

SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
AND ANNUAL MEETING OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER FACILITIES CORPORATION
18700 Ward Street, Board Room, Fountain Valley, California
September 17, 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

MWDOC WATER FACILITIES CORPORATION AGENDA ITEMS

WFC-1 FINANCIAL REPORT

- a. Annual Filing of Tax Compliance Reports.

Recommendation: Authorize the annual filing of the tax compliance reports as presented.

WFC-2 REORGANIZATION OF MWDOC WFC BOARD OFFICERS

Recommendation: Consider reorganizing the MWDOC WFC Board officers.

ADJOURNMENT -- END MWDOC WFC AGENDA

MWDOC AGENDA

NEXT RESOLUTION NO. 1990

CONSENT CALENDAR (Items 1 to 6)

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

1. MINUTES

- a. August 6 , 2014 Workshop Board Meeting
- b. August 20, 2014 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee: August 4, 2014
- b. Administration & Finance Committee: August 13, 2014
- c. Public Affairs & Legislation Committee: August 11, 2014
- d. Executive Committee Meeting: August 21, 2014
- e. MWDOC/OCWD Joint Planning Committee: July 23, 2014

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

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

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of July 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. Preliminary Financial Report for Fiscal Year 2013-14 (Unaudited)
- b. Audit Report for FY 2013-14

Recommendation: Receive and file as presented.

5. 2014 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW

Recommendation: Authorize 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.

6. TRAVEL TO WASHINGTON DC IN 2014 TO COVER FEDERAL INITIATIVES

Recommendation: Receive and file.

– End Consent Calendar –

ACTION CALENDAR**7-1 APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER
RES. NO. _____**

Recommendation: Adopt Resolution reappointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey, Mary Snow as Alternate Deputy Treasurers, and appointing Lina Gunawan as an additional Alternate Deputy Treasurer. Said Resolution also outlines signatory authority

**7-2 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
RES. NO. _____**

Recommendation: Approve the execution of the 2013 Grant Transfer Agreement with the County of Orange as the Local Homeland Security (HLS) Grant Administrator and adopt Resolution providing authority to the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant.

**7-3 THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT
OF 2014**

Recommendation: Adopt 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.

7-4 S2198 (FEINSTEIN) EMERGENCY DROUGHT RELIEF ACT OF 2014

Recommendation: Adopt a support position on S2198 (Feinstein) – Emergency Drought Relief Act of 2014.

7-5 RESOLUTION HONORING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY RETIRING DIRECTOR WAYNE CLARK

RES. NO. _____

Recommendation: Approve honoring MWDOC Director Wayne Clark with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

7-6 RESOLUTION HONORING OCWD RETIRING DIRECTOR KATHRYN BARR

RES. NO. _____

Recommendation: Approve honoring OCWD Director Kathryn "Kay" Barr with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

7-7 RESOLUTION HONORING LOS ANGELES METROPOLITAN DIRECTOR KRIS MURRAY

RES. NO. _____

Recommendation: Approve honoring Metropolitan Director Kristine ("Kris") L. Murray with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

7-8 ISDOC OFFICER ELECTIONS

Recommendation: Receive recommendation from the Public Affairs & Legislation Committee and authorize President Dick to cast the District's ballot.

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

8. GENERAL MANAGER'S REPORT, SEPTEMBER 2014 (ORAL AND WRITTEN)

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

9. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

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.



Item No. WFC-1

WFC ACTION ITEM

September 17, 2014

TO: Board of Directors, MWDOC Water Facilities Corporation

FROM: Robert Hunter, General Manager Staff Contact: Jeffrey Stalvey

SUBJECT: 2014 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation

STAFF RECOMMENDATION

Staff recommends that the Board of Directors authorize the annual filing of the Water Facilities Corporation tax compliance reports as presented.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

To maintain the Water Facilities Corporation ("Corporation") as an active entity, the following tax compliance reports will be filed on behalf of the Corporation for FY 2013-14, upon review of the Administration & Finance Committee, and concurrence by the Corporation Board of Directors:

- Return of Organization Exempt from Income Tax (IRS Form 990)
- California Exempt Organization Annual Information Return (CA Form 199)
- Annual Registration Renewal Fee Report to Attorney General of California (CA Form RRF-1)

•

The Corporation Board of Directors approved filing these reports for FY 2012-13 on September 18, 2013.

Attachments

- IRS Form 990
- CA Form 199
- CA Form RRF-1

| | | | |
|---|-----------------------------|-------------------|-----------|
| Budgeted (Y/N): N/A | Budgeted Amount: N/A | Core __ | Choice __ |
| Action Item Amount: N/A | | Line item: | |
| Fiscal Impact (explain if unbudgeted): N/A | | | |

Short Form**Return of Organization Exempt From Income Tax**

OMB No. 1545-1150

2013**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-EZ and its instructions is at www.irs.gov/form990.

| | |
|---|---|
| A For the 2013 calendar year, or tax year beginning July 1, 2013, and ending June 30, 2014 | |
| B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending | C Name of organization Municipal Water District of Orange County - Water Facilities Corporation Number and street (or P.O. box, if mail is not delivered to street address) Room/suite P.O. Box 20895 City or town, state or province, country, and ZIP or foreign postal code Fountain Valley, California 92728 |
| D Employer identification number 959-350079 | E Telephone number 714-593-5022 |
| F Group Exemption Number ▶ | |
| G Accounting Method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify) ▶ | |
| I Website: ▶ mwdoc.com | |
| J Tax-exempt status (check only one) — <input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 | |
| K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other | |
| L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ ▶ \$ 0 | |

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)Check if the organization used Schedule O to respond to any question in this Part I ☐

| | | | |
|---|---|-----------|---|
| Revenue | 1 Contributions, gifts, grants, and similar amounts received | 1 | 0 |
| | 2 Program service revenue including government fees and contracts | 2 | 0 |
| | 3 Membership dues and assessments | 3 | 0 |
| | 4 Investment income | 4 | 0 |
| | 5a Gross amount from sale of assets other than inventory | 5a | |
| | b Less: cost or other basis and sales expenses | 5b | |
| | c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) | 5c | |
| | 6 Gaming and fundraising events | | |
| | a Gross income from gaming (attach Schedule G if greater than \$15,000) | 6a | |
| | b Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000) | 6b | |
| c Less: direct expenses from gaming and fundraising events | 6c | | |
| d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c) | 6d | | |
| 7a Gross sales of inventory, less returns and allowances | 7a | | |
| b Less: cost of goods sold | 7b | | |
| c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) | 7c | 0 | |
| 8 Other revenue (describe in Schedule O) | 8 | 0 | |
| 9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8 ▶ | 9 | 0 | |
| Expenses | 10 Grants and similar amounts paid (list in Schedule O) | 10 | |
| | 11 Benefits paid to or for members | 11 | |
| | 12 Salaries, other compensation, and employee benefits | 12 | |
| | 13 Professional fees and other payments to independent contractors | 13 | |
| | 14 Occupancy, rent, utilities, and maintenance | 14 | |
| | 15 Printing, publications, postage, and shipping | 15 | |
| | 16 Other expenses (describe in Schedule O) | 16 | |
| | 17 Total expenses. Add lines 10 through 16 ▶ | 17 | 0 |
| Net Assets | 18 Excess or (deficit) for the year (Subtract line 17 from line 9) | 18 | 0 |
| | 19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) | 19 | |
| | 20 Other changes in net assets or fund balances (explain in Schedule O) | 20 | |
| | 21 Net assets or fund balances at end of year. Combine lines 18 through 20 ▶ | 21 | 0 |

For Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 106421

Form **990-EZ** (2013)

Check if the organization used Schedule O to respond to any question in this Part II ☐

Part III **Statement of Program Service Accomplishments** (see the instructions for Part III)

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

Part IV **List of Officers, Directors, Trustees, and Key Employees** (list each one even if not compensated—see the instructions for Part IV)

Check if the organization used Schedule O to respond to any question in this Part IV ☐

[illegible]

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V ☐

| | Yes | No |
|--|------------------|-------------------------------------|
| 33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O | 33 | <input checked="" type="checkbox"/> |
| 34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions) | 34 | <input checked="" type="checkbox"/> |
| 35a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)? | 35a | <input checked="" type="checkbox"/> |
| b If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O | 35b | <input checked="" type="checkbox"/> |
| c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III | 35c | <input checked="" type="checkbox"/> |
| 36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N | 36 | <input checked="" type="checkbox"/> |
| 37a Enter amount of political expenditures, direct or indirect, as described in the instructions ▶ 37a _____ | | |
| b Did the organization file Form 1120-POL for this year? | 37b | <input checked="" type="checkbox"/> |
| 38a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return? | 38a | <input checked="" type="checkbox"/> |
| b If "Yes," complete Schedule L, Part II and enter the total amount involved | 38b _____ | |
| 39 Section 501(c)(7) organizations. Enter: | | |
| a Initiation fees and capital contributions included on line 9 | 39a _____ | |
| b Gross receipts, included on line 9, for public use of club facilities | 39b _____ | |
| 40a Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ _____ ; section 4912 ▶ _____ ; section 4955 ▶ _____ | | |
| b Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | 40b | <input checked="" type="checkbox"/> |
| c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____ | | |
| d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ _____ | | |
| e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T | 40e | <input checked="" type="checkbox"/> |
| 41 List the states with which a copy of this return is filed ▶ _____ | | |
| 42a The organization's books are in care of ▶ <u>Hilary Chumpitazi</u> Telephone no. ▶ <u>714.593.5019</u> Located at ▶ <u>18700 Ward Street</u> <u>Fountain Valley, CA</u> ZIP + 4 ▶ <u>92708</u> | | |
| b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts . | 42b | <input checked="" type="checkbox"/> |
| c At any time during the calendar year, did the organization maintain an office outside the U.S.? If "Yes," enter the name of the foreign country: ▶ _____ | 42c | <input checked="" type="checkbox"/> |
| 43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43 _____ | | |
| 44a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ | 44a | <input checked="" type="checkbox"/> |
| b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ | 44b | <input checked="" type="checkbox"/> |
| c Did the organization receive any payments for indoor tanning services during the year? | 44c | <input checked="" type="checkbox"/> |
| d If "Yes" to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O | 44d | <input checked="" type="checkbox"/> |
| 45a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | 45a | <input checked="" type="checkbox"/> |
| 45b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions) | 45b | <input checked="" type="checkbox"/> |

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

| | Yes | No |
|-----------|-----|-------------------------------------|
| 46 | | <input checked="" type="checkbox"/> |

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47–49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

| | Yes | No |
|-----------|-----|----|
| 47 | | |

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

| | | |
|-----------|--|--|
| 48 | | |
|-----------|--|--|

49a Did the organization make any transfers to an exempt non-charitable related organization?

| | | |
|------------|--|--|
| 49a | | |
|------------|--|--|

b If "Yes," was the related organization a section 527 organization?

| | | |
|------------|--|--|
| 49b | | |
|------------|--|--|

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

| (a) Name and title of each employee | (b) Average hours per week devoted to position | (c) Reportable compensation (Forms W-2/1099-MISC) | (d) Health benefits, contributions to employee benefit plans, and deferred compensation | (e) Estimated amount of other compensation |
|-------------------------------------|--|---|---|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

f Total number of other employees paid over \$100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

| (a) Name and business address of each independent contractor | (b) Type of service | (c) Compensation |
|--|---------------------|------------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

d Total number of other independent contractors each receiving over \$100,000 ▶

52 Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A ▶ ☐ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

| | | |
|------------------|---|------|
| Sign Here | Signature of officer | Date |
| | Jeffrey Stalvey, Deputy Treasurer Type or print name and title | |

| | | | | | |
|-------------------------------|----------------------------|----------------------|------|---|------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | Firm's EIN ▶ | | | |
| | Firm's address ▶ | Phone no. ▶ | | | |

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☐ Yes ☐ No

2013**California Exempt Organization
Annual Information Return****199**Calendar Year 2013 or fiscal year beginning (mm/dd/yyyy) 07/01/2013, and ending (mm/dd/yyyy) 06/30/2014

Corporation/Organization Name

Municipal Water District of Orange County - Water Facilities Corporation

California corporation number

0 8 4 4 3 8 6

Address (suite, room, or PMB no.)

P.O. Box 20895

FEIN

9 5 3 5 0 0 7 3 9

City

Fountain Valley

State

CA

ZIP Code

92728**A** First Return. ☐ Yes ☒ No**B** Amended Information Return. ☒ Yes ☐ No**C** IRC Section 4947(a)(1) trust. ☐ Yes ☒ No**D** Final Information Return? ☒ Dissolved ☐ Surrendered (Withdrawn)☐ Merged/ReorganizedEnter date: (mm/dd/yyyy) ☐ ____ / ____ / ____**E** Check accounting method:(1) ☐ Cash (2) ☒ Accrual (3) ☐ Other**F** Federal return filed?(1) ☒ 990T (2) ☐ 990 PF (3) ☐ Sch H (990)**G** Is this a group filing for the subordinates/affiliates? ☐ Yes ☒ No

If "Yes," attach a roster. See instructions

H Is this organization in a group exemption? ☐ Yes ☒ No

If "Yes," what is the parent's name?

I Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? ☐ Yes ☒ No

If "Yes," explain, and attach copies of revised documents.

J If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign, or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? ☐ Yes ☒ No
If "Yes," complete and attach form FTB 3509.**K** Is the organization exempt under R&TC Section 23701g? ☐ Yes ☒ No
If "Yes," enter the gross receipts from nonmember sources. \$ _____**L** If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. No filing fee is required. ☐**M** Is the organization a Limited Liability Company? ☐ Yes ☒ No**N** Did the organization file Form 100 or Form 109 to report taxable income? ☐ Yes ☒ No**O** Is the organization under audit by the IRS or has the IRS audited in a prior year? ☐ Yes ☒ No**Part I Complete Part I unless not required to file this form. See General Instructions B and C.**

| | | | | | |
|------------------------------|----|---|----|----|----|
| Receipts and Revenues | 1 | Gross sales or receipts from other sources. From Side 2, Part II, line 8. | 1 | 0 | 00 |
| | 2 | Gross dues and assessments from members and affiliates. | 2 | 0 | 00 |
| | 3 | Gross contributions, gifts, grants, and similar amounts received. | 3 | 0 | 00 |
| | 4 | Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$50,000, see General Instruction B. | 4 | 0 | 00 |
| | 5 | Cost of goods sold. | 5 | 00 | |
| | 6 | Cost or other basis, and sales expenses of assets sold. | 6 | 00 | |
| | 7 | Total costs. Add line 5 and line 6. | 7 | 0 | 00 |
| | 8 | Total gross income. Subtract line 7 from line 4. | 8 | 0 | 00 |
| Expenses | 9 | Total expenses and disbursements. From Side 2, Part II, line 18. | 9 | 0 | 00 |
| | 10 | Excess of receipts over expenses and disbursements. Subtract line 9 from line 8. | 10 | 0 | 00 |
| Filing Fee | 11 | Filing fee \$10 or \$25. See General Instruction F. | 11 | 0 | 00 |
| | 12 | Total payments. | 12 | 0 | 00 |
| | 13 | Penalties and Interest. See General Instruction J. | 13 | 0 | 00 |
| | 14 | Use tax. See General Instruction K. | 14 | 0 | 00 |
| | 15 | Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result. | 15 | 0 | 00 |

| | | | |
|--|--|----------------------------------|--|
| Sign Here | Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. | | |
| | Signature of officer <input type="checkbox"/> | Title <u>Deputy Treasurer</u> | Date <u>8-19-2014</u> |
| Paid Preparer's Use Only | Preparer's signature <input type="checkbox"/> | Date | Check if self-employed <input type="checkbox"/> |
| | Firm's name (or yours, if self-employed) and address | | |
| | | | |
| | | | |
| May the FTB discuss this return with the preparer shown above? See instructions. | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information.

| | | | | | |
|------------------------------------|---|---|----|---|----|
| Receipts from Other Sources | 1 Gross sales or receipts from all business activities. See instructions. | ● | 1 | 0 | 00 |
| | 2 Interest. | ● | 2 | | 00 |
| | 3 Dividends. | ● | 3 | | 00 |
| | 4 Gross rents. | ● | 4 | | 00 |
| | 5 Gross royalties. | ● | 5 | | 00 |
| | 6 Gross amount received from sale of assets (See Instructions). | ● | 6 | | 00 |
| | 7 Other income. Attach schedule. | ● | 7 | | 00 |
| | 8 Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1. | ● | 8 | 0 | 00 |
| Expenses and Disbursements | 9 Contributions, gifts, grants, and similar amounts paid. Attach schedule. | ● | 9 | | 00 |
| | 10 Disbursements to or for members. | ● | 10 | | 00 |
| | 11 Compensation of officers, directors, and trustees. Attach schedule. | ● | 11 | | 00 |
| | 12 Other salaries and wages. | ● | 12 | | 00 |
| | 13 Interest. | ● | 13 | | 00 |
| | 14 Taxes. | ● | 14 | | 00 |
| | 15 Rents. | ● | 15 | | 00 |
| | 16 Depreciation and depletion (See instructions). | ● | 16 | | 00 |
| | 17 Other Expenses and Disbursements. Attach schedule. | ● | 17 | | 00 |
| | 18 Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9. | ● | 18 | 0 | 00 |

| Schedule L Balance Sheets | | Beginning of taxable year | | End of taxable year | |
|--|-----|----------------------------------|-----|----------------------------|-----|
| Assets | | (a) | (b) | (c) | (d) |
| 1 Cash | | | 0 | ● | 0 |
| 2 Net accounts receivable | | | | ● | |
| 3 Net notes receivable. | | | | ● | |
| 4 Inventories | | | | ● | |
| 5 Federal and state government obligations. | | | | ● | |
| 6 Investments in other bonds. | | | | ● | |
| 7 Investments in stock. | | | | ● | |
| 8 Mortgage loans. | | | | ● | |
| 9 Other investments. Attach schedule. | | | | ● | |
| 10 a Depreciable assets. | | | | | |
| b Less accumulated depreciation | () | | () | | |
| 11 Land | | | | ● | |
| 12 Other assets. Attach schedule. | | | | ● | |
| 13 Total assets. | | | 0 | | 0 |
| Liabilities and net worth | | | | | |
| 14 Accounts payable | | | | ● | |
| 15 Contributions, gifts, or grants payable | | | | ● | |
| 16 Bonds and notes payable. | | | | ● | |
| 17 Mortgages payable | | | | ● | |
| 18 Other liabilities. Attach schedule. | | | | | |
| 19 Capital stock or principle fund. | | | | ● | |
| 20 Paid-in or capital surplus. Attach reconciliation | | | | ● | |
| 21 Retained earnings or income fund | | | | ● | |
| 22 Total liabilities and net worth. | | | 0 | | 0 |

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.

| | | | | | |
|--|---|---|---|---|---|
| 1 Net income per books | ● | 0 | 7 Income recorded on books this year not included in this return. Attach schedule. | ● | 0 |
| 2 Federal income tax. | ● | | 8 Deductions in this return not charged against book income this year. Attach schedule. | ● | 0 |
| 3 Excess of capital losses over capital gains. | ● | | 9 Total. Add line 7 and line 8. | | 0 |
| 4 Income not recorded on books this year. Attach schedule. | ● | | 10 Net income per return. Subtract line 9 from line 6. | | 0 |
| 5 Expenses recorded on books this year not deducted in this return. Attach schedule. | ● | | | | |
| 6 Total. Add line 1 through line 5. | | 0 | | | |

FEDERAL STATEMENTS
Municipal Water District of Orange County
Water facilities Corporation
95-3500739
Year 2013

STATEMENT 1
FORM 990EZ, PART IV
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

| Name and Address | Title & average hrs/week devoted to position | Compensation | Contributions to employee benefits & def comp | Expense a/c & other allowances |
|--|--|--------------|---|-----------------------------------|
| Brett Barbre [REDACTED] [REDACTED] | Director | 0 | 0 | 0 |
| Wayne Clark [REDACTED] [REDACTED] | Director | 0 | 0 | 0 |
| Larry Dick [REDACTED] [REDACTED] | President | 0 | 0 | 0 |
| Joan Finnegan [REDACTED] [REDACTED] | Director | 0 | 0 | 0 |
| Susan Hinman [REDACTED] [REDACTED] | Director | 0 | 0 | 0 |
| Wayne Osborne [REDACTED] [REDACTED] | Vice President | 0 | 0 | 0 |
| Jeffery Thomas [REDACTED] [REDACTED] | Director | 0 | 0 | 0 |



WFC ACTION ITEM

September 17, 2014

TO: Board of Directors, MWDOC Water Facilities Corporation

FROM: Robert Hunter, General Manager Staff Contact: Maribeth Goldsby

SUBJECT: Annual Reorganization of Board Officers for the MWDOC Water Facilities Corporation

STAFF RECOMMENDATION

Staff recommends that the Board of Directors consider reorganization of Board Officers for the MWDOC Water Facilities Corporation.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

In December 2010, the Board of Directors adopted the Amended and Restated By-Laws for the Water Facilities Corporation ("Corporation"). An annual reorganization of Corporation Board Officers shall be conducted in accordance with Article IV., Sections 4.02 and 4.03, as excerpted below.

Section 4.02. Appointment. The officers shall be chosen at the annual meeting each year by the Board of Directors and each shall hold their office until they shall resign, be removed, or otherwise disqualified to serve, or a successor shall be qualified and appointed.

Section 4.03. Term of Office. Unless otherwise determined at the discretion of the Board of Directors, the term of office of the President and Vice President of the Corporation shall be for one year. The term of office of the General Manager, Secretary and Treasurer of the Corporation, respectively, shall coincide with each individual's term of employment with the District.

Currently Director Dick serves as President, Director Osborne serves as Vice President of the MWDOC Water Facilities Corp. It is necessary to appoint the staff representation as well (Maribeth Goldsby currently serves as Secretary and Hilary Chumpitazi has been handling the Treasurer responsibilities).

| | | | |
|---|-----------------------------|---------|-----------|
| Budgeted (Y/N): N/A | Budgeted Amount: N/A | Core __ | Choice __ |
| Action Item Amount: N/A | Line item: | | |
| Fiscal Impact (explain if unbudgeted): N/A | | | |

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

August 6, 2014

At 8:30 a.m. President Dick 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. IRWD General Manager Paul Cook led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Wayne A. Clark
Larry Dick*
Susan Hinman (via teleconference)
Wayne Osborne
Jeffery M. Thomas (absent)
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

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Linda Ackerman (absent)

OTHERS PRESENT

Brian Ragland
Steve Lamar
Peer Swan
Paul Cook
Paul Weghorst
Larry McKenney
Marc Serna
John Kennedy
Bob Moore
Rick Erkeneff
Andy Brunhart
Gary Melton
Richard Gardner
Ed Means
Elizabeth Mendelson
Betsy Eglash

City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Moulton Niguel Water District
Orange County Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District

Means Consulting
San Diego County Water Authority
Brady & Associates

TELECONFERENCE SITE

President Dick announced that Director Hinman would be participating via telephone conference from Rollins, Montana. (All agenda requirements pursuant to the Ralph M. Brown Act were complied with.)

