjourned the meeting at 8:35 a.m.

### **Respectfully Submitted:**

---

Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Jointly with the  
**PLANNING & OPERATIONS (P&O) COMMITTEE**  
September 2, 2014 8:32 a.m. to 9:20 a.m.  
MWDOC Conference Room 101

**P&O Committee:**

Director Wayne Osborne, Chair  
Director Brett Barbre  
Director Susan Hinman

**Staff:**

Karl Seckel, Joe Berg, Richard Bell,  
Melissa Baum-Haley, Pat Meszaros,

**Also Present:**

Director Joan Finnegan  
Director Wayne Clark  
MWDOC MET Director Linda Ackerman  
Steve LaMar, Irvine Ranch Water District  
Paul Weghorst, Irvine Ranch Water District  
John Kennedy, Orange County Water District

---

Director Osborne called the meeting to order at 8:32 a.m.

**PUBLIC PARTICIPATION**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

No items were presented.

**ACTION ITEM**

**APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR  
THE 2013 GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE  
AS THE LOCAL ADMINISTRATOR OF HOMELAND SECURITY GRANTS FUNDS**

Director Osborne discussed the resolution which will go to the MWDOC Board on September 3 for approval of the 2013 Grant Transfer Agreement with the County of Orange as the Local Homeland Security Grant Administrator.

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (5-0), the Board ratified the Grant Transfer Agreement. This item was approved as follows:

AYES: Directors Osborne, Barbre, Clark, Finnegan and Hinman  
NOES: None  
ABSENT: Directors Dick and Thomas  
ABSTAIN: None

## **INFORMATION ITEMS**

### **DISCUSSION OF PROPOSALS RECEIVED FOR THE OC WATER RELIABILITY STUDY 2015**

Mr. Seckel reported that we were successful in receiving one proposal (from six firms invited) for the study from CDM who came in at \$197,000. Other consultants were either busy or weren't a good fit for this type of study. CDM has done quite a bit of this work historically in Orange County and other areas in Southern California. They've worked with IRWD and MNWD on a similar proposal so they have the expertise needed. The review committee met on Friday to review the proposal and agreed that CDM met all of our requirements. With regard to Task 9, we're not finding support among our agencies to complete that task as presented. Because the evaluation of the project will vary depending upon where you're located in the County and what position your agency is in, the consensus of the managers was that we not proceed with the evaluation and that decision making be left for later, after the GAP Analysis.

Mr. Seckel reported further that the next workgroup meeting is scheduled for September 15 and our Board meets on September 17 so we will pursue changes in the scope and prepare for an October award by the MWDOC Board. Director Hinman inquired about Task 9, project ranking and decision-making, and whether there is an issue regarding prioritization of projects. Mr. Seckel stated that people need to get comfortable with where the study is going and, currently, the recommendation is that we not go into that depth. There may be follow-up work at the completion of this study which may be done by us, OCWD, or other individual agencies depending on what the projects are and the level of interest is across the County. Director Hinman recommended moving forward from there as she would hate to get stuck in a static situation once we have all that information. Mr. Hunter stated that there was a sentiment clearly expressed by a number of our member agencies that the group working on the scope and project be expanded in terms of involvement. Further, that what we're looking at is dividing the study into segments: what the reliability is, where we want to get to; what the gap is; develop all information on various projects; and management approaches throughout the entire County. Also to study all water supplies, imported, local supplies, and groundwater. We do have peer review for a common information base for all the projects and approaches for the County and we'd like everyone to participate in that. Mr. Hunter expressed further that this is not a study that gets parked on the shelf but rather it is a study that produces real technical results that can then be used in individual applications or group applications. Director Hinman inquired as to the timeline to which Mr. Seckel responded that the plan is to have the Gap Analysis completed by the first of the year. Mr. Hunter stated that we have received formal comments on the scope from Mr. Mike Markus of OCWD whose letter stated that the study should not include operational changes for the groundwater basin. On September 4, Mr. Hunter and Mr. Seckel will be attending OCWD's Communication and Legislative Committee meeting to discuss the project and OCWD's participation. Mr. Weghorst expressed IRWD's



appreciation for MWDOC's staff working in a collaborative approach to this study and they look forward to good results.

### **STATE WATER RESOURCES CONTROL BOARD – CALIFORNIA OCEAN PLAN – PROPOSED OCEAN DESALINATION AMENDMENT**

Mr. Seckel reported that on July 3, 2014, the State Water Resources Control Board released its draft amendments to the Ocean Plan for Ocean Desalination for a 45-day review period. The proposed amendments would apply to intakes and brine discharge. The State Water Board held a public workshop on August 6 and on August 19, a public hearing to receive formal comments at which Mr. Bell was in attendance. Mr. Bell has been working with CALDesal and assisted in preparation of the CALDesal comment letter. The State Board plans to release the final drafts this fall and consider adoption in the winter. There are some political issues and nuances in the details that are of concern. Director Osborne inquired who came up with CALDesal comments to which Mr. Seckel reported that a group of individuals participated. Mr. Bell reported that the primary authors were MET staff and Attorney Pat Chen for South Coast Water District and SOCWA. Director Barbre remarked that there are a couple of areas where it appears the State Board is trying to broaden its scope and inquired if there is anyone identified who will litigate that. Director Osborne inquired about Poseidon's Huntington Beach project to which Mr. Bell responded that they may be required to modify their intake system and brine disposal as well. We think the Board is trying to be reasonable about this. Director Barbre also inquired about the blending issue which is so critical at Dana Point and whether the Regional Water Quality Control Boards will be consistent from Region to Region. Director Hinman too expressed her concern about comingling and that, as written, it could preclude or condition disposal through the existing wastewater outfall which could increase costs to the Doheny project. Mr. Bell reported further that Assemblyman Mark Stone formed a select committee on coastal protection to receive information on ocean desalination intakes, brine disposal and loading order. CALDesal participants include Rich Nagel: intakes; Ken Weinberg: discharge; and Jeff Kightlinger or Deven Upadhyay: loading order.

### **STATUS REPORTS**

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

Reports were received and filed.

### **NAPA EARTHQUAKE REPORT**

Ms. Hubbard reported that a 6.0 earthquake occurred on Sunday, August 24, centered in American Canyon, 6 miles from Napa. Since then, 109 aftershocks greater than 3.0 have occurred. 130 buildings and homes have been red tagged; 593 have been yellow tagged; and 44 people were in 3 shelters. At least 200 people were injured by the quake, most with non-life threatening injuries like cuts and broken bones, but a 13-year-old boy remained in serious condition after a chimney collapsed on him during the violent shaking. Queen of the

Valley Hospital had significant damage and they set up triage tents in their parking lot where they handled most patients; 14 people were admitted. Governor Jerry Brown declared a state of emergency for southern Napa due to the damage resulting from the earthquake. The declaration allows all available state resources to be directed toward earthquake response efforts. Ms. Hubbard reported further that on the water side, the Assistant Public Works Director of the City of Napa submitted one of the most thorough reports she had ever seen. He used AWWA's Mutual Aid typing guidance and was very specific and detailed. Ten fully outfitted teams repaired 125 locations in a 5-day period. The City of Napa used water bladders and the public brought their own containers. Director Hinman inquired about the fault line to which Ms. Hubbard responded that it was the West Napa Fault line.

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

Mr. Hunter reported that there is news with regard to the Bay Delta Conservation Plan. A revised draft will be released this Spring. Region 9 EPA issued their comments and there may be a considerable delay in moving forward. Director Osborne inquired about the integrity of the twin-tunnel approach to which Mr. Hunter responded that it is a sound approach. With regard to water quality, it is very good for farmers and for Southern California; however, some of EPA's concerns were that there would be poorer water quality in parts of the Delta. Director Barbre mentioned that he was in Sacramento last Tuesday with Mr. Kightlinger, and it seems northern California is finally coming to the conclusion that they need more storage.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 9:20 a.m.

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

Jointly with the  
**ADMINISTRATION & FINANCE (A&F) COMMITTEE**

September 10, 2014 – 8:30 a.m. to 9:07 a.m.

MWDOC Conference Room 101

**Committee Members:**

Director Jeff Thomas, Chair  
Director Joan Finnegan  
Director Wayne Osborne

**Staff:**

Robert Hunter, Karl Seckel, Cathy Harris,  
Harvey DeLaTorre, Darcy Burke,  
Katie Davanaugh, Maribeth Goldsby,  
Harvey De La Torre

**Also Present:**

Director Brett Barbre  
Director Larry Dick  
Director Susan Hinman  
Director Wayne Clark  
Andrew Hamilton, Mesa Water  
Gerry Werner, El Toro Water District  
Mike Grandy, El Toro Water District

---

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

**PUBLIC COMMENTS**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

No items were presented.

**PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION**

**TREASURER'S REPORT**

- a. Revenue/Cash Receipt Report – August 2014
- b. Disbursement Approval Report for the month of September 2014
- c. Disbursement Ratification Report for the month of August 2014
- d. GM Approved Disbursement Report for the month of August 2014
- e. Water Use Efficiency Projects Cash Flow – August 31, 2014
- f. Consolidated Summary of Cash and Investment – July 2014
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Treasurer's reports for approval at the September 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor. No comments were made.

### **FINANCIAL REPORT**

- a. Preliminary Financial Report for Fiscal year 2013-14 (Unaudited)
- b. Audit Report for FY 2013-14

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Financial Report for approval at the September 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor. No comments or inquiries were made.

### **ACTION ITEMS**

#### **2014 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW**

Board Secretary Goldsby reported that at this point, the only requirement is for the Board to authorize the Board Secretary to send the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors. She advised that the recommended changes to the Code would be presented to the Board in November after legal counsel has fully reviewed.

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Board authorize staff to submit the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors indicating that revisions to the Code are necessary. This item will be presented at the September 17, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor.

#### **APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER**

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Appointment of Alternate Deputy Treasurers (as recommended by staff), for approval at the September 17, 2014 Board meeting. Directors Thomas, Osborne, and Finnegan voted in favor.

Director Osborne requested clarification of the signatory process with Mr. Hunter noting that all checks require two signatures, one of which being the General Manager and the other being one Director.

### **DISCUSSION ITEM**

#### **APPLICATION FOR CSDA'S "DISTRICT OF DISTINCTION"**

The Committee held discussion on the required governance, ethics and harassment prevention training for completion of CSDA's District of Distinction. Mrs. Goldsby noted that CSDA will hold a conference in Palm Springs at the end of September which will qualify for

governance training and another conference (a leadership academy) will be held in Anaheim November 16-19 which will also meet the governance training requirement. More conferences will be available after the first of the year, however dates and locations have not been set.

All Directors expressed support in obtaining the District of Distinction and completing the required training.

It was noted that staff will make the appropriate arrangements for the Board and executive staff to attend a training of their choice.

Mrs. Harris noted that she will inform the Directors who are required to complete the required Harassment Prevention training to be in compliance with AB1825. Several options are available, such as online or seminars at the annual ACWA/JPIA conferences.

### **INFORMATION ITEMS**

#### **DIRECTOR ACTIVITY REPORT (REVISED FROM AUGUST 2014)**

The revised report was received and filed. Mrs. Chumpitazi noted that the report contains annual information, rather than data for a 6-month period.

#### **MWDOC WATER FACILITIES CORPORATION ANNUAL MEETING**

- a. 2014 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation
- b. Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation

Director Barbre inquired whether he is required to file a separate form 700 under the WFC. The Committee held discussion on this and it was noted that this question would be presented to legal counsel. Director Barbre noted that he has completed the form in an abundance of caution.

This item will be agendaized for the September 17 Board meeting for consideration, noting that it was presented for information only at this time.

#### **DISPOSAL OF SURPLUS PERSONAL PROPERTY PURSUANT TO DISTRICT ADMINISTRATIVE CODE SECTION 9500**

The report of District property to be disposed of was reviewed, noting that the District does keep a record of all disposed of items.

#### **MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFORMATION**

The report was received and filed.

#### **DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

The report was received and filed.

### **OTHER ITEMS**

#### **REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS, FINANCE AND INSURANCE**

Director Dick recalled the voting process required for items agendaized as action items, noting that Directors' hands should be raised when the voted is called.

Mrs. Chumpitazi noted that \$3 million has been transferred to OCIF. Director Barbre inquired whether the Orange County Treasurer, who visited the District last year, had followed up on questions.

Mr. Seckel noted that there is evidence of seawater intrusion at the San Juan Basin region and stress to certain types of vegetation. He also noted that a lawsuit has been filed by the golf course against the City.

Ms. Harris noted that the risk assessment report was received from the consultant in draft form and will be presented to the Executive Committee.

Director Dick reminded the Board members that the General Manager's review is underway and that evaluation forms should be returned by September 15<sup>th</sup>. The reviews should be returned to the Board Secretary or Administrative Services Manager, who will then forward to legal counsel.

### **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 9:07 a.m.

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

Jointly with the

**PUBLIC AFFAIRS AND LEGISLATION COMMITTEE**

September 15, 2014 8:30 a.m. to 10:20 a.m.

MWDOC Conference Room 101

**Committee:**

Director Brett Barbre, Chair  
Director Wayne Clark  
Director Susan Hinman

**Staff:**

Robert Hunter, Karl, Seckel, Heather Baez,  
Katie Davanaugh, Darcy Burke, Harvey DeLaTorre,  
Jessica Ouwerkerk

**Ex Officio:**

Director Joan Finnegan

**Also Present:**

Director Wayne Osborne  
Director Larry Dick  
Director Joan Finnegan  
Matt Holder, Lewis Consulting  
Steve LaMar, Irvine Ranch Water District  
Casey Elliott, Townsend Public Affairs  
Dan Ferons, Santa Margarita Water District  
Jim Barker

---

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

**PUBLIC PARTICIPATION**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

It was noted that items 1a (Barker report) and 2 (Waters of the US) were distributed less than 72 hours prior to the meeting.

Director Barbre reorganized the agenda, noting that Mr. Barker was present to provide his presentation.

**State Legislative Report (Townsend) (Discussion)**

Mr. Elliott noted that the legislature is in recess through the election, and that any bill that did not pass this year will have to be re-introduced. The water bond measure, known as the Water Quality, Supply, and Infrastructure Improvement Act of 2014 did pass and will be on the November ballot.

Director Hinman requested clarification on 79744(a) and how it relates to the South Coast hydrologic region, with Mr. Elliott responding that an additional \$11 million has shifted to the San Diego region. Projects in south Orange County will theoretically have access to those funds. Mr. Elliott also pointed out the SB 1390 did pass, as noted in the written Townsend Report.

**The Water Quality, Supply and Infrastructure Improvement Act of 2014 (Action)**

Upon MOTION by Director Clark, seconded by Director Hinman, and carried (3-0), the item was referred to the September 17, 2014 Board meeting for approval. Directors Barbre, Clark and Hinman voted in favor. No discussion was held.

**County Legislative Report (Lewis) (Discussion)**

Mr. Holder provided an overview of the written Lewis reporting, noting the the County Assessor had been indicted for filing false nomination papers, claiming that during his re-election bid, he personally collected signatures on petitions.

**Legal and Regulatory Report (Ackerman) (Discussion)**

The Ackerman report was received and filed without comment.

**MWDOC Legislative Matrix (Discussion)**

**Met Legislative Matrix (Discussion)**

The Legislative matrices were received and filed without comment.

**Value of Water Communications Choice Program (Discussion)**

The staff report was received and file without comment.

**Resolution Honoring Municipal Water District of Orange County Retiring Director Wayne Clark (Action)**

**Resolution Honoring OCWD Retiring Director Kathryn Barr (Action)**

**Resolution Honoring Anaheim Metropolitan Director Kris Murray (Action)**

Director Barbre directed staff to make a correction to Kris Murray's resolution, noting that she was an Anaheim Director.

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the above listed three resolutions were referred to the September 17, 2014 Board meeting for approval. Directors Barbre, Hinman and Clark voted in favor.



**ISDOC Officer Elections (Action)**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the item was referred to the September 17, 2014 Board meeting for approval. Directors Barbre, Hinman and Clark voted in favor.

**Drought Outreach (Information)****Update Regarding October 2<sup>nd</sup> Water Policy Forum & Dinner (Information)****8<sup>th</sup> Annual Orange County Water Summit (Information)****November Elected Officials Meeting (Information)****Public Affairs Activities Report (Information)**

The informational reports were received and filed. Brief discussion was held on the protocol for inviting guests on the tours. The invitation lists are sorted into groups with input received by the respective MET Director hosting the trip. The invitation list has been expanded to include school board members, planning commissioners, and city council members.

Mr. Holder provided an explanation of Measure G, noting that it pertains to filling vacancies within the Supervisor's office and the protocol and order for filling the vacancy.

**Federal Legislative Report (Barker) (Discussion)**

Mr. Barker provided a comprehensive presentation on the accomplishments of MWDOC pertaining to WIFIA, WRRDA and fiscal year 2014 appropriations that staff and Mr. Barker have been working on for the past several years. WIFIA stands for the Water Infrastructure Financing and Innovation Authority which is a funding mechanism for large water infrastructure projects to the amount of \$5.7 billion in loan authority. MWDOC's role was to improve the language in this program and to have a tax free municipal bond funding mechanism prohibition removed from the report. Additional work needs to be done with 2014 appropriations to allow California to be eligible to apply for benefits from these funds. Additionally, WRDA, Section 5039 (Water Resources Reform Development Act of 2007) is a reference to public laws enacted by Congress to deal with certain aspects of water resources, including environmental and flood control aspects, as well as others.

Mr. Barker went on to review key issues anticipated this month, which include California drought bills, the immigration crisis, terrorist threats and the fact that congress will need to pass an appropriate bill to fund the government beyond October 1<sup>st</sup>. He also reviewed the federal deficit and the economy and its impacts over the past several years, as well the items pertaining to water appropriations.

The topic of discussion turned to S2198 (Feinstein) which Mr. Barker expressed support for both (or either) of the Feinstein or Valadao bills. The Committee held discussion on both, with Director Hinman expressing concern with the Valadao bill. Director Barbre expressed support for a blend of both bills, with Director Clark concurring.

Mr. LaMar noted that Irvine Ranch Water District has taken a position of support if amended.

### **S2198 (Feinstein) Emergency Drought Relief Act of 2014 (Action)**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee recommended to support the process to assist in drought relief efforts throughout the state of California and encourage Senator Feinstein & Congressman Valadao to work together and combine their drought legislation bills (S2198 and HR 3964). The item was referred to the September 17, 2014 Board meeting for approval.

Staff and Mr. Barker will prepare such letter and send to legislators Calvert, Boxer, Valadao, Nunez and McCarthy.

Discussion returned to Mr. Barker's presentation with further explanation of WIFIA, the federal involvement, the application process, other characteristics of the program, and an example of funding. Mr. Barker went on to review "Water in the 21<sup>st</sup> Century Act" introduced by Senators Feinstein and Boxer which pertains to water recycling, storage and integrated water management, as well as pertains to drought preparedness.

The Committee thanked Mr. Barker for his report.

### **Environmental Protection Agency's Proposed "Waters of the US" Wetlands Rule**

Mr. Ferons provided an overview of the existing and proposed amendments to the waters of the US wetlands rule and its potential impacts pertaining to wetlands, navigable water within the United States, CEQA, endangered species act, permitting and use, recycled water projects and many others. Mr. Ferons also reviewed two of Santa Margarita's recycled/reuse water facilities that may be impacted by the potential changes to the act and requested support by MWDOC

### **Travel to Washington DC in 2014 to Cover Federal Initiatives**

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (3-0), the Committee referred this item to the September 17, 2014 Board meeting for approval.

General comments were received pertaining to the Santiago Canyon fire that erupted in the past day and staff will provide a follow-up report at a future meeting.

### **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:20 a.m.

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
jointly with the  
**EXECUTIVE COMMITTEE**  
September 18, 2014, 8:30 a.m. to 9:55 a.m.  
Conference Room 102

**Committee:**

Director Dick, President  
Director Osborne, Vice President  
Director Finnegan

**Staff:**

R. Hunter, M. Goldsby

**Also Present:**

Director Clark  
Director Hinman

---

At 8:30 a.m., President Dick called the meeting to order. In an effort to accommodate schedules, the meeting agenda was reorganized as follows:

**PUBLIC PARTICIPATION**

No public comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

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

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

**DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE**

Director Dick commented on the District's participation (through ISDOC) in the Orange County Council of Governments (OCCOG), noting that in 2009, the Board voted to increase ISDOC dues from \$50 per year to \$200 per year so that ISDOC could maintain its membership and voting status with OCCOG. Discussion ensued regarding benefits (if any) derived from OCCOG and it was recommended that staff arrange a presentation by OCCOG on its activities (at an upcoming ISDOC Executive Committee meeting).

Mr. Hunter updated the Committee on recruiting efforts, noting that the District hired Kevin Hostert to replace Warren Greco. Discussion ensued regarding staffing and a possible shift of duties in some departments.

**MEMBER AGENCY RELATIONS**

Discussion ensued regarding South County and the San Juan Basin operations; it was recommended that an update on the San Juan Basin operations be made at an upcoming Planning & Operations Committee meeting.

**EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS**

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

a. Planning & Operations Committee

No new items were added to the agenda.

b. Workshop Board Meeting

The Committee discussed the appointment of the MET Director, with Director Dick anticipating that the appointment could be made at this meeting. Staff was directed to add this to the agenda and contact Mr. McKenney to determine his availability.

Committee also discussed the MET's Allocation Plan and discussions currently underway to revise said Plan. Committee suggested that a brief update be made at the Board meeting, and to hold a more detailed discussion with the Plan is in final form.

Discussion was held regarding the South County Pipeline and MET's desire to transfer ownership back to Orange County.

c. Administration & Finance Committee

No new items were added to the agenda. Discussion was held regarding the CSDA conference, and it was noted that the Director-Elect for Division 5 would be invited to attend the conference.

d. Public Affairs & Legislation (PAL) Committee

No new items were added to the agenda.

e. MWDOC/OCWD Joint Planning Committee

No new items were added to the agenda.

**GENERAL MANAGER'S REPORTS**

Mr. Hunter reported that MET will be shutting down the Colorado River Aqueduct (CRA) at some point to conduct maintenance; more information will be presented when timelines are received. This issue will need to be discussed with member agencies.

## **REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES**

Director Finnegan referenced Kelly Hubbard's participation in the Operational Area Executive Board (as ISDOC's appointee) and she requested that Ms. Hubbard provide quarterly updates to ISDOC.

Mr. Hunter addressed some Board members concerns with respect to the Committee agendas and why agenda items change after the Executive Committee review. It was noted that due to the lengthy time between the Executive Committee and PAL meeting, many changes occur. Mr. Hunter advised that he would speak to the PAL Chair regarding the agenda, prior to each PAL meeting.

Mr. Hunter also requested that when Board members request items, those requests be made through him, rather than staff.

## **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 9:55 a.m.

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

**WATER REVENUES**

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

TOTAL REVENUES \$ 20,088,524.28

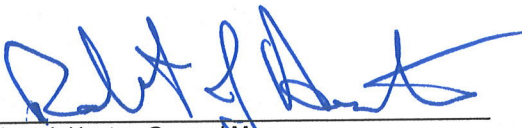
**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**September 2014**


**MISCELLANEOUS REVENUES**

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

TOTAL MISCELLANEOUS REVENUES \$ 376,456.40

TOTAL REVENUES \$ 20,464,980.68

  
 Robert J. Hunter, General Manager

  
 Hilary Chumipitazi, Treasurer

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

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



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

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

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

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

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

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

***Choice Expenditures:***

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

***Other Funds Expenditures:***

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

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

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

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

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

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

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

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

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

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

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



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

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

**Choice Disbursements:**

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

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

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



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

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

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


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

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

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

**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of September 2014**

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

  
 Robert J. Hunter, General Manager

  
 Hilary Chumpitazi, Treasurer

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





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

August 31, 2014

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

(714) 963-3058

Fax: (714) 964-9389

[www.mwdoc.com](http://www.mwdoc.com)Larry D. Dick  
PresidentWayne S. Osborne  
Vice PresidentBrett R. Barbre  
DirectorWayne A. Clark  
DirectorJoan C. Finnegan  
DirectorSusan Hinman  
DirectorJeffery M. Thomas  
DirectorRobert J. Hunter  
General Manager**MEMBER AGENCIES**

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$1,687,565	10.93%
Grant & Project Cash Flow	1,000,000	6.47%
Building Repair	239,491	1.55%
Total Designated Reserves	2,927,056	18.95%
General Fund	6,768,957	43.82%
Water Fund	5,348,848	34.63%
Conservation Fund	117,767	0.76%
Desalination Feasibility Study Fund	220,340	1.43%
WEROC Fund	71,246	0.46%
Trustee Activities	-7,540	-0.05%
<b>Total</b>	<b>\$15,446,674</b>	<b>100.00%</b>

The funds are invested as follows:

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

The average number of days to maturity/call as of August 31, 2014 equaled 141 and the average yield to maturity is .079%. During the month, the District's average daily balance was \$21,523,416.28. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of August 2014.

The \$44,364 difference between the book value and the market value on August 31, 2014 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter  
General ManagerHilary Chumpitazi  
Treasurer

# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



## Portfolio Management - Portfolio Summary August 31, 2014

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

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

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

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

  
Robert J. Hunter, General Manager

10-2-14  
Date

  
Hilary Chumipitazi, Treasurer

10/2/14  
Date



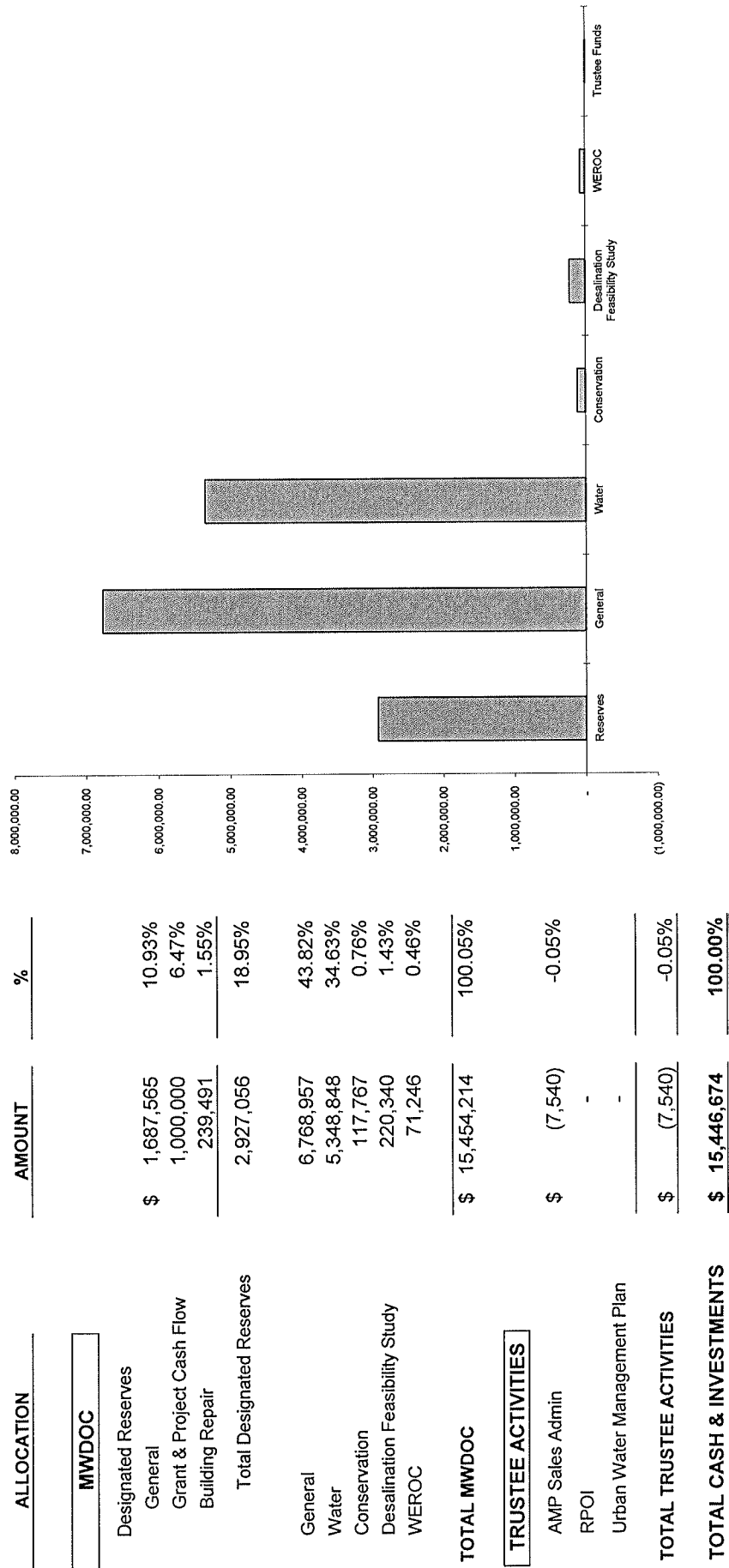
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**August 31, 2014**

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Certificate of Deposit - Bank</b>									
Ally Bank	02006LFV0	7/23/2014	250,000.00	248,892.50	250,000.00	1.150	1.150	1058	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	249,067.50	250,000.00	1.600	1.600	1422	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	248,885.00	250,000.00	1.200	1.200	1059	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,151.00	100,000.00	1.050	1.050	876	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,342.50	250,000.00	2.050	2.050	1794	7/30/2019
<b>Sub Total</b>			<b>1,100,000.00</b>	<b>1,096,338.50</b>	<b>1,100,000.00</b>	<b>1.459</b>	<b>1.459</b>	<b>1292</b>	
<b>Miscellaneous Securities - Coupon</b>									
Bank of America	06051GED7	10/14/2010	250,000.00	257,370.00	251,617.54	3.700	3.000	366	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	255,737.50	251,330.65	3.400	2.700	297	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	516,490.00	500,740.99	3.125	3.007	498	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	515,155.00	499,685.11	3.450	3.508	428	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	506,400.00	499,752.91	3.875	4.020	137	1/15/2015
<b>Sub Total</b>			<b>2,000,000.00</b>	<b>2,051,152.50</b>	<b>2,003,127.20</b>	<b>3.500</b>	<b>3.346</b>	<b>349</b>	
<b>Total Investments</b>			<b>3,100,000.00</b>	<b>3,147,491.00</b>	<b>3,103,127.20</b>	<b>2.776</b>	<b>2.677</b>	<b>683</b>	
<b>Total Earnings</b>									
			<b>Month Ending June</b>	<b>Fiscal Year To Date</b>					
Current Year			6,953.18	13,111.07					

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

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Local Agency Investment Funds</b>									
LAIF LGIP	LAIF	6/30/2010	6,642,565.22	6,642,565.22	6,642,565.22	0.260	0.260	1	N/A
<b>Sub Total</b>			<b>6,642,565.22</b>	<b>6,642,565.22</b>	<b>6,642,565.22</b>	<b>0.260</b>	<b>0.260</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	5,364,991.47	5,364,991.47	5,364,991.47	0.344	0.344	1	N/A
<b>Sub Total</b>			<b>5,364,991.47</b>	<b>5,364,991.47</b>	<b>5,364,991.47</b>	<b>0.344</b>	<b>0.344</b>	<b>1</b>	
<b>Total Investments</b>			<b>12,007,556.69</b>	<b>12,007,556.69</b>	<b>12,007,556.69</b>	<b>0.298</b>	<b>0.298</b>		
<b>Passbook Checking</b>									
Bank of America Cash	CASH0547	7/1/2011	335,490.22	335,490.22	335,490.22	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
<b>Total Cash</b>			<b>335,990.22</b>	<b>335,990.22</b>	<b>335,990.22</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>12,343,546.91</b>	<b>12,343,546.91</b>	<b>12,343,546.91</b>	<b>0.298</b>	<b>0.298</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year			4,329.11		Fiscal Year To Date			7,739.92	

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



**MUNICIPAL WATER DIST OF ORANGE COUNTY**  
**PARS GASB 45 Program****Monthly Account Report for the Period**  
**8/1/2014 to 8/31/2014**Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 8/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 8/31/2014
Employer Contribution	\$1,104,237.18	\$0.00	\$20,905.45	\$716.75	\$0.00	\$0.00	\$1,124,425.88
<b>Totals</b>	<b>\$1,104,237.18</b>	<b>\$0.00</b>	<b>\$20,905.45</b>	<b>\$716.75</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,124,425.88</b>

**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			Inception Date
			3-Years	5-Years	10-Years	
1.89%	2.04%	12.79%	N/A	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.

Inception Date: Plan's inception date

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

Cash - Beginning Balance	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	TOTALS
\$	219,916.10	\$ 150,103.91	\$ 117,766.90	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	\$ (57,169.19)	
<b>REVENUES:</b>													
City of Brea	3,448.00	328.00	69.00										\$ 3,845.00
City of Fullerton	75.00	75.00	346.30										\$ 496.30
City of Garden Grove		255.00	810.00										\$ 1,065.00
City of La Habra		105.00											\$ 105.00
City of San Clemente	600.00	1,965.00	2,145.00										\$ 4,710.00
City of San Juan Capistrano	105.00	735.00											\$ 840.00
City of Santa Ana		157.68											\$ 157.68
City of Orange	630.00	1,050.00	1,020.00										\$ 2,700.00
City of Westminster		19.97											\$ 19.97
El Toro Water District	2,703.99	2,717.00	1,576.00										\$ 6,996.99
Golden State Water Company	2,671.00	3,493.93	3,350.00										\$ 9,514.93
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19										\$ 135,627.71
Laguna Beach County Water District	328.00	1,130.00											\$ 1,458.00
Mesa Water District		225.00	75.00										\$ 300.00
Metropolitan Water District		142,191.56	1,183.00										\$ 143,374.56
Moulton Niguel Water District			789.98										\$ 789.98
Santa Margarita Water District	1,092.20	4,782.20											\$ 5,874.40
South Coast Water District	75.00	225.00											\$ 300.00
Yorba Linda Water District			213.00										\$ 213.00
<b>Miscellaneous Revenues</b>													
Miscellaneous	5,950.50												5,950.50
Interest Revenue	171.77												171.77
<b>Total Revenues</b>	<b>83,233.51</b>	<b>188,359.81</b>	<b>52,917.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 324,510.79</b>
<b>EXPENDITURES:</b>													
Aquaficient	1,500.00	1,500.00											3,000.00
Conservation Consulting, LLC	7,544.25	7,411.50											14,955.75
City of Newport Beach	2,988.00												2,988.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92										5,151.92
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20												7,988.20
MESA	2,119.50												2,119.50
Mission RCD	6,485.80	12,988.02	14,006.16										33,479.98
Spray to Drip program		975.00	10,100.26										11,075.26
Turf Removal		183,408.30	197,345.22										488,943.47
URP	108,189.95	12,580.00											12,580.00
Waterwise Consulting		1,250.00	1,250.00										2,500.00
<b>Miscellaneous Expenses</b>													
Interest Expense													-
Salary & Benefit													-
<b>Total Expenditures</b>	<b>153,045.70</b>	<b>220,696.82</b>	<b>227,853.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 601,596.08</b>
<b>Cash - Ending Balance</b>	<b>\$ 150,103.91</b>	<b>\$ 117,766.90</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	<b>\$ (57,169.19)</b>	

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

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

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

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

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



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

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

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

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

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

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

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

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



## CONSENT CALENDAR ITEM

October 15, 2014

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Pat Meszaros

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

### **STAFF RECOMMENDATION**

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

### **COMMITTEE RECOMMENDATION**

Committee concurred with staff recommendation.

### **SUMMARY**

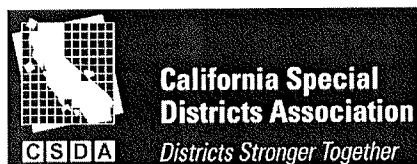
The CSDA Special District Leadership Academy (SDLA) Conference is based on the groundbreaking, curriculum-based continuing education program which recognizes the necessity for the board and general manager to work closely toward a common goal. SDLA provides the knowledge base to perform essential governance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

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

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

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

+ NAV



(http://www.csda.net)

## Special District Leadership Academy Conference

2014 Special District Leadership Academy Conference This 2 1/2 day conference covers all 4 modules of the Special District Leadership Academy. Member: Early: First - \$600, Additional - \$400/Regular: First - \$650, Additional - \$450 Non-Member: Early: First - \$725, Additional - \$525/Regular: First - \$775, Additional - \$575

### Cancellation/Substitution Policy:

Cancellations must be in writing and received by CSDA no later than November 3, 2014. All Cancellations received by this date will be refunded less a \$75 cancellation fee. There will be no refunds for cancellations made after November 3, 2014. Substitutions are acceptable and must be done in writing no later than November 10, 2014 at 5:00 pm. Please submit any cancellation notice or substitution requests to meganh@csda.net or fax to (916) 520-2465.

Room reservations are available at the Embassy Suites Anaheim South at the rate of \$139 a night plus tax single or double occupancy by calling 1-800-HILTONS and asking for the California Special Districts Association rate or using the group code CAL. Room reservations can also be made by clicking on this link:<http://embassysuites.hilton.com/en/es/groups/personalized/L/LAXGDES-CAL-20141116/index.jhtml> (<http://embassysuites.hilton.com/en/es/groups/personalized/L/LAXGDES-CAL-20141116/index.jhtml>). Attendees booking within the CSDA room block also receive discounted self-parking of \$6 per night.



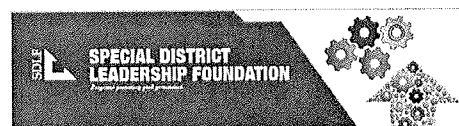
(http://dev.csda.net/member-services/join-csda/)

(http://www.sdrma.org/)

### CHOOSE WITH CONFIDENCE

Call today.  
Save tomorrow.

**SDRMA**  
More Savings, Value  
and Service.  
800-537-7790



(http://www.sdlf.org)

When: 11/16/2014 - 11/19/2014

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

Register Myself

Register Someone Else

My Registration Status: Not Registered

Registration Options	Price
Register as a First Time Attendee	600.00
Register as a Returning Attendee	600.00
Register as a Table Top Sponsor	625.00

### California Special Districts Alliance



(http://www.csda.net)

(http://sdrma.org)



(http://csdafinance.net/)

## Sunday, November 16

- 5:30 – 7:00 p.m.**     **Registration and Networking Reception**  
Take a moment to network with your peers from throughout the state at this informal networking reception. Reception includes light appetizers.

## Monday, November 17

### **Building a Foundation for Good Governance**

David Aranda

In this informational session, the instructor will lay the groundwork for good governance in your district.

In this informational session, the instructor will lay the groundwork for good governance in your district. Attendees will discover:

- 8:30 a.m. – 12:30 p.m.**
- Why good governance is so important to the overall well-being of the district.
  - The traits of effective directors
  - How to move your board from "I" to "we," including how to become an effective team, establish team standards, and essential conditions for team building.

*This session covers Module 1 of the Special District Leadership Academy: Governance Foundations.*

- 12:30 – 1:30 p.m.**     Lunch provided (All Attendees)

### **Fulfilling Your Districts' Mission - Charting the Course**

Brent Ives, BHI Management Consulting

This conference session will highlight the importance of setting the direction for your district. Learn the critical components of direction-setting, along with how to avoid planning pitfalls. Attendees will walk through the following

- 1:45 – 4:30 p.m.**     steps:
- Establishing your district's mission, vision and values.
  - Identifying strategic goals and objectives.
  - How to communicate those objectives to your constituents.

*This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

### **Sip and Savor Evening Reception**

- 5:30 – 7:00 p.m.**     Join us at this reception for networking and entertainment.  
*Sponsored by SDRMA*

## Tuesday, November 18

### **Get the Word Out! Best Practices for Communication and Outreach**

Brent Ives, BHI Management Consulting

This session looks at common communication breakdowns and areas for improvement in public agency communications.

It will discuss proper and effective communication methods including:

- 8:30 – 10:00 a.m.**
- Identifying audiences
  - Responding to public input
  - Media relations
  - Legislative outreach and advocacy

*This session covers Module 2 of the Special District Leadership Academy: Setting Direction/Community Leadership.*

**10:00 a.m. – 10:30 a.m.**

Break (All Attendees)

### **Defining Board/Staff Roles and Relationships**

Mary Anne Rooney; Pete Kampa, Kampa Community Solutions

This conference session will teach participants how to determine the HR health of their district through:

- 10:30 a.m. – 12:00 p.m.**
- Identifying the board's role in human resources
  - Recognizing HR red flags and positive indicators
  - Determining essential HR policies
  - Covering confidentiality and legal liabilities
  - Evaluating the general manager

*This session covers Module 4 of the Special District Leadership Academy: Board's Role in Human Resources.*

**12:00 – 1:00 p.m.**

Lunch Provided (All Attendees)

**1:15 – 4:00 p.m.**

### **Defining Board/Staff Roles and Relationships (continued)**

Open Evening

## Wednesday, November 19

### **Show Me the Money! What Do Board Members Need to Know about District Finances?**

**8:30 a.m. – 12:00 p.m.**

David Becker, James Marta & Company LLP, Certified Public Accountants

This session will provide an overview of financial concepts, reports and policies. Attendees will learn:



- How to ask the right questions
- How to link the finance process to the district mission
- What is a budget: budget process, budget assessment, communicating budget information to the public
- How to develop/analyze capital improvement plans and reserve guidelines

*This session covers Module 3 of the Special District Leadership Academy: Board's Role in Finance and Fiscal Accountability.*

**12:00 – 12:30 p.m. Graduation Certificate Distribution**



**CONSENT CALENDAR ITEM**

October 15, 2014

**TO:** Board of Directors

**FROM:** Larry Dick, President

Robert J. Hunter  
General Manager

**SUBJECT: ATTENDANCE AT THE ASSOCIATION OF METROPOLITAN WATER AGENCIES (AMWA) 2014 ANNUAL EXECUTIVE MANAGEMENT CONFERENCE, OCTOBER 19-22, 2014, NEWPORT BEACH**

**RECOMMENDATION**

---

It is recommended that the Board of Directors authorize the General Manager to attend the AMWA conference to be held October 19-22, 2014 in Newport Beach.

**DETAILED REPORT**

---

The General Manager has expressed the desire to attend the upcoming AMWA conference in Newport Beach, and although this request was not presented to a Committee, due to the timing of the conference, and with keeping the Board's general policy of keeping employees current on water matters, I recommend the Board authorize Mr. Hunter's attendance at the conference.

The registration costs are \$695; there will be no travel costs.

<b>Budgeted (Y/N): N</b>	Budgeted amount: -0-	Core _x_	Choice __
<b>Action item amount: \$695</b>	Line item:		
<b>Fiscal Impact (explain if unbudgeted):</b>			

# AMWA's 2014 ANNUAL EXECUTIVE MANAGEMENT CONFERENCE

# REGISTRATION FORM

Send this form by October 13, 2014 with payment to AMWA, 1620 I St. NW, Suite 500, Washington, DC 20006, to fax number 202-785-1845, or by scan/email to [cadena@amwa.net](mailto:cadena@amwa.net).

Name \_\_\_\_\_ Title: \_\_\_\_\_

Name as you want it to appear on your name badge: \_\_\_\_\_

Utility/Company: \_\_\_\_\_

Mailing Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone: \_\_\_\_\_ Ext. \_\_\_\_\_ E-mail Address \_\_\_\_\_

## AWARDS LUNCHEON ONLY

☐ Monday, October 20 (\$50)

## UTILITIES AND AMWA SUBSCRIBERS

☐ Member or Non-Member Utility: \$695

☐ Subscriber: \$895 *Maximum of 2 representatives per company.*

**Will attend:** (for approximating attendance)

☐ Sunday Reception

☐ Monday Reception

☐ Tuesday Reception

☐ Monday Awards Luncheon

☐ Tuesday Luncheon

☐ Wed. Morning Tour\* (\$30)

## SPOUSES/GUESTS

Who are you accompanying? \_\_\_\_\_

**Will attend:** (for approximating attendance)

☐ Sunday Reception

☐ Monday Reception (\$50)

☐ Wed. Morning Tour\* (\$30)

☐ Monday Awards Luncheon (\$50)

☐ Tuesday Reception

\* Attendees may sign-up for the tour during the conference no later than Oct. 20.

Total: \_\_\_\_\_

☐ Check or Purchase Order

☐ VISA ☐ MasterCard ☐ AMEX

Card Holder's Name: \_\_\_\_\_

Billing address if different than mailing address above:

Mailing Address: \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Card Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ Security Code: \_\_\_\_\_

Signature: \_\_\_\_\_

Email address (for receipt): \_\_\_\_\_ Ph.: \_\_\_\_\_



## 2014 ANNUAL EXECUTIVE MANAGEMENT CONFERENCE

NEWPORT BEACH, CALIFORNIA

**OCTOBER 19-22, 2014**

# PRELIMINARY PROGRAM

### SUNDAY, October 19

---

- 10:00 a.m.     **Registration Opens**
- 10:00-11:00   **Policy Resolutions Committee** (open)
- 11:00-1:00     **Executive Committee Meeting** (closed)
- 1:30-2:30      **Board of Directors Meeting** (closed)
- 2:30-5:30      **Board of Directors Meeting** (open)
- 6:00-7:00      **Welcome Reception**  
Balboa Bay Resort

### MONDAY, October 20

---

- 8:00 a.m.      **Registration and Continental Breakfast**

- 9:00-9:15      **Welcome**  
President's Report  
Treasurer's Report  
Election of Directors  
Adoption of Policy Resolutions

- 9:15-12:00    **General Session I**

#### **Employee Engagement: Building the Workforce of the Future**

Hannah Ubl, Generational Expert  
Bridgeworks

At the heart of the race to sustainability is the utility workforce. Developing and supporting a multi-generational utility workforce is one of the keys to management success and an effective, sustainably managed utility. Kicking off the AMWA meeting with an interactive session, generational expert Hannah Ubl will help attendees better understand the generations we all work with daily – Baby

Boomers, Gen Xers and Millennials – and recognize the stereotypes that keep us from understanding each other. Using insights gathered from interviews with several AMWA members, Hannah will also provide insights on what makes Millennials tick and provide and actionable information on how to evaluate and make changes to an organizational culture to enable all generations to thrive.

12:00-1:45     **Luncheon**

### **Presentation of Gold, Platinum and Sustainability Awards**

Join your colleagues in celebrating this year’s recipients of AMWA awards, recognizing extraordinary management and stellar workforce performance. Winners of the Gold Award for Exceptional Utility Performance, the Platinum Award for Utility Excellence and, for the first time ever, the Sustainable Water Utility Management Award will be honored.

1:45-2:00     Board of Directors Meeting (closed)

2:00-3:30     General Session II

### **Community Engagement**

The importance of understanding and engaging the community served by the utility is becoming more important as utilities plan for the future. From communicating about risk and uncertainty to listening to community concerns and values, this session will focus on the ways that sustainable utilities are reaching out to their community stakeholders.

### **Developing Trusted Community Messages**

Karen Raucher, Senior Associate  
Stratus Consulting

Doug Yoder, Deputy Director  
Miami-Dade Water & Sewer Department

Weaving together information gathered from several Water Research Foundation projects, Karen Raucher will discuss what the public believes about their water provider, and how utility managers can use this information to communicate with the public about climate change, planning for the future, rate changes and other important topics. Doug Yoder will illustrate how Miami and surrounding areas are using message mapping to create and distribute effective messages about extreme weather and climate change.

## Community-Based Water Planning

Juliet Ellis, Assistant General Manager, External Affairs  
San Francisco Public Utilities Commission

Through enhanced engagement, utilities can better incorporate the needs and perspectives of the broader community into their planning and decision making processes. Jim Lochhead and Juliet Ellis will share their visions, experiences and lessons learned in proactively engaging the broader community in decision making processes that have traditionally been less open to public involvement.

## National Economic and Labor Impacts of the Water Utility Sector

Rob Renner, P.E., Executive Director  
Water Research Foundation

5:45-8:00     **Reception** (Boat Cruise)  
Balboa Bay Resort

---

## TUESDAY, October 21

---

8:00 a.m.     **Registration and Continental Breakfast**

9:00            General Session III

### Challenges in Addressing Climate Change and Extreme Events

The impacts of extreme events and climate change on water utilities can vary significantly across the country, and yet, there are also many commonalities across regions. To help effectively address these impacts, this morning's session focuses on sharing knowledge about the latest efficiencies and innovations in energy management, water supply diversification and infrastructure planning.

### Water and Power: Supply Stresses and Energy Choices

Kristen Averyt, Associate Director, CIRES, University of Colorado

Kristen Averyt has been studying the implications of energy choices on water resources across the U.S. and in particular in the southwest. Her presentation will focus on information and trends she has observed regarding water stress and the energy intensity of water supply, as well as the use of water in generating energy.

## **Diversification in a Water-Constrained World**

Michael Markus, General Manager  
Orange County Water District

Stan Williams, Vice President  
Poseidon Water

Potable reuse and desalination have clear benefits for many communities, but each also comes with challenges related to costs, technology, public acceptance and regulatory approval. Michael Markus will discuss these issues in the context of the county's Groundwater Replenishment System – the world's largest water purification system for potable reuse, and the site of Wednesday morning's tour. Next Stan Williams will look at large-scale desalination and how communities in California, Texas and Florida are addressing the inherent challenges to make this solution a viable one.

## **Improving Efficiency to Increase Water Supply**

James McDaniel, Senior Assistant General Manager  
Los Angeles Department of Water and Power

With water resources at a premium at many utilities, reducing system loss can actually increase supply. James McDaniel will discuss LADWP's innovative annual water loss audit, which goes beyond standard methods by performing a District Metered Area analysis of three system zones to validate real losses. As more and more states require water audits by drinking water systems, lessons learned from LADWP will show how a utility can confirm its water loss statistics, providing a better basis for decision-making on ways to reduce water loss and increase supply.

## **Letting the Water In: Innovations in Urban Redesign**

Doug Owen, Executive Vice President and Chief Technical Officer  
Arcadis

In light of recent storm events, water utilities that are vulnerable to storm surge and sea level rise are considering how to make their utilities more resilient to future events by modifying traditional planning paradigms. In some areas, these considerations are part of a larger discussion about how to redesign communities in urban areas to make them vibrant and economically viable places to live. Doug Owen will discuss the latest thinking along these lines in and around the New York metro area.

## **Extreme Cold: A New Benchmark**

Carrie Lewis, Superintendent  
Milwaukee Water Works

Drinking water utilities are accustomed to the normal cycle of increased pipe breaks during cold weather, brought about as temperature fluctuations stress aging infrastructure. However, increasing weather volatility and more pronounced and frequent temperature extremes are presenting new challenges for the management of pipes. Carrie Lewis will share the experiences and lessons learned as Milwaukee Water Works battled this past winter's Polar Vortex phenomenon and the unique challenges it presented for pipe management.