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

No items were presented.

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

President 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.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

Mr. Richard Gardner highlighted the drought, and inquired as to the efforts underway to manage the drought and the need to understand per capita use of water. Mr. Hunter responded, noting that MWDOC issues a monthly water usage report which outlines overall per capita use for Orange County. Mr. Hunter also advised that the MWDOC Member Agency Managers group is scheduled to discuss a proposal to update the county-wide Orange County Water Reliability Plan (the current plan is 10 years old).

PRESENTATION/DISCUSSION/INFORMATION ITEMS**ROUNDTABLE DISCUSSION RE INCENTIVIZING MET'S LOCAL RESOURCE PROGRAM (LRP)**

Mr. Harvey De La Torre presented information regarding potential changes to MET's Local Resource Program (LRP). His presentation included background information on the LRP, an overview of the need for additional local resources, a list of potential program improvements, and a list of alternative mechanisms to support/encourage local resource projects. Mr. De La Torre advised that although MET periodically reviews and develops LRP program modifications and changes (with member agency assistance), the last significant change was in 2007.

Mr. De La Torre highlighted potential improvements to the LRP that are being considered; namely (1) increase the per AF incentive amount; (2) allow for a fixed incentive amount; (3) provide upfront financing; (4) modify the criteria for eligible expenses for the incentive; (5) allow

for credits on MET's Water Supply Allocation Plan; (6) open the program to other resources (e.g., ocean desalination); and (7) increase the LRP per AF goal. He advised that the purpose of the presentation was not to fully develop a new program, but rather begin the discussion of the direction MET and the member agencies should start considering (for evaluation in the near future).

Mr. Ed Means (Means Consulting) facilitated the discussion regarding the alternatives and future of the LRP Program, noting the importance of presenting a unified Orange County set of drivers/policy questions for MET to consider, as well as developing and recommending policy changes to MET.

Considerable discussion ensued regarding the need for MET to be protected (financially) against up-front costs for projects that don't come to fruition, the need to improve local supply sources (at the lowest possible cost), and the need for additional reliable supplies (retrofit/recycled water projects). The group also discussed the need to keep water use efficiency activities separate from the LRP Program, which should focus on supply reliability, and that only projects that benefit the region should be eligible for the LRP Program.

Director Osborne commented on the regional importance of developing a desalination plant in Orange County and the need for MET to consider taking ownership of such a project, which would provide a new source of water to the region.

President Dick thanked all in attendance for participating in the discussion. He reminded everyone that MET takes a regional approach to all of its programs, that LRP funding helps to accelerate projects, and that storage projects should be part of the Bay-Delta Conservation Plan. Mr. Dick commented that a great expansion of the Program may be inhibited due to the relatively low rate increases over the next two years.

The Board received and filed the report as presented.

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

Discussion ensued regarding the drought, as well as MET's Water Supply Allocation Plan so that all receive an equitable share of water during shortage situations.

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 July MET Board Meeting
- b. Review Items of significance for the Upcoming MET Board and Committee Agendas

It was noted that the Governor's proposal regarding the Water Bond was released and that this issue would be discussed by the MET Board.

The Board received and filed the report as presented.

ADJOURNMENT

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

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
August 20, 2014**

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

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
Larry Dick (absent)
Joan C. Finnegan
Susan Hinman (via teleconference)
Wayne Osborne
Jeffery M. Thomas (via teleconference)

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Darcy Burke, Director of Public Affairs
Cathy Harris, Administrative Services Manager
Kelly Hubbard, WEROC Programs Manager
Lisa Parson, WEROC Program Coordinator
Heather Baez, Governmental Affairs Manager
Joe Berg, Water Use Efficiency Prog. Manager
Harvey De La Torre, Prin. Water Res. Planner

ALSO PRESENT

Linda Ackerman
William Kahn
Ken Vecchiarelli
Brian Ragland
Doug Reinhart
Paul Weghorst
Paul Shoenberger
Phil Lauri
Larry McKenney
Bob Moore
Rick Erkeneff
Andrew Brunhart
Gary Melton
Laer Pearce
Betsy Eglash

MWDOC MET Director
El Toro Water District
Golden State Water Company
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Mesa Water
Moulton Niguel Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Laer Pearce & Associates
Brady & Associates

TELECONFERENCE SITES

Vice President Osborne announced that Director Hinman would be participating via telephone conference from Rollins, Montana, and Director Thomas would be participating via telephone conference from Omaha, Nebraska. (All agenda requirements pursuant to the Ralph M. Brown Act were complied with.)

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

Mr. Colin Edwards, from Assembly Member Travis Allen's office, presented an award to Vice President Osborne congratulating the District for being awarded the CSDA Special District Leadership Foundation's District Transparency Certificate of Excellence.

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

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 presented.

EMPLOYEE SERVICE AWARDS

Vice President Osborne presented awards to Sarah Sherman for 10 years of service with the District, and Tiffany Baca for 5 years of service with the District.

General Manager Hunter introduced MWDOC's newest employee, Lisa Parson, WEROC Program Coordinator, to the Board.

CONSENT CALENDAR

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

Responding to an inquiry by Vice President Osborne, Legal Counsel Behrens advised that ratification of the Resolution honoring James Edwards, as approved by the Executive Committee, was appropriate on the Consent Calendar.

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

MINUTES

The following minutes were approved.

July 2, 2014 Workshop Board Meeting
July 16, 2014 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: July 14, 2014
Administration & Finance Committee Meeting: July 9, 2014
Public Affairs & Legislation Committee Meeting: July 21, 2014
Executive Committee Meeting: July 17, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

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

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 June 30, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending June 30, 2014

RESOLUTION NO. 1988 HONORING FOOTHILL MUNICIPAL WATER DISTRICT METROPOLITAN DIRECTOR JAMES "JIM" T. EDWARDS

The Board ratified the adoption of Resolution No. 1988 honoring James "Jim" Edwards on the occasion of his retirement from the MET Board.

**OC TAX AWARDS DINNER: ROSES, RADISHES AND ROYALTIES AWARDS,
SEPTEMBER 4, 2014, NEWPORT BEACH, CA**

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager.

**ATTENDANCE AT THE CSDA ANNUAL CONFERENCE, SEPTEMBER 29-
OCTOBER 2, 2014, PALM SPRINGS, CA**

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager.

END CONSENT CALENDAR

ACTION CALENDAR

**WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF
2014 -- \$7.54B**

Director Barbre commented that because there was no time sensitive reason to take action, he would prefer to defer this item to the September Public Affairs & Legislation Committee meeting.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board deferred discussion on this item to the September 15, 2014 Public Affairs & Legislation Committee meeting. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor.

**RESPONSE TO THE ORANGE COUNTY GRAND JURY REPORT,
“SUSTAINABLE AND RELIABLE ORANGE COUNTY WATER SUPPLY;
ANOTHER ENDANGERED SPECIES?”**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board approved the draft response to the OC Grand Jury report (as revised by the Public Affairs & Legislation Committee) and directed staff to submit the response letter to the Orange County Grand Jury. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor.

ISDOC OFFICER ELECTIONS

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 1989 nominating Director Joan Finnegan for the position of Treasurer of ISDOC, by the following roll call vote:

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

INFORMATION CALENDAR**GENERAL MANAGER'S REPORT, AUGUST 2014**

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

It was reported that (1) the MET Board approved the refund of approximately \$8 million for OC-88 over charges; and (2) MET continues discussions regarding possible changes to their Allocation Plan.

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 Barbre reported on attending the MWDOC and MET regular meetings, as well as several meetings with Gary Breau and Syd Bennion regarding the State Water Project, an inspection trip of the OCWD Groundwater Replenishment System Project with Jeff Thomas and Fern Steiner (SDCWA), and an Association of California Cities reception (with Heather Baez). Mr. Barbre also reported on his attendance at an ad hoc committee meeting with Yorba Linda Water District regarding the Bay Delta Conservation Plan, the Water Policy dinner, the La Habra and Buena Park City Council meetings, meetings with the Ad Hoc Committee re Administrative Code, the ISDOC luncheon, a meeting with Tom Miller (MET), and a meeting with Pat Scanlon and Denise Krueger of Golden State Water Company.

Director Finnegan reported that she attended the regular MWDOC meetings, the ISDOC Executive Committee and luncheon, the Center for Demographic Research meeting, and the Costa Mesa City Council meeting.

Director Clark advised that he attended the MWDOC regular meetings as well as the Urban Water Institute Conference in San Diego.

Director Osborne reported on attending the MWDOC regular meetings, as well as the ISDOC luncheon, and the Water Policy dinner.

Director Thomas reported that he attended the MWDOC Administration & Finance Committee, as well as a meeting with Tustin Council Member, Alan Bernstein, the inspection trip of the OCWD Groundwater Replenishment System Project, the Water Policy dinner, the ISDOC luncheon, as well as a Community Leaders Briefing (hosted by MET) featuring Congressman Lowenthal and Jeff Kightlinger.

Director Hinman reported on attending MWDOC's Planning & Operations Committee, the Workshop Board meeting, the Administration & Finance Committee meeting, and the Public Affairs & Legislation Committee meeting.

CLOSED SESSION ITEMS

At 8:51 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session for the following:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 regarding the MWDOC Settlement Agreement with its Member Agencies on Budget, Activities, Charges, and Other Issues, effective June 1, 2011.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:

(One Case: Orange County Water District v. Northrop Corporation, et al.; Northrop Grumman Systems Corporation v. Metropolitan Water District of Southern California (Orange County Superior Court, Case No. 04CC00715))

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Government Code sec 54956.9(d)(2); potential litigation: one case

RECONVENE

The Board reconvened at 9:33 a.m., and Legal Counsel Behrens announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, Vice President Osborne adjourned the meeting at 9:34 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
August 4, 2014 8:30 a.m. to 9:10 a.m.
MWDOC Conference Room 101

P&O Committee:

Director Wayne Osborne, Chair
Director Brett Barbre
Director Susan Hinman (via teleconference)

Staff:

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

Also Present:

President Larry Dick
Director Joan Finnegan
MWDOC MET Director Linda Ackerman
Steve LaMar, Irvine Ranch Water District
Paul Cook, Irvine Ranch Water District
Mike Markus, Orange County Water District
John Kennedy, Orange County Water District
Andrew Kanzler, City of San Clemente
James Leach, Santa Margarita Water District

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

PUBLIC PARTICIPATION

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

FULL BOARD CONVENES FOR ACTION ON THE FOLLOWING ITEM

As appropriately agendized, President Dick convened the full Board for action on the following item.

SOUTH COUNTY MET DIRECTOR NOMINATION/APPOINTMENT

President Dick announced that he would like to form an Ad hoc Committee of the Board to nominate/appoint the MET Director (Mr. Larry McKenney). President Dick is recommending that the MWDOC MET Directors Ackerman and Barbre, along with Director Thomas, meet,

select a Chairman, and calendar a meeting with Mr. McKenney to complete the review process. At that time, a report would be made to the whole Board.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board ratified President Dick's appointment of Directors Ackerman, Barbre, and Thomas to the Ad Hoc Committee regarding the MET Director appointment. The Board further acknowledged that the Ad Hoc Committee will schedule meeting(s) to discuss the appointment, meet with Mr. McKenney, and provide a report to the full Board. This item was approved as follows:

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

FULL BOARD ADJOURNS AND THE P & O COMMITTEE MEETING RESUMES

INFORMATION ITEMS

REQUEST FOR PROPOSALS FOR THE OC WATER RELIABILITY STUDY 2015

Mr. Seckel reported that the RFP has been prepared and was sent out on July 25 to a number of consultants and the MWDOC Reliability Workgroup. Consultant proposals are due by August 27; there will be discussion at the September 2 P&O Committee meeting on project status; interviews with consultants will be held in September; and the contract will be awarded at the September 17 board meeting. Also, he reported further that a meeting is set for Thursday, August 7, with the Reliability Workgroup of our member agencies to go over the scope to see if there are any changes or adjustments.

Discussion ensued on the scope for the study with Mr. Markus stating that he was disappointed that the RFP went out prior to having some discussion on the scope. Mr. Cook wondered about the urgency also and stated that a number of managers have comments on the scope. He stated further that he and the other agencies want to feel ownership in the process and he is hopeful that all agencies participating in the workgroup would have their logos on the final cover of this study. Director Barbre questioned whether there is an urgency to which Mr. Seckel responded that the urgency is just to get it started and get a consultant on board and that the scope of work is flexible and there is not a problem with making changes in the scope and/or negotiating changes with the consultants. Mr. Hunter stated that Poseidon will be back in front of the Coastal Commission in February or March which means there isn't a tremendous amount of time to do a study of this scope so there is some time sensitivity to it which is why it was released to all parties to review.

Director Barbre inquired about the cost to which Mr. Seckel responded \$150,000 to \$200,000 on this portion of the work. Director Osborne inquired whether Mr. Seckel received any written comments on the RFP to which Mr. Seckel responded that he did not and that the bulk of the comments were on the process and the role of the member agencies. Mr. Markus noted that verbal comments were made at the Joint Planning Committee meeting and there wasn't anything sent out asking for comments. Mr. Markus stated further that member agencies can comment on the scope at the meeting on August 7

and an addendum could be sent out to consultants, if needed. Mr. Hunter pointed out that the background material on this study was in the budget information back in March, has been discussed at the Managers' meetings since then; and just recently at the Joint Planning Committee meeting. Mr. Cook feels that the meeting on Thursday will be critical as does President Dick who stated that input from the Reliability Workgroup at Thursday's meeting is a primary factor in moving forward for a successful project.

INFORMATION ITEMS

THE ORANGE COUNTY GARDEN FRIENDLY PROGRAM

Mr. Berg introduced this public outreach effort that we pilot implemented in the Spring, the O.C. Garden Friendly Program. Mr. Berg introduced Mr. Andrew Kanzler of the City of San Clemente who was in the audience and was one of the people who brainstormed this idea when he was at the Inland Empire Utility Agency. Inland Empire presented the results of their effort to the MET Workgroup so now other agencies throughout MET's service area are emulating that effort in their service areas. It started as a plant labeling project with Home Depot who has a very active and innovative regional manager for their garden centers. Home Depot has put up irrigation displays and at the Brea event, it turned into quite a sales opportunity for smart timers. In total, we held 3 events and had 250 people stop and communicate with staff. This pilot effort was successful enough to continue and there is interest by Tree of Life Nursery, Greenthumb, and a UCI Irvine event. We're expanding beyond Home Depot to Lowe's and other nurseries. Staffing is our only cost for this event. It's a very positive effort, especially considering the drought, and it is contributing to our turf removal efforts as well. Director Hinman suggested that Mr. Berg get in touch with Armstrong Gardens in Dana Point, a large nursery with innovative staff.

DRAFT AMENDMENT TO THE WATER QUALITY CONTROL PLAN FOR OCEAN WATERS OF CALIFORNIA – DESALINATION FACILITY INTAKES AND BRINE DISCHARGES

Mr. Hunter reported that on July 3, the State Board released its Draft Amendment to the Ocean Plan and that MWDOC's comments on where the proposed regulations need to be revised are attached. Further, that Richard Bell will be traveling to Sacramento for the public hearing to present our comments on August 6 and August 19.

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

Director Barbre noted that in Toledo, Ohio, where they had a problem with their drinking water, he saw scenes on the news where they utilized water trailers and people were filling up their jugs and bottles.

Mr. Hunter noted that the WEROC report on page 77 of the packet notes that a disaster exercise is being developed by Metropolitan and the National Weather Services and will

occur on November 5 which is the same day as the MWDOC Board Workshop and will create a conflict for staff.

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

No items were presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:10 a.m.

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

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

August 13, 2014 – 8:30 a.m. to 8:55 a.m.

MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan
Director Wayne Osborne

Staff:

Robert Hunter, Karl Seckel,
Harvey DeLaTorre, Darcy Burke
Katie Davanaugh

Also Present:

Director Brett Barbre
Director Larry Dick
Director Susan Hinman (via teleconference)
Ruth Zintzun, Moulton Niguel Water District
Larry McKenney, Moulton Niguel Water District
Andrew Hamilton, Mesa Water
Paul Weghorst, Irvine Ranch Water District

Director Thomas called the meeting to order at 8:30 a.m. Director Hinman participated via telephone conference call from Rollins, Montana. All noticing requirements pursuant to the Ralph M. Brown Act were complied with.

PUBLIC COMMENTS

Ruth Zintzun introduced herself as the new Finance Manager from Moulton Niguel Water District.

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 – July 2014
- b. Disbursement Approval Report for the month of August 2014
- c. Disbursement Ratification Report for the month of July 2014
- d. GM Approved Disbursement Report for the month of July 2014
- e. Water Use Efficiency Projects Cash Flow – July 31, 2014
- f. Consolidated Summary of Cash and Investment – June 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 August 20, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor. No comments or inquiries were made.

**FINANCIAL REPORT - Combined Financial Statements and Budget
Comparative for the period ending June 30, 2014**

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (3-0), the Committee recommended the Financial Report for approval at the August 20, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor. No comments or inquiries were made.

ACTION ITEMS

**OC TAX AWARDS DINNER: ROSES, RADISHES AND ROYALTIES AWARDS,
SEPTEMBER 4, 2014, NEWPORT BEACH**

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Board support attendance at the OC Tax Awards dinner, noting that this event had not been budgeted. The item was referred to the August 20, 2014 Board meeting for approval. Directors Thomas, Finnegan, and Osborne all voted in favor.

Director Barbre noted that the District is up for consideration for a Rose Award for the District's transparency program, with thanks to the efforts of the Public Affairs Staff.

INFORMATION ITEMS

SEMI-ANNUAL OVERTIME REPORT

The report was received and filed without discussion

DIRECTORS ACTIVITIES REPORT

Director Dick requested that staff confirm the reporting period as he believes it should be for an annual period. Director Barbre also requested clarification for the ACWA travel listed under his name. Staff will correct the report and re-publish.

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

The Committee held brief discussion on the state of drought.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

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

Mr. Seckel reported that the OC-88 meter billing correction needs to be remedied and staff has been in discussions with Metropolitan Water District (MET) to determine the appropriate method to refund the member agencies. Staff is still reviewing the process and noted that all agencies will receive a refund due to the Tier 2 refund with the bulk of the refund going to the south county pipeline agencies. The refund is a combination of MET funds and MWDOC funds.

Discussion was held by the Committee, with Director Barbre requesting that a check be issued to the agencies within his Division. Director Finnegan also requested checks, rather than having a credit issued. Mr. Hunter noted that he will work with the Directors to determine which agencies should receive checks versus credits.

ATTENDANCE AT THE CSDA ANNUAL CONFERENCE, SEPTEMBER 29-OCTOBER 2, 2014, PALM SPRINGS, CA (Action Item)

Director Dick noted that this item was presented at his request, noting the registration cost will increase after August 22nd. He also expressed interest due to the activities pertaining to the Transparency Certificate through CSDA as well as the District of Distinction and suggested that it would be prudent for Directors to consider attendance. Director Dick noted that he plans on attending.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (3-0), the Committee recommended approval at the August 20, 2014 Board meeting. Directors Thomas, Finnegan, and Osborne all voted in favor

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 8:55 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

August 11, 2014 8:30 a.m. to 9:25 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

Ex Officio:

Director Joan Finnegan

Also Present:

Director Wayne Osborne
Director Larry Dick
Director Joan Finnegan
MET Director Linda Ackerman
Dick Ackerman
John Lewis, Lewis Consulting
Matt Holder, Lewis Consulting
Heather Stratman, Townsend Public Affairs (TPA)
Christopher Townsend, TPA
Ian Delzer, TPA
Larry McKenney, Moulton Niguel Water District

Director Barbre called the meeting to order at 8:30 a.m. Director Hinman participated via telephone conference call from Rollins, Montana. All noticing requirements pursuant to the Ralph M. Brown Act were complied with.

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 Orange County Water District's draft response letter to the Grand Jury was posted to the website and made available to all.

DISCUSSION ITEMS

LEGISLATIVE ACTIVITIES

Federal Legislative Report (Barker)

No comments were received on the Barker report.

State Legislative Report (Townsend)

Mrs. Stratman noted that it was anticipated something would be in place for the Water Bond but progress has been slow. SB1013 was amended to create another vehicle for a water bond. It is the Republican caucus' version of the water bond. Townsend Public Affairs is in the process of updating the water bond matrix and will present an updated version as soon as it is complete. Association of California Water Agencies (ACWA) released their polling results last week, noting that it is unknown whether the water bond will make the ballot this November.

Townsend staff continues to work with Assembly Member Harkey's office to advocate for an amendment to include south Orange County in the San Diego Integrated Regional Water Management funding area in the water bond.

County Legislative Report (Lewis)

Mr. Lewis reviewed the County of Orange report, noting that Director Dick is running unopposed and reported that candidacy information is available either on the Registrar of Voters or City website pages. Director Barbre requested that Heather Baez prepare a list of all water district's that have Directors up for election and their slate of candidates.

Legal and Regulatory Report (Ackerman)

Mr. Ackerman noted that CEQA reform is "dead" for this year but he recommend that MWDOC and its member agencies respond to the senate committee on experiences that each District has had with CEQA. The response letters are due at the end of September.

MWDOC Legislative Matrix

Met Legislative Matrix

The Legislative matrices were received and filed.

VALUE OF WATER COMMUNICATIONS PLAN UPDATE

Mrs. Burke provided a status report of the Value of Water Communications plan and provided some detail on the position statement, value statement and tagline as well as polling results revealed from the recent focus group study. The new tagline and logo that was decided upon is "let's get smart about water" – a copy of which was provided in the staff report. Staff will continue to work with the member agencies to finalize in this choice program.

ACTION ITEM**RESPONSE TO ORANGE COUNT GRAND JURY REPORT, “SUSTAINABLE AND RELIABLE WATER SUPPLY; ANOTHER ENDANGERED SPECIES?”**

The Committee reviewed the draft response letter that was prepared by staff and held discussion on the points that were agreed upon in settlement discussions and agreed that the principles of consolidation language in the response should be expanded upon to better define the consolidating election language; i.e. all directors to be elected and not appointed prior to the election, meaning a consolidating election. Mr. Seckel noted that he would make the appropriate adjustments.

Upon MOTION by Director Hinman, seconded by Director Clark, and carried (3-0), the item was referred to the August 20, 2014 Board meeting for approval, with appropriate changes being made by Mr. Seckel prior to the Board meeting. Directors Barbre, Clark and Hinman all voted in favor.

ISDOC OFFICER ELECTIONS

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (3-0), the item was referred to the August 20, 2014 Board meeting for approval. Directors Barbre, Clark and Hinman all voted in favor.

Discussion was held on the importance of MWDOC staff supporting the administrative functions of the ISDOC meetings and others (WACO); and how much involvement is necessary. Discussion was also held on the \$5K membership to OCCOG that the District has been supporting and whether it should continue. A determination will be made during the next budget process. It was noted that the MWDOC Public Affairs staff is currently assisting with meeting and luncheon arrangements for ISDOC and WACO.

INFORMATION ITEMS**RECAP OF JULY 30 WATER POLICY FORUM & DINNER****7th ANNUAL ORANGE COUNTY WATER SUMMIT****PUBLIC AFFAIRS ACTIVITIES REPORT****WATER EDUCATION SCHOOL PROGRAM – MONTHLY PARTICIPATION DATA****UPDATE ON 2014 POSTER & SLOGAN CONTEST AND PHOTOGRAPHY & DIGITAL ARTS CONTEST**

The informational reports were received and filed without comment.

OTHER ITEMS

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

Director Dick requested that a discussion be held at a future committee meeting regarding developing a customizable presentation(s) regarding the Bay Delta Conservation Plan (and other topics) and whether it should be made available on the District's website.

Director Hinman requested that an update on OC Alert be presented at a future Public Affairs meeting, including statistics on participation.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:25 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
August 21, 2014, 8:30 a.m. to 9:45 a.m.
Conference Room 102

Committee:

Director Dick, President (absent)
Director Osborne, Vice President
Director Finnegan

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Clark
Larry McKenney, Moulton Niguel WD

At 8:30 a.m., Vice President Osborne 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 September Committee meetings.

CANCELLATION OF TELECONFERENCE SITE

It was reported that although a teleconference was agendized, there was no need; the appropriate Notice of Cancellation of Teleconference Site was posted.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Mr. Hunter reported on the following significant activities underway by both staff and the Board. These activities included: (1) OC Reliability Study; (2) appointment of MWDOC MET Director; (3) discussions with MET staff regarding potential changes to MET's shortage allocation formula; and (4) the Value of Water Communications Plan.

MEMBER AGENCY RELATIONS

Mr. Hunter advised that a meeting regarding the Doheny Desalination Project was held (by General Managers), noting that the meeting was productive and that a follow-up meeting was scheduled for September. He advised that South Coast Water District is supportive of

the Project and is ready to move forward. Discussion ensued regarding water reliability in the South County region.

Discussion also ensued regarding the OC Reliability Study, and Mr. Hunter updated the Committee on discussions with Orange County Water District regarding the groundwater portion of the Study.

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 recent vote by the MET Board to refund approximately \$8 million due to a meter reading error at OC-88, as well as the Assessed Valuation which was published recently (no significant change from the prior year).

The Committee requested an update regarding the appointment of a MWDOC MET Director be added to the Workshop Board agenda.

c. Administration & Finance Committee

No new items were added to the agenda.

d. Public Affairs & Legislation (PAL) Committee

Committee discussed possibly holding an event for newly elected officials and introduce them to current water issues; more information will be presented to the PAL Committee as the election gets closer.

e. MWDOC/OCWD Joint Planning Committee

No new items were added to the agenda.

GENERAL MANAGER'S REPORTS

No new information was reported.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

No new information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:10 a.m.

MEETING REPORT
JOINT PLANNING COMMITTEE
WITH BOARD OF DIRECTORS*
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AND
ORANGE COUNTY WATER DISTRICT
July 23, 2014, 8:30 a.m.
MWDOC Conference Room 101

MWDOC DIRECTORS

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

OCWD DIRECTORS

Shawn Dewane (absent)
Phil Anthony
Roger Yoh (absent)
Kathryn Barr (absent)
Denis Bilodeau
Vince Sarmiento
Jan Flory (absent)
Harry Sidhu
Steve Sheldon
Cathy Green

MWDOC STAFF

Rob Hunter
Karl Seckel
Harvey De La Torre
Maribeth Goldsby
Richard Bell
Keith Lyon

OCWD STAFF

Mike Markus
John Kennedy

ALSO PRESENT

Scott Maloni
Chris Davis
Steve LaMar
Peer Swan
Larry McKenney
Elizabeth Mendelson
Betsy Eglash
Debbie Cook

Poseidon Resources
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
San Diego County Water Authority
Brady & Associates

MWDOC President Dick Chaired the meeting. IRWD Director Steve LaMar led the Pledge of Allegiance.

PUBLIC COMMENTS

No public comments were received.

1. Poseidon Huntington Beach Ocean Desalination Plant Update

- a. California Coastal Commission process
- b. State Board Ocean Plan Amendment

c. City of Carlsbad plant construction

Mr. Scott Maloni of Poseidon Resources provided an update on the Coastal Commission process, advising that they were directed to solicit a third party review on whether it is feasible to develop an alternative subsurface intake and report back the findings to the Commission. Mr. Maloni anticipates the third party review to be complete by the end of the year and hopes to return to the Coastal Commission sometime during the first quarter 2015.

Mr. Maloni also reported on the State Board's Ocean Plan Amendment and how it is applicable to seawater desalination plants.

He also presented information on the Carlsbad Desalination Project. His presentation included an overview of the plant construction, the intake pump station, the RO building, the delivery system, and pipe installation progress. He advised that the project is 60% complete and anticipates the project to be completed by late summer 2015.

d. OCWD financial study

OCWD Assistant Manager John Kennedy reported that OCWD hired Clean Energy Capital to evaluate financing for the project; more information will be reported when the evaluation is completed.

e. MWD Issues

- i. LRP
- ii. Allocation formula
- iii. Placing desalination water into MWD facilities
- iv. Future MWD rates

MWDOC Assistant General Manager Karl Seckel provided an overview of MET's Local Resources Program (\$250/AF for seawater desalination). He advised that MET is continuing its evaluation on integrating desalinated water back into the MET system. Mr. Seckel noted that discussions are underway with MET staff regarding long-term rate projections, including the key cost indicators for longer-term projections.

Discussion ensued regarding the issues (and needs) of putting desalinated water into the MET lines, the importance of MET's involvement in desalination, and the fact that MET's main focus is the Delta fix (BDCP).

2. MWD Imported Water Supply update

MWDOC Principal Water Resources Planner Harvey De La Torre, provided an overview of MET's Water Supply and Drought Allocations. His presentation included information on MET's 2014 water supply and demand balance, MET's dry year storage status, and MET's Water Supply Allocation Plan (WSAP) (including its objectives, calculation factors, and formula). Mr. De La Torre also provided information on the WSAP with an Ocean Desal Project, and an overview of the discussions held by the MET Workgroup on possible amendments/updates to the WSAP. He noted that the three main areas under discussion by the Workgroup are (1) baseline, (2) allocation formula; and (3) allocation enforcement.

3. OCWD Purchases of untreated full service MWD water

- a. Calendar Year 2014
- b. Fiscal Year 2014-15

Mr. Kennedy reported that under OCWD's Recharge Plan, the OCWD Board approved the purchase of 82,000 AF of untreated full service MET water by the end of 2014, and an additional 65,000 AF during the 2014/15 year. He advised that OCWD will be issuing commercial paper (\$15 million) to complete the purchase of an additional 17,000 AF.

4. MWDOC Water Reliability Planning Study for Orange County

Mr. Seckel provided an overview of MWDOC's budgeted Orange County Water Reliability Study 2015. His presentation included information on the broad topics which affect water reliability in Orange County (e.g., groundwater basin, imported supplies, ocean and brackish desalination, funding, climate, etc.). Mr. Seckel reviewed the approach and objectives for the study, as well as key aspects (demands and water use efficiency efforts, imported supplies, Santa Ana River supplies, other local supplies, and decision-making framework). He advised that there would be considerable member agency involvement (workgroup).

OCWD Director Phil Anthony expressed concern with MWDOCs' endeavor, noting it appeared to be beyond MWDOC's mission. MWDOC Directors and staff disagreed noting MWDOC's role as a planning agency for the County. It was also noted that this issue was discussed in great detail during MWDOC's budget process.

Mr. Seckel advised that this item would be addressed by the MWDOC Planning & Operations Committee on August 4, 2014.

5. Next Meeting – October 22, 2014

The Committee requested that copies of all presentations made be posted to the MWDOC website.

There being no further business to come before the Committee, the meeting adjourned at 10:17 a.m.

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

WATER REVENUES

| Date | From | Description | Amount |
|-------------|------------------------------------|----------------------------|---------------|
| 08/01/14 | City of Buena Park | June 2014 Water deliveries | 401,749.85 |
| 08/01/14 | City of Huntington Beach | June 2014 Water deliveries | 937,757.68 |
| 08/05/14 | City of Newport Beach | June 2014 Water deliveries | 240,278.00 |
| 08/06/14 | City of La Habra | June 2014 Water deliveries | 15,806.87 |
| 08/07/14 | City of La Palma | June 2014 Water deliveries | 5,734.52 |
| 08/07/14 | Trabuco Canyon Water District | June 2014 Water deliveries | 15,599.48 |
| 08/08/14 | El Toro Water District | June 2014 Water deliveries | 957,115.68 |
| 08/08/14 | City of Fountain Valley | June 2014 Water deliveries | 22,191.62 |
| 08/08/14 | South Coast Water District | June 2014 Water deliveries | 542,568.51 |
| 08/12/14 | Serrano Water District | June 2014 Water deliveries | 2,013.07 |
| 08/12/14 | City of San Juan Capistrano | June 2014 Water deliveries | 587,928.65 |
| 08/12/14 | Santa Margarita Water District | June 2014 Water deliveries | 2,854,000.33 |
| 08/13/14 | Laguna Beach County Water District | June 2014 Water deliveries | 353,644.92 |
| 08/13/14 | East Orange County Water District | June 2014 Water deliveries | 655,137.01 |
| 08/13/14 | City of Westminster | June 2014 Water deliveries | 395,376.20 |
| 08/14/14 | Santiago Aqueduct Commission | June 2014 Water deliveries | 187,935.58 |
| 08/14/14 | Yorba Linda Water District | June 2014 Water deliveries | 888,836.09 |
| 08/14/14 | City of Orange | June 2014 Water deliveries | 683,870.13 |
| 08/14/14 | Mesa Water | June 2014 Water deliveries | 681,205.80 |
| 08/15/14 | Orange County Water District | June 2014 Water deliveries | 2,264,925.38 |
| 08/15/14 | Irvine Ranch Water District | June 2014 Water deliveries | 98,773.77 |
| 08/15/14 | Moulton Niguel Water District | June 2014 Water deliveries | 2,483,226.31 |
| 08/15/14 | Golden State Water Company | June 2014 Water deliveries | 721,170.81 |
| 08/25/14 | City of San Juan Capistrano | July 2014 Water deliveries | 491,112.51 |
| 08/29/14 | City of Buena Park | July 2014 Water deliveries | 234,347.28 |
| 08/29/14 | City of Brea | July 2014 Water deliveries | 458,560.56 |
| 08/29/14 | City of Huntington Beach | July 2014 Water deliveries | 1,399,032.61 |
| 08/29/14 | City of San Clemente | July 2014 Water deliveries | 999,487.55 |

TOTAL REVENUES \$ 19,579,386.77

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


MISCELLANEOUS REVENUES

| Date | From | Description | Amount |
|-------------|--------------------------------------|--|---------------|
| 08/12/14 | Michael Baker/ RBF Consulting | 7/30/14 Water policy dinner | 75.00 |
| 08/22/14 | 3 Checks | 7/30/14 Water policy dinner | 235.00 |
| 08/25/14 | Aleshire & Wynder | 7/30/14 Water policy dinner | 85.00 |
| 08/28/14 | Paypal | 7/30/14 Water policy dinner | 619.31 |
| 08/29/14 | CADIZ Inc | 7/30/14 Water policy dinner | 600.00 |
| 08/29/14 | City of Stanton | 7/30/14 Water policy dinner | 75.00 |
| 08/28/14 | Paypal | 10/2/14 Water policy dinner | 1,017.42 |
| 08/01/14 | Metropolitan Water District | 7/30/14, 10/2/14 & 02/15 Water policy dinner | 2,250.00 |
| 08/28/14 | Paypal | ISDOC registrations | 57.66 |
| 08/29/14 | Susan Hunt | September 2014 COBRA medical premium | 669.19 |
| 08/22/14 | Stan Sprague | September 2014 Retiree medical premium | 259.97 |
| 08/29/14 | Lorraine Roy | October 2014 Retiree medical premium | 13.20 |
| 08/04/14 | Analida Crouch | Movie tickets | 48.00 |
| 08/07/14 | Trung Pham | Movie tickets | 160.00 |
| 08/12/14 | Grisel Rodriguez | Movie tickets | 80.00 |
| 08/25/14 | 2 Checks | Movie tickets | 176.00 |
| 08/01/14 | Pat Meszaros | Postage purchase | 19.70 |
| 08/18/14 | Conexis | Forfeiture refund | 0.06 |
| 08/22/14 | CA Landscape Contractors Association | Reimbursement for refreshments for Drought Landscape workshop | 387.65 |
| 08/29/14 | US Bank | CAL Card rebate check | 132.83 |
| 08/12/14 | Mesa Water | June 2014 Smart Timer rebate program | 225.00 |
| 08/13/14 | City of Westminster | June 2014 Smart Timer rebate program | 19.97 |
| 08/15/14 | City of Fullerton | June 2014 Smart Timer rebate program | 75.00 |
| 08/15/14 | South Coast Water District | June 2014 Smart Timer rebate program | 225.00 |
| 08/29/14 | City of Santa Ana | June 2014 Smart Timer rebate program | 157.68 |
| 08/15/14 | 2 Checks | June 2014 Turf Removal rebate program | 1,378.00 |
| 08/22/14 | City of La Habra | June 2014 Turf Removal rebate program | 105.00 |
| 08/25/14 | City of San Juan Capistrano | June 2014 Turf Removal rebate program | 735.00 |
| 08/04/14 | Santa Margarita Water District | May 2014 Smart Timer & Turf Removal rebate program | 1,079.20 |
| 08/13/14 | Laguna Beach County Water District | June 2014 Smart Timer & Turf Removal rebate program | 1,130.00 |
| 08/15/14 | City of San Clemente | June 2014 Smart Timer & Turf Removal rebate program | 1,965.00 |
| 08/18/14 | 2 Checks | June 2014 Smart Timer & Turf Removal rebate program | 2,009.93 |
| 08/18/14 | El Toro Water District | June 2014 Rotating Nozzle & Smart Timer rebate May 2014 So Cal Watersmart Residential rebate program | 238.00 |
| 08/04/14 | Santa Margarita Water District | June 2014 So Cal Watersmart Residential rebate program | 3,703.00 |
| 08/04/14 | Golden State Water Company | June 2014 So Cal Watersmart Residential rebate program | 1,739.00 |
| 08/05/14 | Irvine Ranch Water District | June 2014 So Cal Watersmart Residential rebate program | 28,904.47 |
| 08/07/14 | El Toro Water District | Jan-Jun 2014 School billing | 2,479.00 |
| 08/07/14 | City of Anaheim | Jan-Mar 2014 Foundational Actions Doheny Desal | 26,470.08 |
| 08/05/14 | Metropolitan Water District | FY 13-14 Choice billing | 1,255.85 |
| 08/18/14 | City of Santa Ana | FY 14-15 Annual Retail Service Connection charge | 3,225.38 |
| 08/01/14 | City of Brea | FY 14-15 Annual Retail Service Connection charge | 126,819.00 |
| 08/01/14 | City of Buena Park | FY 14-15 Annual Retail Service Connection charge | 196,665.00 |
| 08/01/14 | City of San Clemente | FY 14-15 Annual Retail Service Connection charge | 180,999.00 |
| 08/04/14 | City of Seal Beach | FY 14-15 Annual Retail Service Connection charge | 56,479.50 |
| 08/04/14 | Golden State Water Company | FY 14-15 Annual Retail Service Connection charge | 445,431.00 |
| 08/04/14 | Moulton Niguel Water District | FY 14-15 Annual Retail Service Connection charge | 552,436.50 |
| 08/06/14 | City of La Habra | FY 14-15 Annual Retail Service Connection charge | 130,357.50 |
| 08/08/14 | City of La Palma | FY 14-15 Annual Retail Service Connection charge | 45,475.50 |
| 08/12/14 | Santa Margarita Water District | FY 14-15 Annual Retail Service Connection charge | 538,324.50 |
| 08/13/14 | City of Westminster | FY 14-15 Annual Retail Service Connection charge | 211,050.00 |
| 08/13/14 | East Orange County Water District | FY 14-15 Annual Retail Service Connection charge | 218,190.00 |

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

MISCELLANEOUS REVENUES

| <u>Date</u> | <u>From</u> | <u>Description</u> | <u>Amount</u> |
|------------------------------|---------------------------------------|---|-------------------------|
| 08/13/14 | Laguna Beach County Water District | FY 14-15 Annual Retail Service Connection charge | 90,709.50 |
| 08/14/14 | Mesa Water | FY 14-15 Annual Retail Service Connection charge | 246,078.00 |
| 08/20/14 | Irvine Ranch Water District | FY 14-15 Annual Retail Service Connection charge | 1,020,369.00 |
| 08/04/14 | Las Virgenes Municipal Water District | Partial Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resources Issues - Ron Gastellum | 625.00 |
| 08/04/14 | City of Torrance | Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum | 8,125.00 |
| 08/04/14 | Eastern Municipal Water District | Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum | 8,125.00 |
| 08/08/14 | Inland Empire Utilities Agency | Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum | 8,125.00 |
| 08/14/14 | City of Anaheim | Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum | 8,125.00 |
| 08/29/14 | West Basin Municipal Water District | Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum | 8,125.00 |
| 08/22/14 | City of Santa Ana | WEROC Funding for FY 14-15 | 9,708.00 |
| 08/29/14 | SOCWA | WEROC Funding for FY 14-15 | 9,708.00 |
| TOTAL MISCELLANEOUS REVENUES | | | <u>\$ 4,204,130.55</u> |
| TOTAL REVENUES | | | <u>\$ 23,783,517.32</u> |



Robert J. Hunter, General Manager



Hilary Chumprazi, Deputy Treasurer

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

| <i>Invoice#</i> | <i>Vendor / Description</i> | <i>Amount to Pay</i> |
|---------------------------|--|----------------------|
| Core Expenditures: | | |
| | Richard Ackerman | |
| 1044 | August 2014 Legal consulting on water policy issues | 1,437.50 |
| | *** Total *** | 1,437.50 |
| | ACWA Joint Powers | |
| M005-LIABILITY | 10/1/14-10/1/15 Auto and general liability insurance | 78,718.00 |
| | *** Total *** | 78,718.00 |
| | Aleshire & Wynder LLP | |
| 29483 | July 2014 Legal services | 2,454.04 |
| | *** Total *** | 2,454.04 |
| | Alta FoodCraft Coffee & Refreshment | |
| 514071596 | 7/22/14 Coffee & tea supplies | 255.54 |
| 514081525 | 8/19/14 Coffee & tea supplies | 270.03 |
| | *** Total *** | 525.57 |
| | Best Best and Krieger LLP | |
| 55401-JUL14 | July 2014 Legal services | 8,110.11 |
| | *** Total *** | 8,110.11 |
| | CDW Government | |
| NM52760 | Black photoconductor unit for Ricoh color printer | 152.31 |
| NM96606 | Color photoconductor unit for Ricoh color printer | 460.32 |
| NV11329 | 4 Desktop HP computers | 3,126.07 |
| NV62726 | 1 Apple iPad | 656.40 |
| | *** Total *** | 4,395.10 |
| | CSU Fullerton ASC | |
| AR163590 | 1st Quarter F/Y 14-15 Center for Demographic Research support | 9,990.25 |
| | *** Total *** | 9,990.25 |
| | Demsey, Filliger & Associates, LLC | |
| 2707 | August 2014 Actuarial and consulting services to research and write OPEB buyout letter | 1,500.00 |
| | *** Total *** | 1,500.00 |
| | Finley & Cook PLLC | |
| SI0003631 | 10/1/14-9/30/15 Annual phone support for Navision software | 6,675.14 |
| | *** Total *** | 6,675.14 |

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

| <i>Invoice#</i> | <i>Vendor / Description</i> | <i>Amount to Pay</i> |
|-------------------|--|----------------------|
| | <i>Fry's Electronics</i> | |
| 20383625 | 8/20/14 Computer supplies | 32.37 |
| 20407710 | 9/4/14 Computer supplies | 25.89 |
| | *** Total *** | 58.26 |
| | <i>Ronald R. Gastelum</i> | |
| AUG14 | August 2014 Strategic assistance on MET issues | 7,500.00 |
| | *** Total *** | 7,500.00 |
| | <i>GovConnection, Inc.</i> | |
| 51646402 | 20 Licenses for MS Office 2013 | 4,903.40 |
| 51690645 | Windows Server 2012 license | 581.40 |
| | *** Total *** | 5,484.80 |
| | <i>Independent Special District of Orange County</i> | |
| 052914A | 5/29/14 ISDOC meeting registration for D. Micalizzi, paid to MWDOC | 20.00 |
| 073114B | August 2014 PayPal receipts for 7/31/14 ISDOC meeting | 57.66 |
| | *** Total *** | 77.66 |
| | <i>Edward G. Means III</i> | |
| MWDOC-1022 | August 2014 Support on MET issues & strategic guidance to Engineering department | 3,437.50 |
| | *** Total *** | 3,437.50 |
| | <i>New Horizons</i> | |
| INV-185624-BCNX8T | Implementing Cisco Unified Communications training class for P. Dinh | 2,097.00 |
| | *** Total *** | 2,097.00 |
| | <i>Norco Delivery Services</i> | |
| 631368 | 8/10/14 Delivery charges for Board packets | 125.34 |
| | *** Total *** | 125.34 |
| | <i>Orange County Water District</i> | |
| 14214 | July 2014 50% share of WACO expenses | 244.23 |
| 081914 | 10/9/14 Health & Wellness Expo sponsorship | 250.00 |
| 14254 | July 2013-June 2014 Shared expenses for mail pickup and delivery | 528.95 |
| '14252 | July 2014 Postage, shared office & maintenance expense | 9,826.53 |
| | *** Total *** | 10,849.71 |
| | <i>Office Solutions</i> | |
| I-00662786 | 8/25/14 Office supplies | 630.53 |
| I-00664739 | 8/28/14 Office supplies | 23.06 |
| | *** Total *** | 653.59 |
| | <i>Patricia Kennedy Inc.</i> | |
| 5668 | September 2014 Plant maintenance | 214.00 |
| | *** Total *** | 214.00 |