## **12:00-2:00      Leading Edge Infrastructure Financing with Green Century Bonds**

George Hawkins, General Manager  
DC Water

When ratepayers asked why the current generation of customers must pay for infrastructure projects that will last for a century, DC Water turned to taxable, one-hundred-year green bonds to finance a major component of its CIP. How innovative was this move? Never has a municipal water utility issued a century bond, this was the first green bond issue that sought a third party certification of the green nature of the work, and it tapped the taxable bond market, where municipalities rarely venture and are largely unknown. George Hawkins will discuss the strategy and steps in DC Water's landmark financing accomplishment, which raised \$350 million last July.

## **2:00-4:00      General Session IV**

### **New Thinking about Rates, Costs and Consumer Demand**

Chuck Clarke, Chief Executive Officer  
Cascade Water Alliance

Ray Hoffman, Director  
Seattle Public Utilities

Linda McCrea, Superintendent  
Tacoma Water

Our speakers will discuss the impact of relative growth rates on costs and consumption and how that picture has changed radically over the years. Using examples from the Pacific Northwest, speakers will illustrate how rates have increased due to declining consumption over the last 30 years. They will examine the costs and risks of conservation strategies by considering whether conservation



reduces demand management flexibility and by assessing the cost of conservation versus the avoided cost of a new supply. Finally, they will discuss the consequences of revised demand trends with respect to adopting new rate methods and optimizing investments through regional partnerships and strategies.

**And other presentations**

5:00-6:00     **Reception**  
Balboa Bay Resort

---

**WEDNESDAY, October 22**

---

8:00-12:00     **Guided Tour of Orange County’s Groundwater Replenishment System (\$30)**

Orange County's state-of-the-art indirect potable reuse Groundwater Replenishment System can produce up to 70 million gallons of high-quality water each day. Orange County Water District staff will lead the tour and answer questions from AMWA members.

Following the tour the bus will stop at Orange County’s John Wayne Airport at approximately 11:30 am, before returning to the Balboa Bay Resort by 12:00 noon.



**ACTION ITEM**  
October 15, 2014

**TO: Board of Directors**

**FROM: Planning & Operations Committee**  
(Directors Osborne, Barbre, Hinman)

Robert Hunter  
General Manager

Staff Contact: Karl Seckel/Richard Bell

**SUBJECT: Authorize the General Manager to Enter into a Consulting Agreement with CDM-Smith to Provide Technical Assistance for the OC Water Reliability Study at a Cost Not to Exceed \$197,240**

**STAFF RECOMMENDATION**

---

Staff recommends the Board authorize the General Manager to enter into a Consulting Agreement with CDM-Smith to provide technical assistance for the OC Water Reliability Study at a cost not to exceed \$197,240.

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff recommendation.

**SUMMARY**

---

MWDOC has continued working on the Orange County Reliability Study Scope of Work with the Member Agencies and a Workgroup that also includes Anaheim (representing the Three Cities).

The most recent meeting was held on September 15 with the Workgroup from our agencies and the Three Cities. Comments were provided on the original Scope of Work and MWDOC was requested to work with CDM-Smith to revise the Scope of Work and circulated it one last time for any remaining comments.

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$340,000	Core X	Choice __
<b>Action item amount: \$197,340</b>		Line item: 21-7010 \$98,670 & 23-7010 \$98,670	
<b>Fiscal Impact (explain if unbudgeted):</b>			

The revised Scope of Work, as attached, was sent to our agencies and the Workgroup members on September 29. Following is a progression of securing the Workgroup concurrence with the study Scope of Work:

**Study Schedule**

- Information Included in Budget Process (March-June 2014)
- RFP Issued (July 29) & Addendum (August 14)
- Work Group Meeting (August 7)
- Managers Meeting (August 21)
- Proposal Review Committee (August 29)
- Work Group Meeting (September 15)
- Managers Meeting (September 19)

**Upcoming Meetings**

- Committee Meetings in October (MWDOC & OCWD)
- MWDOC Board to Award Contract (October 15)
- Kick-off meeting with Workgroup – Early November

**Milestone Dates**

- Completion of GAP Analyses – February 2015
- Completion of Study – June 2015

Attached is the Scope of Work, as revised.

## MWDOC Orange County Water Reliability Investigation

### CDM Smith Scope of Work

CDM Smith's scope of services for this effort recognizes that it is a cooperative effort between staff from MWDOC, OCWD, MWD, and consultant. Because at this time we do not know the commitment of data to be provided by MWD, we have estimated a project contingency budget for CDM Smith to augment or develop alternative ways to obtain reliability data from other sources or methods in the event it is not provided directly by MWD.

#### **Task 1 – Project management, existing information, meetings, and report**

##### ***Subtasks 1.1 and 1.2 – Existing information and project meetings/workshops***

A Work Group (WG) will be formed for this Investigation and will be responsible for providing information, feedback, review, and guidance throughout the project. The WG and MWDOC will provide information on existing demands, supplies, and projects that are already underway. CDM Smith will collect and review all existing information provided by MWDOC and its member agencies.

CDM Smith will develop a project information form with standardized requests for information on yield, cost parameters, timing, and constraints. The contents of the information form will be discussed and agreed upon at one of the early WG meetings. Initially, the following types of information will be characterized:

- Project costs (capital, O&M, unit costs per AF of yield)
- Description of the benefits provided by the project in the form of supply and system reliability and under what circumstances
- Characterization of risk and uncertainties associated with the project
- Project constraints to implementation should be discussed, such as environmental, regulatory, institutional and legal.

In addition to regular monthly status meetings and a project kick-off meeting, CDM Smith has budgeted 10 meetings with the WG. CDM Smith is well versed in navigating such meetings and will provide support to MWDOC in developing agendas, presentation materials, and developing meeting notes and action plans. The exact content of the WG meetings will be determined at the WG kick off meeting, however, the following is a possible listing of content for these meetings:

- |               |   |
|---------------|---|
| WG Meeting 1: | Overview of project, review and definition of reliability terms (e.g., supply vs system), and identification of local data needs. |
| WG Meeting 2: | Overview of water demand forecasting and demand analysis  |
| WG Meeting 3: | Develop reliability scenarios and provide input on MWD IRP  |

- WG Meeting 4: Review water supply and system improvement projects
- WG Meeting 5: Review water demand forecast
- WG Meeting 6: Review results of reliability scenarios
- WG Meeting 7: Review MWD and OC policies to improve reliability
- WG Meeting 8: Review portfolios of projects/policies
- WG Meeting 9: Demonstration that projects/policies can meet supply/system gaps
- WG Meeting 10: Review Draft Report

***Subtask 1.3 – Report***

CDM Smith will prepare a draft report documenting the investigation. The draft report will constitute an 80% draft document. The report will document all of the baseline information, data, assumptions, and evaluations.

After review by MWDOC and WG, CDM Smith will incorporate comments and prepare a final report within two months of receiving comments.

***Schedule***

A project schedule was prepared by CDM Smith (see next page). As shown on the schedule, many tasks and subtasks will have to be completed in parallel in order to meet the desired deadline of a final report by summer 2015.

Our understanding is that the WG desire is to have the GAP Analyses, Tasks 5 and 6, completed by February 2015. We will work with that goal in mind, but that is a fairly tight time-frame and is dependent on issues outside of the control of CDM Smith.

## Project Schedule

Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Task 1 Project Management</b>												
1.1 Collect Data												
1.2 Project Meetings and Workshops	Kick Off	AWG 1	AWG 2	AWG 3	AWG 4	AWG 5	AWG 6	AWG 7	AWG 8	AWG 9	AWG 10	
1.3 Draft and Final Reports										Draft		Final
<b>Task 2 Review and Projection of Demands</b>												
2.1 Historical Demands Analysis												
2.2 Projected Demands Analysis												
<b>Task 3 Review Existing OC Local Supplies</b>												
3.1 SAR Watershed Supply Analysis												
3.2 Non-OCWD Local Surface and Groundwater Supplies												
3.3 Recycled Water												
3.4 Regional Alliance Compliance Analysis												
<b>Task 4 Estimate of Supplies Available from MET</b>												
4.1 Base Case - BDCP Implemented												
4.2 BDCP is Not Implemented												
4.3 Extended Drought												
4.4 Extended Outage of the SWP due to Earthquake												
4.5 Others as Suggested												
<b>Task 5 Develop a Supply Gap Analysis</b>												
5.1 Develop a Supply Gap Analysis												
<b>Task 6 Develop an Emergency System Gap Analysis</b>												
6.1 Develop an Emergency System Gap Analysis												
<b>Task 7 Review New Options</b>												
7.1 OCWD Basin Options												
7.2 Ocean Desalination												
7.3 Other Recycling Projects												
7.4 San Juan Basin Storm Water Conservation												
7.5 Water Exchanges and Transfers												
7.6 Contract for a Higher Reliability from MET												
7.7 Conjunctive Use Storage of Imported Water												
7.8 Expansion of the Existing Emergency Services Concept												
<b>Task 8 Analysis of Policy Issues</b>												
8.1 MET Water Supply and Drought Management Plan												
8.2 Extraordinary Water Supplies												
8.3 Regional vs. Local Benefits												
8.4 MET as the Regional Supplier												
8.5 Level and Extent of MET Storage for Managing Supplies												
8.6 Incentives Provided by MET												
8.7 Extended Drought Planning Criteria												
8.8 Water Supply and Storage Reserve												
8.9 Evaluation and Inclusion in Decision-Making												
<b>Task 9 Demonstrate Reliability</b>												
9.1 Build Example Portfolios												
9.2 Test Example Portfolios												

### Task 2 – Review and projection of water demands

#### Subtask 2.1 – Review historical demands

CDM Smith will review all historical water demands going back to 1990 including water conservation estimates. We will utilize our proven statistical regression method to analyze changes in water demands that have occurred since 2007. This method develops a statistical regression of historical monthly water production (assumed to be provided by MWDOC) and explanatory factors such as population, economy, unemployment rate, climate, price of water, passive water conservation, and drought-related conservation. The model will be used to establish bounds around demand projections and inform the demand projection model in terms of rebound from economic recession and drought-related conservation that have taken place since 2007. CDM will also examine the regression over the entire

period to comment on the amount of overall conservation achieved in demands since 1989-90, to the extent possible.

### ***Subtask 2.2 – Project water demands***

CDM Smith will review the current water demand forecast using the MWD-Main Forecast Model, and develop appropriate ranges of above-normal and below-normal demands around the base projection using both historical weather and climate change scenarios. We will use our statistical regression model results from Task 2.1 to develop this range of demands due to climate variability. MWDOC and WG will provide estimates of active conservation, and CDM Smith will advise on how to incorporate real changes in the price of water and passive conservation into the demand forecast. CDM will also provide input regarding the historical accuracy of the MWD forecast by examining prior projections. A key WG question is understanding how the recent recession was addressed in the MWD-Main Model update as this could have considerable influence on out-year projections and what the rebound or recovery might be from the recession.

Currently, the difference between the updated MWD-Main projections MWDOC recently received from MWD and the sum of MWDOC's agencies demand projections is about 100,000 AF in 2035. This is a large difference and we need to be able to reconcile the two. MWDOC believes the main differences have to do with the estimates of passive conservation (including price effects) which may not be fully accounted for in the agencies projections. CDM Smith will help to explain the differences.

As a final demand forecasting product, CDM Smith will provide demand estimates summarized for all three areas of the County, Brea/La Habra, OCWD and the South County area.

## **Task 3 – Review existing Orange County water supplies**

### ***Subtask 3.1 – Santa Ana River (SAR) supply analysis***

In this task, CDM Smith will work closely with OCWD in the evaluation of SAR supplies to the OC Basin. Our role will be mostly advisory, but we will share our perspectives on how to account for changes in long-term SAR flows from the impacts of climate change (building off of the Santa Ana Watershed Project/Bureau of Reclamation's climate change work).

OCWD will provide CDM Smith with estimates of needed GW replenishment, either from MWD or other sources, to maintain a 75% basin pumping goal. OCWD will provide information from OCSD regarding any future recycling or reuse beyond that expected for GWRS.

### ***Subtasks 3.2 and 3.3 – Review non-OCWD surface and groundwater supplies, and recycled water***

CDM Smith will review the local water supplies for the Brea and La Habra agencies, including the San Gabriel Groundwater supplies (Main Basin) through Cal Domestic Water Company. CDM Smith will reference any studies currently underway to evaluate the Main Basin in terms of replenishment and climate change impacts. We will work with local water agencies to obtain such information including information MWDOC obtains in a meeting with Cal Domestic.

CDM Smith will collect information on local groundwater and surface water in South Orange County, and characterize reliability and issues impacting that supply. This will include the San Juan Basin and San Mateo Basins. SMWD has the information for the San Juan Basin and San Clemente has information on the San Mateo Basin.

CDM Smith will review and assess current and projects underway for recycled water, including indirect and direct potable reuse, as well as additional stormwater capture. A primary contact for this in South County is SMWD.

#### ***Subtask 3.4 – Regional alliance compliance analysis for 20x2020***

CDM Smith will evaluate Orange County's regional alliance in meeting the water conservation targets set forth in the 20x2020 California law. We will also evaluate the potential state requirements for achieving 25 and 30 percent reduction in per capita use by 2025 and 2030, respectively. We will examine use of different baselines as well as use our work in Task 2.1 as another way to assess conservation. Information MWD has developed on the 20x2020 compliance and for the WUE Master Plan will also be incorporated.

#### **Task 4 – Estimate MWD water supplies**

CDM Smith understands that this will be a major part of the consultant's overall effort for this Investigation. We have a long history working with imported water hydrologies for different scenarios. We also have a very strong working understanding of MWD's simulation model IRPSIM. For this effort we will build a customized Excel spreadsheet that can accept scenarios of imported water availability and hydrologic factors. This spreadsheet will be customized in such a way as to easily facilitate changing key assumptions and producing results in a probabilistic manner. Our recent work for MNWD demonstrates our abilities to present imported water availability for different scenarios.

CDM Smith, working closely with MWD and MWD staff, will develop supply availability of imported water for the following scenarios:

- Base case (BDCP implemented and operational by 2030) – subtask 4.1. This would constitute MWD's IRP base case.
- BDCP is not implemented – subtask 4.2. This is a case CDM Smith has used many times for other reliability studies in Southern California and represents an erosion of SWP reliability due to current and future endangered species listings. MWD has noted that this analysis is pretty much a worst case analysis which would incorporate export reductions due to the recent Court of Appeals Decision, the implication of EPA's comments, and the SWRCB's outflow decision as may be guided by their expert panel report on outflows. Discussions with MWD have indicated the need for a meeting with MWD to determine what information and analyses they will share and whether or not CDM will have to utilize a portion of the contingency funds for this evaluation.



- Extended droughts and climate change – subtask 4.3. Extended droughts will be simulated by examining paleoclimatology data (e.g., reconstructed Sacramento River flows) and various climate change scenarios using the latest set of GCM data.
- Through this process, CDM will help the WG to better understand MWD’s IRP and the assumptions that lead MWD to the conclusions of being reliable over the long run. The key assumptions to be reviewed include, but are not limited to, projected increases in local recycling, stormwater capture, development of groundwater supplies, and WUE/conservation over the entire MWD service area, combined with imported water to meet overall regional water demands.
- SWP system outages – subtask 4.4. CDM Smith has already utilized DWR’s Delta Reliability study in which seismic events were simulated for the Delta islands and supply impacts and probabilities were estimated. We will build off of this work and estimate the impacts of seismic events on the Colorado River Aqueduct, and critical SWP facilities (e.g., Edmonston Pumping Plant and Porter Tunnel). We will use MWD’s latest system reliability studies and combine them with the analysis we have conducted for other Southern California water agencies.
- MWD and local outages – subtask 4.5. This scenario will examine imported water availability during five major earthquake faults located in Orange County. MWDOC will take the lead on providing preliminary analysis for use by CDM Smith. CDM will also provide advice to MWDOC using our seismic expert.
  - This scenario would evaluate the impact on supplies from four potential major earthquake risks: (1) Delta, (2) San Andreas Fault that would knock out both the Colorado River Aqueduct and California Aqueduct (Porter Tunnel, Edmonston Pumping Plant over the Tehachapis and the East Branch Aqueduct), (3) San Andreas rupture of CRA only, and (4) San Andreas rupture of the SWP under case (2). Recovery times should be based on current MWD or DWR estimates, if available or based on informed professional opinion.

Task 4.6 will examine MWD’s Colorado River Aqueduct Future Supply Risks, including the potential for curtailment in MWD’s 4th priority right due to continuing drought and imposition of shortages under the Law of the River and due to political pressures (California takes the first shortage after Nevada and Arizona – political pressures and necessity may likely require that California will have to yield water to Nevada). This task would also consider the ability for MWD to acquire additional higher priority California Agricultural or Indian water rights, but these may be further complicated by Salton Sea salinization issues.

\*\* If MWD is unable to provide information on supply reliability, including potential impacts from climate change, CDM Smith will develop an alternative method to capture this. Our proposed method will rely on the Water Evaluation and Planning System (WEAP) modeling efforts in the Bay Delta and Colorado River Basin that will be joined with local water demands in order to estimate imported water availability. This effort will require the use of a contingency budget, shown in our fee estimate.

## **Task 5 – Develop water supply GAP analysis**

CDM Smith will use its customized Excel spreadsheet developed in Task 4 to join imported water availability and local supply availability (Task 3), along with current and projected water demands (Task 2) to develop a gap analysis of water supplies. This gap analysis will be presented for each of the different study areas (e.g., Brea/La Habra, OCWD total, South Orange County and total OC) and for different time periods from now until 2035.

The supply gap will be presented under the different imported water availability scenarios, in AFY. The gap analysis will also reflect differing assumptions regarding MWD drought allocation formulas per your RFP. Due to the critical nature of this analysis, before proceeding with this task, MWDOC has requested that discussions be conducted with the WG to review the methodologies and options for the basis of allocating MWD supplies to Orange County.

Joining the hydrologies so a consistent, usable probability of shortages can be determined will require consensus among MWDOC, OCWD, and MWD. CDM Smith will facilitate this consensus. The supply gaps will also be summarized in non-probabilistic ways for ease of understanding (in different types of hydrology years, i.e., critical dry, dry, average and above normal).

## **Task 6 – Develop emergency system GAP analysis**

Unlike the water supply gap which will be expressed in acre-feet over the course of a year or several years, the system gap during emergency conditions will be expressed in cubic feet per second over the course of days, weeks and months. System gaps occur when outages of key imported or local facilities are caused by seismic events or system failures (such as the AMP outage that occurred due to a failure of pre-stressed concrete). While MWDOC will take the lead in completing the system gap analysis, CDM Smith will provide review and assistance. One area CDM Smith can provide important information is on the recurrence interval for different faults that can impact critical facilities. Our seismic expert utilizes the ground motion software EZ-FRISK to estimate the probability of a certain seismic event that is capable of knocking out a certain facility. Our expert can be a useful resource in determining how much ground motion is needed to take out a treatment plant, large conveyance pipeline or groundwater well field. Then the seismic software examines which faults, in which proximity can deliver that ground motion and at what probability.

The system gap analysis can then be presented for different time periods to estimate the impact on peak water demands. For example, during a regional imported pipeline failure, which could last five to seven days, local emergency storage can mitigate much of the gap. However, during a regional water treatment plant failure, which could last two months, the emergency storage would likely be depleted after 14 days and the gap would be considerably larger. Prior to start of this task, MWDOC has requested a WG meeting to review the methodology for the system GAP analysis to be completed by MWDOC with input from CDM. The GAP will be characterized for all three OC areas (Brea/La Habra, OCWD and South OC).

## **Task 7 – Review options for new water supplies and system capacity improvements**

There are many local and regional water supply and system capacity improvements that are being explored by Orange County water agencies. CDM Smith will develop a project information form that asks for information on a consistent basis. One of the most important aspects of assessing these options is putting them into comparable water supply and cost terms. For example, a water banking or storage program in which the water is only used during droughts or emergencies will have a different unit cost calculation because all fixed costs (e.g., capital costs) will have to be recovered for a fraction of the time the water supply is used. CDM Smith will summarize all of the information on these projects/programs, and augment any data information gaps using best engineering judgment from other studies we have implemented in California.

In addition to the supply and cost calculations, CDM Smith’s assessment of these new options will account for institutional issues, water quality, environmental, and other factors that could affect implementation. The options that will be summarized include:

### **7.1 OCWD Basin Options (Working with OCWD)**

- a) Expansion of GWRS beyond 130,000 AF per year (“Phase 4”)
- b) Increased Storm Water Conservation at Prado (Under completed enlarged reservoir/dam)
- c) Purchase upstream SAR water (groundwater, recycled or storm water)
- d) Capture of basin outflow losses (LA County pumping and options for recovery to reduce losses)
- e) Increase capture and reuse of urban runoff (OCSD and IRWD)

### **7.2 Ocean Desalination**

- a) Poseidon Resources Proposed Huntington Beach Project
- b) Doheny Ocean Desalination Project
- c) Camp Pendleton (Joint with SDCWA)
- d) Other OC public developed project

### **7.3 Other Recycling Projects**

- a) Non-Potable Dual Distribution “Purple Pipe” Systems
- b) Indirect Potable Reuse (San Juan Basin IPR, other)
- c) Surface Water Augmentation (potentially in Irvine Lake)
- d) Direct Potable Reuse (excluding “pipe-to-pipe”)
- e) Combined Ocean Desalination and Direct Potable Reuse

### **7.4 San Juan Basin Storm Water Conservation**

- a) Storm water Capture and Use (for water supply to meet demands)
- b) Urban Runoff Capture and Reuse (for water supply to meet demands)

### **7.5 Water Exchanges and Transfers**

- a) Strand Ranch (IRWD will be the source of information)
- b) Cadiz (SMWD will be the source of information)
- c) Other

**7.6 Contract for a Higher Reliability from MWD** – This concept involves working with MWD to secure additional supplies/transfers or dedicated storage in their system for drought or other reliability purposes, as contracted by their member agencies. These supplies would be paid for on a reimbursement basis and would be counted as “extraordinary water supplies” when needed by the MWD member agencies contracting for these supplies.

**7.7 Conjunctive Use Storage of Imported Water in OCWD Basin MWD CUP Account for South Orange County for Emergency Supply** – This option would evaluate concepts and arrangements for providing system reliability improvements for the South Orange County area from imported water stored within the OCWD basin. Opportunities for mutual benefits between the basin agencies and the SOC area would be key to the analysis.

**7.8 Expansion of the Existing Emergency Services Concept from 2006** – The 2006 Emergency Supply Project (The Irvine Interconnection Project) that involved agreements between MWDOC, OCWD, IRWD and others would be examined for expansion opportunities. The provisions allowed imported water to be exchanged with groundwater via the IRWD system to provide up to 50 cfs of system supplies to South Orange County. To date, only 30 cfs of supplies have been implemented, leaving room for expansion under the existing agreement. In addition, per the terms of the IRWD Agreement, their system capacity to provide these supplies to others diminishes over time. An updated evaluation of their system capacity needs to be undertaken to evaluate the potential for extensions to this agreement for 2030 and beyond.

**7.9 New Surface Storage Facilities for Recycled Water and Imported Water** – Examine the benefits of new storage in the County towards meeting the reliability goals.

**7.10 Expansion of WUE in the County** – CDM Smith will work with MWDOC and MWD to determine the potential for expanding water use efficiency in the county beyond 20 x 2020 goals.

## **Task 8 – Analysis of policy issues or changes for project implementation**

CDM Smith understands that implementation of local/regional water supply projects can be impacted by MWD’s policies regarding drought allocation and shared benefit. MWDOC has listed out all of the potential policy issues that can be a factor in considering whether or not to implement a new project based on how it would improve imported reliability during drought allocation. These concerns are not usually an issue regarding emergency conditions.

In addition, CDM Smith will factor in MWD’s policies for financial incentives, such as its long-range plan, and how that program helps achieve regional reliability. Other financial incentives from state and federal programs will be reviewed and assessed in this task as well.

CDM Smith will work closely with MWDOC in assessing these policy issues and help recommend potential changes in policies that would benefit the development of local water supplies, while maintaining MWD’s principle of “shared pain” during droughts.

**8.1 MWD Water Supply and Drought Management Plan (WSDM)** – MWD’s method of allocating water during shortages is covered in its WSDM. The methodology is based on allocating MWD’s available

water across the MWD service area based on “the need for imported water”. This can be viewed as a disincentive for certain types of projects when developed and paid for locally. With allocations, the local agency would receive a lower allocation from MWD and hence a significant portion of the project reliability benefit is transferred to the region. This occurs whether or not MWD has provided an incentive to the project and limits the ability of a local area to substantially change its reliability under this current policy.

**8.2 Extraordinary Water Supplies** – Unlike other local projects, local projects developed to provide NEW supplies ONLY in the event of an allocation scenario are not discounted as noted in (8.1) above. These types of supplies essentially provide a 1:1 benefit for the local agency making this investment. These include groundwater storage banks that would be dedicated during periods of shortage allocations, reducing their overall supply benefit (e.g., not being used to reduce risk of going into a shortage, but used only after a shortage is declared).

**8.3 Regional vs Local Benefits** – Various types of water supply projects carry with them different local and regional benefits. For example, an ocean desalination project provides a constant supply into the region under any type of hydrology. The water may not be needed to balance water supplies each and every year from a local basis, but operationally, it may offset the sale of MWD water in average and wet years but may be critically important in dry years. How can these types of benefits be accounted for and valued in looking at the regional system? What is the value created by offsetting MWD water, in certain amounts, and allowing MWD to store that water for future use during dry periods when water has a much higher value, approximating the value of the cost of ocean desalination? One of the trade-offs is MWD loses a sale of water during normal periods and their financial integrity is partially affected, but if they have storage capacity to allow storage of that water, it becomes higher valued for later use in a dry period – how should this be accounted for in the regional system? If MWD is restricted in its ability to export SWP during above normal and wet periods in order to increase outflows, will MWD have sufficient wet period supplies to fill cyclical storage accounts?