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

| <i>Invoice#</i> | <i>Vendor / Description</i> | <i>Amount to Pay</i> |
|------------------------------------|---|----------------------|
| | <i>South Coast Water District</i> | |
| JAN-MAR14 | January-March 2014 MET Reimbursement from Doheny Ocean Desalination | 1,255.85 |
| | Foundational Actions Funding program | |
| | *** Total *** | 1,255.85 |
| | <i>Staples Advantage</i> | |
| 8031129247 | 8/30/14 Office supplies | 26.99 |
| | *** Total *** | 26.99 |
| | <i>Top Hat Productions</i> | |
| 89254 | 8/21/14 Lunch for Managers' meeting | 403.38 |
| | *** Total *** | 403.38 |
| | <i>Townsend Public Affairs, Inc.</i> | |
| 10312 | August 2014 State legislative advocacy services | 7,500.00 |
| | *** Total *** | 7,500.00 |
| | <i>Tustin Irvine Medical Group</i> | |
| 00761953 | 8/1/14 New hire pre-employment exam | 160.00 |
| | *** Total *** | 160.00 |
| | <i>Total Core Expenditures</i> | 153,649.79 |
| <i>Choice Expenditures:</i> | | |
| | <i>Bryton Printing Inc.</i> | |
| 10998 | 2,500 Printed bill inserts for WUE programs | 315.40 |
| | *** Total *** | 315.40 |
| | <i>Hydro-Scape Irrigation & Landscape Supplies</i> | |
| HA-1406-120 | 20,000 Custom irrigation repair flags for WUE | 1,749.60 |
| | *** Total *** | 1,749.60 |
| | <i>Top Hat Productions</i> | |
| 89200 | 8/7/14 Lunch for WUE Workgroup meeting | 508.90 |
| | *** Total *** | 508.90 |
| | <i>Ultimate Image Printing</i> | |
| 23012 | 5,000 Printed Home Certification program flyers | 388.80 |
| | *** Total *** | 388.80 |
| | <i>Total Choice Expenditures</i> | 2,962.70 |

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

| <i>Invoice#</i> | <i>Vendor / Description</i> | <i>Amount to Pay</i> |
|----------------------------------|--|----------------------|
| Other Funds Expenditures: | | |
| | Best Best and Krieger LLP | |
| 55401-JUL14 | July 2014 Legal services | 534.00 |
| | *** Total *** | 534.00 |
| | Hotel Program | |
| S2DC18894 | Montage Laguna Beach | 5,151.92 |
| | *** Total *** | 5,151.92 |
| | Mission RCD | |
| 1680 | July 2014 Field verifications for Water Use Efficiency rebate programs | 14,006.16 |
| | *** Total *** | 14,006.16 |
| | Office Solutions | |
| I-00660336 | 8/19/14 Office supplies for WEROC | 275.80 |
| I-00664462 | 8/28/14 Office supplies for WEROC | 107.37 |
| I-00665637 | 9/2/14 Office supplies for WEROC | 47.51 |
| | *** Total *** | 430.68 |
| | Spray to Drip Program | |
| S2D1080 | D. Chappell | 350.00 |
| S2D1638 | M. Keller | 105.00 |
| S2D17779 | D. Doctor | 1,933.60 |
| S2D21566 | T. Nugent | 55.60 |
| S2D27293 | B. Espinoza | 350.00 |
| S2D32317 | S. Schwab | 350.00 |
| S2D32627 | A. Small | 350.00 |
| S2D33845 | P. Lim | 493.43 |
| S2D34818 | R. King | 240.63 |
| S2D35077 | M. Renert | 569.20 |
| S2DC18894 | Montage Laguna Beach | 5,294.80 |
| | *** Total *** | 10,092.26 |
| | Turf Removal Program | |
| TR4-GSWC-031 | J. Klaus | 1,622.00 |
| TR4-GSWC-032 | Ji. Klaus | 968.00 |
| TR4-GSWC-036 | F. Morris | 528.00 |
| TR4-HB-030 | J. Pyle | 787.00 |
| TR4-HB-032 | R. Schnabel | 675.00 |
| TR4-IRWD-052 | J. Matisheck | 1,332.00 |
| TR4-IRWD-054 | G. Picard | 3,721.42 |
| TR4-IRWD-080 | N. Cohen | 8,158.00 |
| TR4-IRWD-089 | N. Dubois | 1,004.00 |
| TR4-IRWD-097 | R. Thakur | 2,112.00 |
| TR4-IRWD-103 | M. Lavacot | 462.52 |
| TR4-IRWD-109 | T. Chang | 808.00 |
| TR4-IRWD-110 | L. Chang | 600.00 |

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

| <i>Invoice#</i> | <i>Vendor / Description</i> | <i>Amount to Pay</i> |
|-----------------|--|----------------------|
| TR4-IRWD-113 | C. Josephs-Cowan | 596.00 |
| TR4-IRWD-116 | B. Coats | 1,078.00 |
| TR4-IRWD-124 | S. McGlinchey | 668.00 |
| TR4-MN-025 | A. Robertson | 404.00 |
| TR4-MN-053 | J. Hohman | 1,721.00 |
| TR4-NWPT-001 | D. Ballard | 658.00 |
| TR4-O-025 | A. Benun | 2,081.00 |
| TR4-SC-020 | V. Price | 944.00 |
| TR4-SJC-015 | T. Jameson | 2,567.00 |
| TR4-SM-031 | Serabrisa Maintenance Corporation (Rancho Santa Margarita) | 74,561.00 |
| TR4-SM-034 | L. Cortright | 1,530.00 |
| TR4-SM-044 | A. Pringle | 600.00 |
| TR4-SM-054 | J. Rose | 1,470.00 |
| TR4-SOCO-022 | J. Witting | 785.00 |
| TR5-ET-007 | N. Alden | 1,020.00 |
| TR5-ET-010 | K. Knight | 2,382.00 |
| TR5-ET-011 | S. Pehl | 1,500.00 |
| TR5-GSWC-039 | C. Mendoza | 1,524.00 |
| TR5-GSWC-046 | C. Driscoll | 4,600.00 |
| TR5-HB-042 | K. Keller | 1,490.00 |
| TR5-IRWD-138 | Y. Chuang | 1,224.00 |
| TR5-IRWD-139 | M. Tohid | 1,024.28 |
| TR5-IRWD-146 | J. Gutierrez | 624.00 |
| TR5-IRWD-152 | M. Stein | 854.00 |
| TR5-IRWD-154 | D. Bradley | 1,544.00 |
| TR5-IRWD-155 | D. Eskridge | 1,120.00 |
| TR5-IRWD-162 | M. Lee | 556.00 |
| TR5-IRWD-164 | G. Tran | 7,374.00 |
| TR5-IRWD-165 | C. Teoh | 834.00 |
| TR5-IRWD-168 | M. Kershberg | 2,434.00 |
| TR5-IRWD-177 | B. Souza | 2,126.00 |
| TR5-IRWD-192 | R. Patterson | 1,240.00 |
| TR5-IRWD-193 | K. Davis | 922.00 |
| TR5-IRWD-203 | A. Tran | 600.00 |
| TR5-MESA-028 | S. Rush | 2,376.00 |
| TR5-MESA-034 | D. Couch | 2,712.00 |
| TR5-MN-061 | B. Barber | 1,200.00 |
| TR5-MN-074 | M. Dube | 890.00 |
| TR5-MN-086 | J. Puma | 904.00 |
| TR5-MN-088 | J. Stern | 2,518.00 |
| TR5-NWPT-001 | M. Kaufman | 2,114.00 |
| TR5-SC-035 | J. Brody | 1,308.00 |
| TR5-SC-043 | L. Domash | 1,178.00 |
| TR5-SJC-019 | R. McCartney | 816.00 |
| TR5-SM-065 | W. Grover | 2,808.00 |
| TR5-SM-069 | Y. Yoseph | 890.00 |
| TR5-SM-070 | G. Rand | 748.00 |
| TR5-SM-071 | W. Kim | 1,496.00 |

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

| Invoice# | Vendor / Description | Amount to Pay |
|--------------|---|---------------|
| TR5-SM-077 | C. Thomas | 884.00 |
| TR5-SM-081 | T. Havens | 680.00 |
| TR5-SM-083 | J. Farhadi | 686.00 |
| TR5-SM-085 | M. Alvino | 2,514.00 |
| TR5-SM-089 | J. Taylor | 594.00 |
| TR5-SM-092 | S. Grady | 500.00 |
| TR5-SM-093 | M. Sussman | 3,248.00 |
| TR5-SM-095 | C. Ried | 834.00 |
| TR5-SM-097 | K. Winn | 760.00 |
| TR5-SM-098 | J. McLachlan | 650.00 |
| TR5-SM-100 | J. Gonzales | 1,574.00 |
| TR5-SM-108 | J. Eggert | 400.00 |
| TR5-SOCO-036 | P. Lehrich | 550.00 |
| TR5-SOCO-040 | F. Taylor | 3,214.00 |
| TR5-TUST-004 | R. Santos | 2,076.00 |
| TR5-YLWD-001 | D. Paul | 1,848.00 |
| | *** Total *** | 190,403.22 |
| | WaterWise Consulting, Inc. | |
| 3266 | August 2014 Professional services for Hotel program | 1,250.00 |
| | *** Total *** | 1,250.00 |
| | Total Other Funds Expenditures | 221,868.24 |
| | Total Expenditures | 378,480.73 |

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

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|----------------------------|----------------|----------------------------------|--|-------------------|
| Core Disbursements: | | | | |
| 126083 | 8/4/14 | TIMEWA | Time Warner Cable | |
| | | 5210-AUG2014 | August 2014 Telephone and internet expense | 930.98 |
| | | | ***Total *** | 930.98 |
| 126084 | 8/4/14 | USBANK | U.S. Bank | |
| | | 6533/6933-JUN14 | 5/23/14-6/23/14 Cal Card charges | 3,731.72 |
| | | | ***Total *** | 3,731.72 |
| | | | (See attached sheet for details) | |
| 126086 | 8/8/14 | STAPLC | Staples Credit Plan | |
| | | 4362-JUL14 | 2 Meeting direction signs | 66.18 |
| | | | ***Total *** | 66.18 |
| | 8/15/14 | ACKEEX/ACKECO | Linda Ackerman | |
| 126087 | | 073114 | July 2014 Business expense | 47.04 |
| 126088 | | JUL2014 | July 2014 MET Director's compensation | 2,443.30 |
| | | | ***Total *** | 2,490.34 |
| 126092 | 8/15/14 | BELLRI | Richard Bell | |
| | | 073114 | July 2014 Business expense | 30.00 |
| | | | ***Total *** | 30.00 |
| 126093 | 8/15/14 | BURKED | Darcy M. Burke | |
| | | 072414 | July 2014 Business expense | 77.56 |
| | | 081014 | July-August 2014 Business expense | 289.52 |
| | | | ***Total *** | 367.08 |
| 126094 | 8/15/14 | C3OFFI | C3 Office Solutions LLC | |
| | | INV28650 | August 2014 Cannon copier maintenance | 216.72 |
| | | | ***Total *** | 216.72 |
| 126097 | 8/15/14 | DELAGE | De Lage Landen Public Finance | |
| | | 42069602B | August 2014 Copier lease | 509.00 |
| | | | ***Total *** | 509.00 |
| 126098 | 8/15/14 | DINHPA | Patrick Dinh | |
| | | 073114 | July 2014 Business Expense | 67.20 |
| | | | ***Total *** | 67.20 |
| 126099 | 8/15/14 | FAHLBE | Beth Fahl | |
| | | 073114 | July 2014 Business expense | 19.60 |
| | | | ***Total *** | 19.60 |

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

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|------------------|----------------|----------------------------------|--|--------------------------|
| 126101 | 8/15/14 | HOMED1 7785-JUL14 | Home Depot Credit Services 7/18/14 Office supplies ***Total *** | 10.74 10.74 |
| 126103 | 8/15/14 | IRONMO KPW2976 | Iron Mountain August 2014 Storage/retrieval of archived documents ***Total *** | 453.66 453.66 |
| 126110 | 8/15/14 | FRANKS 073014 | Sarah Franks July 2014 Business expense ***Total *** | 15.06 15.06 |
| 126114 | 8/15/14 | TIMEWA 3564-AUG14 | Time Warner Cable August 2014 Telephone expense for 4 analog fax lines ***Total *** | 138.00 138.00 |
| 126117 | 8/15/14 | VERIZO 9729213923 | Verizon Wireless July 2014 4G Mobile broadband unlimited service ***Total *** | 38.01 38.01 |
| ACH001049 | 8/15/14 | BARBCO JUL2014 | Brett Barbre July 2014 MET Director's compensation ***Total *** | 2,443.30 2,443.30 |
| ACH001050 | 8/15/14 | BERGJO 073014 | Joseph Berg July 2014 Business expense ***Total *** | 101.57 101.57 |
| ACH001054 | 8/15/14 | DELATO 072414 | Harvey De La Torre July 2014 Business Expense ***Total *** | 44.30 44.30 |
| ACH001055 | 8/15/14 | DICKCO/DICKEX JUL2014 | Larry Dick July 2014 MET Director's compensation | 2,443.30 |
| ACH001056 | | 073114 | July 2014 Business expense ***Total *** | 190.96 2,634.26 |
| ACH001060 | 8/15/14 | FINNEG 073114 | Joan Finnegan July 2014 Business expense ***Total *** | 119.80 119.80 |
| ACH001062 | 8/15/14 | CHUMPI 073114 | Hilary Chumpitazi July 2014 Business expense ***Total *** | 30.00 30.00 |

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

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---------------------------------|----------------|-----------------------------------|--|--------------------------|
| ACH001073 | 8/15/14 | OUWERK 073114 | Jessica H. Ouwerkerk June-July 2014 Business expense ***Total *** | 269.13 269.13 |
| ACH001075 | 8/15/14 | HUNTER 071514 | Robert J. Hunter July 2014 Business expense ***Total *** | 100.72 100.72 |
| ACH001076 | 8/15/14 | THOMAS 073114 | Jeffery Thomas July 2014 Business expense ***Total *** | 134.47 134.47 |
| 126222 | 8/29/14 | SECKEL 073114 | Karl Seckel June-July 2014 Business expense ***Total *** | 203.85 203.85 |
| 126224 | 8/29/14 | USBANK 6533/6933-JUL14 | U.S. Bank 6/23/14-7/22/14 Cal Card charges ***Total *** (See attached sheet for details) | 6,375.94 6,375.94 |
| Total Core Disbursements | | | | 21,541.63 |

Choice Disbursements:

| | | | | |
|-----------------------------------|----------------|------------------------------|--|----------------------|
| 126084 | 8/4/14 | USBANK 6933-JUN14 | U.S. Bank 5/23/14-6/23/14 Cal Card charges ***Total *** (See attached sheet for details) | 811.03 811.03 |
| 126099 | 8/15/14 | FAHLBE 073114 | Beth Fahl July 2014 Business expense ***Total *** | 135.00 135.00 |
| ACH001050 | 8/15/14 | BERGJO 073014 | Joseph Berg July 2014 Business expense ***Total *** | 640.29 640.29 |
| 126224 | 8/29/14 | USBANK 6933-JUL14 | U.S. Bank 6/23/14-7/22/14 Cal Card charges ***Total *** (See attached sheet for details) | 303.14 303.14 |
| Total Choice Disbursements | | | | 1,889.46 |

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

| <i>Check #</i> | <i>Date</i> | <i>Vendor # Invoice/CM #</i> | <i>Name / Description</i> | <i>Net Amount</i> |
|-----------------------------------|----------------|----------------------------------|---|-------------------|
| Other Funds Disbursements: | | | | |
| 126081 | 8/4/14 | ATTEOC | AT&T | |
| | | 8200-JUL14 | July 2014 N. EOC telephone expense | 87.42 |
| | | 4492-JUL14 | July 2014 S. EOC telephone expense | 150.97 |
| | | 0532-JUL14 | July 2014 N. EOC dedicated phone line | 55.76 |
| | | | ***Total *** | 294.15 |
| 126082 | 8/4/14 | SDG&E | SDG&E | |
| | | 49159257768- | 6/18/14-7/20/14 Electrical service for Doheny Ocean Desal project | 220.15 |
| | | | ***Total *** | 220.15 |
| 126084 | 8/4/14 | USBANK | U.S. Bank | |
| | | 6933-JUN14 | 5/23/14-6/23/14 Cal Card charges | 614.00 |
| | | | ***Total *** | 614.00 |
| | | | (See attached sheet for details) | |
| 126090 | 8/15/14 | ATTUVEOC | AT&T | |
| | | 8599-JUL14 | July 2014 U-verse internet service for N. EOC | 11.25 |
| | | | ***Total *** | 11.25 |
| 126102 | 8/15/14 | HUBBAR | Kelly Hubbard | |
| | | 063014 | June 2014 Business expense | 57.31 |
| | | | ***Total *** | 57.31 |
| 126105 | 8/15/14 | TOMALO | Louay Toma | |
| | | 081314 | July 2014 Business expense | 36.68 |
| | | | ***Total *** | 36.68 |
| 126216 | 8/29/14 | ATTEOC | AT&T | |
| | | 8200-AUG14 | August 2014 N. EOC telephone expense | 194.35 |
| | | 4492-AUG14 | August 2014 S. EOC telephone expense | 258.72 |
| | | 0532-AUG14 | August 2014 N. EOC dedicated phone line | 56.11 |
| | | | ***Total *** | 509.18 |
| 126217 | 8/29/14 | ATTUVEOC | AT&T | |
| | | 8599-AUG14 | August 2014 U-verse internet service for N. EOC | 22.50 |
| | | | ***Total *** | 22.50 |
| 126218 | 8/29/14 | CATALI | Catalina Island Conservancy | |
| | | 10425 | August 2014 WEROC radio repeater site lease | 1,484.32 |
| | | | ***Total *** | 1,484.32 |

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

| <i>Check #</i> | <i>Date</i> | <i>Vendor # Invoice/CM #</i> | <i>Name / Description</i> | <i>Net Amount</i> |
|--|-------------|----------------------------------|---|----------------------|
| 126220 | 8/29/14 | HUBBAR 073114 | Kelly Hubbard July 2014 Business expense | 76.10 |
| | | | ***Total *** | 76.10 |
| 126221 | 8/29/14 | SDG&E 49159257768- | SDG&E 7/20/14-8/18/14 Electrical service for Doheny Ocean Desal project | 232.00 |
| | | | ***Total *** | 232.00 |
| ACH001084 | 8/29/14 | SANTAM 071514 | Santa Margarita Water District June 2014 SCP Operation surcharge | 32,864.44 |
| | | | ***Total *** | 32,864.44 |
| ACH001085 | 8/29/14 | SPRINT 320982721-120 | Sprint August 2014 WEROC cell phone expense | 41.82 |
| | | | ***Total *** | 41.82 |
| WIRE140829 | 8/29/14 | METWAT 8064 | Metropolitan Water District June 2014 Water deliveries | 17,521,674.69 |
| | | | ***Total *** | 17,521,674.69 |
| Total Other Funds Disbursements | | | | 17,558,138.59 |
| Total Disbursements | | | | 17,581,569.68 |



Robert J. Hunter, General Manager



Hilary Chumplitazi, Treasurer

Cal Card Statement Detail
Statement Date: June 23, 2014
Payment Date: August 4, 2014

| Date | Description | Amount |
|---------------------------|---|---------------------------|
| <u>Karl's Card</u> | | |
| 05/22/14 | Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Registration for J. Berg | \$ 285.00 |
| 05/22/14 | Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Airfare for J. Berg | 205.00 |
| 05/23/14 | Water Smart Innovations conference in Las Vegas, NV from Oct. 8-10, 2014 - Accommodations deposit for J. Berg | 84.00 |
| 05/23/14 | 5 Toner cartridges | 376.27 |
| 05/24/14 | FedEx delivery charges to O.C. Registrar of Voters on May 22, 2014 | 16.60 |
| 05/27/14 | UPS delivery charges for Board & Committee packets on May 15, 2014 | 7.47 |
| 05/28/14 | Lunch for O.C. MET Managers' meeting | 148.22 |
| 05/29/14 | Employment advertising for WEROC Coordinator position | 200.00 |
| 05/30/14 | Sympathy flowers for staff member | 93.93 |
| 05/30/14 | Orange County Water Association meeting in Irvine, CA on Jun. 18, 2014 - Registration for K. Hubbard | 30.00 |
| 06/03/14 | UPS delivery charges for Board & Committee packets on May 27, 2014 | 6.07 |
| 06/04/14 | Staff development lunch | 353.44 |
| 06/05/14 | Lunch for Joint PAW & WUE meeting | 431.57 |
| 06/05/14 | Lunch for MET Directors caucus | 290.32 |
| 06/06/14 | Care & Maintenance of Southern California Native Plant Gardens book | 53.99 |
| 06/10/14 | Urban Water Institute conference in San Diego, CA from Aug. 13-15, 2014 - Registration for R. Hunter | 250.00 |
| 06/10/14 | UPS delivery charges for Board & Committee packets on Jun. 5, 2014 | 6.07 |
| 06/10/14 | Facebook marketing for WUE programs | 325.47 |
| 06/11/14 | California Landscape Contractors Association sponsorship | 600.00 |
| 06/17/14 | UPS delivery charges for Board & Committee packets on May 13, 27 & Jun. 10, 2014 | 104.20 |
| 06/18/14 | FedEx delivery charges to Land Management Division on Jun. 16, 2014 | 24.87 |
| 06/18/14 | 2 Toner cartridges | 82.38 |
| 06/19/14 | License fee & maintenance for WUE statistical evaluation software | 584.00 |
| 06/19/14 | Office supplies from Costco | 310.28 |
| Total | | <u>\$ 4,869.15</u> |

Cal Card Statement Detail
Statement Date: June 23, 2014
Payment Date: August 4, 2014

| Date | Description | Amount |
|--------------------------|---|-------------------------|
| <u>Rob's Card</u> | | |
| 5/23/14-6/23/14 | Meals for R. Hunter's meetings on various dates | 287.60 |
| Total | | <u>\$ 287.60</u> |

Cal Card Statement Detail
Statement Date: July 22, 2014
Payment Date: August 29, 2014

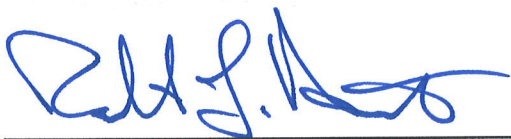
| Date | Description | Amount |
|---------------------------|--|---------------------------|
| <u>Karl's Card</u> | | |
| 06/24/14 | UPS delivery charges for Board & Committee packets on Jun. 12 & 13, 2014 | \$ 52.74 |
| 06/24/14 | Domain name registration for ocwatersmart.com | 149.70 |
| 06/24/14 | Bay Delta Inspection trip from Oct. 28-30, 2014 - Airfare for Director Barbre | 154.00 |
| 06/26/14 | Bond Buyer's Annual conference in San Diego, CA from Oct. 8-10, 2014 - Registration for Director Barbre | 170.00 |
| 06/26/14 | Bond Buyer's Annual conference in San Diego, CA from Oct. 8-10, 2014 - Registration for Director Thomas | 170.00 |
| 06/26/14 | AWWA conference in Monterey, CA from Jun. 23-26, 2014 - Accommodations for R. Bell | 657.06 |
| 06/26/14 | Workers' Comp and Paid Family Leave pamphlets | 35.50 |
| 07/01/14 | Facebook marketing for WUE programs | 153.44 |
| 07/01/14 | UPS delivery charges for Board & Committee packets on Jun. 27, 2014 | 7.20 |
| 07/01/14 | Prepaid Regal movie tickets for employee purchase | 408.00 |
| 07/01/14 | Prepaid Cinemark movie tickets for employee purchase | 408.50 |
| 07/03/14 | Lunch for MET Directors caucus | 357.91 |
| 07/03/14 | Legislative activities in Washington DC from Nov. 19-24, 2014 - Airfare for Director Barbre | 482.00 |
| 07/07/14 | Lunch for media training workshop | 199.17 |
| 07/08/14 | UPS delivery charges for Board & Committee packets on Jun. 27, 2014 | 22.61 |
| 07/08/14 | Breakfast for media training workshop | 108.00 |
| 07/11/14 | Employment advertising for Government Affairs Manager position | 175.00 |
| 07/11/14 | Employment advertising for WEROC Program Coordinator position | 175.00 |
| 07/14/14 | Network printer for WUE department | 569.74 |
| 07/14/14 | California Nevada Section, AWWA Board of Directors meeting in Sacramento, CA on Jul. 17, 2014 - Airfare for D. Burke | 255.50 |
| 07/14/14 | State Water Resources Control Board hearing in Sacramento, CA on Jul. 15, 2014 - Airfare for R. Hunter | 386.00 |
| 07/15/14 | UPS delivery charges for Board & Committee packets on Jun. 19, 2014 | 53.23 |
| 07/17/14 | California Society of Municipal Finance Officers meeting in Irvine, CA on Aug. 21, 2014 - Registration for H. Chumpitazi | 30.00 |
| 07/17/14 | Get well flowers for Director | 92.43 |
| 07/18/14 | ACWA State Legislative Committee meeting in Sacramento, CA on Aug. 8, 2014 - Airfare for H. Baez | 191.00 |
| 07/18/14 | FedEx delivery charges to CalPERS on Jul. 15, 2014 | 23.29 |
| 07/19/14 | FedEx delivery charges for Board & Committee packets on Jul. 16, 2014 | 49.79 |
| 07/19/14 | Employment advertising for Associate Water Resources Analyst position | 200.00 |
| Total | | <u>\$ 5,736.81</u> |

Cal Card Statement Detail
Statement Date: July 22, 2014
Payment Date: August 29, 2014

| Date | Description | Amount |
|--------------------------|---|-------------------------|
| <u>Rob's Card</u> | | |
| 6/23/14-7/22/14 | Meals for R. Hunter's meetings on various dates | 613.81 |
| 06/24/14 | Dinner for MET Director appointment meeting | 211.62 |
| 06/30/14 | Litigation meeting in Los Angeles, CA on Jun. 30, 2014 - Parking for R. Hunter | 37.00 |
| 07/15/14 | State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Transportation for R. Hunter | 39.60 |
| 07/15/14 | State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Meal for R. Hunter | 18.11 |
| 07/15/14 | State Water Resources Control Board hearing in Sacramento, CA on 7/15/14 - Parking for R. Hunter | 22.13 |
| Total | | <u>\$ 942.27</u> |

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

| <i>Check #</i> | <i>Date</i> | <i>Vendor # Invoice/CM #</i> | <i>Name / Description</i> | <i>Net Amount</i> |
|-----------------------------------|-------------|----------------------------------|---|------------------------|
| Core Disbursements: | | | | |
| 126085 | 8/4/14 | ALLIS 241846 | Alliant Insurance Services, Inc. July-September 2014 Worker's Compensation Insurance | 4,654.93 |
| | | | ***Total *** | 4,654.93 |
| | | | Total Core Disbursements | <u>4,654.93</u> |
| Choice Disbursements: | | | | |
| | | | Total Choice Disbursements | <u>0.00</u> |
| Other Funds Disbursements: | | | | |
| 126085 | 8/4/14 | ALLIS 241846 | Alliant Insurance Services, Inc. July-September 2014 Worker's Compensation Insurance | 210.43 |
| | | | ***Total *** | 210.43 |
| | | | Total Other Funds Disbursements | <u>210.43</u> |
| | | | Total Disbursements | <u><u>4,865.36</u></u> |

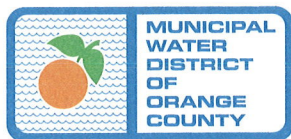


Robert J. Hunter, General Manager



Hilary Chumoitazi, 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

July 31, 2014

Street Address:

18700 Ward Street
Fountain Valley, California 92708

Mailing Address:

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

(714) 963-3058

Fax: (714) 964-9389

www.mwdoc.com

Larry D. Dick
President

Wayne S. Osborne
Vice President

Brett R. Barbre
Director

Wayne A. Clark
Director

Joan C. Finnegan
Director

Susan Hinman
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

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

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

| Fund | Book Value | % of Portfolio |
|-------------------------------------|--------------------|----------------|
| Designated Reserves | | |
| General Operations | \$1,687,565 | 16.97% |
| Grant & Project Cash Flow | 1,000,000 | 10.06% |
| Building Repair | 239,491 | 2.41% |
| Total Designated Reserves | 2,927,056 | 29.44% |
| General Fund | 2,981,152 | 29.98% |
| Water Fund | 3,520,563 | 35.41% |
| Conservation Fund | 149,932 | 1.51% |
| Desalination Feasibility Study Fund | 313,427 | 3.15% |
| WEROC Fund | 55,718 | 0.56% |
| Trustee Activities | -4,869 | -0.05% |
| Total | \$9,942,979 | 100.00% |

The funds are invested as follows:

| Term of Investment | % of Portfolio | Book Value | Market Value |
|---------------------------|----------------|--------------------|--------------------|
| Cash | 0.93% | \$92,695 | \$92,695 |
| Short-term investment | | | |
| • LAIF | 44.08% | \$4,382,565 | \$4,382,565 |
| • OCIP | 23.78% | 2,364,349 | 2,364,349 |
| Long-term investment | | | |
| • Misc. Securities | 20.15% | 2,003,370 | 2,054,630 |
| • Certificates of Deposit | 11.06% | 1,100,000 | 1,095,755 |
| Total | 100.00% | \$9,942,979 | \$9,989,994 |

The average number of days to maturity/call as of July 31, 2014 equaled 226 and the average yield to maturity is 1.028%. During the month, the District's average daily balance was \$19,973,245.16. 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 July 2014.

The \$47,015 difference between the book value and the market value on July 31, 2014 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary July 31, 2014



| 7/31/2014 | Par Value | Market Value | Book Value | % of Portfolio | Days to Mat/Call | YTM @ Cost |
|-----------------------------------|---------------------|---------------------|---------------------|----------------|------------------|--------------|
| Certificates of Deposit - Bank | 1,100,000.00 | 1,095,754.50 | 1,100,000.00 | 11.17 | 1323 | 1.459 |
| Local Agency Investment Funds | 4,382,565.22 | 4,382,565.22 | 4,382,565.22 | 44.51 | 1 | 0.244 |
| Miscellaneous Securities - Coupon | 2,000,000.00 | 2,054,630.00 | 2,003,370.49 | 20.31 | 380 | 3.346 |
| Orange County Investment Pool | 2,364,348.92 | 2,364,348.92 | 2,364,348.92 | 24.01 | 1 | 0.320 |
| Total Investments | 9,846,914.14 | 9,897,298.64 | 9,850,284.63 | 100.00% | 226 | 1.028 |

| | | | | | | |
|-----------------------------------|---------------------|---------------------|---------------------|--|------------|--------------|
| Cash | | | | | | |
| Passbook Checking | 92,694.86 | 92,694.86 | 92,694.86 | | 1 | 0.00 |
| Total Cash and Investments | 9,939,609.00 | 9,989,993.50 | 9,942,979.49 | | 226 | 1.028 |

| | | |
|--------------------------|--------------------------|----------------------------|
| Total Earnings | Month Ending June | Fiscal Year to Date |
| Current Year | 9,568.70 | 9,568.70 |
| Average Daily Balance | 18,642,751.02 | |
| Effective Rate of Return | 1.028% | |

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.

[Signature]

Robert J. Hunter, General Manager

Date

9-5-14

[Signature]
Hilary Chumpitazi, Treasurer

Date

9/4/2014

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

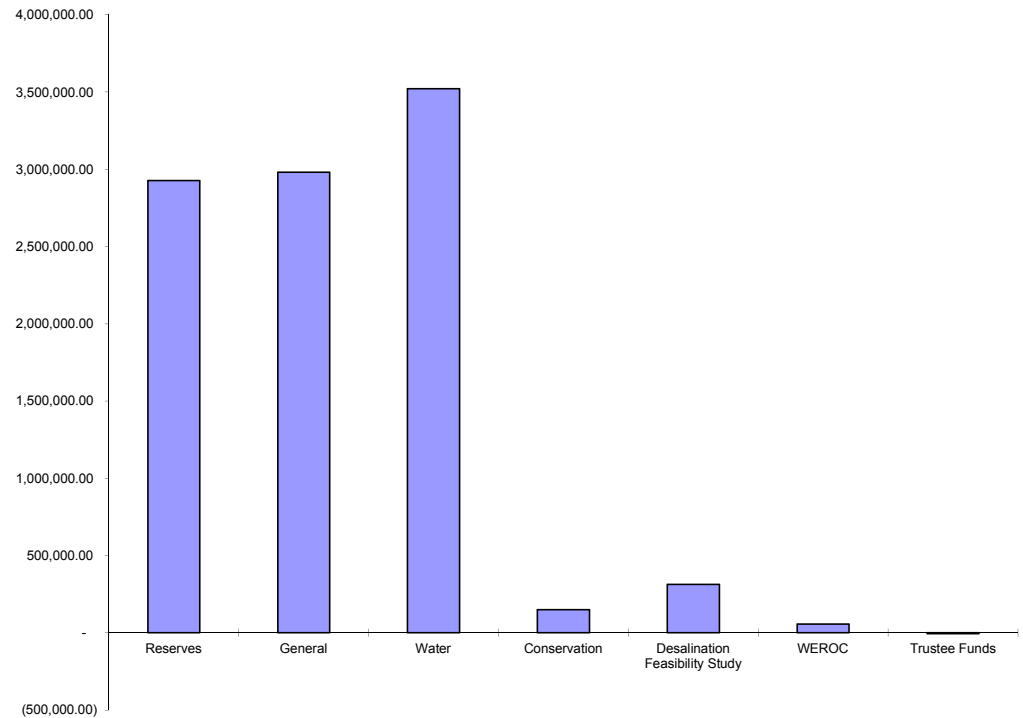
| Issuer | CUSIP/Ticker | Settlement Date | Par Value | Market Value | Book Value | Coupon Rate | YTM @ Cost | Days To Call/Maturity | Maturity Date |
|--|--------------|--------------------------|---------------------|----------------------------|---------------------|--------------|--------------|-----------------------|---------------|
| Certificate of Deposit - Bank | | | | | | | | | |
| Ally Bank | 02006LFV0 | 7/23/2014 | 250,000.00 | 249,015.00 | 250,000.00 | 1.150 | 1.150 | 1089 | 7/24/2017 |
| Discover Bank | 2546712Y5 | 7/23/2014 | 250,000.00 | 248,747.50 | 250,000.00 | 1.600 | 1.600 | 1453 | 7/23/2018 |
| GE Capital Bank | 36163FJC8 | 7/25/2014 | 250,000.00 | 249,010.00 | 250,000.00 | 1.200 | 1.200 | 1090 | 7/25/2017 |
| Goldman Sachs Bank | 38143A4T9 | 1/23/2013 | 100,000.00 | 100,067.00 | 100,000.00 | 1.050 | 1.050 | 907 | 1/23/2017 |
| Synchrony Bank | 87164XBY1 | 7/25/2014 | 250,000.00 | 248,915.00 | 250,000.00 | 2.050 | 2.050 | 1825 | 7/30/2019 |
| Sub Total | | | 1,100,000.00 | 1,095,754.50 | 1,100,000.00 | 1.459 | 1.459 | 1323 | |
| Miscellaneous Securities - Coupon | | | | | | | | | |
| Bank of America | 06051GED7 | 10/14/2010 | 250,000.00 | 257,782.50 | 251,754.55 | 3.700 | 3.000 | 397 | 9/1/2015 |
| JPMorgan Chase | 46625HHR4 | 11/23/2010 | 250,000.00 | 256,367.50 | 251,469.53 | 3.400 | 2.700 | 328 | 6/24/2015 |
| MetLife Global | 59217GAD1 | 2/25/2011 | 500,000.00 | 517,105.00 | 500,787.11 | 3.125 | 3.007 | 529 | 1/11/2016 |
| Morgan Stanley | 61747YCT0 | 3/9/2011 | 500,000.00 | 515,650.00 | 499,662.30 | 3.450 | 3.508 | 459 | 11/2/2015 |
| UBS Financial Services | 90261XFY3 | 6/10/2010 | 500,000.00 | 507,725.00 | 499,697.00 | 3.875 | 4.020 | 168 | 1/15/2015 |
| Sub Total | | | 2,000,000.00 | 2,054,630.00 | 2,003,370.49 | 3.500 | 3.346 | 380 | |
| Total Investments | | | 3,100,000.00 | 3,150,384.50 | 3,103,370.49 | 2.776 | 2.677 | 714 | |
| Total Earnings | | | | | | | | | |
| | | Month Ending June | | Fiscal Year To Date | | | | | |
| Current Year | | | 6,157.89 | | 6,157.89 | | | | |

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

| Investments | CUSIP/Ticker | Settlement Date | Par Value | Market Value | Book Value | Coupon Rate | YTM @ Cost | Days To Call/Maturity | Maturity Date |
|--------------------------------------|--------------|-----------------|--------------------------|----------------------------|---------------------|--------------|--------------|-----------------------|---------------|
| Local Agency Investment Funds | | | | | | | | | |
| LAIF LGIP | LAIF | 6/30/2010 | 4,382,565.22 | 4,382,565.22 | 4,382,565.22 | 0.244 | 0.244 | 1 | N/A |
| Sub Total | | | 4,382,565.22 | 4,382,565.22 | 4,382,565.22 | 0.244 | 0.244 | 1 | |
| Orange County Investment Pool | | | | | | | | | |
| County of Orange LGIP | OCIP | 6/29/2005 | 2,364,348.92 | 2,364,348.92 | 2,364,348.92 | 0.320 | 0.320 | 1 | N/A |
| Sub Total | | | 2,364,348.92 | 2,364,348.92 | 2,364,348.92 | 0.320 | 0.320 | 1 | |
| Total Investments | | | 6,746,914.14 | 6,746,914.14 | 6,746,914.14 | 0.271 | 0.271 | | |
| Passbook Checking | | | | | | | | | |
| Bank of America Cash | CASH0547 | 7/1/2011 | 92,194.86 | 92,194.86 | 92,194.86 | 0.000 | 0.000 | 1 | N/A |
| Petty Cash Cash | CASH | 7/1/2011 | 500.00 | 500.00 | 500.00 | 0.000 | 0.000 | 1 | N/A |
| Total Cash | | | 92,694.86 | 92,694.86 | 92,694.86 | 0.000 | 0.000 | 1 | |
| Total Cash and Investments | | | 6,839,609.00 | 6,839,609.00 | 6,839,609.00 | 0.271 | 0.271 | 1 | |
| Total Earnings | | | | | | | | | |
| | | | Month Ending June | Fiscal Year To Date | | | | | |
| Current Year | | | 3,410.81 | 3,410.81 | | | | | |

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

| ALLOCATION | AMOUNT | % |
|-------------------------------------|---------------------|----------------|
| MWDOC | | |
| Designated Reserves | | |
| General | \$ 1,687,565 | 16.97% |
| Grant & Project Cash Flow | 1,000,000 | 10.06% |
| Building Repair | 239,491 | 2.41% |
| Total Designated Reserves | 2,927,056 | 29.44% |
| General | 2,981,152 | 29.98% |
| Water | 3,520,563 | 35.41% |
| Conservation | 149,932 | 1.51% |
| Desalination Feasibility Study | 313,427 | 3.15% |
| WEROC | 55,718 | 0.56% |
| TOTAL MWDOC | \$ 9,947,848 | 100.05% |
| TRUSTEE ACTIVITIES | | |
| AMP Sales Admin | \$ (4,869) | -0.05% |
| TOTAL TRUSTEE ACTIVITIES | \$ (4,869) | -0.05% |
| TOTAL CASH & INVESTMENTS | \$ 9,942,979 | 100.00% |



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS GASB 45 Program**Monthly Account Report for the Period**
7/1/2014 to 7/31/2014Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

| Source | Beginning Balance as of 7/1/2014 | Contributions | Earnings | Expenses | Distributions | Transfers | Ending Balance as of 7/31/2014 |
|-----------------------|--|---------------|---------------------|-----------------|---------------|---------------|--------------------------------------|
| Employer Contribution | \$1,116,389.92 | \$0.00 | -\$11,852.74 | \$300.00 | \$0.00 | \$0.00 | \$1,104,237.18 |
| Totals | \$1,116,389.92 | \$0.00 | -\$11,852.74 | \$300.00 | \$0.00 | \$0.00 | \$1,104,237.18 |

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 | |
| -1.06% | 1.68% | 9.02% | 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: Plans inception date

**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 7/31/14**

| 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 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES: | \$ 219,916.20 | \$ 149,932.24 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | |
| City of Brea | 3,448.00 | 328.00 | | | | | | | | | | | \$ 3,776.00 |
| City of Fullerton | 75.00 | 75.00 | | | | | | | | | | | \$ 150.00 |
| City of Garden Grove | | 255.00 | | | | | | | | | | | \$ 255.00 |
| City of La Habra | | 105.00 | | | | | | | | | | | \$ 105.00 |
| City of San Clemente | 600.00 | 1,965.00 | | | | | | | | | | | \$ 2,565.00 |
| 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 | | | | | | | | | | | \$ 1,680.00 |
| City of Westminster | | 19.97 | | | | | | | | | | | \$ 19.97 |
| El Toro Water District | 2,703.99 | 2,717.00 | | | | | | | | | | | \$ 5,420.99 |
| Golden State Water Company | 2,671.00 | 3,493.93 | | | | | | | | | | | \$ 6,164.93 |
| Irvine Ranch Water District | 65,383.05 | 28,904.47 | | | | | | | | | | | \$ 94,287.52 |
| Laguna Beach County Water District | 328.00 | 1,130.00 | | | | | | | | | | | \$ 1,458.00 |
| Mesa Water District | | 225.00 | | | | | | | | | | | \$ 225.00 |
| Metropolitan Water District | | 142,191.56 | | | | | | | | | | | \$ 142,191.56 |
| Santa Margarita Water District | 1,092.20 | 4,782.20 | | | | | | | | | | | \$ 5,874.40 |
| South Coast Water District | 75.00 | 225.00 | | | | | | | | | | | \$ 300.00 |
| Miscellaneous Revenues | | | | | | | | | | | | | |
| Miscellaneous | 5,950.50 | | | | | | | | | | | | 5,950.50 |
| Interest Revenue | | | | | | | | | | | | | - |
| Total Revenues | 83,061.74 | 188,359.81 | - | - | - | - | - | - | - | - | - | - | \$ 271,421.55 |
| EXPENDITURES: | | | | | | | | | | | | | |
| Aquaticent | 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 | 2,968.00 | | | | | | | | | | | | 2,968.00 |
| Executive Information Systems | | 584.00 | | | | | | | | | | | 584.00 |
| 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 | | | | | | | | | | | 19,473.82 |
| Spray to Drip program | | 975.00 | | | | | | | | | | | 975.00 |
| Turf Removal | 108,189.95 | 183,408.30 | | | | | | | | | | | 291,598.25 |
| URS | | 12,580.00 | | | | | | | | | | | 12,580.00 |
| Waterwise Consulting | | 1,250.00 | | | | | | | | | | | 1,250.00 |
| Miscellaneous Expenses | | | | | | | | | | | | | |
| Interest Expense | | | | | | | | | | | | | - |
| Safety & Benefit | | | | | | | | | | | | | - |
| Total Expenditures | 153,045.70 | 220,696.82 | - | - | - | - | - | - | - | - | - | - | \$ 373,742.52 |
| Cash - Ending Balance | \$ 149,932.24 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | \$ 117,595.23 | |



Memorandum

DATE: September 10, 2014

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

FROM: Hilary Chumpitazi

SUBJECT: **Preliminary Financial Report for Fiscal Year 2013-14 (Unaudited)**

The following reports are attached for the Fiscal Year 2013-2014 Financial Reports:

- Projected versus Budget variance analysis report
- Revenue and expenditures actual versus budget for the General Fund
- Revenue and Expenditures Actual vs Budget Detailed Comparative Report for the General Fund.
- Revenue and Expenditures Actual Versus Budget for the Other Funds
- Revenue and Expenditures Actual Versus Budget for the Water Use Efficiency Funds
- Revenue and Expenditures Actual Versus Budget for the Water Fund

Municipal Water District of Orange County
Projected versus Budget Variance Analysis report
Fiscal Year 2013-2014

General Fund

Revenues:

| | |
|----------------------------|---|
| <u>Water Rate Revenues</u> | Water increment charges are \$55,000 higher than Budget due to drier and warmer weather conditions and increased sales volume. |
| <u>Interest Income</u> | \$33,000 lower than Budget due to lower than anticipated interest earnings and water bills being paid by our member agencies closer to the due date. |
| <u>Choice Programs</u> | Choice billing \$47,000 under due to fewer children attending the School Program; Lower activity on Poseidon Ocean Desalination and Water Use Efficiency had some expenses roll over to FY 14/15. |
| <u>School Contracts</u> | City of Santa Ana increased their participation by \$20,000 during the year. |

Expenses:

| | |
|---|--|
| <u>Personnel Expenses</u> | \$169,000 under Budget due to: <ul style="list-style-type: none"> - Salaries and Benefits under due to open staff positions and not filling the Director of Finance position - Salaries (Grant Recovery) recovered more in the early stages of the grant due to more time spent upfront - Higher OPEB annual contribution to prefund within 10 years - Training Expense lower due to no formal training sessions being held - Lower tuition reimbursement |
| <u>Professional fees:</u> | \$130,000 under Budget (not counting \$8,000 unbudgeted recovery from grants) <ul style="list-style-type: none"> - Engineering under and carrying-over \$105,000 for the Reliability Study to begin 3rd quarter - Legal over by \$32,000 due to San Diego County Water Authority and MET Litigation; Grants and Agreement Review; Public Records Requests and other potential litigation issues - Audit Expense under due to no Single Audit for FY 12/13 - Professional Services under by \$49,000 due to \$52,000 of a \$133,000 Value of Communication Plan contract being carried over to FY 14/15 |
| <u>Travel & Conference:</u> | \$19,000 under Budget due to less conferences attended by staff and Directors |
| <u>General & Administrative expenses:</u> | \$82,000 under Budget due to: <ul style="list-style-type: none"> - Lower Postage/Mail Delivery due to items being sent electronically - Lower Reproduction Expense by \$5,900 due to a briefing book being converted to an electronic, interactive version and delivered via thumb drives and an additional \$35,000 to reprint brochures was postponed - Less Software licenses were purchased due to the implementation of a virtual infrastructure - Insurance over by \$11,000 due to higher insurance premium - Lower Miscellaneous expenses required in a number of programs |
| <u>Building</u> | \$96,000 less due to market price on bids for HVAC System lower than anticipated |
| <u>Capital Acquisition</u> | \$6,000 less due to not needing an additional server due to the implementation of a virtual infrastructure |
| <u>Transfer-out to Reserve:</u> | Based on the above results, the District anticipates to transfer \$472K (less carryover expenses) to the Reserves, an increase of \$56K over the projected actual transfer. The Reserve Fund ending balance as of June 30, 2014 is estimated to be at \$ 3,399,055 |