**8.4 MWD as the Regional Supplier** – MWD as the regional provider, provides for water supply reliability in Southern California – if MWD is reliable, we all are reliable (in the MWD family) and the opposite is also true. How can decision-making be applied to avoid collective regional over or under investing? How should the MWD Integrated Resources Plan coordinate these types of decisions while allowing flexibility for local control to adjust reliability while maintaining MWD and local agency financial integrity?

**8.5 Level and Extent of MWD Storage for Managing Supplies** – With increasing variability and uncertainty in supplies from both the CRA and SWP due to restrictive regulations that have decreased the developed supply, future major floods and earthquakes that could disrupt the imported water supply for long periods, combined with population and economic driven water demand growth and climate change impacts, the overall future variability and uncertainty in supplies for the region needs to be evaluated and the system and supply enhanced. MWD’s increased storage was planned to meet demands under a six year drought, but loss of SWP supply has likely reduced this capability. How much additional storage does the SWP and MWD need to develop, both surface and groundwater, to meet future demands through 2035? Given the difficulty of dealing with a substantial outage of the SWP or

Bay-Delta due to a major earthquake, should MWD be pursuing additional surface and groundwater storage south of the Tehachapi Mountains? How would this storage provide benefits in conjunction with the Bay Delta Conservation Plan?

**8.6 Incentives Provided by MWD** – MWD’s financial strength helps stabilize the State and Southern California. MWD compensating agencies for developing more local supplies can cut into MWD’s sales base and financial integrity, driving up rates. What types of partnership or policy arrangements can be developed for the region to grow more reliable together? Where do we draw the line between the regional and local system, investments and responsibilities and who is best suited to address these issues?

MWD’s historical contribution of \$250 per AF for local projects and ocean desalination is just now being adjusted up to \$340 per AF over 25 years or up to \$475 per AF over 15 years. MWD’s rate increases over the past 10 years also provide incentives to pursue local project development at or below the cost of MWD water.

The rationale MWD used in establishing the LRP contribution for groundwater desalters was based on a study of the costs/economics of groundwater desalters compared to MWD’s projected rates. Is this still the appropriate approach or is there a better way, such as MWD/Member Agency partnerships in new southern California supply development? Valuing water produced that would be available for placing into long-term storage? What are possible next steps in evaluating or modifying the level of incentives or partnerships provided by MWD?

**8.7 Extended Drought Planning Criteria** – What is the appropriate extended drought sequence to hedge against? What is DWR and MWD considering based on new reconstructions of Sacramento River flows and mega-droughts?

**8.8 Water Supply and Storage Reserve** – How large should a water supply and storage reserve or “contingency” be planned for regionally? What are the risks associated with such a reserve supply? The Consultant is encouraged to identify other or new policies that represent obstacles to supply development or that would further the development of local water supplies for benefit of the region.

**8.9 Sharing of Supplies Within the County** – What would be the benefit of sharing water supplies within the County. Such a program would identify concepts and conditions for sharing water supplies (e.g., only during system emergencies or during droughts).

**8.10 Other Policy Issues** – Other policy issues identified as discussion items included:

- MWD payment for LRP projects in the Upper SAR watershed that do NOT result in NEW NET water in the watershed (the water otherwise comes to OC via the SAR and is captured)
- Chino Basin GW Storage and relationship to OCWD
- SAR watershed policy issues
- Storage of MWD water inside and outside of the MWD service area and priority of MWD water for use in storage programs
- Others as may be identified

**Option Task 9 - Demonstration of Reliability Improvements**

If WG and MWDOC sees value, CDM Smith could test alternative portfolios (not rank them, but merely test them) to see if they can eliminate supply and system constraints. This effort would take 56 hours and a fee of \$10,500 to complete.

**Contingency Task**

If MWD is unable to provide information on reliability of imported water under the scenarios described in Task 4, CDM Smith has identified an approach to mimic MWD's system under various hydrologic and climate change scenarios. This would involve using DWR's WEAP model and constructed WEAP model of Colorado River Basin, along with assumptions of MWD demand and storage accounts to determine reliability of imported water. This contingency task would involve 120 hours and a fee of \$24,000. In addition, each additional WG meeting beyond the 10 specified would cost \$4,000 per meeting. This includes meeting preparation, attendance, and follow-up action items.

**BUDGET**

CDM Smith's base budget (no optional task or contingency) for this scope of work is attached.

Municipal Water District of Orange County  
Orange County Water Reliability Investigation 2015  
BASE PROJECT FEE (NO Optional Task or Contingency)

		Principal-In-Charge	Project Manager	Knowledge Experts	Task Leads	Engineer/Planner	Assistant Engineer	Graphics/ GIS	Admin/ Word Proc.	Labor Hour Total	Labor	Outside Professionals	Other Direct Costs	Total Fee
	Hourly Rate	\$190	\$250	\$210	\$190	\$155	\$125	\$130	\$115					
Task 1 Project Management														
1.1	Existing Information		4		6	6	20		5	41	\$ 6,145	\$ -	\$ 20	\$ 6,165
1.2	Project Meetings and Workshops	24	60		10	30			24	148	\$ 28,870	\$ -	\$ 150	\$ 29,020
1.3	Draft and Final Reports	8	16	8	16	16	40	20	16	140	\$ 22,160	\$ 500	\$ 75	\$ 22,735
	Subtotal - Task 1	32	80	8	32	52	60	20	45	329	\$ 57,175	\$ 500	\$ 245	\$ 57,920
Task 2 Review and Projection of Demands														
2.1	Historical Demands Analysis		10		16	8	40	4	1	79	\$ 12,415	\$ -	\$ 10	\$ 12,425
2.2	Projected Demands Analysis		15		24	4	40	4	1	88	\$ 14,565	\$ -	\$ 10	\$ 14,575
	Subtotal - Task 2		25		40	12	80	8	2	167	\$ 26,980	\$ -	\$ 20	\$ 27,000
Task 3 Review Existing OC Local Supplies														
3.1	SAR Watershed Supply Analysis		1	2	6		6		1	16	\$ 2,675	\$ 800	\$ 10	\$ 3,485
3.2	Non-OCWD Local Surface and Groundwater Supplies		1	2	6		6		1	16	\$ 2,675	\$ 200	\$ 10	\$ 2,885
3.3	Recycled Water		1	2	6		6		1	16	\$ 2,675	\$ -	\$ 10	\$ 2,685
3.4	Regional Alliance Compliance Analysis		1	2	4		6		1	14	\$ 2,295	\$ -	\$ 10	\$ 2,305
	Subtotal - Task 3		4	8	22		24		4	62	\$ 10,320	\$ 1,000	\$ 40	\$ 11,360
Task 4 Estimate of Supplies Available from MET														
4.1	Base Case - BDCP Implemented		2				4		1	7	\$ 1,115	\$ -	\$ 10	\$ 1,125
4.2	BDCP is Not Implemented		4		12		18		1	35	\$ 5,645	\$ -	\$ 10	\$ 5,655
4.3	Extended Drought		6		24		42		1	73	\$ 11,425	\$ 15,000	\$ 10	\$ 26,435
4.4	Extended Outage of the SWP due to Earthquake		4	4	4		8		1	21	\$ 3,715	\$ -	\$ 10	\$ 3,725
4.5	Others as Suggested		2	6			8		1	17	\$ 2,875	\$ -	\$ 10	\$ 2,885
	Subtotal - Task 4		18	10	40		80		5	153	\$ 24,775	\$ 15,000	\$ 50	\$ 39,825
Task 5 Develop a Supply Gap Analysis for Projected Demands and Local Supplies														
5.1	Develop a Supply Gap Analysis	1	10		24		56	2	4	97	\$ 14,970	\$ 1,000	\$ 15	\$ 15,985
	Subtotal - Task 5	1	10		24		56	2	4	97	\$ 14,970	\$ 1,000	\$ 15	\$ 15,985
Task 6 Develop an Emergency System Gap Analysis														
6.1	Develop an Emergency System Gap Analysis	1	4	8	12		24	4	4	57	\$ 9,130	\$ -	\$ 15	\$ 9,145
	Subtotal - Task 6	1	4	8	12		24	4	4	57	\$ 9,130	\$ -	\$ 15	\$ 9,145
Task 7 Review Options for New Local Supplies and New System Capabilities/Supplies														
7.1	OCWD Basin Options		1		4	1	8	1	1	16	\$ 2,410	\$ 900	\$ 10	\$ 3,320
7.2	Ocean Desalination	1	1		4	1	8	1	1	17	\$ 2,600	\$ -	\$ 10	\$ 2,610
7.3	Other Recycling Projects	1	1	2	4	1	8	1	1	19	\$ 3,020	\$ -	\$ 10	\$ 3,030
7.4	San Juan Basin Storm Water Conservation	1	1		4	1	8	1	1	17	\$ 2,600	\$ -	\$ 10	\$ 2,610
7.5	Water Exchanges and Transfers		1		2	1	8	1	1	14	\$ 2,030	\$ -	\$ 10	\$ 2,040
7.6	Contract for a Higher Reliability from MET		2			1	8	1	1	13	\$ 1,900	\$ -	\$ 10	\$ 1,910
7.7	Conjunctive Use Storage of Imported Water	1	2			1	8	1	1	14	\$ 2,090	\$ -	\$ 10	\$ 2,100
7.8	Expansion of the Existing Emergency Services Concept from 2006	1	1	4		1	8	1	1	17	\$ 2,680	\$ -	\$ 10	\$ 2,690
	Subtotal - Task 7	5	10	6	18	8	64	8	8	127	\$ 19,330	\$ 900	\$ 80	\$ 20,310
Task 8 Analysis of Policy Issues or Changes Needed for Implementation of New Projects														
8.1	MET Water Supply and Drought Management Plan		5			6				11	\$ 2,180	\$ -	\$ 10	\$ 2,190
8.2	Extraordinary Water Supplies		4			5				9	\$ 1,775	\$ -	\$ 10	\$ 1,785
8.3	Regional vs. Local Benefits		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
8.4	MET as the Regional Supplier		4			6				10	\$ 1,930	\$ -	\$ 10	\$ 1,940
8.5	Level and Extent of MET Storage for Managing Supplies		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
8.6	Incentives Provided by MET		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
8.7	Extended Drought Planning Criteria		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
8.8	Water Supply and Storage Reserve		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
8.9	Evaluation and Inclusion in Decision-Making		4			4				8	\$ 1,620	\$ -	\$ 10	\$ 1,630
	Subtotal - Task 8		37			41				78	\$ 15,605	\$ -	\$ 90	\$ 15,695
TOTAL HOURS														
		39	188	40	188	113	388	42	72	1070	\$ 178,285	\$ 18,400	\$ 555	\$ 197,240
TOTAL FEE		\$7,410	\$47,000	\$8,400	\$35,720	\$17,515	\$48,500	\$5,460	\$8,280					





**ACTION ITEM**  
October 15, 2014

**TO:** Board of Directors

**FROM:** **Planning & Operations Committee**  
(Directors Osborne, Barbre & Hinman)

Rob Hunter  
General Manager

Staff Contact:

J. Berg  
WUE Programs Manager

**SUBJECT: Adoption of the One Water One Watershed 2.0 Plan**

**STAFF RECOMMENDATION**

---

Staff recommends the Board of Directors adopt the attached resolution adopting the Santa Ana River Watershed Project Authority One Water One Watershed 2.0 Plan, the Integrated Regional Water Management Plan for the Santa Ana River watershed.

**COMMITTEE RECOMMENDATION**

---

Committee held a lengthy discussion regarding “adoption” of the OWOW Plan and concurred with the staff recommendation following staff’s explanation that adoption of the plan did not mean that we agreed with every aspect of the plan, but rather that MWDOC supports the stakeholder based process used to develop the Plan and the basic goals in the Plan. Staff clarified that adoption of the plan was required to access the grant award for MWDOC’s Comprehensive CII Water Use Efficiency Program.

**SUMMARY**

---

The Integrated Regional Water Management (IRWM) Grant Program is designed to encourage integrated regional strategies for management of water resources and to provide funding for programs and projects that support integrated water management planning and implementation. The Department of Water Resources is in the process of disbursing the last round of implementation grant funding under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond act of 2006 (Proposition 84). The Santa Ana Watershed Project Authority (SAWPA) is lead agency seeking access to more than \$16 million in IRWM funds on behalf of the stakeholders in the Santa Ana River watershed.

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

On December 13, 2012, the One Water One Watershed (OWOW) Steering Committee approved 22 projects that were included in a Proposition 84 “implementation” grant application to the California Department of Water Resources. MWDOR’s Commercial, Industrial, and Institutional Performance-Based Water Use Efficiency Program is one of the 22 projects selected to receive \$500,000 from this round of funding. SAWPA and the 22 project proponents are now in the process of signing funding agreements for project implementation.

To be eligible for funding, DWR requires each project proponent to adopt the OWOW 2.0 Plan through a Board Resolution, which is provided as Attachment A. The detailed report below provides background information on the OWOW 2.0 Plan.

## **DETAILED REPORT**

---

The Santa Ana Watershed Project Authority is the regional watershed planning organization for the Santa Ana River Watershed and has been facilitating efforts to develop a watershed planning framework to guide water resource managers. To date, this has resulted in the development of the *One Water One Watershed Plan*. This OWOW Plan originated in 2002 and has been updated in 2005, 2007, and most recently in February 2014. The goal of this planning process is to develop the tools and strategies to work across the watershed to develop an integrated water resource plan where all types of water (local surface and groundwater, imported water, stormwater, and treated wastewater effluent) are viewed in a comprehensive, integrated manner as a single water resource.

### **OWOW 2.0 Integrated Regional Water Management Plan**

The OWOW process is led by a Steering Committee composed of public officials from counties and cities in the Watershed, representatives from the environmental, regulatory, and business communities, and representatives from the Santa Ana Watershed Authority (SAWPA). The Steering Committee was supported by numerous technical experts grouped into 10 disciplines (known as Pillars) such as water resource optimization, natural resource stewardship, and water use efficiency. Participants from numerous agencies and organizations have volunteered to serve on the Pillar groups and committees and have addressed every aspect of water management planning.

SAWPA acted as lead agency for the Regional Water Management Group (RWMG). While SAWPA facilitated the planning process and provided technical input and support through its staff and consultants, the development of the goals and strategies of the Plan and the decision making process were done by the Steering Committee with the support of the Pillars and with consideration to comments from the public at large.

The fundamental concept for this planning process was to pull parties together in every aspect of the water arena – those who provide water, those who use it, and those who manage it – in a way that has never been done before and in a way that goes beyond the interests of any one agency. This approach marked a major shift from previous IRWM planning efforts by greatly expanding the number and type of agencies and organizations involved in the process.

In developing the OWOW 2.0 Plan, a decided “bottom up” approach for governance was envisioned. Unlike in previous SAWPA plans or other planning approaches across the state, every effort has been made to allow the key discussions of major water resource

issues, concerns, problems, goals and objectives, and potential solutions to originate and be first fully vetted at the stakeholder level. By expanding the involvement and collaboration to the *on the ground* level, greater buy-in and support was realized for this planning development process.

## **Pillar Groups**

In order to manage the planning work, the stakeholders were organized into ten separate workgroups or *Pillars* centered around the following water resource management areas:

1. Water Resource Optimization
2. Stormwater – Resource and Risk Management
3. Beneficial Use Assurance
4. Natural Resource Stewardship
5. Operational Efficiency and Water Transfers
6. Government Alliance
7. Water Use Efficiency
8. Energy and Environmental Impact
9. Water and Land Use
10. Disadvantaged and Tribal Communities

The Pillar Groups consisted of approximately 10 to 60 volunteers, depending on the topic and interest level, and included participants from local agencies, special districts, non-profit organizations, universities, Native American tribes, and the public, led by a volunteer chair having expertise in that specific water resource area. The Pillar Groups were tasked with the definition of the watershed problems for their respective discipline and the identification and development of potential solutions and strategies. While Pillar Groups were asked to focus on one specific discipline based on their technical expertise, they were also asked to step out of their role and view problems from the other Pillar Group perspectives. It was through this process that new synergies were developed and multi-benefit programs were formed.

Through participation in the OWOW process, MWDOC staff and other water, wastewater, city, and environmental organizations throughout the watershed provided input to SAWPA on the development of the OWOW 2.0 Plan.

## **Steering Committee**

The next level of governance up from the foundation of the Pillars was the OWOW Steering Committee, which consisted of 10 representatives from across the Santa Ana River Watershed. The Committee was convened by the SAWPA Commission, and included two representatives from the SAWPA Commission representing water agencies, who serve as Convener and Vice-Convener; three County Supervisors - one from each county; three mayors - from large cities in each county; a business representative from the development community; and a representative from the environmental community. Steering Committee members representing Orange County include: Supervisor Shawn Nelson, Council Woman Beth Krom from the City of Irvine, Garry Brown, environmental representative from the Orange County Coast Keeper, and Linda Ackerman from the Regional Water Quality Control Board.

The Steering Committee's role was to serve as the developer of plan goals and objectives for the Watershed, and to act as the oversight body that performs strategic decision making, crafts and adopts programmatic suites of project recommendations, and provides program advocacy necessary to optimize water resource protection for all.

## Resource Management Strategies

The OWOW 2.0 Plan encourages the development and implementation of multi-benefit projects and programs that are linked together for improved synergy. Examples include:

- Proactive, innovative, and sustainable solutions
- Integrated regional solutions supporting local reliability and local prioritization
- Watershed-based projects and programs that effectively leverage limited resources, promote trust and produce a greater bang for the buck
- Integrates water supply, water quality, recycled water, stormwater management, water use efficiency, land use, energy, climate change, habitat, and disadvantaged communities and tribes
- Coordinates resources so that water is used multiple times
- Manages stormwater for drinking water
- Treats wastewater for irrigation and groundwater replenishment
- Builds or modifies parks to support water efficiency, ecosystem habitat, and stormwater capture
- Improves water quality and pollution prevention
- Addresses the energy and water nexus

For brevity, the Executive Summary of the OWOW Plan is provided as **Attachment B**. If you would like to view the full One Water One Watershed 2.0 Plan for the Santa Ana watershed go to: <http://www.sawpa.org/owow-2-0-plan-2/>

## Summary

SAWPA selected MWDOC's Commercial, Industrial, and Institutional Performance-Based Water Use Efficiency Program for Proposition 84 Round 2 funding. To be eligible for funding, DWR requires each project proponent to adopt the OWOW 2.0 Plan through a Board Resolution. SAWPA and the 22 project proponents are now in the process of signing funding agreements. Staff recommends the Board of Directors adopt the attached resolution approving the Santa Ana River Watershed Project Authority OWOW 2.0 Plan.

## Attachments

Attachments include:

- |                |   |
|----------------|---|
| Attachment A – | Resolution Adopting the SAWPA OWOW 2.0 Integrated Regional Water Management Plan    |
| Attachment B – | One Water One Watershed Integrated Regional Water Management Plan Executive Summary |

## Attachment A

## RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ADOPTING THE  
SANTA ANA WATERSHED PROJECT AUTHORITY  
ONE WATER ONE WATERSHED 2.0 PLAN, THE INTEGRATED REGIONAL  
WATER MANAGEMENT PLAN FOR THE SANTA ANA RIVER WATERSHED**

WHEREAS, on February 4, 2014, the Santa Ana Watershed Project Authority (SAWPA) Board of Commissioners adopted the One Water One Watershed (OWOW) 2.0 Plan, the Integrated Regional Water Management Plan for the Santa Ana River Watershed, as a planning document outlining a sustainable water future for the region; and

WHEREAS, on December 18, 2012, the SAWPA Board of Commissioners approved a list of 22 projects for funding under SAWPA's Round Two funding allocation through the DWR, including MWDOC's Commercial Industrial Institutional Performance-Based Water Use Efficiency Program; and

WHEREAS, as a condition of the grant funding for MWDOC's Commercial, Industrial, and Institutional Performance-Based Water Use Efficiency Program, the DWR and SAWPA require that all project sponsors also adopt the OWOW 2.0 Plan.

NOW, THEREFORE, the Board of Directors of the Municipal Water District of Orange County does hereby acknowledge the OWOW Plan and, as a required condition of receiving grant funding under the Plan, adopts the current Santa Ana Watershed Project Authority One Water One Watershed 2.0 Integrated Regional Water Management Plan.

Adopted at the regular meeting of the Board of Directors held October 15, 2014, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I hereby certify that 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 October 15, 2014.

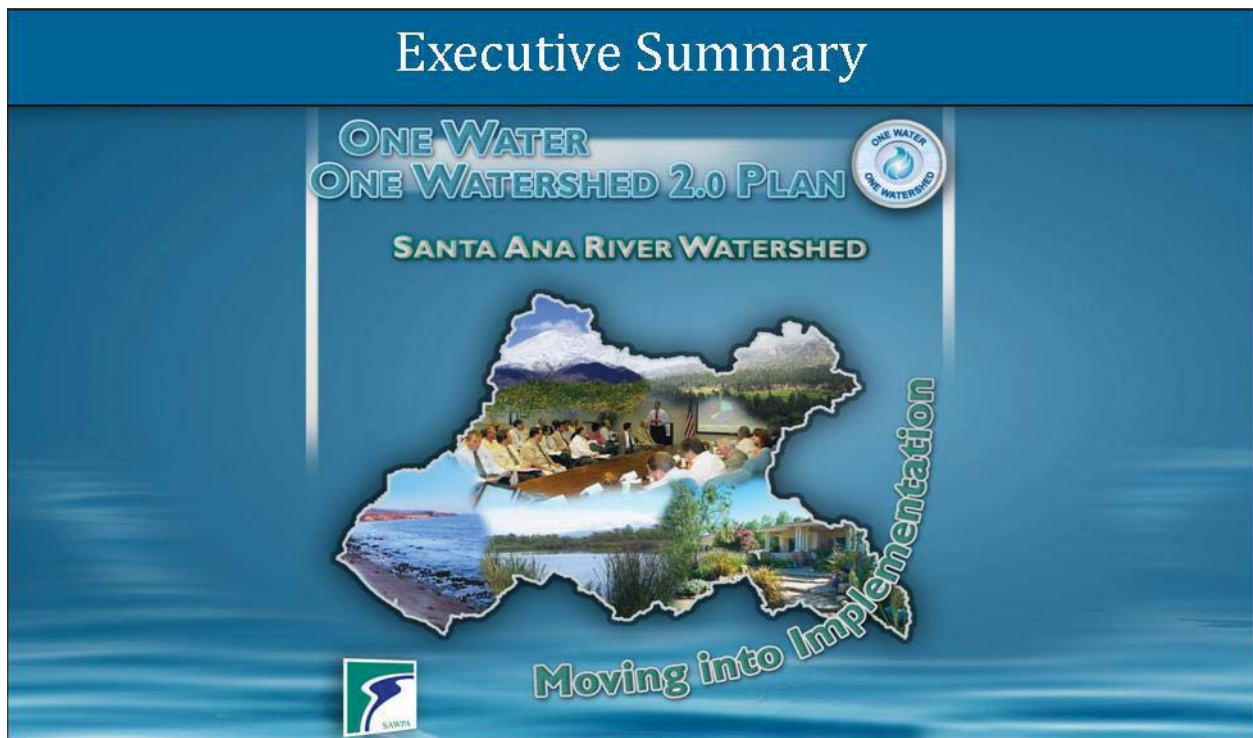
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

By: \_\_\_\_\_

President

By: \_\_\_\_\_

Secretary



The Santa Ana River Watershed faces enormous challenges as it strives to adapt to changing conditions, many of which are at an unprecedented scale in its modern history. The watershed's population, already one of the most densely populated in the State, continues to grow and urbanize, increasing demands on water supply, water quality, and flood management. Even with its plentiful groundwater resources, several basins now are experiencing declining groundwater levels and overdraft conditions. With the uncertainties of climate change and its impacts, environmental concerns are taking even greater precedence than they ever have in the past, affecting how we manage water for the future.

Most agree that the water management approaches of the past several decades are no longer sustainable in today's environment and economic climate. And most agree that a more integrated and collaborative approach to water resource management will show tremendous promise to water resources everywhere. But in the Santa Ana River Watershed, this approach is not new; it has been our practice and legacy since the first integrated plan was approved by the Santa Ana Watershed Project Authority (SAWPA) Commission in 1998.

In a nutshell, the goal of yesteryear was affordable water for a growing economy. But over time, the goal has changed to become a more complicated balancing act of environmental sustainability, quality of life and, economic growth in a changing environment dominated by water and financial scarcity. The strategy to achieve this goal is integrated water management. This means the various silos of water supply, flood management, water quality, ecosystem restoration, and recreation are brought together as one. Another way to think about it is that while the drop of water may at different times be characterized by different elements, it is still the same drop of water.

The benefits of this approach are better coordination across functions that are often managed separately and across a broader geographic scale larger than the boundaries of individual agencies. Through integration at the watershed scale, economic and environmental performance is more effectively balanced. This water resource planning approach based on a watershed basis has even been recognized by independent review, objective and nonpartisan research organizations such as the Public Policy Institute of California, which cited SAWPA as an excellent example of integrated water management in the State.

SAWPA 'S APPROACH —  
COORDINATION, COOPERATION,  
AND INTEGRATION OF WATER  
AGENCIES TO POOL RESOURCES  
AND MANAGE WATER AT THE  
BASIN SCALE IS ONE OF  
CALIFORNIA'S BEST MODELS  
FOR INTEGRATED WATER  
MANAGEMENT.

*Public Policy Institute of California 2011  
"Managing California's Water – From  
Conflict to Reconciliation"*

The Santa Ana River Watershed continues to progress with many “bright spots” and pilot projects accomplished to date. The use of sophisticated “big data” analytics continues to set us apart, resulting in a more robust watershed and a very competitive position to compete for State and Federal funds.

The “One Water One Watershed” (OWOW) 2.0 Plan is the Santa Ana River Watershed’s integrated regional water management (IRWM) plan. This plan reflects a collaborative planning process that addresses all aspects of water resources in a region or watershed, in our case. It includes planning of future water demands and supplies over a 20-year time horizon within the watershed as a hydrologic and interconnected system. The plan represents collaboration across jurisdictions, and political boundaries involving multiple agencies, stakeholders, individuals, and groups; and attempts to address the issues and differing perspectives of all the entities involved through mutually beneficial solutions. The plan reflects a new suite of innovative approaches that instead of relying solely on continued imported water deliveries to meet growing water demands in the region, is leading with a water demand reduction strategy. These approaches include the following:

- Multi-beneficial projects and programs that are linked together for improved synergy
- Proactive innovative, and sustainable solutions
- Integrated regional solutions supporting local reliability and local prioritization
- Watershed based project and programs that effectively leverage limited resources, promote trust and produce a greater bang for the buck
- Integrates water supply, water quality, recycled water, stormwater management, water use efficiency, land use, energy, climate change, habitat, and disadvantaged communities and tribes
- Coordinates resources so that water is used multiple times
  - Manages stormwater for drinking water
  - Treats wastewater for irrigation and groundwater replenishment
  - Builds or modifies parks to support water efficiency, ecosystem habitat, and stormwater capture
  - Improves water quality pollution prevention
  - Addresses energy and water nexus



The OWOW 2.0 Plan was funded by the SAWPA member agencies with grant funding assistance from the California Department of Water Resources (DWR) through the Proposition 84 IRWM Planning Grant program, and a funding partnership from the U.S. Bureau of Reclamation (Reclamation) through their Basin Studies program. Work with Reclamation, the State, local and non-profit organizations provided the OWOW 2.0 Plan with the necessary resources to expand outreach and support that ultimately will create more cost effective integrated water resource management solutions.

In the final analysis, the prescription for success is clear; we need to “double down” on integrated water management, strengthen the alignment among all government agencies, and invest in innovation and infrastructure. For the Santa Ana River Watershed, the road map for this success is our IRWM plan known as the OWOW Plan.

The emphasis of this new OWOW 2.0 Plan is that all people are encouraged to adopt a water ethic that focuses on understanding where their water comes from, how much they use of it, what they put into water, and where it goes after they finish using it. To meet growing water demands in the region, a new suite of approaches to planning are needed now that lead with a water demand reduction strategy.

## Analysis and Support Tools

To support implementation of the OWOW 2.0 Plan, SAWPA in conjunction with its funding partners, conducted research and analyses on climate change impacts to the watershed, and developed a variety of new computer support tools to support our modern water management goals. Under this Plan, new resource tools and analyses were developed to help water resource managers adapt to changing climate conditions, support project proponents in better integrated solutions, assist analysis of watershed performance over time, and provide the public better access to water quality for beneficial use.

Through the work of Reclamation, an interactive climate change modeling tool was developed to provide water planners with information on potential impacts of climate change within the Santa Ana River Watershed. This tool provides a simplified modeling framework for evaluating climate change impacts, as well as mitigation/adaptation alternatives. The climate change tool enables the user to explore, identify, and download custom climate change data for various scenarios modeled for the Santa Ana River Watershed. Some of the results of the climate change analysis for the watershed that address common public concerns are as follows:

### *Will surface water supply decrease?*

- Annual surface water is likely to decrease over future periods.
- Precipitation is projected to show long-term slightly decreasing trends.
- Temperature is projected to increase, which will likely cause increased water demand and reservoir evaporation.
- Snow melt water runoff is projected to decrease.

### *Will I still be able to go skiing at Big Bear Mountain Resorts?*

- The projected warmer temperatures would result in a delayed onset and shortened ski season. Both



Big Bear Mountain Resorts lie below 3,000 meters and are projected to experience declining snowpack that could exceed 70% by 2070.

*How many more days over 95°F are expected in Anaheim, Riverside, and Big Bear City?*

- By 2070, it is projected that the number of days above 95°F will quadruple in Anaheim (4 to 16 days) and nearly double in Riverside (43 to 82 days). The number of days above 95°F at Big Bear City is projected to increase from zero days historically to four days in 2070.

Another powerful tool that Reclamation developed under the OWOW 2.0 Plan is an interactive green house gas (GHG) modeling tool to provide water planners and the public about the impacts of GHG within the Santa Ana River Watershed. This tool enables the user to explore, identify and download custom GHG data for a suite of water technologies modeled for the Santa Ana River Watershed. It also will exhibit energy consumption in the delivery and treatment process with relation to water. In accordance with AB – 32, which requires regions to reduce their overall GHG emissions, the tool also evaluates both water supply and demand in the Santa Ana River Watershed. This tool will prove to be very useful within the watershed because it allows users to calculate different scenarios, which can be used to compare each outcome and result. Further, the tool can be adapted to individual projects and is anticipated for use in future GHG emissions calculations by project proponents.

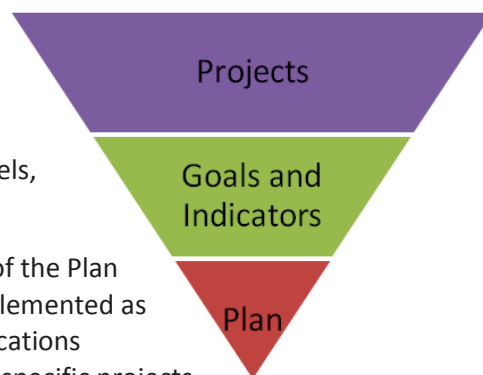
#### *Santa Ana River Watershed Water Quality Tools*

SAWPA, partnering with the Santa Ana Regional Water Quality Control Board and local stakeholders, has developed a suite of tools to provide water planners and the public access to water quality information relating to designated beneficial uses, water quality objectives, and water quality data for water bodies and waterways within the Santa Ana River Watershed.

#### *Watershed Assessment Tool, Plan Performance and Monitoring*

In order to track progress, SAWPA has developed a system to monitor the implementation of the OWOW Plan and projects implemented under OWOW. The monitoring takes place at two levels, the plan level and project level, to:

- Ensure progress is being made toward meeting objectives of the Plan
- Ensure specific projects identified in the Plan are being implemented as planned in terms of schedule, budget, and technical specifications
- Identify potential necessary modifications to the Plan or to specific projects, to more efficiently and effectively accomplish the goals and objectives of the Plan
- Provide transparency and accountability regarding the disbursement and use of funds for project implementation



To tie the plan and project monitoring together, SAWPA recognized the need for an interface process of measuring progress on meeting the goals and objectives, as well as the health of the Santa Ana River Watershed. SAWPA engaged the services of the Council for Watershed Health, a nonprofit organization, and Dr. Fraser Shilling of the University of California, Davis to develop a watershed assessment framework for the Santa Ana River Watershed. The Council and Dr. Shilling worked with the OWOW Pillars, workgroups of experts and stakeholders organized generally based on water resource management strategies, to update the watershed management goals, establish planning targets, and

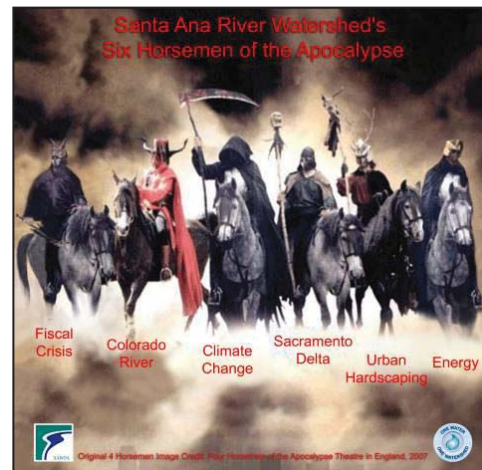
utilize data indicators from existing datasets to track progress. With the input of SAWPA staff, a new tracking computer tool was created, incorporating this work that will allow managers to evaluate and assess progress, and assure actionable results for implementation.

## Vision, Mission and Challenges

Under OWOW 1.0, the vision for the watershed was developed and continues under the OWOW 2.0 Plan as follows:

1. A watershed that is sustainable, drought-proofed and salt-balanced by 2035, and in which water resources are protected and water is used efficiently
2. A watershed that supports economic and environmental viability
3. A watershed that is adaptable to climate change
4. A watershed in which environmental justice deficiencies are corrected
5. A watershed in which the natural hydrology is protected, restored, and enhanced
6. A water ethic is created at the institutional and personal level

The mission of the OWOW Plan is to create opportunities for smarter collaboration to find sustainable watershed-wide solutions among diverse stakeholders from throughout the watershed. Clinging to the path of yesteryear will place us at greater risk of producing results with limited impact and unintended consequences. Our 21<sup>st</sup> Century plan creates a blueprint for more effective water resource management by using data and tools to keep us better informed and allowing us to be more productive in using less energy and producing less GHG emissions.



To achieve this vision and mission, stakeholders must address four major threats, which we have dubbed the Four Horsemen of the Apocalypse: 1) Climate Change resulting in reduced water supplies combined with increased water needs in the region; 2) Colorado River Drought Conditions resulting in pressures on imported supply due to upper basin entitlements and continued long-term drought; 3) San Joaquin-Bay Delta Vulnerability resulting in loss of supply due to catastrophic levee failure or changing management practices of the Delta; and 4) Population Growth and Development resulting in interruptions in hydrology and groundwater recharge while increasing water needs.

To implement OWOW 2.0 and adjust to current affairs, SAWPA and stakeholders needed to adapt to address the new challenges, the Energy and Fiscal Crises. The Four Horsemen of the Apocalypse herd has grown to six. The Fiscal Crisis reflects the impacts of the Great Recession commonly marked by a global economic decline that began in December 2007, and took a particularly sharp downward turn in September 2008. Some say the epicenter was the Inland Empire. By late 2013, the recession remains a part of our lives resulting in far fewer State and Federal funds, and State bond funding being deferred each year as the realization that they would not likely be supported by the California electorate.



Recent energy developments such as the closure of the San Onofre Nuclear Generating Station, have forced us to recognize the water-energy nexus and the need to address our energy needs and escalating costs for delivering energy. Energy costs can be reduced by water agencies through energy efficiency measures, while teaching the public that water conservation equates to energy conservation and thus money saved.

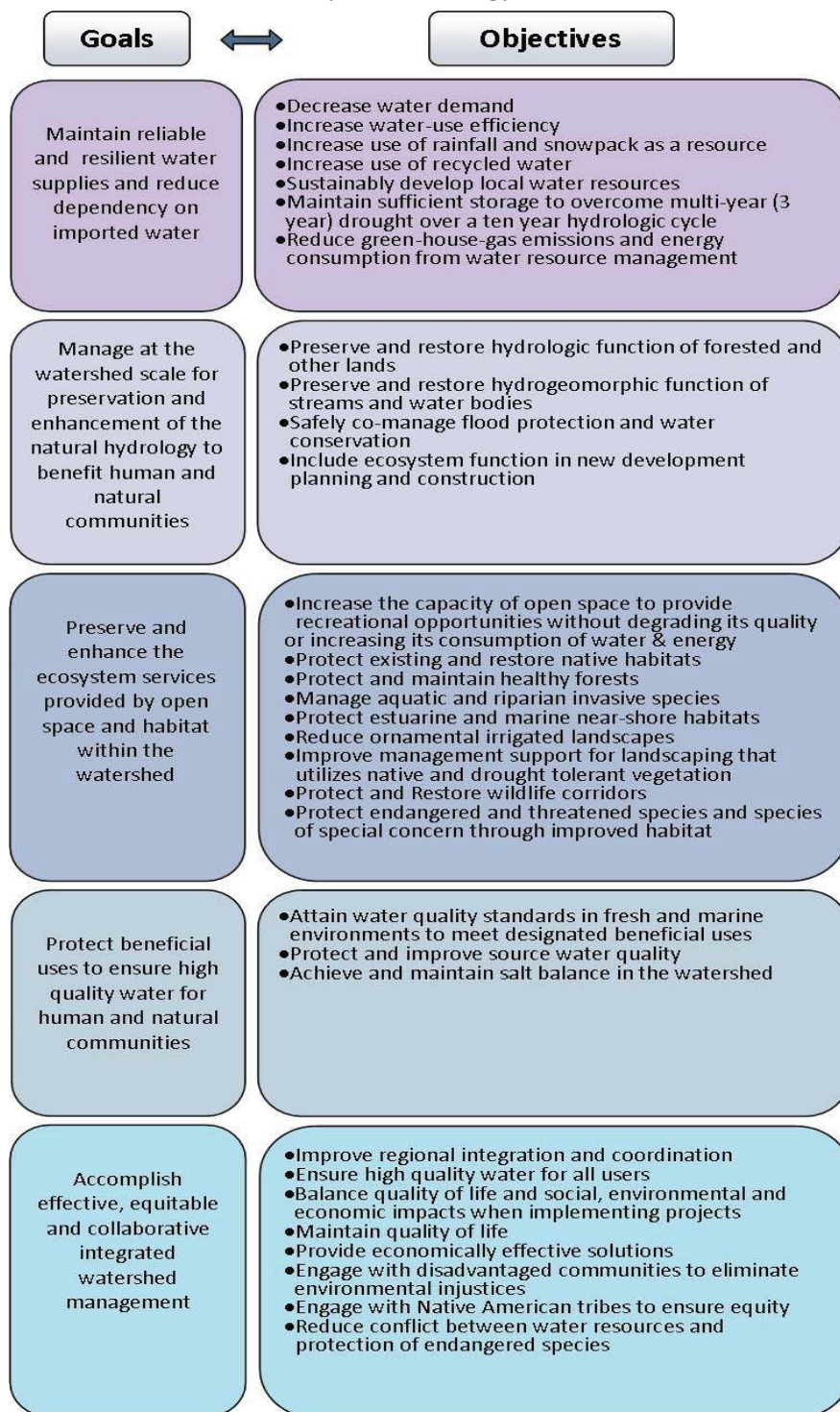
## Goals, Objectives, Targets and Indicators

As previously stated, in order to achieve the watershed's vision, the Pillars worked with the Council of Watershed Health on updating the goals and objectives for the OWOW 2.0 Plan as part of the new watershed assessment framework.

The Pillars and the Council selected five areas: water supply, hydrology, open spaces, beneficial uses, and effective and efficient management. Using these newly defined goals and objectives, an assessment process was established that will assure actionable results for implementation.

Thereafter, the new goals and objectives were shared with the Steering Committee for their acceptance. Planning targets within the watershed along with data indicators were developed to track progress and allow measurement of the extent to which the plan objectives are being met. To achieve the updated goals and objectives, resource and broad

management strategies were investigated through work of the Pillars. Quantifiable planning targets were developed in conjunction with the 20-year planning horizon of Year 2035.



The targets and indicators are listed in Chapter 4.3, Planning Targets.

Goals	Performance Targets for 2035
Maintain reliable and resilient water supplies and reduce dependency on imported water	<ul style="list-style-type: none"> <li>•Conserve an additional 256,500 AFY of water through water use efficiency and conservation measures</li> <li>•Create 58,000 AFY using a combination of additional wells, treatment, conjunctive use storage and desalination of brackish groundwater</li> <li>•Increase production of recycled water by 157,000 AFY</li> <li>•Increase both centralized and distributed stormwater capture and recharge by 132,000 AFY</li> <li>•Develop 54,000 AFY of ocean water desalination</li> </ul>
Manage at the watershed scale for preservation and enhancement of the natural hydrology to benefit human and natural communities	<ul style="list-style-type: none"> <li>•Reduce flood risk in 700 acres using integrated flood management approaches.</li> <li>•Remove 500,000 cubic yards of sediment from debris basins and reservoirs</li> </ul>
Preserve and enhance the ecosystem services provided by open space and habitat within the watershed	<ul style="list-style-type: none"> <li>•Preserve or restore 3,500 acres of terrestrial aquatic habitat</li> <li>•Construct 39.5 miles of additional Santa Ana River Trail and Parkway</li> </ul>
Protect beneficial uses to ensure high quality water for human and natural communities	<ul style="list-style-type: none"> <li>• Reduce non-point source pollution by treating an additional 35 MGD of surface and stormwater flow, emphasizing higher priority TMDL areas</li> <li>• Remove an additional 25,000 tons of salt per year from the watershed</li> </ul>
Accomplish effective, equitable and collaborative integrated watershed management	<ul style="list-style-type: none"> <li>•Engage with 50% (approximately 35) Disadvantaged Communities within the watershed</li> <li>•Engage with 100% of the Non-Federally Recognized Tribes in the watershed</li> </ul>

### OWOW Planning Process

SAWPA officially launched its OWOW 2.0 planning effort on April 20, 2011, with the signing ceremony of the agreement with Reclamation. The work commenced in earnest with the first meeting with the Pillar Co-chairs. Regular workshops throughout the watershed were held with more than 100 agencies and non-profit organizations spanning Riverside, San Bernardino, and Orange counties. From the very beginning, the process has been open to and has received the participation of representatives from all

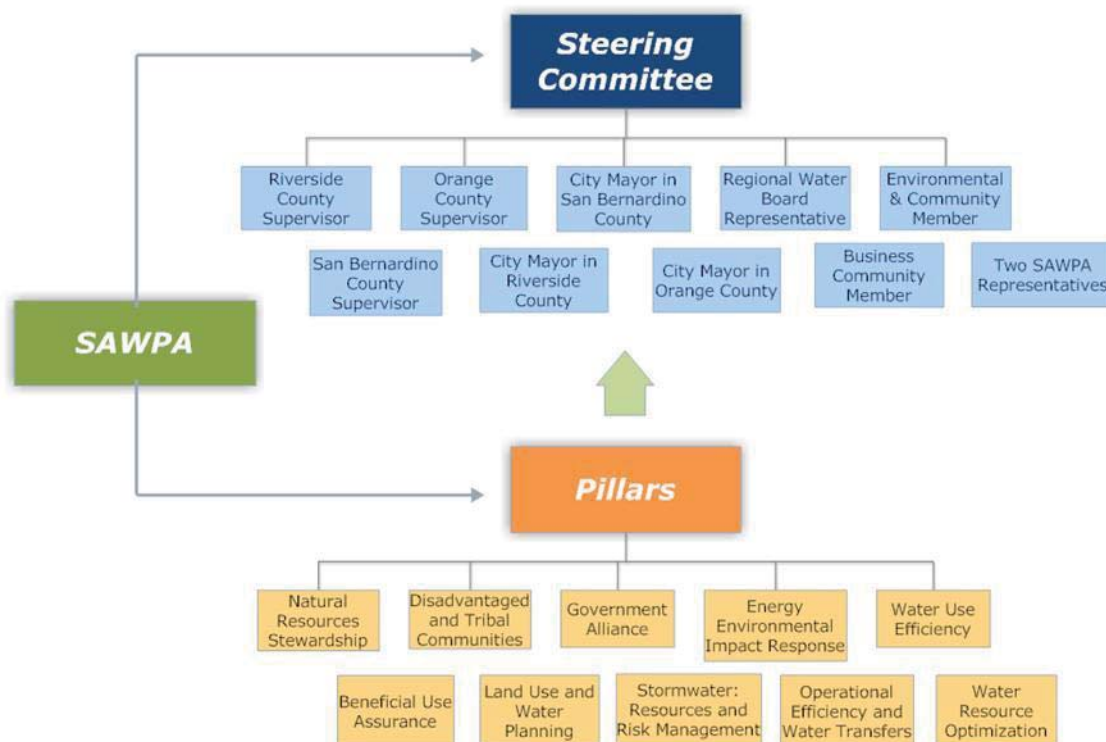
geographic regions and political jurisdictions within the watershed, and from diverse representatives of different sectors of the community (governments, water agencies, the development and environmental community, and the public).

As with the OWOW 1.0 Plan development, the OWOW 2.0 Plan utilized a “bottom up” approach for governance and involvement. Every effort was made to encourage the development of a shared vision and the involvement and participation of all watershed stakeholders in key discussions of major water resource issues, concerns, problems, goals, and objectives, with a particular focus on supporting multi-beneficial system-wide implementation. By expanding the involvement and collaboration to the *on-the-ground* level, greater buy-in and support were realized for this planning development process.

### OWOW 2.0 Governance

As with OWOW 1.0, the OWOW 2.0 Plan is led by an 11-member Steering Committee composed of elected officials from counties and cities in the watershed, representatives from the environmental, regulatory, and business communities, and representatives from SAWPA.

The Steering Committee’s role is to serve as the developer of integrated regional water management goals and objectives for the watershed, and to act as the oversight body that performs strategic decision making, crafts and adopts programmatic suites of project recommendations, and provides program advocacy necessary to optimize water resource protection for all.

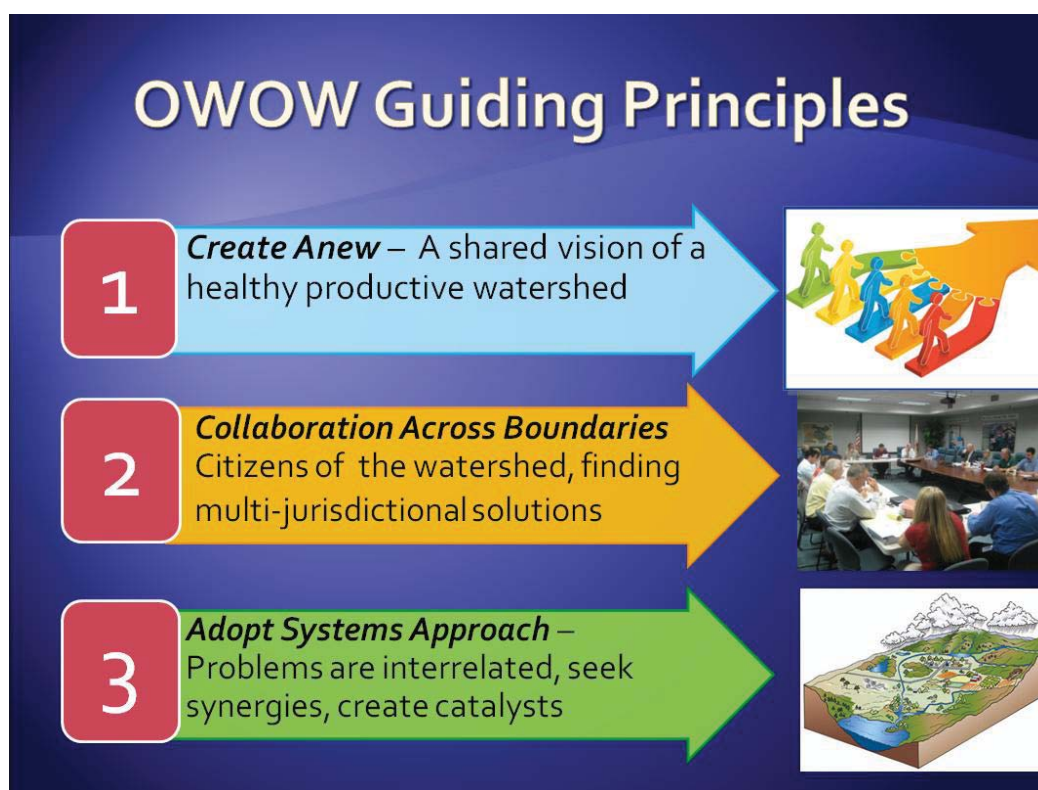


The Steering Committee is supported by technical experts assembled into ten groupings (known as Pillars), generally aligned along major water resource management strategies, but renamed under the OWOW 2.0 Plan to reflect greater integration and synergy.

While SAWPA facilitates the planning process and provides technical input and support through its staff and consultants, the development of the goals and strategies of the Plan, as well as the decision making process, are under the purview of the Steering Committee and the SAWPA Commission, with support of the Pillars and with consideration to comments from the public.

### Pillar Work and Key Findings

Under OWOW 2.0, more emphasis is being placed on the watershed scale, and multi-benefit and multi-purpose solutions. Multi-beneficial projects and greater diversification of water management approaches are achieved through greater collaboration and cooperation, building trust among stakeholders, viewing the watershed as a hydrologic whole, working in concert with nature, and seeing each problem as interrelated that provides opportunities for synergy and efficiencies. These OWOW guiding principles were shared with the Pillars and the watershed stakeholders on multiple occasions.



In preparation for the next phase of OWOW 2.0 planning, SAWPA directed that the OWOW 2.0 Plan was not intended to be merely an update of previous planning data from the OWOW 1.0 Plan, but rather would focus on identifying integrated and watershed-wide implementation actions. To achieve this, SAWPA conducted innovative brainstorming processes with the Pillars utilizing the experience and skills of local experts to inspire and promote integrated system-wide implementation actions that address water resource challenges in the Santa Ana River Watershed.

Starting in September of 2011, three well known water resource experts dubbed the “Master Craftsmen”, were tasked to develop a list of conceptual project concepts and to describe the spatial, temporal, regulatory, economic, political, and physical barriers that impair the ability to implement



watershed-based implementation actions that support the vision articulated in the OWOW Plan. From these Master Craftsmen meetings, a white paper was developed that identifies 13 key examples of watershed-based water resource management concepts that, when implemented, would provide tangible and measurable benefits by removing impairments. These watershed-based concepts are ideas, vetted by the Pillars, and provide significant additional benefits such as habitat restoration and increased habitat connectivity. Two types of concepts were included: (1) those that require implementation of capital projects, and (2) those that are programmatic and focus on establishment of regional management practices or policies that increase sustainability of existing resources.