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year 2013-2014
(\$000 Omitted)
General Fund

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|-----------------------------------|---------------|---------------|-----------------|
| <u>REVENUES</u> | | | |
| Water Rate revenues: | | | |
| Retail connection fees | 5,130 | 5,122 | 8 |
| Water rate increment | 764 | 710 | 55 |
| Subtotal | 5,894 | 5,832 | 63 |
| Other Revenues: | | | |
| Interest income | 105 | 138 | (33) |
| Choice Programs | 861 | 908 | (47) |
| Other income | 93 | 73 | 20 |
| Subtotal | 1,059 | 1,119 | (60) |
| TOTAL REVENUES | 6,953 | 6,951 | 2 |
| <u>EXPENSES</u> | | | |
| Personnel expenses (inc. Dir.) | 4,205 | 4,366 | 161 |
| Professional services | 753 | 818 | 65 |
| Outside engineering | 64 | 170 | 106 |
| Legal expense | 336 | 305 | (32) |
| Travel & Conference | 46 | 65 | 19 |
| Dues and Memberships | 125 | 127 | 3 |
| General & Administrative expenses | 559 | 641 | 82 |
| Building | 219 | 315 | 96 |
| Capital acquisition | 17 | 24 | 6 |
| TOTAL EXPENSES | 6,324 | 6,830 | 506 |
| Transfer from (to) Reserve | (629) | (120) | (508) |

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Detailed Comparative Report
Fiscal Year 2013-2014
General Fund

| | ACTUAL | BUDGET | Variance |
|--|------------------|------------------|-----------------|
| <u>REVENUES</u> | | | |
| Retail Connection Charge | 5,129,804 | 5,121,824 | 7,980 |
| Water Increment | 764,447 | 709,840 | 54,607 |
| Water rate revenues | 5,894,252 | 5,831,664 | 62,588 |
| Interest Revenue | 104,857 | 138,000 | (33,143) |
| Subtotal | 104,857 | 138,000 | (33,143) |
| Choice Programs | 860,963 | 907,846 | (46,883) |
| Miscellaneous Income | 2,549 | 3,000 | (451) |
| School Contracts | 90,207 | 70,000 | 20,207 |
| Delinquent Payment Penalty | 57 | 0 | 57 |
| Subtotal | 953,776 | 980,846 | (27,070) |
| TOTAL REVENUES | 6,952,884 | 6,950,510 | 2,374 |
| | | | |
| Transfer to Reserve | (629) | (120) | (508) |
| Total Revenues and Reserve Transfer | 6,952,256 | 6,950,390 | 1,866 |

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Detailed Comparative Report
Fiscal Year 2013-2014
General Fund

| | ACTUAL | BUDGET | Variance |
|--|------------------|------------------|-----------------|
| <u>EXPENSES</u> | | | |
| Salaries & Wages | 2,778,186 | 2,848,711 | 70,525 |
| less Recovery from Grants | (28,125) | (20,851) | 7,274 |
| Directors' Compensation | 173,988 | 200,357 | 26,369 |
| MWD Representation | 81,793 | 114,490 | 32,697 |
| Employee Benefits | 834,554 | 962,227 | 127,673 |
| OPEB Annual Contribution | 229,436 | 111,112 | (118,324) |
| Director Benefits | 85,074 | 87,592 | 2,518 |
| Health Ins \$'s for Retirees | 44,546 | 44,463 | (83) |
| Training Expense | 2,273 | 11,600 | 9,327 |
| Tuition Reimbursement | 3,092 | 6,000 | 2,908 |
| Personnel Expenses | 4,204,816 | 4,365,701 | 160,885 |
| Engineering Expense | 64,147 | 170,000 | 105,853 |
| Legal Expense | 336,475 | 304,500 | (31,975) |
| Audit Expense | 15,400 | 23,000 | 7,600 |
| Professional Services | 746,461 | 795,313 | 48,852 |
| less Recovery from Grants | (8,384) | - | 8,384 |
| Professional Fees | 1,154,098 | 1,292,813 | 138,715 |
| Conference-Staff | 8,840 | 12,520 | 3,680 |
| Conference-Directors | 3,224 | 7,960 | 4,736 |
| Travel & Accom.-Staff | 21,540 | 28,360 | 6,820 |
| Travel & Accom.-Directors | 12,270 | 15,950 | 3,680 |
| Travel & Conference | 45,874 | 64,790 | 18,916 |
| Membership/Sponsorship | 84,709 | 88,087 | 3,378 |
| CDR Support | 39,959 | 39,140 | (819) |
| Dues & Memberships | 124,668 | 127,227 | 2,559 |
| Automotive Expense | 15,936 | 15,590 | (346) |
| Business Expense | 6,178 | 7,000 | 822 |
| Maintenance Office | 95,595 | 104,880 | 9,285 |
| Building Repair & Maintenance | 10,965 | - | (10,965) |
| Rents & Leases | 13,975 | 14,309 | 334 |
| Office Supplies | 25,270 | 24,000 | (1,270) |
| Postage/Mail Delivery | 9,545 | 15,100 | 5,555 |
| Outside Printing, Subscription & Books | 27,789 | 70,987 | 43,198 |
| Maintenance-Computers | 4,665 | 7,500 | 2,835 |
| Software Support & Expense | 50,336 | 63,900 | 13,564 |
| Insurance Expense | 106,514 | 96,000 | (10,514) |
| Utilities - Telephone | 14,420 | 16,900 | 2,480 |
| Miscellaneous Expense | 68,920 | 96,310 | 27,390 |
| MWDOC's Contribution To WEROC | 108,820 | 108,820 | - |
| Other Expenses | 558,927 | 641,296 | 82,369 |
| Building | 218,725 | 315,000 | 96,275 |
| Capital Acquisition | 17,109 | 23,500 | 6,391 |
| TOTAL EXPENSES | 6,324,218 | 6,830,327 | 506,109 |

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year 2013-2014

Other Funds

| | <u>Actual</u> | <u>Budget</u> | <u>% Used</u> |
|--|------------------|------------------|---------------|
| <u>WUE Master Plan</u> | | | |
| Revenues | 3,314 | - | 0% |
| Expenditures | <u>3,329</u> | <u>-</u> | 0% |
| Excess of Revenues over Expenditures | (15) | - | |
| <u>WEROC</u> | | | |
| Revenues | 223,736 | 213,577 | 105% |
| Expenditures | <u>217,504</u> | <u>213,577</u> | 102% |
| Excess of Revenues over Expenditures | 6,232 | - | |
| <u>WEROC Water Trailers</u> | | | |
| Revenues | 464,150 | - | 0% |
| Expenditures | <u>464,150</u> | <u>-</u> | 0% |
| Excess of Revenues over Expenditures | - | - | |
| <u>WUE Projects</u> (details on page 5) | | | |
| Revenues | 1,734,104 | 2,071,135 | 84% |
| Expenditures | <u>1,735,673</u> | <u>2,071,135</u> | 84% |
| Excess of Revenues over Expenditures | (1,569) | - | |
| <u>RPOI Distribution</u> | | | |
| Revenues | 4,452,487 | 1,619,665 | 275% |
| Expenditures | <u>4,452,487</u> | <u>1,619,665</u> | 275% |
| Excess of Revenues over Expenditures | - | - | |
| <u>Ocean Desalination</u> | | | |
| Revenues | 67,595 | 115,459 | 59% |
| Expenditures | <u>67,595</u> | <u>115,459</u> | 59% |
| Excess of Revenues over Expenditures | - | - | |

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

| | <u>Actual</u> | <u>Variance %^[1]</u> | <u>Fiscal Year Budget</u> | <u>% of Budget^[2]</u> | <u>Projected Final FY Budget^[3]</u> |
|---|----------------|---------------------------------|-------------------------------|--------------------------------------|--|
| <u>Landscape Performance Certification</u> | | | | | |
| Revenues | 137,447 | | 107,000 | 128.45% | 114,500 |
| Expenditures | <u>137,447</u> | | <u>107,000</u> | 128.45% | <u>114,500</u> |
| Excess of Revenues over Expenditures | - | 0% | - | | |

Actual Variance: No comment needed

Budget Variance: Increased activity due to drought response.

| | | | | | |
|--------------------------------------|----------------|-------|----------------|--------|----------------|
| <u>SmarTimers Rebate</u> | | | | | |
| Revenues | 120,845 | | 125,200 | 96.52% | 115,000 |
| Expenditures | <u>114,814</u> | | <u>125,200</u> | 91.70% | <u>115,000</u> |
| Excess of Revenues over Expenditures | 6,031 | 4.99% | 0 | | |

Actual Variance: No comment needed

Budget Variance: No comment needed.

| | | | | | |
|--|----------------|--------|----------------|--------|----------------|
| <u>Industrial Water Use Reduction</u> | | | | | |
| Revenues | 94,093 | | 113,478 | 82.92% | 115,000 |
| Expenditures | <u>101,692</u> | | <u>113,478</u> | 89.61% | <u>115,000</u> |
| Excess of Revenues over Expenditures | (7,600) | -8.08% | 0 | | |

Actual Variance: Grant Billing in October to cover expenses

Budget Variance: Slower than anticipated activity due to the nature of the program. Industrial projects are slow to materialize.

| | | | | | |
|--------------------------------------|----------------|----|----------|-------|--|
| <u>Rotating Nozzle Rebate</u> | | | | | |
| Revenues | 152,564 | | 0 | 0.00% | |
| Expenditures | <u>152,564</u> | | <u>0</u> | 0.00% | |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established.

| | | | | | |
|---|---------------|----|----------------|--------|---------------|
| <u>Hotel Water Use Reduction Program</u> | | | | | |
| Revenues | 92,271 | | 189,484 | 48.70% | 75,000 |
| Expenditures | <u>92,271</u> | | <u>189,484</u> | 48.70% | <u>75,000</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Less than expected activity. Term extension was granted which will allow for full program implementation.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

| | <u>Actual</u> | <u>Variance %^[1]</u> | <u>Fiscal Year Budget</u> | <u>% of Budget^[2]</u> | <u>Projected Final FY Budget^[3]</u> |
|--|---------------|---------------------------------|---------------------------|----------------------------------|--|
| <u>Spray to Drip Conversion</u> | | | | | |
| Revenues | 2,661 | | 45,124 | 5.90% | |
| Expenditures | <u>2,661</u> | | <u>45,124</u> | 5.90% | |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Expected rollout of the program was delayed from the expected start date. Realized initial program participation was slow. Full Program activity to occur in FY14/15.

Water Smart Landscape for Public Property

| | | | | | |
|--------------------------------------|---------------|----|------------------|-------|--|
| Revenues | 35,476 | | 1,000,838 | 3.54% | |
| Expenditures | <u>35,476</u> | | <u>1,000,838</u> | 3.54% | |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Public property projects were due to begin during the last six months of the fiscal year. These projects have been slow in rolling out due to public contracting procedures and city approval process. It is now expected all will materialize in fiscal year 14/15.

Member Agency Administered Passthru

| | | | | | |
|--------------------------------------|--------------|----|----------|-------|--|
| Revenues | 4,875 | | - | 0.00% | |
| Expenditures | <u>4,875</u> | | <u>-</u> | 0.00% | |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established.

ULFT Rebate Program

| | | | | | |
|--------------------------------------|---------------|----|---------------|---------|---------------|
| Revenues | 85,955 | | 40,000 | 214.89% | 55,000 |
| Expenditures | <u>85,955</u> | | <u>40,000</u> | 214.89% | <u>55,000</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Increased activity due to drought response.

HECW Rebate Program

| | | | | | |
|--------------------------------------|----------------|----|----------------|--------|----------------|
| Revenues | 310,455 | | 380,000 | 81.70% | 380,000 |
| Expenditures | <u>310,455</u> | | <u>380,000</u> | 81.70% | <u>380,000</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Mid-year the MET rebate was reduced which caused less than expected program activity.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
From July 2013 thru June 2014
Water Use Efficiency Projects

| | <u>Actual</u> | <u>Variance %^[1]</u> | <u>Fiscal Year Budget</u> | <u>% of Budget^[2]</u> | <u>Projected Final FY Budget^[3]</u> |
|--------------------------------------|---------------|---------------------------------|---------------------------|----------------------------------|--|
| <u>CII Rebate Program</u> | | | | | |
| Revenues | 64,986 | | 0 | 0.00% | |
| Expenditures | <u>64,986</u> | | <u>0</u> | 0.00% | |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: New budget category. Began tracking this after the budget was established. Newport Beach and Laguna Beach requested MET funding for a direct install program.

Large Landscape Survey

| | | | | | |
|--------------------------------------|---------------|----|---------------|---------|---------------|
| Revenues | 74,729 | | 21,600 | 345.97% | 55,000 |
| Expenditures | <u>74,729</u> | | <u>21,600</u> | 345.97% | <u>55,000</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Program activity is tied to the commercial smart timer program which saw a larger than expected activity in the second half of the fiscal year due to the drought response.

Indoor-Outdoor Survey

| | | | | | |
|--------------------------------------|--------------|----|---------------|--------|--------------|
| Revenues | 5,276 | | 12,150 | 43.42% | 3,500 |
| Expenditures | <u>5,276</u> | | <u>12,150</u> | 43.42% | <u>3,500</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: The \$7K difference is tied to the Home Certification and Rebate program which started up in the last quarter of the year.

Turf Removal Program

| | | | | | |
|--------------------------------------|----------------|----|----------------|---------|----------------|
| Revenues | 539,875 | | 105,000 | 514.17% | 375,000 |
| Expenditures | <u>539,875</u> | | <u>105,000</u> | 514.17% | <u>375,000</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Through aggressive marketing of the program and the State Drought Declaration, The program saw a significant increase in program activity. Also the rebate level increased from \$1/sq/ft to \$2/sq/ft in the last quarter of the fiscal year.

Home Certification and Rebate

| | | | | | |
|--------------------------------------|---------------|----|----------------|--------|----------|
| Revenues | 12,596 | | 120,745 | 10.43% | 0 |
| Expenditures | <u>12,596</u> | | <u>120,745</u> | 10.43% | <u>0</u> |
| Excess of Revenues over Expenditures | - | 0% | 0 | | |

Actual Variance: No comment needed.

Budget Variance: Rollout of the program was delayed from the expected start date due to the creation of an online report generator process that reduce staff time development. Realized initial program participation was slow.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Water Funds
Fiscal Year 2013-2014

| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> |
|-----------------------------------|--------------------|--------------------|-------------------|
| <u>Water Revenues</u> | | | |
| Water sales | 179,640,723 | 145,306,842 | 34,333,881 |
| Ready to Serve Charge | 12,287,595 | 10,293,552 | 1,994,043 |
| Capacity Charge Flat Rate | 3,396,050 | 3,132,800 | 263,250 |
| SCP Surcharge | 335,487 | 354,112 | (18,625) |
| Interest | <u>2,826</u> | <u>4,630</u> | <u>(1,804)</u> |
| Total Water Revenues | <u>195,662,681</u> | <u>159,091,936</u> | <u>36,570,745</u> |
| <u>Water Purchases</u> | | | |
| Water sales | 179,640,723 | 145,306,842 | 34,333,881 |
| Ready to Serve Charge | 12,287,595 | 10,293,552 | 1,994,043 |
| Capacity Charge | 3,396,050 | 3,132,800 | 263,250 |
| SCP Surcharge | <u>335,487</u> | <u>354,112</u> | <u>(18,625)</u> |
| Total Water Purchases | <u>195,659,855</u> | <u>159,087,306</u> | <u>36,572,549</u> |
| EXCESS OF REVENUES OVER | | | |
| EXPENDITURES | <u>2,826</u> | <u>4,630</u> | <u>(1,804)</u> |



July 25 2014

To the Board of Directors
Municipal Water District of Orange County

We are engaged to audit the financial statements of the Municipal Water District of Orange County (District) for the year ended June 30, 2014. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and OMB Circular A-133

As stated in our engagement letter dated July 25, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with OMB Circular A-133, we will examine, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the District's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis and the other post-employment benefit plan schedule of funding progress, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the schedule of expenditures of federal awards. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

If any member of the Board is aware of matters that have a material bearing on the financial statements taken as a whole (such as those described above in items 1-4), please contact me at (949) 768-0833 or by email at ralfaro@vtdcpa.com by September 9, 2014. We expect to begin our audit on approximately August 6, 2014 and we expect to issue our reports during November 2014.

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

Very truly yours,



Roger Alfaro
Of Vavrinek, Trine, Day & Co., LLP



CONSENT CALENDAR ITEM

September 17, 2014

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Maribeth Goldsby

SUBJECT: 2014 CONFLICT OF INTEREST CODE -- BIENNIAL REVIEW

STAFF RECOMMENDATION

Staff recommends the Board of Directors: (1) Review the District's Conflict of Interest Code; (2) determine whether updates are needed; and (3) authorize staff to submit the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors indicating that revisions are necessary (no later than October 1, 2014).

COMMITTEE RECOMMENDATION

Committee reviewed the Conflict of Interest Code and determined that revisions are necessary. Committee recommended staff be authorized to submit the 2014 Biennial Review notice to the OC Clerk of the Board (indicating revisions are necessary). The proposed revisions will be presented to the Committee in November.

SUMMARY

The Board of Supervisors for the County of Orange (MWDOC's Code Reviewing Body) assists the District in reviewing its Conflict of Interest Codes every two years, pursuant to Fair Political Practices Commission (FPPC) requirements.

A preliminary staff and legal counsel review, indicates that one title be added (WEROC Programs Manager) and that the disclosure category for that position be included. As a result of this change, and in effort to comply with the FPPC disclosure category requirements, a more detailed review and appropriate revisions will be performed by Best, Best & Krieger. This review will ultimately result in revisions to the Code and its appendices.

All that is required at this time (by the FPPC) is that the Board acknowledge and notify the FPPC that changes to the Code are necessary. This notification is due no later than October 1st. Staff will present the proposed changes to the Code in November.

| | |
|---|------------------|
| Budgeted (Y/N): | Budgeted amount: |
| Action item amount: | Line item: |
| Fiscal Impact (explain if unbudgeted): | |

2014 Local Agency Biennial Notice

Name of Agency: Municipal Water District of Orange County
Mailing Address: P.O. Box 18700, Fountain Valley, CA 92728
Contact Person: Maribeth Goldsby Phone No: (714) 593-5006
E-Mail: mgoldsby@mwdoc.com

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (check one box):

☒ **An amendment is required. The following amendments are necessary:**

(Mark all that apply.)

- Include new positions (including consultants) that must be designated
- Revise disclosure categories
- Revise the titles of existing positions
- Delete positions that no longer make or participate in making governmental decisions
- Other (describe) _____

☐ **The code is currently under review by the code reviewing body.**

☐ **No amendment is required.** (If your code is more than five years old, amendments may be necessary.)

Verification

This agency's conflict of interest code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

9/17/2014

Date

Complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2014**, or by the date specified by your agency, if earlier, to:
(PLACE RETURN ADDRESS OF THE CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC



CONSENT CALENDAR ITEM

September 17, 2014

TO: Board of Directors

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

Rob Hunter
General Manager

Staff Contact: Karl Seckel

SUBJECT: Travel to Washington DC in 2014 to Cover Federal Initiatives

STAFF RECOMMENDATION

Staff recommends the Board of Directors receives and files the report.

COMMITTEE RECOMMENDATION

To be determined.

September 2014 Progress Report

During the current quarter, Director Barbre made one trip to Washington DC to continue discussions on implementation of the Water Resources Reform and Development Act (WRRDA) including the roll-out of Water Infrastructure Finance and Innovation Authority (WIFIA) and the potential for securing appropriations from the legislation. One more trip may be held in the remainder of the year or pushed over into early 2016.

| | | | |
|---|--------------------------------------|---|-----------|
| Budgeted (Y/N): Yes | Budgeted amount: \$15,000 for travel | Core <input checked="" type="checkbox"/> | Choice __ |
| Action item amount: n/a | | Line item: Cost centers 11 (Board) & 12 (Staff) | |
| Fiscal Impact (explain if unbudgeted): Item marked as Core even though it supports some of our Choice services; Federal funding is sought for both Core and Choice activities, however, the travel is charged as Core. Costs for our Federal advocates was split between Core and Choice and is not included in the cost amount; this year, the Federal Advocates are entirely Core. The actual amount budgeted for Travel this year to Washington DC was \$8,200. In light of the higher level of travel anticipated, reductions in other areas will have to be made. | | | |

June 2014 Progress Report

During the current quarter, Director Barbre made one trip to Washington DC to gather information on the Water Resources Reform and Development Act (WRRDA) and the potential for appropriations to emerge from the legislation.

For the upcoming quarter, it is likely that an additional trip will be made to continue to examine how implementation of WRRDA will occur, especially regarding appropriations for previously authorized funding opportunities.

March 2014 Progress Report

The following trips have been made to Washington DC (not including the ACWA DC Conference and Legislative Luncheon) so far this year:

- January trip by Director Barbre
- February trip by Director Barbre and General Manager Hunter was cancelled due to weather conditions

The meetings and discussions have revolved around what Congress and the various Committees will do with respect to earmarking of projects and/or how to deal with the prohibition on earmarking as well as tracking progress on proposed legislation for the Water Resources Reform and Development Act (WRRDA) of 2013, the Water Infrastructure Finance and Innovation Authority (WIFIA) and the Corps of Engineers Environmental Infrastructure Account from WRDA 2007. The most recent trip back is to meet with Senator Feinstein's Office to directly discuss the potential for funding projects like the Doheny Desal Project.

ANNUAL SUMMARY FROM DECEMBER 2013

Each year a number of trips are made to Washington DC to carry out MWDOC's Federal Initiatives. Anticipated trips are as follows:

- In the past, typically MWDOC has budgeted six person-trips to Washington DC per year (a person-trip is one person traveling to and from Washington DC typically involving a two night stay). For 2014, it is anticipated that a few more trips will be made through the inclusion of the General Manager and/or another director. It is estimated that about 10-person trips may occur in the coming calendar year (not including the ACWA DC Trip that involves our Orange County delegation luncheon). These trips cost about \$1500 per person per trip and so the total estimated travel costs would be about \$15,000.
- Typically, the first of these trips occurs in early to mid-January to begin the process of scoping out sentiments and positions relative to funding opportunities for the year. The search includes looking for funds for Water Use Efficiency, Planning, other Projects or specifically for the Doheny Desalination Project and any other grant funding that might be developing. Early input into the process is sought to collect information and the

current sentiment and to shape the policy direction in a manner beneficial to our needs.

- Additional trips occur as the year proceeds. Typically, the second trip occurs in mid-February. The purpose is to continue making the rounds with Committee and Congressional staff members ahead of the appropriation submittal process (March & April) to further develop our strategy and requests for the year.
- A third trip occurs in the May timeframe for meetings with the various legislative offices.
- The fourth and fifth trips for the year occur in the summer or early fall to follow-up on any late issues as appropriations bills are drafted and approved.
- Each of these trips can include one to two persons (staff and/or Directors; typically Director Brett Barbre makes all of the trips because of his expertise and connections).
- This item **does not** include the travel for the MWD OC Legislative meeting in February or travel to the ACWA Washington DC Conference in February or March.



ACTION ITEM
September 17, 2014

TO: Board of Directors

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

SUBJECT: APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt Resolution reappointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey, Mary Snow as Alternate Deputy Treasurers, and appointing Lina Gunawan as an additional Alternate Deputy Treasurer. Said Resolution also outlines signatory authority.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

Due to an evaluation of day-to-day activities in the Accounting Department, staff believes it would be prudent to add Lina Gunawan as an additional Deputy Treasurer. Additionally, it would be prudent to outline banking signature authority due to the recent changes in positions.

Attached is the proposed Resolution.

RESOLUTION NO. _____

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPOINTMENT OF TREASURER, DEPUTY TREASURER, AND
ALTERNATE DEPUTY TREASURERS AND
AUTHORIZATION OF SIGNATORIES ON DISTRICT BANK ACCOUNTS**

WHEREAS, by Resolution No. 1434, the Board of Directors created the office of Alternate Deputy Treasurer and delegated to such office the authority to direct the investment of District funds when the Treasurer and Deputy Treasurer may be unavailable; and

WHEREAS, by Resolution No. 1985, the Board of Directors appointed Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Mary Snow and Jeffrey Stalvey as Alternate Deputy Treasurers; and

WHEREAS, due to her involvement in the regular day-to-day investment activities of the District, it appears prudent to appoint Lina Gunawan as an additional Alternate Deputy Treasurer.

NOW, THEREFORE, be it resolved by the Board of Directors of Municipal Water District of Orange County as follows:

1. **Lina Gunawan** (Accountant) is hereby appointed to the office of Alternate Deputy Treasurer, and shall have and exercise that authority which is delegated to the office of Alternate Deputy Treasurer under Resolution No. 1434, subject to the investment policy established by the Board of Directors in Resolution No. 1942 as amended from time to time. No additional compensation shall be given for the office of Alternate Deputy Treasurer.
2. **Hilary Chumpitazi** (Accounting Manager) is hereby appointed as Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board, and no additional compensation shall be given for the office of Treasurer.
3. **Robert Hunter** (General Manager) is hereby appointed as Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board, and no additional compensation shall be given for the office of Deputy Treasurer.
4. **Jeff Stalvey** (Financial Analyst) is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board; and no additional compensation shall be given for the office of Alternate Deputy Treasurer.

5. **Mary Snow** (Accountant) is hereby appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board, and no additional compensation shall be given for the office of Alternate Deputy Treasurer.
6. That each member of the Board of Directors, the General Manager/ Deputy Treasurer, and the Assistant General Manager, as designated on Exhibit "A", attached hereto, are hereby authorized to draw checks on the District's bank accounts at Bank of America NT & SA No. 14582-50547 (General Account) and No. 14588-50549 (Payroll Account). The Secretary of the District is hereby directed to cause signature cards in the form provided by Bank of America NT & SA to be completed with the authorized officers' signatures and duly certified and delivered to the Bank of America NT & SA.
7. Bank of America NT & SA is hereby authorized to honor and pay any and all checks and drafts duly executed by the authorized signatories, including those drawn to the individual order of any officer or person authorized to sign checks. Checks drawn on the District's General Account must bear the signatures of two of the authorized signatories, provided that not more than one authorized signature may be by facsimile as shown on the signature card certified to the Bank of America NT & SA by the Secretary of Municipal Water District of Orange County.
8. Bank of America NT & SA is hereby authorized to honor and pay any and all checks and drafts drawn on the District's payroll account (No. 14588-50549) which are duly executed by an authorized signatory, including checks drawn to the individual order of any officer or person authorized to sign checks. Checks drawn on the District's payroll account must be signed by one authorized signatory, provided that the signature may be by facsimile as shown on the signature card duly certified to the Bank of America NT & SA by the Secretary of Municipal Water District of Orange County.

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

AYES:
NOES:
ABSENT:
ABSTAIN:

MARIBETH GOLDSBY, Secretary of the
Municipal Water District of Orange County

c:\wp60\docs\mwdoc\tresappt.res

EXHIBIT "A" TO RESOLUTION NO. _____

WAYNE A. CLARK
Director

JOAN FINNEGAN
Director

WAYNE OSBORNE
Director

JEFFERY M. THOMAS
Director

LARRY D. DICK
Director

BRETT BARBRE
Director

SUSAN HINMAN
Director

ROBERT J. HUNTER
General Mgr/ Deputy Treasurer

KARL W. SECKEL
Asst. General Mgr/Dist. Engineer

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



ACTION ITEM
September 2, 2014

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Kelly Hubbard
WEROC Manager

SUBJECT: 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

STAFF RECOMMENDATION

Staff recommends that the Board of Directors approve the execution of the 2013 Grant Transfer Agreement with the County of Orange as the Local Homeland Security (HLS) Grant Administrator and adopt Resolution providing authority to the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

The County of Orange administers all Homeland Security (HLS) grant funds within the county. The Municipal Water District of Orange County (MWDOC) and the Water Emergency Response Organization of Orange County (WEROC) requested approval for training funds for Kelly Hubbard and Lisa Parson, WEROC Coordinator, to attend the California Emergency Services Association (CESA) Annual Training and Conference. The county agreed that they could fund this training. Signing this Transfer Agreement with the County will allow for the district to accept HLS Grant funds in reimbursement of Kelly and Lisa attending this Training & Conference. This is a budgeted and approved conference.

In order to receive any 2013 HLS grant funds the District must designate by resolution at least one authorized agent. Authorized agents execute for and on behalf of MWDOC any

| | | | |
|--|-------------------------|--------|-------------|
| Budgeted (Y/N): Yes | Budgeted amount: \$3000 | Core ✓ | Choice ____ |
| Action item amount: \$3,000 (grant reimbursement) | Line item: 7110& 7150 | | |
| Fiscal Impact (explain if unbudgeted): Full Grant Reimbursement | | | |

actions necessary for obtaining the HLS grant funds and implementing projects. Staff recommends that the board approve two authorized agents by title – the General Manager and the WEROC Program Manager. The recommendation to designate two authorized agents by title is to allow the greatest flexibility in the grant funding management.

The Board recently took similar action in October 2013 in regards to the Homeland Security Funds and in May 2013 for the Urban Areas Security Initiative (UASI) funds. The attached agreements and resolution are required for each grant year that MWDOC seeks to receive funds. The provisions of this grant agreement are the same as those grant agreements already signed for in the 2012 HLS Grant awarded for Kelly's attendance at the Harvard Kennedy School of Executive Management. By signing this agreement, the district would also then be eligible for other grants opportunities throughout the 2013 HLS Grant cycle, should a project present itself as a good opportunity that may meet national homeland security goals. If staff decided to pursue a significant project under this grant, other than this training reimbursement, the project would be presented to the Board for input and approval. A summary of Homeland Security related funds received to date and proposed are noted below:

| Funds Received | Grant Year | Amount |
|-------------------------|-------------------|------------------|
| Hazard Mitigation Plan | 2005 | \$168,053 |
| EOC Remodel & Mapping | 2009 | \$76,290 |
| Trainings & Conferences | 2010-2014 | \$17,320 |
| Water Trailers | 2011 | \$497,304 |
| | | |
| TOTAL Received | | \$755,967 |

| Funds Proposed | Grant Year | Amount |
|---------------------------------|-------------------|-----------------|
| Generator Cabling & Connections | 2014 | \$16,000 |
| Fuel Delivery Trailers | 2014 | \$100,000 |
| Training & Conferences | 2013 | \$3,000 |
| | | |
| TOTAL Proposed | | \$119,00 |

Attachments

1. Agreement to Transfer Property or Funds for 2013 Homeland Security Grant Program Purposes
2. California Governor's Office of Emergency Services , FY 2013 Grant Assurances (All HSGP Applicants)
3. Resolution to designate two authorized agents

**AGREEMENT TO TRANSFER PROPERTY OR FUNDS
FOR 2013 HOMELAND SECURITY GRANT PROGRAM PURPOSES**

THIS AGREEMENT is entered into this _____ day of _____ 201__, which date is enumerated for purposes of reference only, by and between the COUNTY OF ORANGE, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and _____, a (municipal corporation/special district/not-for-profit corporation), hereinafter referred to as "SUBGRANTEE."

WHEREAS, COUNTY, acting through its Sheriff-Coroner Department in its capacity as the lead agency for the Orange County Operational Area, has applied for, received and accepted a grant from the State of California, acting through its California Office of Emergency Services, to enhance county-wide emergency preparedness, hereinafter referred to as "the grant", as set forth in the grant documents that are attached hereto as Attachments A (FY 13 CA Supplement to Federal Program Guidelines), B (2013 Homeland Security Grant Programs) and C (FY 13 Grant Assurances) and incorporated herein by reference.

WHEREAS, the terms of the grant require that COUNTY use certain grant funds to purchase equipment, technology or services that will be transferred to SUBGRANTEE to be used for grant purposes.

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. COUNTY shall transfer to SUBGRANTEE the equipment, technology or services as specified in Attachment D hereto, which is incorporated herein by reference. If the grant requires COUNTY to transfer to SUBGRANTEE equipment, technology or services that COUNTY has not yet acquired, COUNTY shall transfer said equipment, technology or services to SUBGRANTEE as soon after acquisition by COUNTY as is reasonably practicable.

2. If COUNTY transfers grant funds to SUBGRANTEE, SUBGRANTEE shall use said grant funds only to acquire equipment, technology or services as set forth in Attachment B hereto and/or to perform such other grant functions, if any, for which Attachments A, B and C permit SUBGRANTEE

1 to expend grant funds. SUBGRANTEE shall provide COUNTY with a budget breakdown signed by the
2 authorized agent.

3 3. Throughout its useful life, SUBGRANTEE shall use any equipment, technology or
4 services acquired with grant funds only for those purposes permitted under the terms of the grant, and
5 shall make it available for mutual aid response.

6 4. SUBGRANTEE shall exercise due care to preserve and safeguard equipment acquired
7 with grant funds from damage or destruction and shall provide regular maintenance and repairs for said
8 equipment as are necessary, in order to keep said equipment in continually good working order. Such
9 maintenance and servicing shall be the sole responsibility of the SUBGRANTEE, who shall pay for
10 material and labor costs for any maintenance and repair of the said equipment throughout the life of the
11 said equipment.

12 5. SUBGRANTEE shall assume all continuation costs of said equipment, technologies
13 and/or services to include but not limited to upgrades, licenses and renewals of said equipment,
14 technologies and/or services.

15 6. If equipment acquired with grant funds becomes obsolete or unusable, SUBGRANTEE
16 shall notify COUNTY of such condition. SUBGRANTEE shall transfer or dispose of grant-funded
17 equipment only in accordance with the instructions of COUNTY.

18 7. SUBGRANTEE agrees to indemnify, defend and save harmless COUNTY and their
19 elected and appointed officials, officers, agents and employees from any and all claims and losses
20 accruing or resulting to any and all contractors, subcontractors, laborers, and any other person, firm or
21 corporation furnishing or supplying work services, materials or supplies in connection with
22 SUBGRANTEE's use of grant-funded equipment, technology or services and SUBGRANTEE's
23 performance of this Agreement, including Attachments A, B and C hereto, and from any and all claims
24 and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by
25 SUBGRANTEE in SUBGRANTEE's use of grant-funded equipment, technology or services and
26 SUBGRANTEE's performance of this Agreement, including Attachments A, B and C hereto.

27 8. By executing this Agreement, SUBGRANTEE agrees to comply with and be fully bound
28 by all applicable provisions of Attachments A, B and C hereto. SUBGRANTEE shall notify COUNTY

1 immediately upon discovery that it has not abided or no longer will abide by any applicable provision of
2 Attachments A, B and C hereto.

3 9. SUBGRANTEE and COUNTY shall be subject to examination and audit by the State
4 Auditor General with respect to this Agreement for a period of three years after final payment
5 hereunder.

6 10. No alteration or variation of the terms of this Agreement shall be valid unless made in
7 writing and signed by duly authorized representatives of the parties hereto, and no oral understanding or
8 agreement not incorporated herein shall be binding on any of the parties hereto.

9 11. SUBGRANTEE may not assign this Agreement in whole or in part without the express
10 written consent of COUNTY.

11 12. For a period of three years after final payment hereunder or until all claims related to this
12 Agreement are finally settled, whichever is later, SUBGRANTEE shall preserve and maintain all
13 documents, papers and records relevant to the work performed or property or equipment acquired in
14 accordance with this Agreement, including Attachments A, B and C hereto. For the same time period,
15 SUBGRANTEE shall make said documents, papers and records available to COUNTY and the agency
16 from which COUNTY received grant funds or their duly authorized representative(s), for examination,
17 copying, or mechanical reproduction on or off the premises of SUBGRANTEE, upon request during
18 usual working hours.

19 13. SUBGRANTEE shall provide to COUNTY all records and information requested by
20 COUNTY for inclusion in quarterly reports and such other reports or records as COUNTY may be
21 required to provide to the agency from which COUNTY received grant funds or other persons or
22 agencies.

23 14. COUNTY may terminate this Agreement and be relieved of the payment of any
24 consideration to SUBGRANTEE if a) SUBGRANTEE fails to perform any of the covenants contained
25 in this Agreement, including Attachments A, B and C hereto, at the time and in the matter herein
26 provided, or b) COUNTY loses funding under the grant. In the event of termination, COUNTY may
27 proceed with the work in any manner deemed proper by COUNTY.
28

1 15. SUBGRANTEE and its agents and employees shall act in an independent capacity in the
2 performance of this Agreement, including Attachments A, B and C hereto, and shall not be considered
3 officers, agents or employees of COUNTY or of the agency from which COUNTY received grant funds.

4 IN WITNESS WHEREOF, the parties have executed this Agreement in the County of Orange,
5 State of California.

6
7 DATED: _____, 201_

COUNTY OF ORANGE, a political
subdivision of the State of California

8
9 By _____

Sheriff-Coroner
"COUNTY"

10
11 APPROVED AS TO FORM:

12 COUNTY COUNSEL

13
14 By _____

Wendy Phillips

15
16 DATED: Nov. 13, 2013

17
18 DATED: _____

SUBGRANTEE

19
20 By: _____

21
22 By: _____

23 ATTEST:

24
25 By _____
City Clerk

26
27 DATED: _____, 201_

California Governor's Office of Emergency Services
FY 2013 Grant Assurances
(All HSGP Applicants)

Name of Applicant: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

E-Mail Address: _____

As the duly authorized representative of the Applicant, I certify that the Applicant named above:

1. Will assure that all allocations and use of funds under this grant will be in accordance with the Fiscal Year 2013 HSGP Funding Opportunity Announcement.
2. Will assure that grant funds will support efforts related to providing an integrated mechanism to enhance the coordination of national priority efforts to prepare for, prevent, respond to, and recover from terrorist attacks, major disasters and other emergencies.
3. Has the legal authority to apply for federal assistance and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant provided by the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) and sub-granted through the State of California, California Governor's Office of Emergency Services (Cal OES).
4. Will assure that grant funds are used for allowable, fair, and reasonable costs only and will not be transferred between grant programs (for example: State Homeland Security Program and Urban Area Security Initiative) or fiscal years.
5. Will comply with any cost sharing commitments included in the FY2013 Investment Justifications submitted to DHS/FEMA/Cal OES, where applicable.
6. Will establish a proper accounting system in accordance with generally accepted accounting standards and awarding agency directives.
7. Will give the DHS/FEMA, the General Accounting Office, the Comptroller General of the United States, the Cal OES, the Office of Inspector General, through any authorized representatives, access to, and the right to examine, all paper or electronic records, books, and documents related to the award, and will permit access to its facilities, personnel and other individuals and information as may be necessary, as required by DHS/FEMA or Cal OES, through any authorized representative, with regard to examination of grant related records, accounts, documents, information and staff.
8. Will require any subrecipients, contractors, successors, transferees, and assignees to acknowledge and agree to comply with applicable provisions governing DHS/FEMA access to records, accounts, documents, information, facilities, and staff.
 - a. Recipients must cooperate with any compliance review or complaint investigation conducted by DHS/FEMA or Cal OES.
 - b. Recipients must give DHS/FEMA and Cal OES access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to

facilities, personnel, and other individuals and information as may be necessary, as required by DHS/FEMA and Cal OES program guidance, requirements, and applicable laws.

- c. Recipients must submit timely, complete, and accurate reports to the appropriate DHS/FEMA and Cal OES officials and maintain appropriate documentation to support these reports.
 - d. Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.
 - e. If, during the past three years, the Recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the Recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS/FEMA/Cal OES awarding office and the DHS Office of Civil Rights and Civil Liberties.
 - f. In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the Recipient, or the Recipient settles a case or matter alleging such discrimination, Recipients must forward a copy of the complaint and findings to the DHS/FEMA Component and/or awarding office. The United States has the right to seek judicial enforcement of these obligations.
9. Will comply with any other special reporting, assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this agreement, or detailed in the program guidance.
 10. Agrees that funds utilized to establish or enhance state and local fusion centers must support the development of a statewide fusion process that corresponds with the Global Justice/Homeland Security Advisory Council (HSAC) Fusion Center Guidelines, follow the federal and state approved privacy policies, and achieve (at a minimum) the baseline level of capability as defined by the Fusion Capability Planning Tool.
 11. Will initiate and complete the work within the applicable timeframe, in accordance with grant award terms and requirements, after receipt of approval from Cal OES, and will maintain procedures to minimize the amount of time elapsing between the award of funds and the disbursement of funds.
 12. Will provide timely, complete and accurate progress reports, and maintain appropriate documentation to support the reports, and other such information as may be required by the awarding agency, including the Initial Strategy Implementation Plan (ISIP), within 45 (forty-five) days of the award, and update these reports and related documentation via the Grant Reporting Tool (GRT) twice each year.
 13. Will provide timely notifications to Cal OES of any developments that have a significant impact on award-supported activities, including changes to key program staff.
 14. Agrees to be non-delinquent in the repayment of any federal debt. Examples of relevant debt may be found in OMB Circular A-129, form SF-424, item #17, and include delinquent payroll and other taxes, audit disallowances, and benefit overpayments.
 15. Will comply with the requirement of 31 U.S.C. Section 3729, which sets forth that no subgrantee, Recipient or subrecipient of federal payments shall submit a false claim for payment, reimbursement or advance. Administrative remedies may be found in 38 U.S.C. Section 3801-3812, addressing false claims and statements made.
 16. Will comply with all federal and state laws, executive orders, regulations, program and administrative requirements, cost principles, audit requirements, policies and any other terms and conditions applicable to this award.
 17. Will comply with all applicable provisions of DHS/FEMA's regulations, including Title 44 of the Code of Federal Regulations, Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the payment of interest earned on advances.

18. Will comply with Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the "A-102 Common Rule"), found under FEMA regulations at Title 44, Code of Federal Regulations (CFR) Part 13, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, relocated to 2 CFR Part 215; requirements for allowable costs/cost principles in the A-102 Common Rule, OMB Circular A-110 (2 CFR § 215.27); OMB Circular A-21, Cost Principles for Educational Institutions, relocated to 2 CFR Part 220; OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, relocated to 2 CFR Part 225; OMB Circular A-122, Cost Principles for Non-Profit Organizations, relocated to 2 CFR Part 230; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as applicable.
19. Will comply with all provisions of the Federal Acquisition Regulations including, but not limited to, Title 48 CFR Part 31.2, Part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations.
20. Will comply with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limits the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.
21. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of, personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other connections.
22. Understands and agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation, or policy, at any level of government, without the express prior written approval from DHS/FEMA and Cal OES.
23. Will comply with all applicable lobbying prohibitions and laws, including those found in United States Code Title 31, § 1352, *et seq.*, and agrees that none of the funds provided under this award may be expended by the Recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action concerning the award or renewal of any federal contract, grant, loan, or cooperative agreement.
24. Agrees that, to the extent contractors or subcontractors are utilized, will use small, minority-owned, women-owned, or disadvantaged businesses, to the extent practicable.
25. Will comply with Title 2 of the Code of Federal Regulations regarding duplication of benefits, whereby any cost allocable to a particular federal award or cost objective under the principles provided for in this agreement may not be charged to other federal awards to overcome fund deficiencies.
26. Will ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources. Subgrantees and subrecipients may be required to demonstrate and document that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.
27. Will comply, if applicable, with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 *et seq.*), which prohibits the use of lead based paint in construction or rehabilitation of structures.
28. Will comply with all federal and state laws and regulations relating to civil rights protections and nondiscrimination. These include, but are not limited to:

- a. Title VI of the Civil Rights Act of 1964, Public Law 88-352,(42 U.S.C. § 2000d *et seq.*), , as amended, which prohibits discrimination on the basis of race, color and national origin.
 - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. § 1681 *et seq.*), which prohibits discrimination on the basis of gender.
 - c. The Americans with Disabilities Act, as amended, which prohibits Recipients from discriminating on the basis of disability (42 U.S.C. § 12101 *et seq.*).
 - d. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of disability in any program receiving federal financial assistance.
 - e. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*), which prohibits discrimination on the basis of age.
 - f. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse.
 - g. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.
 - h. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records.
 - i. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 *et seq.*, as implemented by 24 CFR Part 100), as amended, relating to nondiscrimination in the sale, rental and financing of housing.
 - j. Title 44 of the Code of Federal Regulations (CFR) Parts 7, 16, and 19 relating to nondiscrimination.
 - k. The requirements of any other nondiscrimination provisions in the specific statute(s) under which the application for federal assistance is being made and any other applicable statutes.
 - l. Will, in the event that a federal or state court or federal or state administrative agency makes a finding of discrimination after a due process hearing on the grounds or race, color, religion, national origin, gender, or disability against a Recipient of funds, the Recipient will forward a copy of the finding to the Office of Civil Rights, Office of Justice Programs.
 - m. Will provide an Equal Employment Opportunity Plan, if applicable, to the Department of Justice Office of Civil Rights within 60 days of grant award.
 - n. Will comply, and assure the compliance of all its subgrantees and contractors, with the nondiscrimination requirements and all other provisions of the current edition of the Office of Justice Programs Financial and Administrative Guide for Grants, M7100.1.
29. Will comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601 *et seq.* [P.L. 91-646]), which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interested in real property acquired for project purposes regardless of federal participation in purchases. Will also comply with Title 44 CFR, Part 25, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.
30. Will comply with all provisions of DHS/FEMA's regulation 44 CFR Part 10, Environmental Considerations.
31. Will comply with all applicable federal, state, and local environmental and historical preservation (EHP) requirements. Failure to meet federal, state, and local EHP requirements and obtain applicable permits may jeopardize federal funding. Agrees not to undertake any project having the potential to impact EHP resources without the prior written approval of DHS/FEMA and Cal OES, including, but not limited to, ground disturbance, construction, modification to any structure, physical security enhancements, communications towers, any structure over 50 years old, and purchase and/or use of any sonar equipment. The subgrantee must comply with all conditions and restrictions placed on the project as a result of the EHP review. Any construction-related activities initiated without the necessary EHP review and approval will result in a noncompliance finding, and may not be eligible for reimbursement with DHS/FEMA and

Cal OES funding. Any change to the scope of work will require re-evaluation of compliance with the EHP. If ground-disturbing activities occur during the project implementation, the subgrantee must ensure monitoring of the disturbance. If any potential archeological resources are discovered, the subgrantee will immediately cease activity in that area and notify DHS/FEMA and Cal OES and the appropriate State Historic Preservation Office.