These ideas and concepts were approved by the Steering Committee and the SAWPA Commission. Thereafter, the Pillars commenced their respective meetings over the following 18 months of the OWOW 2.0 planning. They investigated new regional implementation actions within their Pillars that could lead to multiple, integrated benefits that, in turn, could be linked and integrated with other Pillar implementation actions. In addition to conceptual implementation actions, the Pillars developed key findings that will support implementation described as follows:

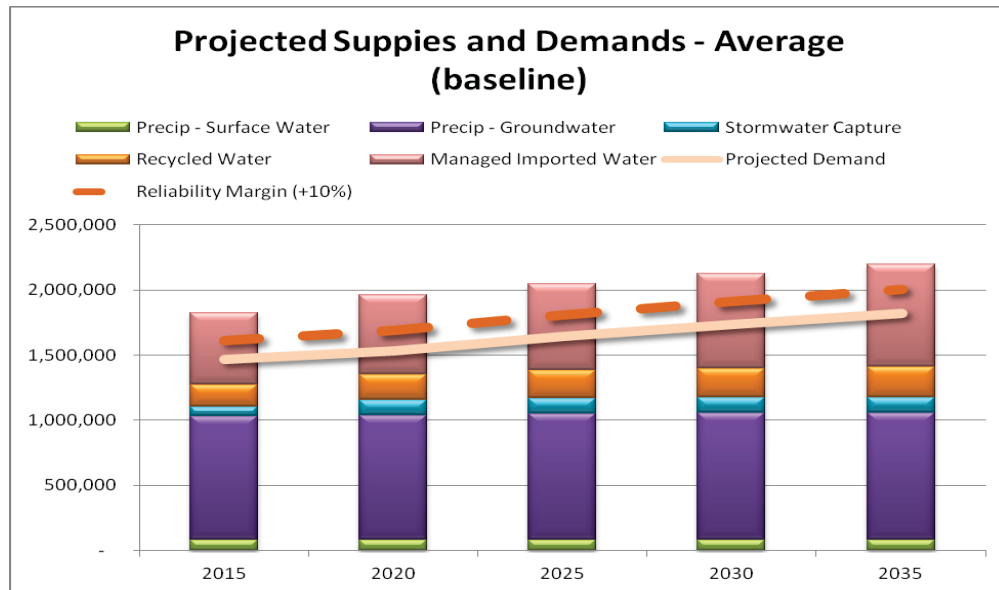
#### *Water Use Efficiency Pillar – Key Findings*

- Water use efficiency practices remain the number one water resource management priority for the watershed.
- Agencies and their partnerships with each other and private industry will continue to collaborate and develop new programs promoting water use efficiency.
- The ultimate goal will be to get water customers to automatically base decisions on what is the most water efficient way to plan, implement, and maintain devices and landscapes. This will require customer education and continued incentives to promote water use efficiency.
- Landscape demonstrates the greatest potential for water savings. Therefore, the Water Use Efficiency Pillar will move forward with collaborative projects that primarily emphasize outdoor efficient use of water.

#### *Water Resource Optimization Pillar - Key Findings*

Based on the work of the Water Resource Optimization Pillar, the projected supplies and demands for the average year are as follows:





A key finding from this Pillar's analysis is that with implementation of the 20% water demand reductions by 2020, as well as a reliability margin of 10%, water supplies will be adequate to meet demands through the 20-year planning horizon or Year 2035. This evaluation also was conducted for the single year, the historical year that received the lowest amount of imported water, and the multi-year drought, three- year period that received the lowest amount of imported water. Their findings show that the watershed in the aggregate will be able to meet its demands in a single year drought with a reliability margin of 11% in 2035, and for a multi-year drought of 13% in 2035. The watershed is able to make it through these drought years by relying on the native water, precipitation as surface water and precipitation as groundwater, and imported water storage programs that store water when it is available during wet periods for use during drought periods, and on recycled water that is not impacted by weather.

The Water Resource Optimization Pillar concludes that there is more to be done to ensure water supply reliability for the future. This is particularly true in the face of climate change that may impact local precipitation patterns, the need for intra-basin transfers to maintain groundwater levels, the State-defined mandate for regions to become less dependent on Delta imported water, and a significant funding requirement of water use efficiency and infrastructure to meet future demands.

#### *Beneficial Use Assurance Pillar - Key Findings*

- Surface water quality monitoring is not coordinated within the watershed leading to duplicative sampling in some areas and inadequate sampling in others. Work on a plan to improve coordination and development of a regional approach to monitoring that will generate better information and be less expensive.
- New statewide regulations setting biological objectives and nutrient objectives for surface water are being developed and will be a compliance challenge for wastewater agencies. Participate in rule making process to support development of policies and regulations that are effective and efficient.

- A small number of small water systems in operation within the watershed that do not have resources for monitoring and proper operations and maintenance, may result in drinking water provided to customers that is in violation of drinking water standards. Work with California Department of Public Health and county health departments to identify small system water providers, if any, which need assistance with providing safe drinking water. Develop a plan to address any small system water providers that need assistance.
- Sediment deposition in some areas creates water quality impairments, reduces aquatic habitat, and reduces water conservation storage. Reduced sediment flow downstream of dams causes armoring of river/creek beds resulting in reduction in percolation capacity, aquatic habitat, and beach replenishment. Support USACE/OCWD Prado Basin Sediment Management Demonstration Project and Newport Bay Stakeholders to reduce sediment load into Upper Newport Bay.

#### *Land Use and Water Planning Pillar – Key Findings*

- Water supply agencies should be consulted early in the land use decision-making process regarding technology, demographics and growth projections.
- City and county officials, the watershed stakeholders, Local Agency Formation Commissions, special districts and other stakeholders sharing watersheds should collaborate to take advantage of the benefits and synergies of water resource planning at a watershed level.
- Plans, programs, projects and policies affecting land use and water should be monitored and evaluated to determine if the expected results are achieved and to improve future practices.
- Limited, accessible, and low-cost, outdoor recreational opportunities should be promoted throughout the watershed.

#### *Stormwater: Resource and Risk Management Pillar – Key Findings*

- Comprehensive and integrated stormwater management projects driven by a multi-stakeholder project paradigm can more effectively and efficiently address watershed needs. Such projects can assist stakeholders to achieve compliance with the Municipal Stormwater National Pollutant Discharge Elimination System Permits (MS4 Permits), while increasing capture of stormwater and other flows and groundwater recharge using favorable cost benefit approaches.
- Reducing the risk of loss of life and property damage due to flooding remains a high priority within the Santa Ana River Watershed. The completion of the Santa Ana River Mainstem Project will reduce the risk of a catastrophic flood event in the Santa Ana River Watershed. However, there remains significant flood risk related to tributary watercourses within the watershed, compounded by potential impacts of wildfires and earthquakes.

#### *Natural Resources Stewardship Pillar – Key Findings*

- A plan for sustainable management of conservation areas with targeted restoration efforts is essential for preventing further deterioration of habitat. Consideration for characteristics of each of the main habitat types: Chaparral/forest, Alluvial fan; Riparian, Wetland, and Coastal and their specific ecosystems, require habitat-specific management plans and restoration criteria.
- Creating sustainable wildlife corridors requires land use planning coordinated across jurisdictional boundaries. Cooperation also must take place among all of the current regional conservation plans, mitigation providers, resource conservation districts, and non-profit conservation organizations.

- Consensus among all agencies and organizations with ownership/stewardship over areas of the Santa Ana River Mainstem and tributaries should be sought that provides for long-term protection of areas where habitat restoration efforts are occurring or need to occur. This kind of cooperative agreement will be critical to the ability of governmental and non-profit organizations to secure mitigation funding to do the necessary habitat restoration work needed in the watershed.
- Grant and bond funding in the watershed have funded the removal of thousands of acres of invasive plants, initial and ongoing restoration of habitat areas, biological monitoring of sensitive species, and conservation of habitat areas. All of these sources and more should continue to support restoration and ongoing maintenance.
- Much of the remaining invasive plant biomass and areas that could benefit from re-establishment activities (removal of invasive species followed by long-term, active planting and biological monitoring) in the watershed is on land owned by Federal, State, and local governments for purposes other than water-oriented habitat conservation. These are prime lands for future habitat restoration projects with multi-use and benefit.

#### *Operational Efficiency and Water Transfers Pillar – Key Findings*

- Expand compliance with the SBx7-7 and implement projects that reduce per capita water usage by more than 20 percent by the year 2020.
- Create/ expand supply and system reliability during drought, emergency, and peak demand situations.
- Create/expand coordination with other agencies in the area and develop regional water management strategies that would increase conservation and local water supplies.
- Create/expand local recycled water reuse program(s) in the area with an OWOW 2.0 goal of 157,000 acre feet per year.
- Develop/Implement projects that protect groundwater resources, the environment and consider storage and transfers. These projects are important to assure that water is readily availability in the right place when we need it. This can be overcome with storage and transfers.

#### *Disadvantaged and Tribal Communities Pillar – Key Findings*

- Engaging Disadvantage Communities (DACs) and Tribes in water and related resources planning through effective outreach is good for both the community and the water sector itself. There are distinct differences due to cultural and historic context. Both need their voices heard during proposed project development.
- Today, DACs and some Tribes face critical and serious water and related resources challenges, such as failing septic systems, isolation, language barriers, flood risk, and lack of funding and or resources. It is imperative that the water sector and its key stakeholders recognize proposed DAC and Tribe water project needs, and engage these communities early in the process. The OWOW 2.0 process recognizes the various funding needs for DACs and Tribes, and the Federal and State funding programs available to them.
- From engaging and speaking with DAC residents and attending Tribal Council meetings, it is evident that there is a need for continuous networking resulting in consensus based development and implementation of project solutions.

### *Government Alliance Pillar – Key Findings*

- Ensure that Federal and State agencies effectively partner in the management of water and other resources within the watershed, and consider other Pillars’ perspectives in their support of OWOW goals and objectives.
- Periodically publish updates of the Resource Guide and post them on SAWPA’s website.
- Use the Resource Guide’s agency contacts, and assure that steps are taken to keep all information current.
- Continue coordination with various governmental agencies, as appropriate, for all proposed projects, initiatives, and integrated water and related resources activities to help identify necessary environmental compliance requirements and or potential areas of conflict.

### *Energy and Environmental Impact Response Pillar – Key Findings*

- Annual surface water is likely to decrease over future periods with precipitation showing somewhat long-term decreasing trends. Temperature will increase, which is likely to cause increased water demand and reservoir evaporation. Projected decreases in precipitation and increases in temperature will decrease natural recharge throughout the basin.
- Management actions such as reducing municipal and industrial water demands or increasing trans-basin water imports within the watershed may be required to maintain current groundwater levels.
- Warmer temperatures likely will cause Jeffrey Pines to move to higher elevations and may decrease their total habitat. Forest health also may be influenced by changes in the magnitude and frequency of wildfires or infestations. Alpine ecosystems are vulnerable to climate change because they have little ability to expand to higher elevations.
- Increasing temperatures will result in a greater number of days above 95°F in the future. The number of days above 95°F gets progressively larger for all cities advancing into the future.
- Simulations indicate a significant increase in flow for 200-year storm events in the future. The likelihood of experiencing what was historically a 200-year event will nearly double (i.e. the 200-year historical event is likely to be closer to a 100-year event in the future). Findings indicate an increased risk of severe floods in the future, although there is large variability between climate simulations.
- Sea level rise is likely to inundate beaches and coastal wetlands and may increase coastal erosion. The effects on local beaches depend upon changes in coastal ocean currents and storm intensity, which are highly uncertain at this time. Sea level rise will increase the area at risk of inundation due to a 100-year flood event.
- Existing barriers are sufficient to deter seawater intrusion at Talbert and Alamitos gaps under a 3-foot rise in sea levels. However, operation of barriers under sea level rise may be constrained by shallow groundwater concerns.

To further enhance the integration and linkages among the recommended conceptual implementation actions suggested by the Pillars, Pillar Integration Workshops were conducted by SAWPA throughout the OWOW 2.0 Plan development period. The integration workshops included discussion of system-wide regional or watershed scale implementation actions, addressing different components of the hydrologic cycle, evaluating linkages among proposed projects/programs, and developing and identifying synergy among projects and programs to create anew.

## OWOW 2.0 Plan – Future Implementation

During the last two years, Pillars have been working together to write the next integrated water plan, OWOW 2.0. The Broad Planning/Management Guidance Strategies were distilled from that work and will serve to guide future planning and management in the watershed. The strategies reflect a change in thinking about water resource management. Historically, water activities were organized into different silos, and managers worked to achieve separate and individual goals that were thought to be unrelated. The water supplier's goal was to deliver water for a growing population and economy. The flood control manager's goal was to channelize stormwater to get it out of the community before it could harm people and property. The wastewater manager's goal was to highly treat wastewater before it is discharged into the river or ocean to be carried away. Managing the watershed and water resources as done in the past realized narrow singular goals, but did so with tremendous unintended consequences. The list of endangered species only grew longer, as did the list of impaired water bodies. Societal values have changed, water and funds are scarcer, and together we have realized that the old way is no longer viable.

These Broad Planning/Management Guidance Strategies are not projects or programs themselves. These strategies represent a shift from remediation to protection. It is the opportunity to be proactive rather than reactive. This can facilitate the vision we want, a sustainable and productive watershed, rather than only focusing on solving the problems that past practices have created.



These watershed planning and management strategies are separate and distinct from priorities assigned to evaluate projects for funding that are often dependent on the grant sponsoring agency criteria. These Planning/Management Strategies are meant to guide planning efforts and are *in no particular ranked or priority order* as shown below.

- **Demand Reduction and Water Use Efficiency**

Water use efficiency practices remain a key resource management priority for the watershed and a cost effective tool for reducing the gap between available supplies and projected demand. This is reflected through a reduced per capita water use as well as potentially reduced commercial and industrial water use. Although significant progress is anticipated with mandated reductions through 20% by 2020 legislation, more can be done. Many water use efficiency actions have been implemented locally, but these can be scaled watershed-wide. These include water rates structures that encourage conservation, also known as budget-based water rates, garden friendly landscaping and landscape ordinance application, smart controllers and irrigation nozzles, and turf buy-back programs, to name a few. The last acre foot of water is often the most expensive, reducing that cost goes far to keep water rates stable.

Monitoring data shows wasteful irrigation runs off yards, down streets and culverts collecting pet waste and pollution until it hits the receiving water with a toxic slug causing beach closures and fish kills. At great expense, cities have been tasked to clean up this dry weather urban runoff pollution. This cost can be avoided with successful water use efficiency.

It is understood too that there is a direct link of water use efficiency with energy efficiency and GHG emission reduction.

- **Watershed Hydrology and Ecosystem Protection and Restoration**

Implementing cost effective programs will protect and restore our watershed's ecosystem and hydrologic system so that it will sustainably produce the array of services including water resources. Recognizing that the Santa Ana River Watershed has multiple interrelated parts, a holistic approach to solving issues of supply, quality, flood, and ecosystem management is necessary. This approach recognizes that in order to achieve a healthy productive watershed, improvements starting at the top of the watershed with a healthy and managed forest effectively support downstream stormwater attenuation and runoff capture and water quality improvement. The emphasis is on source control rather than end-of-pipe treatment as a best management practice. Implementation actions under this priority include forest management, pollution prevention, low impact development, stormwater capture and flood management, and MS4 stormwater implementation.

- **Operational Efficiency and Transfers**

Cooperative agreements arising from water transfers, exchanges, and banking can result in better use of water resources. With the rich groundwater storage opportunities available in the watershed, expanding the groundwater storage with a variety of available water sources can be much more cost effective than new surface storage. Such agreements will result in our ability to stretch available supplies and replace the storage lost by a shrinking snowpack. Projects under this category occur by collaboration and cooperation among the multitude of agencies and entities in the watershed, and agencies that import water into the watershed, expanding on the many past successful water agreements within the watershed. New banking agreements can represent both habitat mitigation



banking as well as groundwater banking. These agreements only can occur by entities working together and opening doors to improved efficiency and increased water supply reliance.

- **Innovative Supply Alternatives**

This strategy recognizes the need for more progress in a portfolio approach with expansion of innovative and effective 21<sup>st</sup> Century technology for water production, recycling, pumping, and desalinization. Traditionally these projects serve as an important component to achieving water supply reliability. Moving forward, a broader range of tools is available to us to serve both economic and environmental objectives. Projects under this category provide multiple benefits and thus can be mutually reinforcing. Brackish desalination and salinity management are necessary to sustain local supplies. Salinity management is essential for groundwater basin health in the watershed.

- **Remediation and Clean up**

Another strategy is implementing Total Maximum Daily Loads (TMDLs) and pollution remediation. Projects under this category must reflect projects that have region wide benefit, are integrated and have multiple benefits without a focus only on local or single purpose needs. Under this strategy, the focus is on preventing pollution and dealing with the pollution that has already occurred. This reflects a desire to duplicate the successes already established in the watershed to prevent and remediate pollution.

The Broad Planning/Management Guidance Strategies were presented and discussed with the Pillars and other stakeholders for possible prioritization of the five strategies. The feedback received is that all five strategies are a priority to the watershed. But as stakeholders of the watershed, entities are encouraged to consider the long term watershed planning approach as they consider competing alternatives to meet needs and give more merit or attention to strategies such as water use efficiency that has been traditionally found to be more cost effective in reducing water demands and generating water supply. Further, projects should consider system wide benefits before other alternatives. This applies particularly to pollution prevention at the source rather than having to address a chain of unintended and possibly negative consequences downstream for future generations.

Shown below is a list of Pillar Recommended Implementation Actions that were prepared based on the Pillar's work and other stakeholder input. These regional implementation actions are not listed in priority, nor are they in any particular order. They represent the integrated work of the Pillars that resulted from their collaboration internally and with other Pillars and are the solutions to the challenges that they identified in each of their Pillar chapters. This list does not represent a list of projects that been rated and ranked projects under the more formal Project Review Process defined under the OWOW 2.0 Plan. However, they are recommended implementation actions that reflect an emphasis on integration and system-wide solutions to the watershed challenges and include the 13 watershed-wide framework concepts previously discuss.

Each of the Pillar-recommended watershed-wide implementation actions eventually could become projects once they are more fully investigated and analyzed. Multi-agency project proponents for these implementation actions have not have been identified yet. It is anticipated that these recommended actions may best help fulfill the vision of the OWOW 2.0 Plan.

**Pillar Recommended Implementation Actions**  
(In no particular order)

Title	Description
Water Rate Structures that Encourage Conservation	Create incentive programs for retail water agencies in the watershed to reduce water demand and help meet SBX7-7 required demand reductions.
Water Use Efficiency Incentive Program	Create an incentive program for expanded water use efficiency programs including cash for grass, landscape retrofit support, and California-friendly plant discounts. Utilize IEUA Residential Landscape Transformation Program and MWD OC Comprehensive Landscape Water Use Efficiency Programs as template.
Watershed Exchange Program	<ul style="list-style-type: none"> <li>- Upper watershed foregoes development of more water recycling and provides future treated wastewater to the lower watershed via the Santa Ana River</li> <li>- Lower watershed provides “replacement” water to upper/middle watershed</li> </ul>
Wet Year Imported Water Storage Program	<ul style="list-style-type: none"> <li>- Upper watershed and MWD SC would implement this strategy</li> <li>- Goal: change MWD SC place of storage from Central Valley to Santa Ana River watershed</li> <li>- Develop MWD SC pricing structure to encourage more storage in watershed</li> <li>- Water stored in wet years for a reduced price. Water pumped in dry years for remaining Tier 1 price</li> </ul>
Enhanced Santa Ana River stormwater capture below Seven Oaks Dam	Additional stormwater detained by Seven Oaks Dam could enable the diversion of up to 500 cfs and up to 80,000 acre-feet per year. This may require execution of new water rights agreement among SAR Watermaster parties.
Off River Storage and Supply Credits	Additional stormwater capture along the SAR tributaries could enhance capture/recharge. Specific locations in the watershed would need to be defined. New recharge projects could allow for purchase of “MS4 Credits” by cities and counties as part of new development as a regional MS4 compliant recharge project.
Re-Operate Flood Control Facilities	Working with flood control agencies re-operate flood control facilities with the goal of increasing stormwater capture increasing flood get away capacity and revising decades old storage curves. Without any impending storms, the flood control agencies may be able to release stormwater at a slower rate. This relatively minor operational change would make stormwater flows easier to capture and put to use. It also would result in impounding the water longer, which would increase artificial recharge during the “holding period”. This strategy has already been successfully implemented in some portions of the watershed.
Increase Surface Water Storage	Helps offset drought and climate change while also increasing watershed sustainability and less dependence on imported water. This project would supplement but not replace existing or proposed groundwater storage.
Increase Groundwater Storage	Helps offset drought and climate change while also increasing watershed sustainability and less dependence on imported water.



Title	Description
Inland Empire Garden Friendly Demonstration and LID Project	Using the Inland Empire Garden Friendly Program as a template, a demonstration project is proposed to quantify the benefits of installing Inland Empire garden friendly products and further demonstrate Low Impact Development features in a DAC neighborhood. The project would be modeled in part after the successful City of Santa Monica Garden-Friendly Project, as well as the Elmer Ave. Neighborhood Retrofit project in the LA Basin.
DAC Water Supply or Water Quality Improvement Projects	Provide funding support to assure drinking water standards are met such as in the County Water Company of Riverside near Wildomar. Construct new sewer system for the areas that have failing septic systems/undersized treatment facilities like Beaumont Cherry Valley.
Wetlands Expansion Watershed wide	Create new wetlands along the tributaries of Santa Ana River to provide for natural water quality improvement, ecosystem restoration and recreational opportunities. Water supply for such wetlands would be dry weather urban runoff and available recycled water and would be patterned after the Mill Creek Wetlands in Chino Basin.
Watershed wide Multi-Use Corridor Program	Create multi-use corridors along SAR and its tributaries and Upper Newport Bay tributaries in all three counties in watershed to provide for sustainable wildlife corridors, stormwater attenuation and capture, flood control, sediment reduction and erosion restoration, enhanced NPS pollution treatment, removal of non-native species, and creation of recreational trails,. In Riverside County, along Temescal Wash, in San Bernardino in San Timoteo Wash, in Orange County along Borrego Canyon Wash between Irvine Blvd and Town Center Drive.
Multi-Species Habitat Plan for Gap areas of Watershed	Create multi-species habitat plan for San Bernardino County and portions of Orange County. Though work is underway on the Upper Santa Ana Wash Land Management and Habitat Conservation Plan, there is no MSHCP covering the growing areas of southwestern San Bernardino County. Western Orange County is also not covered by an MSHCP.
Water conservation recharge optimization program	Establish a water conservation-recharge optimization plan for existing and potential future flood control facilities, using the example work of the Chino Basin Recharge Master Plan and implementation projects as a template.
Watershed wide geodatabase access	Connect existing county or program-specific geodatabases to create a comprehensive watershed geodatabase that provides access to appropriate stakeholders, and set up a data quality control and maintenance program. The main component County MS4 geodatabases are well under way.
Forest Restoration Projects	Expand forest restoration through fuels reduction, meadow and chaparral restoration projects to strategic areas above major stormwater recharge basins for flood control, water supply and water quality benefits.
Residential Self-Regenerating Water Softener Removal Rebate Program	Removal of self regenerating water softeners has been proven as an effective strategy to reduce TDS levels at WWTP and assure future salt discharge requirements. The project provides watershed-wide rebates and would be a joint program among water agencies in the watershed.
Salt removal projects to achieve Salt Balance	Expand groundwater desalination to key groundwater basins where TDS and Nitrate concentrations are approaching discharge limits. Locations may include Elsinore Basin, Perris Basins in EMWD and Riverside Basins.

Title	Description
Enhanced stormwater capture from the tributaries of the Santa Ana River	Develop additional stormwater capture projects along the SAR tributaries that support key groundwater management zones identified by SB, RV, and OC Geodatabases. Early estimates indicated a capture potential of 12,000 AFY.
Conjunctive Use Storage and Water Transfer Project using Wet Year and Dry Year Allocation	This project concept proposes a purchase by downstream entities of up to 45,000 AF of imported water to be recharged by the upstream agencies during wet years. Water would be purchased at a reduced imported water rate from MWD reflecting the savings of not storing the SWP water at one of MWD's own storage programs such as the Semi-Tropic Water Storage District and/or Kern County Water Bank. In dry years, downstream agencies could request upstream agencies to increase their groundwater production for three years by up to 15,000 AF per year in-lieu of direct deliveries from MWD, while MWD increases deliveries in the downstream area by an equal amount.
Salt Assimilative Capacity Building and Recycled Water Transfer Project	EMWD has the capability to discharge 15,000 AFY of recycled water into Temescal Creek. The recycled water discharge will be dependent on surplus recycled water available and not used within EMWD particularly during wet seasons. With the approval of the SAR Watermaster, this flow can be contractually added to the Santa Ana River base flow allocation at Prado. The water quality of EMWD's discharged recycled water may require some salinity mitigation by downstream parties to meet the RWQCB Basin Plan Objective in Orange County. The GWRS will be used to provide the required mitigation for the discharged water, and EMWD will pay downstream parties for the cost of that mitigation.
Riverside Basin Aquifer Storage and Recovery Project	Riverside Public utilities, in partnership with Valley District and others are developing a design for a rubber dam that would cross the Santa Ana River and be used to divert flows, while mitigating environment impacts. The project is currently anticipated to capture and recharge 15,000 AFY.
Watershed Invasive Plant Removal Project	The Santa Ana Watershed Association, the Front Country District Ranger on the San Bernardino National Forest and Southern California Edison had proposed a major an invasive plant eradication project for the Mill Creek Watershed. This project proposes to expand the San Bernardino Mountains Front Range Invasive Plant Removal Project to an invasive plant removal and restoration project in the Santa Ana River Watershed that has many partners and stakeholders extending from the coast to the headwaters.
Regional BMPs to manage municipal stormwater discharges	Develop regional BMPs including infiltration, harvest & reuse, and biotreatment as proposed under current MS4 Permits. Initial phase would be located in MSAR Pathogen TMDL area and expand into other areas of the watershed under future phases to address pathogen treatment.
Watershed-wide coordinated surface water monitoring program	Surface water quality monitoring is not coordinated within the watershed leading to duplicative sampling in some areas and inadequate sampling in others. In some cases this may lead to 303(d) listings that do not reflect real impairments. A new program to coordinate surface water quality monitoring to enhance efficiency and reduce costs is proposed. Sources of monitoring data would come from MSAR Watershed TMDL, SWQSTF, MS4 Stormwater Permits, and SCCWRP Bioassessment Program.
Watershed Urban Runoff Management	Establishing a Watershed Based Urban Runoff Management Fund to support the implementation of stormwater management programs. Components of this program

Title	Description
Fund	could include the regulatory basis for a watershed based program, the legal basis and authority for the fund, the agreements, and programmatic elements.
Santa Ana River Sediment Transport	Building upon an OCWD demonstration project, implementation of a full scale project that allows for the appropriate transfer of sediment to maximize recharge operations, restore habitat, and reduce operation costs.
Transportation Corridor Stormwater Capture and Treatment	New uses of the current transportation right of ways can be expanded to for capturing rain runoff and replenishing groundwater basins.
Modified Watershed Brine Management System	Optimizing the water used to transport brine so that less water is lost to the ocean through increased concentrating of brine or delivery to the Salton Sea for beneficial use.
Water Industry Energy Use Reduction Incentive Program	Supporting regional purchase and installation programs of water resource related greener energy projects that reduce capital costs and green house gas emissions.
Watershed Land Use Planning Tool Kit	Developing a tool kit that translates water principles to support watershed planning decisions and implements a jurisdictional outreach effort for relevant regional, county and city planning agencies that encourages adoption of the guidance ideology into General Plans and zoning codes at the local level.

## OWOW Projects and Benefits

It is the intent of the OWOW planning process to transcend specific funding cycles. Projects are included in the OWOW 2.0 Plan based on the latest rating and ranking criteria and their merit to address the watershed's strategic needs, regardless of available funding opportunities at any given time. (See list in **Appendix K**)

Shown below is a list of the Round 1 Proposition 84 projects and the benefits that ultimately will be realized once all these projects are fully constructed. Round 2 projects submitted by SAWPA are under consideration by DWR for future grant funding with awards anticipated in early 2014.

### OWOW Proposition 84, Round 1 Projects

Project	Project Sponsor	Total Local Cost	Grant Amount	Other State Funds Being Used	Total Cost
Groundwater Replenishment System - Flow Equalization	OCWD	\$14,399,680	\$1,000,000	\$0	\$15,399,680
Sludge Dewatering, Odor Control, and Primary Sludge Thickening	OCSO	\$137,115,600	\$1,000,000	\$0	\$138,115,600
Vireo Monitoring	SAWA	\$269,207	\$600,000	\$0	\$869,207
Mill Creek Wetlands	City of Ontario	\$14,355,000	\$1,000,000	\$5,000,000	\$20,355,000
Cactus Basin	SBCFCD	\$8,250,752	\$1,000,000	\$0	\$9,250,752
Inland Empire Brine Line Rehabilitation and Enhancement	SAWPA	\$698,153	\$1,000,000	\$5,234,576	\$6,932,729
Arlington Desalter Interconnection Project	City of Corona	\$948,049	\$400,000	\$0	\$1,348,049
Perris II Desalination Facility	EMWD	\$1,335,752	\$1,000,000	\$0	\$2,335,752
Perchlorate Wellhead Treatment System Pipelines	WVWD	\$419,000	\$1,000,000	\$0	\$1,419,000
Chino Creek Wellfield	WMWD	\$5,331,118	\$1,000,000	\$0	\$6,331,118
Impaired Groundwater Recovery	IRWD	\$36,321,970	\$1,000,000	\$0	\$37,321,970
Alamitos Barrier Improvement Project	OCWD	\$10,571,600	\$1,000,000	\$0	\$11,571,600
Arlington Basin Water Quality Improvement Project	WMWD	\$3,443,636	\$1,000,000	\$0	\$4,443,636
<b>Grant Total</b>		<b>\$233,459,517</b>	<b>\$12,000,000</b>	<b>\$10,234,576</b>	<b>\$256,354,097</b>

- Reduces water demand by 11,200 AF/YR
- Captures 16,300 AFY of stormwater for recharge
- Produces 28,600 AFY of desalted groundwater while removing 21,600 tons of salt
- Creates 90,400 AFY of new water recycling
- Creates 16,400 AF of new storage
- Improves water quality to 7,800 AFY
- Creates or restores 400 acres of habitat
- Leverages \$11.7 million in grants funds with \$240 million on local funds
- Creates about 3900 construction related jobs for region



**ACTION ITEM**  
October 15, 2014

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH ACKERMAN CONSULTING**

**STAFF RECOMMENDATION**

---

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

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff recommendation.

**DETAILED REPORT**

---

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

Specifically:

Settlement Agreement

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

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

CEQA Reform

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

Poseidon Project Investigation

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

Update on selected legal and regulatory matters.

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

## **STANDARD AGREEMENT FOR CONSULTANT SERVICES**

### **Legal Consulting on Water Policy Issues**

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

#### **I**                    **PURPOSE AND SCOPE OF WORK**

##### **A.        Consulting Work.**

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

##### **B.        Independent Contractor.**

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

##### **C.        Changes in Scope of Work**

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

#### **II**                    **TERM**

---

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

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

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

#### **A. Budgeted Amount for SERVICES**

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

#### **B. Fees**

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

#### **C. Notification Clause**

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

#### **Notices shall be made as follows:**

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

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

#### **D. Billing and Payment**

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

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



#### **E. Billing Records**

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

#### **IV DOCUMENTS**

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

#### **V TERMINATION**

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

#### **VI INSURANCE REQUIREMENTS**

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

##### **A. Workers' Compensation Insurance**

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

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

## **B. Professional Liability Insurance**

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

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

## **C. Other Insurance**

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

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

## **D. Expiration of Coverage**

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

## **INDEMNIFICATION**

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

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

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

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

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

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

## **VII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST**

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

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

## **VIII** **PERMITS AND LICENSES**

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

## **IX** **LABOR AND MATERIALS**

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

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

## **X** **CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

### **A. Confidential Nature of Materials**

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

### **B. No Disclosure of Confidential Materials**

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

### **C. Protections to Ensure Control Over Materials**

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

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

## **XI OWNERSHIP OF DOCUMENTS AND DISPLAYS**

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

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

## **XII EQUAL OPPORTUNITY**

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

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

### **XIII                    INTEGRATION OF ALL OTHER AGREEMENTS**

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

### **XIV                    ATTORNEYS' FEES**

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

### **XV                    JURISDICTION AND VENUE SELECTION**

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

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

**APPROVED BY:**

**CONSULTANT ACCEPTANCE:**

\_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

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

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

## EXHIBIT "A"

<b>ETHICS POLICY</b>	<b>§7100-§7111</b>
----------------------	--------------------

### **§7100 PURPOSE**

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

### **§7101 RESPONSIBILITIES OF BOARD MEMBERS**

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

### **§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES**

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

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

---

Motion - 1/17/96;

### **§7103 CONFLICT OF INTEREST**

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

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

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

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

#### **§7104 GIFTS**

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

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

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

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

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

---

Motion - 1/17/96;

#### **§7105 PERSONS OR COMPANIES REPORTING GIFTS**



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

---

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

#### **§7106 USE OF CONFIDENTIAL INFORMATION**

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

#### **§7107 POLITICAL ACTIVITIES**

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

#### **§7108 IMPROPER ACTIVITIES**

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

#### **§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS**

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

---

Motion - 1/17/96;

## **§7110 VIOLATION OF POLICY -- DIRECTORS**

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

## **§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES**

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

## EXHIBIT "B"

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

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

1. **Term** – Commencement: July 1, 2014 Termination: June 30, 2015
2. **Fees/Rates** to be billed - \$250/hour
3. **Budgeted Amount** – Compensation is to be on a “time and material” basis, not to exceed \$36,000.00. **CONSULTANT’s** fees shall be billed by the 25<sup>th</sup> day of the month and paid by the **DISTRICT** on or before the 15<sup>th</sup> of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.
4. Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a “cost to complete” estimate for the remaining work.
5. **Scope of Work/Services** –  
  
**Task 1: Settlement Agreement**  
Assist in interpretation of the MWDOC Agreement including core and choice issues as requested.  
**Task 2 – CEQA Reform**  
Continue to monitor and keep MWDOC informed on opportunities to participate in strategic CEQA Reform initiatives.  
**Task 3: Poseidon Project Investigation**  
Assist MWDOC in analyzing institutional options for possible implementation of the Poseidon Huntington Beach Ocean desalination Project.  
**Task 4 – Update on selected legal and regulatory matters.**
6. **Consultant Representative:** Dick Ackerman



**ACTION ITEM**  
October 15, 2014

**TO:** Board of Directors

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

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP**

**STAFF RECOMMENDATION**

---

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

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff however, recommended changing the termination date of the contract to December 31, 2014 the end of the calendar year instead of June 30, 2015 the end of the fiscal year. This is to streamline administrative procedures for Board and staff, and ensure there is no disruption of services in the middle of the legislative session.

**DETAILED REPORT**

---

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

Specifically:

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

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

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

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

Update on selected issues related to MWDOC.

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

## **STANDARD AGREEMENT FOR CONSULTANT SERVICES**

### **Strategic Issues' Consulting**

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

#### **I PURPOSE AND SCOPE OF WORK**

##### **A. Consulting Work.**

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

##### **B. Independent Contractor.**

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

##### **C. Changes in Scope of Work**

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

---

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

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

## **II TERM**

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

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

### **A. Budgeted Amount for SERVICES**

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

### **B. Fees**

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

### **C. Notification Clause**

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

**Notices shall be made as follows:**

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

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

### **D. Billing and Payment**

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

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

#### **E. Billing Records**

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

### **IV DOCUMENTS**

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

### **V TERMINATION**

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

### **VI INSURANCE REQUIREMENTS**

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

#### **A. Workers' Compensation Insurance**

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

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



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

#### **B. Professional Liability Insurance**

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

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

#### **C. Other Insurance**

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

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

#### **D. Expiration of Coverage**

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

## **VII     INDEMNIFICATION**

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

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

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

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

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

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

## **VIII    FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST**

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

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

## **IX      PERMITS AND LICENSES**

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

## **X       LABOR AND MATERIALS**

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

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

## **XI      CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

### **A.      Confidential Nature of Materials**

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

### **B.      No Disclosure of Confidential Materials**

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

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

### **C. Protections to Ensure Control Over Materials**

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

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

## **XII OWNERSHIP OF DOCUMENTS AND DISPLAYS**

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

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

## **XIII EQUAL OPPORTUNITY**

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

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

## **XIV INTEGRATION OF ALL OTHER AGREEMENTS**

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

#### **XV     ATTORNEYS' FEES**

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

#### **XVI     JURISDICTION AND VENUE SELECTION**

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

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

**APPROVED BY:**

**CONSULTANT ACCEPTANCE:**

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

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

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

**EXHIBIT "A"**

<b>ETHICS POLICY</b>	<b>§7100-§7111</b>
----------------------	--------------------

**§7100 PURPOSE**

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

**§7101 RESPONSIBILITIES OF BOARD MEMBERS**

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

**§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES**

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

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

---

Motion - 1/17/96;

**§7103 CONFLICT OF INTEREST**

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

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

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

#### **§7104 GIFTS**

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

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

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

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

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

---

Motion - 1/17/96;



#### **§7105 PERSONS OR COMPANIES REPORTING GIFTS**

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

---

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

#### **§7106 USE OF CONFIDENTIAL INFORMATION**

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

#### **§7107 POLITICAL ACTIVITIES**

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

#### **§7108 IMPROPER ACTIVITIES**

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

#### **§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS**

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

---

Motion - 1/17/96;

## **§7110 VIOLATION OF POLICY -- DIRECTORS**

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

## **§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES**

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

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

## EXHIBIT "B"

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

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

1. **Term** – Commencement July 1, 2014 Termination ~~June 30, 2015~~ December 31, 2014.
2. **Fees/Rates** to be billed - \$250/hour
3. **Budgeted Amount** – Compensation is to be on a "time and material" basis, not to exceed \$48,000. **CONSULTANT's** fees shall be billed by the 25<sup>th</sup> day of the month and paid by the **DISTRICT** on or before the 15<sup>th</sup> of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.
4. Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining work.
5. **Scope of Work/Services** –  
  
Provide strategic issue consultation to MWDOC on legislative, organizational and political issues of interest as requested.  
  
Monitor, track, analyze issues, proactively and as requested, that relate to MWDOC  
  
Provide strategic guidance and recommendations to assist MWDOC and maximize its policy influence and achieve goals and objectives.  
  
Provide updates on selected issues related to MWDOC as directed.
6. **Consultant Representatives:** John Lewis and Matt Holder



**ACTION ITEM**  
October 15, 2014

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

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

**STAFF RECOMMENDATION**

---

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

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff recommendation.

**DETAILED REPORT**

---

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

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

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

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

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

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

A. Recitals

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

B. Resolves

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

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

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

\_\_\_\_\_  
Maribeth Goldsby, District Secretary  
Municipal Water District of Orange County

# GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES OCTOBER 2014

<b>Managers' Meeting</b>	<p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, September 18. In attendance were Andy Brunhart (SCWD); Howard Johnson (Brady); Steve Conklin and Marc Marcantonio (YLWD); Keith Van Der Maaten and Eric Bauman (San Juan Capistrano); Matt Collings and Joone Lopez (MNWD); Kirstin Henninger (CLEAResult -SCE); Jose Diaz (Orange); Brian Ragland (Huntington Beach); Lisa Ohlund (EOCWD); Mark Sprague (Fountain Valley); Paul Weghorst and Paul Cook (IRWD); Hector Ruiz (TCWD); Ken Vecchiarelli (GSWC); Scott Miller (Westminster); Michael Grisso (Buena Park); George Murdoch (Newport Beach); Art Valenzuela (Tustin); Jim Biery (Buena Park); Mike Markus and John Kennedy (OCWD); and Karl Seckel; Harvey De La Torre; Richard Bell; Heather Baez; Jessica Ouwerkerk; Keith Lyon and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> <li>1. Water Loss Control – Presentation by Kirstin Henninger – SCE</li> <li>2. Orange County Reliability Study Process</li> <li>3. Drought Outreach</li> <li>4. State Water Board Emergency Drought Water Usage Report Update</li> <li>5. Drought Allocations</li> <li>6. MET's Local Resources Program (LRP) Refinements</li> <li>7. Value of Water Choice Program</li> <li>8. MWDOC's MET Director Appointment</li> <li>9. WEROC's Disaster Exercise with MET – November 5</li> </ol> <p>The next meeting is scheduled for October 16.</p>
<b>Metropolitan Water Supply Allocation Plan (WSAP)</b>	<p>Keith, Harvey and I attended a Metropolitan member agency managers' workshop that is reviewing and updating the Metropolitan Water Supply Allocation Plan (WSAP). We just began the second phase of reviewing the WSAP which focuses on the allocation formula. We recently finished our discussions on the first phase, where there appears to be general agreement among the managers in revising the baseline to include more recent years to reflect agencies' current retail demands.</p>

<b>Metropolitan Water Supply Allocation Plan (WSAP) Continued</b>	The discussions currently are on the allocation formula where we are concentrating on the credits and adjustments each member agency is eligible to receive. Among the components we are reviewing are the conservation hardening credits, the retail impact adjustment, and the possible development of a local resource credit. The last phase will look at the enforcement provisions. The WSAP review is expected to be completed by year end.
<b>MET ITEMS CRITICAL TO ORANGE COUNTY</b>	
<b>MET's Water Supply Conditions</b>	<p><b><u>Updating MET's Water Supply Allocation Plan</u></b></p> <p>With MET expected to draw over a million AF from its dry-year storage accounts to meet estimated demands this calendar year, MET and the member agencies are currently in the process of reviewing and updating MET's Water Supply Allocation Plan (WSAP). The purpose of the review is to prepare the WSAP for possible implementation in mid-2015, if conditions continue to be dry. The workgroup of MET and member agency staffs are focusing on three key areas in updating the WSAP: 1) resetting the baselines 2) reviewing the formulas; and 3) evaluating the enforcement provisions in the plan. MWDOC staff plans to provide an update to the MWDOC Board on the key items the WSAP workgroup is currently discussing, including potential water supply scenarios that would trigger the implementation of the allocation plan in mid-2015.</p>
<b>MET's Finance and Rate Issues</b>	<p><b><u>Financial Report</u></b></p> <p>At MET's last month's Finance and Insurance Committee, Chief Financial Officer, Gary Breaux, reported that MET's water deliveries through August were 3,000 AF lower than budgeted, but 5,500 AF higher than the five year average. This resulted in water sales through August generating \$6.0 Million lower than budgeted. It was noted that this represents only two months of the fiscal year.</p> <p><b><u>Renewal of the MET Purchase Order</u></b></p> <p>MET and the member agencies are currently in discussion on whether to renew, restructure, or discontinue Purchase Orders with MET. The Purchase Orders are a financial contract between MET and the member agencies to voluntarily commit to purchase a set amount of imported water from MET over a 10 year period, in return to purchasing imported water at the lower Tier 1 supply rate up to 90% of their base (Agency's Base is</p>

<b>MET's Finance and Rate Issues (Continued)</b>	<p>their highest annual purchase of MET water since 1990). Any purchases above the 90% base amount will be at the Tier 2 supply rate. Those agencies that do not have a purchase order can purchase Tier 1 supplies up to 60% of their base.</p> <p>The Purchase Orders were extended for a two year period in 2012 and they are set to expire at the end of 2014. If MET and the member agencies choose to renew or restructure the terms of the purchase orders, this would need to be completed and approved by the MET board before the end of the year.</p> <p>The key issues being discussed are creating a new purchase order that secures a reasonable financial commitment to MET from the member agencies to purchase a minimum amount of water over a set period of time and continues the financial incentive with the Tier 2 water supply rate that encourages water use efficiency and local resource development.</p> <p>MET and the member agencies are reviewing and discussing a number of proposals that seek to either extend or renew the Purchase Orders. MWDOC staff plans to present more detail in the coming weeks.</p>
<b>Colorado River Issues</b>	<p><b><u>Update on Colorado River's outlook for Shortage &amp; Surplus Conditions</u></b></p> <p>On August 22, the Bureau of Reclamation (Reclamation) updated its outlook for potential shortage and surplus declarations on the Colorado River. Based on updated Reclamation model projections, they estimates that there is a 68 percent chance that a shortage could be declared on the Colorado River by 2018, while there is only a 7 percent chance that a surplus declaration could be declared over that same time period. Additionally, the modeling suggests that there is more than a 50 percent chance of shortage declaration in any year after 2018. These updated findings demonstrate that shortages are likely to be a regular occurrence on the Colorado River in the not too distant future, even if drought conditions ease.</p> <p>MET is partially protected by shortages because of California's senior priority position over most water users in Arizona and Nevada. In 2007, Reclamation adopted the Interim Shortage Guidelines, which determine how much water deliveries to Arizona and Nevada would be reduced during the early stages of water shortages. If Lake Mead drops below the level that was analyzed in the Interim Shortage Guidelines, the lower basin states agreed to convene to determine what additional reductions would occur. While MET's deliveries are not initially reduced during a shortage, MET is negatively impacted by low reservoir levels in Lake Mead because it reduces the amount of hydroelectric energy available to MET and increases the salinity of the Colorado River. Further, should California eventually face shortage, MET is at risk as the junior priority within California. MET is participating</p>



<b>Colorado River Issues (Continued)</b>	<p>in several projects to help reduce the probability of future shortages on the Colorado River and increase the storage of Lake Mead, including funding conservation efforts to reduce water use throughout the Basin and funding weather modification projects to increase snowfall.</p> <p><b><u>MET and Other Agencies are Exploring Binational Desalination projects with Mexico</u></b></p> <p>Last month, representatives from water agencies in the United States met with officials from Mexico to explore options for a binational seawater desalination plant in Rosarito Beach, Mexico. The principal purpose for the proposed desalination plant would be to meet growing water demands in Northern Baja California. The group is also exploring the possibility of a binational desalination plant, with two options of getting water from the plant to potential funding agencies in the United States: (1) constructing a pipeline to deliver desalinated water across the international border to San Diego County; or (2) developing an agreement to exchange desalinated water for Colorado River water in Lake Mead. Agencies in the United States have expressed interest in funding a study to size the plant for both direct and indirect deliveries to the United States. MET, along with Southern Nevada Water Authority and the Central Arizona Project, is interested in further exploring the Colorado River exchange concept, while the San Diego County Water Authority and Otay Water District are exploring direct delivery options. The agencies will need to make decisions about whether to participate in further studies with Mexico in the next few months.</p>
<b>Bay Delta/State Water Project Issues</b>	<p><b><u>Bay Delta Conservation Plan</u></b></p> <p>On August 27, the state and federal agencies leading the BDCP announced that they would be recirculating portions of the related BDCP documents for additional public review in early 2015. Given the complexity of the proposal and process, this is not an unusual step. The full scope of the new information in the recirculated documents is expected to be known in mid-October. The comment letters and responses to comments from both the previous public comment period and the upcoming recirculation will be published as a part of the Final EIR/EIS documents.</p> <p><b><u>Delta Stewardship Council</u></b></p> <p>The Delta Stewardship Council (Council) met on August 28. As part of the meeting, the Council went on a field trip of Dutch Slough and the Antioch Dunes to hear about the East Contra Costa County Habitat Conservation Plan and to tour potential habitat restoration sites. After</p>

<b>Bay Delta/State Water Project Issues (Continued)</b>	<p>the tour, the Council convened to consider an issue paper about habitat restoration in the Delta and to receive an update on the Delta Levee Investment Strategy.</p> <p><b><u>H.R. 5425: To prohibit the use of Federal funds for the Bay Delta Conservation Plan</u></b></p> <p>Governor Brown has requested \$4 billion dollars from Washington to help build the Delta Tunnels project. There has been opposition from environmental groups and Delta region politicians on his request. The San Joaquin County Board of Supervisors voted unanimously to oppose the Bay Delta Conservation Plan and now Garamendi, along with fellow Democrats Jerry McNerney of Pleasanton, Mike Thompson of St. Helena, and Ami Bera of Elk Grove, have introduced bill H.R. 5425 to block federal funding for the plan.</p> <p>Congressman John Garamendi (D-Fairfield) has called the Delta tunnel project a "boondoggle" and will not create one gallon of new water and warns that it would put San Francisco Bay and the Sacramento Delta at risk. Garamendi recommends there are better ways to spend federal dollars on water projects, such as "conservation, recycling, underground storage systems so that we can move waters to the aquifers and restore the aquifers."</p>
<b>ENGINEERING &amp; PLANNING</b>	
<b>Baker Treatment Plant</b>	<p>MWDOC has been asked to help secure MET's concurrence on the quality of water being introduced into the South County Pipeline. A meeting with MET staff was held on September 10. MET agreed to execution of an amendment for introduction of the Baker Treatment Plant water in exchange for a commitment for longer term good faith effort discussions regarding the AMP, the South County Pipeline and the East Orange County Feeder No. 2. Each of these pipelines has been or is being studied for conveyance of locally produced water. The long term discussions should be interesting.</p>
<b>Doheny Desalination Project</b>	<p>Work is continuing on the Foundational Action Program Studies for both the Doheny Desal and the San Juan Basin Authority. It is expected that the NEW information developed will provide an impetus for the project to move forward.</p>
<b>CalDesal Annual Conference</b>	<p>In Monterey, Richard attended the third annual CalDesal Annual Conference held on October 6 and 7 and the Executive Committee meeting on October 7. The conference was well attended, with over</p>

<b>CalDesal Annual Conference (Continued)</b>	80 persons in attendance. The program was excellent and included sessions on groundwater basin salinity and nutrient management; obstacles and alternatives to desalination implementation, emerging technology, interface of science and policy, and the water/energy connection.
<b>Poseidon Resources Ocean Desalination Project in Huntington Beach</b>	<p>Karl participated in several conference calls with Green Energy Capital, Poseidon and OCWD to provide input and background towards completion of the report.</p> <p>OCWD has posted the report by Clean Energy Capital on the cost and financing options for the Poseidon Huntington Beach Ocean Desalination Project. A presentation was given at OCWD's October 1 meeting.</p> <p>Poseidon is continuing to work with the Coastal Commission and the Independent Scientific and Technical Advisory Panel (ISTAP). The draft Phase 1 report on technical feasibility for optional subsurface intake systems was recently released. Phase 2 will include overall feasibility of subsurface intake systems.</p>
<b>OC-88 Metering Issue on the South County Pipeline</b>	MWDOC staff worked with MET to complete the analysis of the refund for the OC-88 metering problem on an agency by agency basis. A letter was released on August 25 with the Final Refund calculations for the South County Pipeline participants. On September 23, a letter went out to ALL of MWDOC's agencies explaining why they would receive a Tier 2 refund because of the OC-88 metering error.
<b>Orange County Water Reliability Study</b>	The P&O Committee is being asked to recommend approval of the revised Proposal developed by CDM-Smith for providing assistance for the study effort.
<b>Second Lower Feeder Shutdown</b>	<p>Keith attended the first meeting to plan for long-term shutdowns of MET's Second Lower Feeder to replace pre-stressed concrete pipe with steel pipe. MWDOC is scheduling meetings with the two affected MWDOC agencies: La Palma and Golden State Water Company, to review MET's plans and discuss operational issues related to the long-term shutdowns. MET is planning to complete the work in sections with each construction zone requiring about a 6-month shutdown. Construction will start in early 2016.</p> <p>Karl, Keith and Kevin Hostert met with James Tsumura and Carlo Nafarette of the City of La Palma for initial planning for shutdown of the Second Lower Feeder. The shutdowns in Orange County may not happen for five years or more, but MET has initiated discussions with all agencies with service connections to the pipeline to determine what</p>

<b>Second Lower Feeder Shutdown (Continued)</b>	<p>types of efforts will be needed to keep water flowing to the agencies. Overall, MET will be lining 100 miles of the 160 miles of PCCP in their system over a 10 to 20 year process. Just the Second Lower Feeder may take up to 10 years and is the first MET pipeline scheduled for these improvements.</p> <p>Karl and Keith also met with Ken Vecchiarelli, Stan Yarbrough and David Eikamp from Golden State Water Company and MET staff to discuss issues related to MET's planning of long-term shutdowns of the Second Lower Feeder.</p>
<b>Baker Pipeline</b>	Karl participated in a shutdown planning meeting for the Santiago Lateral and the Baker Pipeline to allow MET to expand the OC-33 service connection, increase the size of Air Vacuum Valves on the system and to provide tie-ins for connection of the Baker Treatment Plant.
<b>IDE/Parsons</b>	Karl and Richard met with Samuel Kramer from IDE (the designer of the Carlsbad desalination plant) and Roland Pilemalm of Parsons (providers of DBO deliveries) to provide an update on Doheny Desal and the Poseidon Huntington Beach Project.
<b>MET Rate Forecasts</b>	Karl, Harvey and Kevin Hostert met with Gary Breau and June Skillman to discuss MET rate forecasts out to the year 2035.
<b>Ocean Plan Amendments</b>	Richard Bell has been participating in discussions with Cal Desal and others regarding the proposed Ocean Plan Amendments. MWDOC provided comments and worked with CALDesal on additional comments.
<b>OCWD Producers Meetings</b>	When Keith attended the October 10 OCWD Producers meeting, agenda items included: Accumulated Overdraft update and BPP implications; Previous OCWD actions from MWD allocation in 2009 & 2010; Sustainable Groundwater Management Act; Water Quality Lawsuits update – NCP CERCLA process; and discussion about the Clean Energy Capital Poseidon Resources Financial Report and MWDOC LRP update.
<b>El Toro Water District LRP</b>	The LRP agreement for ETWD's Expanded Recycled Water Project was reviewed and the billing process for LRP incentives was established when Keith met with Dennis Cafferty, Mike Grandy and Judy Wilson from El Toro WD (ETWD), and Ray Mokhtari and Kira Alonzo from MET. It is anticipated that ETWD's Recycled Project will start invoicing for \$250/AF LRP incentives in January of next year. The Expansion Project will produce and deliver up to 1,175 AFY for irrigation uses. Also, it was noted that ETWD plans to utilize MET's Recycled On-site Retro-fit Program for new recycled water customers.
<b>City of Brea/Carbon Canyon Regional Park Lake</b>	Refilling the lake at Carbon Canyon Regional Park, which is operated by the County of Orange, was discussed when Keith met with Ron Krause and Rudy Correa from the City of Brea and staff from Orange County Parks. The Lake was dredged and improved to reduce loss of water, and will require about 15 AF of MET water to refill.

## EMERGENCY PREPAREDNESS

<b>WEROC Activation</b>	<p>The Santiago Fire started on Friday, September 12, in the Santiago Canyon area of Orange County. Kelly Hubbard was notified of the fire by several water utilities, which serve in or near the area, calling to receive more information. Kelly worked with the OC Operational Area Emergency Operations Center (EOC), which had been activated to a low level, to determine which agencies may be impacted by the fire and to gather more information. Kelly and Karl notified directly impacted utilities (Irvine Ranch Water District) and several who had the potential for impacts if the fire continued. All member agencies were recommended to take emergency protective actions as outlined in their Fire/Water Coordination response plans, such as topping off reservoirs with water. Since IRWD was the only directly impacted water utility, Kelly worked with the OC Operational Area EOC to ensure that IRWD could send a staff liaison to the Orange County Fire Authority Incident Command Post. Once on site, this IRWD staff person worked directly with the Fire command to determine potential impacts to water infrastructure, as well as to coordinate operational concepts as it related to fire suppression activities. This set-up worked quite well. WEROC Staff did not need to staff a position at the OA EOC and the fire command worked directly with IRWD. The OA EOC went to a monitoring status by Saturday, September 13 at 9:00 pm.</p>
<b>General Activities</b>	<p>In Indian Wells, Kelly &amp; Lisa Parson attended the California Emergency Services Association (CESA) Annual Training and Conference. Lisa assisted with developing forms for the CESA conference to ensure that participants from member agencies received CEU credits for attending and also assisted in developing the Speaker Introduction Team binders. Kelly was the Operations Chief for the conference and had primary responsibility for coordinating 75 paid and volunteer speakers for the conference. The program received great kudos and went smoothly. Both Lisa's and Kelly's attendance and cost of the conference will be reimbursed via Homeland Security Grant funds.</p> <p>Kelly and Lisa attended the annual Orange County Water Association (OCWA) Pipe Tapping Contest and BBQ. This is always an excellent opportunity to connect with the water utility staff and for Lisa to learn more about water operations.</p> <p>Lisa went on a tour of the Orange County Sanitation District treatment plant and was shown all steps of the treatment process.</p>

<b>Member Agency Coordination</b>	<p>Ongoing – Joint Met/WEROC Exercise – WEROC hosted an Exercise Design Meeting for its member agencies that are planning to participate in the November exercise. The meeting provided a good overview of exercise planning and agency preparation for exercises. In addition, attendees discussed the proposed scenario and impacts.</p> <p>Additionally, both Kelly &amp; Lisa participated in the Met Exercise Design Group conference call to further develop the exercise scenario and work out logistical needs.</p> <p>WEROC staff provided coordination on 2 fires within Orange County the week of September 8. The first was on September 10 along the Orange County – Riverside County boundary. Kelly and Karl worked with the utilities in the area, including Diemer, to assess possible impacts to water systems. Once it was established that there was no impact, WEROC staff simply monitored the situation. The second fire was the Santiago Fire which started on Friday, September 12. This fire was within the immediate service zone of the Irvine Ranch Water District. WEROC staff provided situation status reports and liaison services between IRWD and the County Operational Area. More information regarding this fire is provided in a staff report.</p> <p>Lisa and Kelly jointly worked on redesigning the PowerPoint materials for the NIMS/ SEMS/ ICS training that Kelly hosts several times a year. Lisa also worked with the test materials to update them to the training and to better cater to an adult learning audience. Kelly provided this newly revised training to South Coast Water District Operations staff on September 24 and has 3 more sessions scheduled in the coming months.</p>
<b>Coordination with the County of Orange</b>	<p>Karl, Kelly and Lisa hosted a meeting with Lt. Brett Faulkner and PJ Davis of the Orange County Intelligence Assessment Center (OCIA). The purpose of the meeting was to explain how the water systems in Orange County work, possible threats to those systems and to have a discussion on how to work with the OCIA.</p> <p>Kelly &amp; Lisa attended the Orange County Emergency Management Organization (OCOMO) at the Caltrans administrative offices in Santa Ana. Primary topics included the drought, and an operational area plan on Access, Disabilities &amp; Function needs.</p>
<b>Coordination with Outside Agencies</b>	<p>Ongoing: Kelly was asked to join the California Office of Emergency Services Southern Region Drought Conference Calls as the Region 1 Mutual Aid Coordinator for the California Water and Wastewater Agency Response Network (CalWARN). This is now a bi-weekly conference call to provide an update to the Southern Region and the</p>

<b>Coordination with Outside Agencies (Continued)</b>	<p>State Operations Center (SOC) on drought impacts, activities and needs. The conference calls are serving as a way to share methods for assisting this group within the southern region.</p> <p>Lisa performed a review of the California Water/Wastewater Agency Response Network (CalWARN) member agreements listed on the CalWARN website to our database. Kelly is now working with the Cal WARN web developer to update the site to ensure that all information regarding members was accurate.</p>
<b>WEROC Emergency Operations Center (EOC) Readiness</b>	<p>Kelly and Lisa provided two sessions of three different staff trainings to prepare for the November 5 exercise:</p> <ul style="list-style-type: none"> <li>• WEROC as a Liaison</li> <li>• WebEOC Training</li> <li>• WEROC EOC Situational Status &amp; Reporting</li> </ul> <p>These trainings are to better prepare the WEROC EOC staff, as well as member agency staff, to respond to the WEROC EOC regardless if the WEROC Program Manager is available. The goal is to have any of the WEROC EOC staff to be able to run the EOC's without a lot of direction. Lisa also made her training debut for WEROC, by covering for Kelly when she was out sick. All reports indicate that the WEROC program has a second strong trainer on board – good job Lisa!</p> <p>Kelly successfully participated in the scheduled OA Radio test this month. WEROC did not participate in the MET Radio test, because staff had a conflicting meeting. Staff will work to ensure a substitute for future scheduling conflicts to allow other staff to conduct radio tests. The WEROC Radio test held on Tuesday, September 30 was successful with 27 radios being tested, representing 24 agencies. The test has focused on how agencies would request flow changes on the MET system and how to report damages via the WEROC radio system.</p> <p>Significant progress has been made in the development and formatting of the MWDOC Continuity of Operations Plan (COOP) that will be uploaded to the new In Case of Crisis phone application. The In Case of Crisis phone App is a NEW resource for WEROC and the member agencies. The App allows WEROC to down load information to smartphones for reference and use during emergency response. The key feature allows updates any of the information simply by posting of the revisions, which are then downloaded into the subscribers' phones. WEROC is organizing key information for WEROC staff, WEROC volunteers and the member agencies. Lisa finalized content for.</p>

<b>WEROC Emergency Operations Center (EOC) Readiness (Continued)</b>	the COOP plan In Case of Crisis App and gave access to the plans to HR for preliminary review. Final reviews and corrections were completed this month and the application launched to MWDOC staff at the September Staff Meeting
<b>WATER USE EFFICIENCY</b>	
<b>Villa Park Women's League Petal Pushers Meeting</b>	On September 9, Joe Berg gave a presentation at the Petal Pushers meeting of the Villa Park Women's League. Approximately 22 league members attended the meeting. The presentation provided information on the water supply and the water use efficiency programs available to Orange County consumers.
<b>Del Norte Garden Club Meeting</b>	On September 11, Joe gave a presentation at the Del Norte Garden Club. Approximately 50 club members attended the meeting. The presentation provided information on the water supply and the water use efficiency programs available to Orange County consumers.
<b>City of Villa Park Council Meeting</b>	On September 15, Joe and Jerry Vilander, General Manager of Serrano Water District, attended the Villa Park City Council meeting. Joe spoke on the current water supply conditions and provided information on the water use efficiency programs available.
<b>Metropolitan Water District of Southern California (MET) Water Use Efficiency Meeting</b>	<p>On September 18, Joe participated in MET's monthly Water Use Efficiency meeting where approximately 45 member and sub-agency representatives attended. Agenda items included:</p> <ul style="list-style-type: none"> <li>• Conservation Program Update – Water Planning Stewardship Committee</li> <li>• Turf Talk</li> <li>• Media Plan Implementation Overview</li> <li>• Member Agency Roundtable</li> <li>• MWD Program Updates</li> </ul> <p>The next meeting is scheduled for October 16, 2014 at Metropolitan.</p>
<b>Capistrano Unified School District</b>	On September 23, Joe, along with Francie Kennedy with the City of San Juan Capistrano, Andrew Kanzler with the City of San Clemente, Nate Adams with Santa Margarita Water District, and Gregg Hooper with Moulton Niguel Water District met with facilities staff from the Capistrano Unified School District to discuss the water use efficiency programs available to the District.
<b>South Coast Property Management Workshop</b>	On September 29, Joe gave a presentation at the South Coast Property Management workshop on the water supply and the water use efficiency programs available to Orange County consumers.



<b>H2O for HOAs Drought Emergency Meeting</b>	On September 24, Joe, along with staff from the Cities of San Clemente, San Juan Capistrano, and Dana Point, participated in the H2O for HOAs Drought Emergency Meeting. Approximately 80 representatives from homeowners associations, property management companies, and landscape contractors attended this meeting. The focus of the meeting was to provide a water supply update, review the emergency drought regulations, and summarize the requirements for each city.
<b>California Urban Water Conservation Council BMP 1.4 Group 1 Caucus</b>	On October 2, Joe participated in a conference call for the BMP 1.4 Group 1 Caucus. The purpose of the conference call was to review and provide input on the status of the BMP 1.4 (Rate Structure BMP) revisions.
<b>Orange County Water Use Efficiency Coordinators' Workgroup</b>	<p>On October 2, Steve Hedges, Beth Fahl, and Jessica Ouwerkerk attended the Orange County Water Use Efficiency Coordinators' Workgroup meeting. The meeting was hosted by Santa Margarita Water District, and approximately 15 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> <li>• MWDOC Updates</li> <li>• Agency Roundtable <ul style="list-style-type: none"> <li>○ Agency Drought Response Update</li> </ul> </li> <li>• Problem Solving Roundtable</li> <li>• Public Affairs/Marketing Update <ul style="list-style-type: none"> <li>○ MWDOC WUE Microsite</li> <li>○ Turf Removal Program Lawn Signs</li> </ul> </li> <li>• Metropolitan Update <ul style="list-style-type: none"> <li>○ Conservation Program Update</li> <li>○ Regional Rebate Program</li> <li>○ Water Savings Incentive Program</li> <li>○ Media Plan Implementation Overview</li> </ul> </li> <li>• Water Use Efficiency Programs Update <ul style="list-style-type: none"> <li>○ Home Certification Program</li> <li>○ Turf Removal Program</li> <li>○ Smart Timer Program</li> <li>○ California Sprinkler Adjustment Notification System</li> <li>○</li> </ul> </li> </ul> <p>The next meeting is scheduled for November 6 and will be hosted by the City of Garden Grove.</p>
<b>Proposition 84 Round Two Kick-Off Meeting</b>	On October 7, Joe attended the Proposition 84 Round Two Kick-Off Meeting. The purpose of this meeting was to meet the Department of Water Resources Contract Manager and to review the contract requirements and the reporting requirements and schedules.

## PUBLIC/GOVERNMENT AFFAIRS

<b>Member Agency Relations</b>	<p>Darcy and Tiffany continue to work with MET on this year's inspection trip season. Tiffany accompanied me on a Colorado River Aqueduct trip September 12 and 13 and Darcy accompanied Director Dick on a State Water Project - Agriculture Trip on September 26 and 27. In addition, Director Dick is hosting a shared business coalition inspection trip on October 9 and 10 and Director Barbre is hosting a State Water Project trip for Golden State Water Company on October 28 and 29. Director Ackerman will be co-sponsoring a State Water Project trip with Chairman Randy Record on October 17 and 18 and Director Larry McKenney is hosting a State Water Project trip on November 7th-8. Director Barbre is hosting a Colorado River trip on December 5 through 7 and reservations are already being processed. Tiffany is handling contacts, invitation, confirmation, and post-trip requirements, MET staff, guest and Director needs, trip materials and handouts for the trips listed above.</p> <p>Darcy met with Fred O'Callaghan from Jet Propulsion Laboratories regarding a potential tour of their facilities for WACO in December which will be part of Director Dick's Weymouth Tour. Darcy and Tiffany held a conference call with Fred O'Callaghan and Denis Elliott with JPL to discuss itinerary options for a JPL/Weymouth inspection trip hosted by Director Dick on December 19.</p> <p>Jessica and Darcy hosted a Public Affairs Workgroup meeting on September 16. Meeting topics included drought outreach, the Value of Water Communications Program, and the Water Bond.</p> <p>Jessica is coordinating a Public Affairs Workshop on Business Communications and Presentations on October 21.</p> <p>Jessica participated in the September 18 Member Managers meeting where she provided verbal reports on the Value of Water Communications program implementation plan, drought outreach, and Water Policy Dinner.</p> <p>Jessica is coordinating the Solar Cup program with the City of Huntington Beach and Golden State Water Company. Schools in both agencies' service areas have requested to participate in the program. Currently, Huntington Beach has confirmed they will sponsor their school's participation in the program; Golden State is still pending.</p>
--	--

<b>Member Agency Relations (Continued)</b>	<p>Tiffany is continuing to work with Immersiv Media on the initial development phase of the OC Water Hero Program phone app.</p> <p>Tiffany provided water use efficiency materials and customized infographics to Yorba Linda Water District.</p> <p>Tiffany has been working with the Admin staff to create contact lists, invitations, an e-survey link and an e-invitation for the November 6 Elected Officials Forum.</p> <p>Heather met with Jim Leach of Santa Margarita Water District to discuss south county issues and SMWD's legislative priorities.</p> <p>Heather and Kathy Cole of MET reviewed MWDOC's policy principles and discussed outreach efforts.</p> <p>Heather and Stacy Taylor of Mesa Water District met to review MWDOC and Mesa Water's policy principles and discuss legislative ideas and priorities for 2015.</p> <p>Heather will participate in the Water Planning &amp; Stewardship Committee and the Communications &amp; Legislation Committee at MET on October 13.</p> <p>On October 14, Heather provided an overview of Prop. 1 to the Serrano Water District Board of Directors.</p> <p>Heather met with Christine Compton of Irvine Ranch Water District to review policy principles and legislative priorities for 2015.</p>
<b>Community Relations</b>	<p>MWDOC hosted a Water Policy Forum &amp; Dinner on Thursday, October 2, 2014. The guest speaker was ACWA President, John Coleman. Jessica took the lead on event planning, marketing, event logistics, and the follow-up survey; Tiffany coordinated registration, guest needs, and reserved table details, and assisted marketing efforts by creating several print and e-invitations; Sarah created new print materials for the reception; Darcy developed custom wine labels and speaking points for Director Dick. Heather coordinated attendance for legislative staff who wished to attend on behalf of their elected officials.</p> <p>Jessica developed and distributed the September issue of eCurrents newsletter. This issue focused on the drought, the Water Bond, the Napa earthquake, and MWDOC's new Sprinkler Adjustment Notification System program.</p>

<b>Community Relations (Continued)</b>	<p>Jessica is working with the website developer to create an online speaker request form which will be available on MWDOC's website once completed.</p> <p>Jessica is coordinating the October 30 ISDOC Luncheon. The guest speaker will be Carolyn Emery, Executive Officer of OC LAFCO. Two email invitations were distributed to market the event.</p> <p>Heather and Jessica met with ISDOC Secretary, Leslie Keane, to discuss ISDOC administration and staffing. They also participated in the ISDOC Executive Committee meeting on October 7.</p> <p>Tiffany, Jessica, and Sarah implemented MWDOC's social media activities through Facebook, Twitter, and Pinterest during this period.</p> <p>Tiffany updated several MWDOC website pages with current information.</p> <p>Tiffany finalized an MET storage levels visual for South Coast Water District which has used this image on their website to highlight the drought, and will also use it on the front page of their October bill insert.</p> <p>Darcy, Sarah, and Chris Lingad participated in the City of Tustin's Water Forum on September 30. As part of the event, Darcy presented on the Drought.</p> <p>Darcy was a guest lecturer at a public affairs undergraduate course at Azusa Pacific University. The topic was public affairs in the government sector.</p> <p>Heather met with Matt Holder from the Lewis Consulting Group to discuss outreach efforts in the county.</p> <p>Heather attended the South Orange County Candidates' Reception hosted by the Orange County Association of Realtors.</p>
<b>Media Relations</b>	<p>Darcy and Jessica spoke with OC Register Reporter, Asher Klein, regarding the drought, Orange County's efforts, and current rebate programs.</p> <p>Jessica spoke with, and provided written information to, Nuoi Viet Reporter, Kalyneh Loan Ngo, regarding MWDOC's Turf Removal Program.</p> <p>Jessica spoke with, and sent information to, LA Times Reporter, Javier Panzar, regarding MWDOC's Turf Removal Program.</p> <p>She spoke with LA Register Reporter, Hannah Madans, regarding O.C.'s water supply and initiatives water providers are taking to manage demand.</p>

<b>Media Relations (Continued)</b>	Darcy wrote a press release regarding Director McKenney's appointment to the Metropolitan Board of Directors. Jessica distributed the release immediately following the formal appointment.
<b>Special Projects</b>	<p>Darcy and Jessica are finalizing participation from the Member Agencies and the Three Cities for the Choice portion of the Value of Water Communications effort. A contract extension for Fraser Communications for the Choice portion of the program will be presented at the October 20 Public Affairs and Legislation Committee meeting.</p> <p>Darcy is working with California Nevada Section, American Water Works Association's Certification Board on the launch of a new certification program for Recycled Water Operators. Information on the new proposed program will be provided at their fall conference.</p> <p>Darcy is scheduled to participate on the State Water Resources Control Board Operator Certification Stakeholders meeting on October 14 in Sacramento. This will be the first meeting of the group since the Drinking Water Program was transferred.</p> <p>Darcy, Jessica and Tiffany are working with Lisa Ohlund, General Manager, East Orange County Water District, and current Chairman of the Urban Water Institute, regarding planning an event to recognize retiring Director Wayne Clark and his 35 years of service to the District and the water industry.</p> <p>Darcy, Jessica, Tiffany, and Heather participated in several WEROC trainings.</p> <p>Darcy will be receiving the California Nevada Section, American Water Works Association's Leadership Award for her work as Certification Director. The award will be presented at their fall conference in Reno on October 21.</p>
<b>Water-Use Efficiency Marketing</b>	<p>Darcy is working with Joe and the Water Use Efficiency staff to develop a phone script about the Turf Removal Program.</p> <p>Jessica is in the final stages of completing the new Water Use Efficiency microsite that will house information regarding all MWDOC Water Use Efficiency rebates and programs. The site is expected to launch mid-October.</p>

<b>Water-Use Efficiency Marketing (Continued)</b>	<p>Jessica created a custom drip irrigation rebate program ad for Laguna Beach County Water District and South Coast Water District.</p> <p>Jessica and Steve are creating an annual report to highlight MWDOC's progress on the WUE Master Plan. Steve is creating the content and Jessica is developing the layout and visuals. The draft report should be complete in November.</p> <p>Jessica created a new WUE marketing flyer with information on all residential rebates. Printed copies of the flyer were distributed at the October 2 WUE Coordinators' meeting.</p> <p>Jessica created a customized version of the rebates flyer for Rainbird Company to use when promoting the rebates to their customers.</p> <p>Jessica is finalizing the bulk order of Turf Removal Program lawn signs for the member agencies. The signs will be placed in the front lawns at participating sites to promote the program and drive the public to ocwatersmart.com. Twenty-six member agencies ordered the signs.</p> <p>Jessica and Beth developed a letter for City Managers to ensure they are informed of the Turf Removal Program. The letter is pending approval from management staff.</p> <p>Jessica is working with an app developer on a potential water waste reporting widget. The widget would be available on MWDOC's new WUE microsite to enable members of the public to identify water waste in the community. Follow-up to the water waste reports would be handled by the member agencies.</p> <p>Jessica participated in OC Garden Friendly program steering committee meetings on September 22 and October 6. During the meetings, the committee finalized the 2014-15 event dates, as follows: October 12 (Home Depot- Garden Grove), October 18 (Tree of Life Nursery), March 7 (Home Depot- Cypress), April 11 (Home Depot- Mission Viejo), May 2 (Green Thumb Nursery), and TBD (Costa Mesa).</p> <p>Jessica participated in the September 23 Orange County Stormwater Program Public Education committee meeting at the County.</p>
---	---

<b>Water-Use Efficiency Marketing (Continued)</b>	Jessica participated in the October 2 WUE Coordinators meeting. At the meeting, she previewed the new WUE microsite. Member agency staff is extremely pleased with the new site and are eager for its launch.
<b>Legislative Affairs</b>	<p>Darcy and Heather participated in the WACO planning meeting. Darcy provided staff support for the October 3 meeting.</p> <p>Heather met with Jim Barker to discuss various federal issues and potential visits to Washington D.C. on behalf of MWDOC. They also had phone calls related to the upcoming EPA Listening Sessions for WIFIA and on S.2771.</p> <p>Heather attended a farewell reception for Senator Mark Wyland.</p> <p>Heather created a one-page Fact Sheet for Proposition 1.</p> <p>Heather participated in a weekly call with Heather Stratman and Ian Delzer of TPA. Heather and Heather also had a meeting to develop a framework for the remainder of 2014.</p> <p>Heather attended the Legislative Roundtable hosted by ACC-OC with Congressman Ed Royce.</p> <p>Heather had a “meet and greet” and provided a MWDOC update to both Javiera Cartagena, District Director for Assemblywoman Sharon Quirk-Silva, and Matt Hicks, District Director for Assemblyman Tom Daly.</p>

pat meszaros  
09/09/14

**INFORMATION CALENDAR**

**MWDOC GENERAL INFORMATION  
ITEMS**

**MWDOC BOARD OF DIRECTORS**

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