32. Any construction activities that have been initiated prior to the full environmental and historic preservation review could result in a non-compliance finding. Subgrantees must complete the DHS/FEMA EHP Screening Form (OMB Number 1660-0115/FEMA Form 024-0-01) and submit it, with all supporting documentation, to their Cal OES program representative, for processing by the DHS/FEMA Grants Program Directorate EHP.
33. Grantees should submit the FEMA EHP Screening Form for each project as soon as possible upon receiving their grant award. The Screening Form for these types of projects is available at:
www.fema.gov/doc/government/grant/bulletins/info329_final_screening_memo.doc
34. Will ensure that the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of this project, are not on the Environmental Protection Agency's (EPAs) List of Violating Facilities, and will notify Cal OES and the DHS/FEMA of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating if a facility to be used in the project is under consideration for listing by the EPA.
35. Will provide any information requested by DHS/FEMA and Cal OES to ensure compliance with applicable laws including, but not limited to, the following:
 - a. Institution of environmental quality control measures under the Archaeological and Historic Preservation Act, Endangered Species Act, and Executive Orders on Floodplains (11988), and Environmental Justice (EO12898) and Environmental Quality (EO11514).
 - b. Notification of violating facilities pursuant to EO 11738.
 - c. Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. § 1451 *et seq.*).
 - d. Conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 *et seq.*).
 - e. Protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523).
 - f. California Environmental Quality Act (CEQA), California Public Resources Code Sections 21080-21098, and California Code of Regulations, Title 14, Chapter 3 Sections 15000-15007.
 - g. Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 *et seq.*) related to protecting components or potential components of the national wild and scenic rivers system.
 - h. Applicable provisions of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 USC 3501 *et seq.*), which prohibits the expenditure of most new federal funds within the units of the Coastal Barrier Resources System.
36. Will comply with Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445, 2446, 2447, and 2448.
37. Agrees that subgrantees and subrecipients collecting Personally Identifiable Information (PII) must have a publically-available privacy policy that describes what PII they collect, how they plan to use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Subgrantees and subrecipients may also find DHS Privacy Impact Assessments, guidance and templates online at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf and at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively.

38. Agrees that all DHS/FEMA-funded project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, and approvals are obtained.
39. Will comply with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. § 2225(a), whereby all subgrantees, recipients, and subrecipients must ensure that all conference, meeting, convention, or training space, funded in whole or in part with federal funds, complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. § 2225.
40. Agrees that all publications created or published with funding under this grant shall prominently contain the following statement: *"This document was prepared under a grant from FEMA's Grant Programs Directorate, U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA's Grant Programs Directorate or the U.S. Department of Homeland Security."* The Recipient also agrees that, when practicable, any equipment purchased with grant funding shall be prominently marked as follows: *"Purchased with funds provided by the U.S. Department of Homeland Security."*
41. Acknowledges that DHS/FEMA reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for federal government purposes: a) the copyright in any work developed under an award or sub-award; and b) any rights of copyright to which a Recipient or sub-recipient purchases ownership with federal support. The Recipient agrees to consult with DHS/FEMA and Cal OES regarding the allocation of any patent rights that arise from, or are purchased with, this funding and has requested through the State of California, federal financial assistance to be used to perform eligible work approved in the submitted application for federal assistance and after the receipt of federal financial assistance, through the State of California, agrees to the following:
- Promptly return to the State of California all funds received which exceed the approved, actual expenditures as determined by the federal or state government.
 - In the event the approved amount of the grant is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.
 - Property and equipment purchased under the HSGP reverts to Cal OES if the grant funds are deobligated or disallowed and not promptly repaid.
 - HSGP funds used for the improvement of real property must be promptly repaid following deobligation or disallowment of costs, and Cal OES reserves the right to place a lien on the property for the amount owed.
 - Separately account for interest earned on grant funds, and will return all interest earned, in excess of \$100 per federal fiscal year.
42. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
43. Will comply, if applicable, with the Laboratory Animal Welfare Act of 1966 (P. L. 89-544, as amended, 7 U.S.C. 2131 *et seq.*) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
44. Will comply with the minimum wage and maximum hour provisions of the Federal Fair Labor Standards Act (29 U.S.C. 201), as they apply to employees of institutions of higher education, hospitals, and other non-profit organizations.
45. Agrees that "Classified national security information," as defined in Executive Order (EO) 12958, as amended or updated via later executive order(s), means information that has been determined pursuant to EO 12958 to require protection against unauthorized disclosure and is marked to indicate its classified status when in documentary form. No funding under this award shall be used to support a contract,

subaward, or other agreement for goods or services that will include access to classified national security information if the Award Recipient has not been approved for and granted access to such information by appropriate authorities.

46. Agrees that where an Award Recipient has been approved for and has access to classified national security information, no funding under this award shall be used to support a contract, subaward, or other agreement for goods or services that will include access to classified national security information by the contractor, subrecipient, or other entity without prior written approval from the DHS Office of Security, Industrial Security Program Branch (ISPB), or, an appropriate official within the federal department or agency with whom the classified effort will be performed. Such contracts, subawards, or other agreements shall be processed and administered in accordance with the DHS "Standard Operating Procedures, Classified Contracting by States and Local Entities," dated July 7, 2008; EOs 12829, 12958, 12968, and other applicable executive orders; the National Industrial Security Program Operating Manual (NISPOM); and other applicable implementing directives or instructions. Security requirement documents may be located at: <http://www.dhs.gov/xopnbiz/grants/index.shtm>
47. Immediately upon determination by the Award Recipient that funding under this award may be used to support a contract, subaward, or other agreement involving access to classified national security information pursuant to paragraph 47, and prior to execution of any actions to facilitate the acquisition of such a contract, subaward, or other agreement, the Award Recipient shall contact ISPB, and the applicable federal department or agency, for approval and processing instructions.

DHS Office of Security ISPB contact information:
Telephone: 202-447-5346
Email: DD254AdministrativeSecurity@dhs.gov
Mail: Department of Homeland Security
Office of the Chief Security Officer
ATTN: ASD/Industrial Security Program Branch
Washington, D.C. 20528

48. Will comply with the requirements regarding Data Universal Numbering System (DUNS) numbers. If recipients are authorized to make subawards under this award, they must first notify potential subrecipients that no entity may receive or make a subaward to any entity unless the entity has provided a DUNS number.
49. For purposes of this award term, the following definitions will apply:
- "Data Universal Numbering System (DUNS)" number means the nine digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet, currently at <http://fedgov.dnb.com/webform>.
 - "Entity", as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, Subpart C, as a governmental organization, which is a state, local government, or Indian Tribe; or a foreign public entity; or a domestic or foreign nonprofit organization; or a domestic or foreign for-profit organization; or a federal agency, but only as a subrecipient under an award or subaward to a non-federal entity.
 - "Subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the Recipient award to an eligible subrecipient. It does not include your procurement of property and services needed to carry out the project or program (for further explanation, see § 210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations") and may be provided through any legal agreement, including an agreement that you consider a contract.
 - "Subrecipient" means an entity that receives a subaward from you under this award, and is accountable to you for the use of the federal funds provided by the subaward.

50. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. Section 276a to 276a-7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. § 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction sub-agreements.
51. Agrees that equipment acquired or obtained with grant funds:
- Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement, in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the Applicant, and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
 - Is consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy.
52. Will comply with the financial and administrative requirements set forth in the current edition of the DHS Financial Management Guide.
53. Agrees that all allocations and use of funds under this grant will be in accordance with the FY 2013 Homeland Security Grant Program Funding Opportunity Announcement, and the California Supplement to the FY 2013 Homeland Security Grant Program Funding Opportunity Announcement. All allocations and use of funds under this grant will be in accordance with the Allocations, and use of grant funding must support the goals and objectives included in the State and/or Urban Area Homeland Security Strategies as well as the investments identified in the Investment Justifications which were submitted as part of the California FY2013 Homeland Security Grant Program application. Further, use of FY13 funds is limited to those investments included in the California FY13 Investment Justifications submitted to DHS/FEMA and Cal OES and evaluated through the peer review process.
54. Will comply with Homeland Security Presidential Directive (HSPD)-5, *Management of Domestic Incidents*. The adoption of the National Incident Management System (NIMS) is a requirement to receive federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, tribal nations, nongovernmental organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.
55. Will comply with OMB Standard Form 424B Assurances – Non-construction Programs, whereby the awarding agency may require subgrantees and subrecipients to certify to additional assurances.
56. Will not make any award or permit any award (subgrant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 12689, “Debarment and Suspension”. As required by Executive Order 12549, Debarment and Suspension, and implemented at 44 CFR Part 17, for prospective participants in primary covered transactions, the Applicant will provide protection against waste, fraud and abuse, by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. Applicant certifies that it and its principals:
- Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of federal benefits by a state or federal court, or voluntarily excluded from covered transactions by any federal department or agency.
 - Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

- c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and
 - d. Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.
57. Will comply with requirements to acknowledge federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.
 58. Will comply with requirements that publications or other exercise of copyright for any work first produced under federal financial assistance awards hereto related unless the work includes any information that is otherwise controlled by the government (e.g., classified information or other information subject to national security or export control laws or regulations). For any scientific, technical, or other copyright work based on or containing data first produced under this award, including those works published in academic, technical or professional journals, symposia proceedings, or similar works, the recipient grants the government a royalty-free, nonexclusive and irrevocable license to reproduce, display, distribute copies, perform, disseminate, or prepare derivative works, and to authorize others to do so, for government purposes in all such copyrighted works. The Recipient shall affix the applicable copyright notices of 17 U.S.C. § 401 or 402 and an acknowledgement of government sponsorship (including award number) to any work first produced under an award.
 59. Will obtain, via Cal OES, the prior approval from DHS on any use of the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.
 60. Will comply with the requirements of the Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.
 61. Will comply with the requirements of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 701 *et seq.*), which requires that all organizations receiving grants from any federal agency agree to maintain a drug-free workplace. The Recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. These regulations are codified at 2 CFR 3001.
 62. Will comply with the requirements of the government-wide award term which implements § 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. § 7104), located at 2 CFR Part 175. This is implemented in accordance with OMB Interim Final Guidance, Federal Register, Volume 72, No. 218, November 13, 2007. In accordance with Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the Recipient or a subrecipient engages in severe forms of trafficking in persons during the period of time that the award is in effect, procures a commercial sex act during the period of time that the award is in effect; or uses forced labor in the performance of the award or subawards under the award. Full text of the award term is provided at 2 CFR § 175.15.
 63. Will comply with the requirements of Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance; national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI,

Recipients must take reasonable steps to ensure that LEP persons have meaningful access to your programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding LEP obligations, go to <http://www.lep.gov>.

64. Will comply with the requirements of 42 U.S.C. § 7401 *et seq.* and Executive Order 11738, which provides for the protection and enhancement of the quality of the nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.
65. Will comply with the requirements of the federal regulations at 45 CFR Part 46 and the requirements in DHS Management Directive 026-04, Protection of Human Subjects, prior to implementing any work with human subjects. The regulations specify additional protections for research involving human fetuses, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). The use of autopsy materials is governed by applicable state and local law and is not directly regulated by 45 CFR Part 46.
66. Will comply with the requirements of the National Environmental Policy Act (NEPA), as amended, 42 U.S.C. § 4331 *et seq.*, which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for its grant-supported activities, DHS requires the environmental aspects of construction grants (and certain non-construction projects as specified by the Component and awarding office) to be reviewed and evaluated before final action on the application.
67. Will comply with the requirements of § 1306(c) of the National Flood Insurance Act, as amended, which provides for benefit payments under the Standard Flood Insurance Policy for demolition or relocation of a structure insured under the Act that is located along the shore of a lake or other body of water and that is certified by an appropriate state or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels. These regulations are codified at 44 CFR Part 63.
68. Will comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. § 4001 *et seq.*), which provides that no federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within one year of the identification. The flood insurance purchase requirement applies to both public and private applicants for DHS support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.
69. Will comply with the requirements of Executive Order 11990, which provides that federally funded construction and improvements minimize the destruction, loss, or degradation of wetlands. The Executive Order provides that, in furtherance of § 101(b)(3) of NEPA (42 U.S.C. § 4331(b)(3)), federal agencies, to the extent permitted by law, must avoid undertaking or assisting with new construction located in wetlands unless the head of the agency finds that there is no practicable alternative to such construction, and that the proposed action includes all practicable measures to minimize harm to wetlands that may result from such use. In making this finding, the head of the agency may take into account economic, environmental, and other pertinent factors. The public disclosure requirement described above also pertains to early public review of any plans or proposals for new construction in wetlands. This is codified at 44 CFR Part 9.
70. Will comply with the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175-175c. Among other things, it prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective,

bona fide research, or other peaceful purpose. The act also establishes restrictions on access to specified materials. "Restricted persons," as defined by the act, may not possess, ship, transport, or receive any biological agent or toxin that is listed as a select agent.

71. Understands the reporting of subawards and executive compensation rules, including first tier subawards to Cal OES.
- a. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in federal funds that does not include Recovery funds (as defined in § 1512(a)(2) of the American Recovery and Reinvestment Act of 2009,
 - b. Where and when to report: you must report on each obligating action described in the following paragraphs to Cal OES. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2011, the obligation must be reported by no later than December 31, 2011.)
 - c. What to report: You must report the information about each obligating action that the submission instructions posted in Information Bulletin 350, to Cal OES. To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>. Subgrantees must report subrecipient executive total compensation to Cal OES by the end of the month following the month during which you make the subaward. Exemptions include: If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report on subawards, and the total compensation of the five most highly compensated executives of any subrecipient.
 - d. Reporting Total Compensation of Recipient Executives: You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if
 - i. the total federal funding authorized to date under this award is \$25,000 or more;
 - ii. in the preceding fiscal year, you received 80 percent or more of your annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under § 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)
 - iv. Subrecipient Executives. Unless you are exempt as provided above, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if in the subrecipient's preceding fiscal year, the subrecipient received 80 percent or more of its annual gross revenues from federal procurement contracts (and subcontracts) and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and the public does not have access to information about the compensation of the executives through periodic reports filed under § 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986.
72. Understands that failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

The undersigned represents that he/she is authorized by the above named Applicant to enter into this agreement for and on behalf of the said Applicant.

Signature of Authorized Agent:_____

Printed Name of Authorized Agent:_____

Title:_____ Date:_____

RESOLUTION NO.

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY
(WEROC)**

**AUTHORIZATION FOR FEDERAL FINANCIAL ASSISTANCE
PROVIDED BY THE FEDERAL DEPARTMENT OF HOMELAND SECURITY**

WHEREAS, The Municipal Water District of Orange County (MWDOC) manages the Water Emergency Response Organization of Orange County (WEROC) Program on behalf of the organization's 35 signatories.

WHEREAS, WEROC has been designated by the County of Orange as the water and wastewater Operational Area coordination entity for the purpose of assisting the county's water and wastewater utilities with disaster preparedness, prevention, response, recovery, and mitigation.

WHEREAS, MWDOC desires to keep the WEROC emergency operations centers, communications equipment and other such supplies in good working order and to date with the current technological abilities of the Operational Area.

WHEREAS, MWDOC also desires to keep its program and volunteer staff trained in current emergency management practices and required levels of training according to the National Incident Management System and the California State Emergency Management System.

WHEREAS, MWDOC also desires to ensure eligibility for project and training funding that may become available throughout the year.

WHEREAS, MWDOC has and will continue to submit grant applications to the Homeland Security Grant Program to continue to enhance the capabilities of the WEROC program and its staff.

NOW, THEREFORE, BE IT RESOLVED by Board of Directors of the Municipal Water District of Orange County that the Water Emergency Response Organization of Orange County (WEROC) Program Manager, or the General Manager, is hereby authorized to execute for and on behalf of the Municipal Water District of Orange County, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the federal Department of Homeland Security and sub-granted through the County of Orange as the Administrator for Fiscal Year 2013.

Said Resolution was adopted, on roll call, by the following 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 Water District at its meeting held on.

MARIBETH GOLDSBY
District Secretary
Municipal Water District of Orange County



ACTION ITEM
September 17, 2014

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Barbre, Clark and Hinman)

Rob Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: The Water Quality, Supply and Infrastructure Improvement Act of 2014

RECOMMENDATION

Staff recommends 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.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on September 15th and make a recommendation to the Board.

DETAILED REPORT

In January, Senator Wolk introduced SB 848 (Wolk) as her new water bond vehicle. The bill was introduced as a verbatim version of the September 11, 2013 version of SB 42, a \$6.72 billion water bond (later amended to \$7.5 billion) to replace the \$11.2 billion water bond on the November 2014 ballot that has been carried over since 2010. AB 1331 (Rendon), an \$8.2 billion proposal was introduced as the Assembly version of the water bond. As the session continued, both Assemblymembers Perea and Bigelow introduced their own \$8+ billion proposals. In late July, Governor Brown weighed in on the issue with his own \$6 billion proposal indicating he wanted a “no frills, no pork” water bond that invests in the most critical projects. As negotiations continued into August, Senate Republicans also introduced a working proposal, SB 1013 (Vidak). Finally on August 13, with the deadline looming – a compromise was struck. AB 1471 (Rendon, Atkins & Gomez) and SB 866 (Steinberg & Wolk) were identical bills going through the Senate and Assembly, with AB 1471 being signed by Governor Jerry Brown late in the evening on August 13, 2014.

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

Both bills were approved unanimously by the Senate, and by a vote of 77-2 in the Assembly with Assemblymembers Chesbro and Donnelly voting no. This measure will be Proposition 1 – the Water Quality, Supply and Infrastructure Improvement Act of 2014 going to the voters in November.

MWDOC's advocates worked closely with the Orange County delegation with Assemblywoman Harkey taking the lead, to ensure a successful amendment was in both AB 1471 and SB 866 that would place our South Orange County member agencies in the San Diego hydrologic region. By virtue of the nature of its watersheds, south Orange County is more appropriately included in the San Diego hydrologic region, instead of the Santa Ana region as was written in the \$11 billion bond that had already been placed on the ballot in 2009. Projects that may be obtained in south Orange County would be more similar in nature to opportunities in the San Diego region. MWDOC's member agencies in south Orange County currently have working agreements in place with San Diego region agencies pertaining to the allocation of funds for a variety of water projects. Note: The regional boundaries that currently exist pursuant to the Integrated Regional Water Management Plan provisions in Propositions 50 and 84 remain intact.

A breakdown of the bond funding is as follows:

Regional Water Reliability—\$810M

- Integrated regional water management \$510M
- Storm water capture \$200M
- Water Conservation \$100M

Safe Drinking Water – \$520M

- Provide clean, safe and reliable drinking water to all Californians. With minimum to leverage federal funds for safe drinking water and clean water programs and for disadvantaged communities.
- Small Community Wastewater Program \$260M
- Drinking Water Public Infrastructure \$260M

Water Recycling- \$700M

- Statewide water recycling projects and activities.

Groundwater Sustainability – \$900M

- Prevent and reduce groundwater contaminants \$800M
- Provide sustainable groundwater management planning and implementation \$100M

Watershed Protection, Watershed Ecosystem Restoration, State Settlements - \$1.495B

- Conservancies \$327.5M
- Wildlife Conservation Board \$200M (restoration of flows)
- Department of Fish and Wildlife \$285M (out of delta, no mitigation on BDCP)
- Department of Fish and Wildlife \$87.5M (in delta with constraints)
- State settlements and obligations including CVPIA \$475M
- Rivers and creeks \$120M

Storage- \$2.7B

- Continuous appropriation for water storage projects.

Statewide Flood Management – \$395M

- Statewide flood management projects and activities \$100M
- For delta levee subvention programs and delta flood protection projects \$295M

General Provisions

- Funding eligibility requires urban or agricultural water management plans and compliance with 2009 Water Conservation Act.
- Bay Delta Conservation Plan neutral.
- Protects existing water rights and reaffirms area of origin protections.
- Assumes repurposing of \$105M from Prop. 84 and \$95M of Prop. 50, \$81M from Prop. 13, \$25.5M from Prop. 204, \$13.5M from Prop. 44, \$5M from Prop. 82, \$100M from Prop. 1E and \$7.12B of new bond debt.

Below are some of the designated funding areas in the current water bond, as well as potential areas of impact beneficial to Orange County:

- Funding for IRWM program section provides:
- \$63 million for Santa Ana sub-region
- \$52.5 million for San Diego sub-region (South Orange County is included in the San Diego sub-region)
- Desalination is an eligible project under water recycling

Proposition 1 – Water Quality, Supply and Infrastructure Act of 2014

MWDOC Public Affairs & Legislation Committee
September 15, 2014

Heather Baez
Governmental Affairs Manager
Municipal Water District of Orange County



We're in a Drought!



Lake
Oroville



How We Got Here

- Negotiations began in 2008
- Gov. Schwarzenegger and Republicans were heavily involved in crafting the package
- Democrats were willing to support, but only if several key water-policy related bills were adopted as well



2009 Comprehensive Water Package

- Signed by the Governor in November 2009
- Includes four policy bills
 - SBx7-1 (Simitian/Steinberg) Delta Plan/Governance
 - SBx7-6 (Steinberg/Pavely) Groundwater Monitoring
 - SBx7-7 (Steinberg/Feuer/Huffman) Water Use Efficiency
 - SBx7-8 (Steinberg) Water Quality/Diversions
- Includes a \$11.14 billion water bond
 - Intended for the November 2010 ballot



2014 Water Bond Negotiations

- **Consensus on Issues**
 - Surface storage with continuous appropriations
 - Desalination as an eligible project category
 - Water use efficiency and storm water capture
 - Water recycling and Delta Mitigation
- **NO Consensus on Funding**
 - Surface storage
 - Delta Mitigation
 - Overall bond amount



Governor Brown and Others Weigh In

Governor Brown's Proposal

- \$6 billion
- \$2 billion for Surface Storage
- \$1.5 billion for Watershed Protection
- \$500 million for Delta Mitigation
- \$500 million for Statewide Flood Management

Senate Democrats New Proposal

- SB 848 (Wolk)
- Reduces bond amount from \$10.5 billion to \$7.5 billion
- Funding categories reduced by 30% except:
 - Groundwater Treatment & Remediation (remains at \$1 billion)
 - Recycled Water (remains at \$500 million)



Republicans Push Back

On August 7, the Senate Republicans release their proposal

- SB 1013
- \$8.7 billion
- \$3 billion for surface storage with continuous appropriation
- \$700 million for Water Recycling
- \$600 million for Delta Mitigation
- \$1.5 billion for Watershed Protection
- \$900 million for Water Use Efficiency

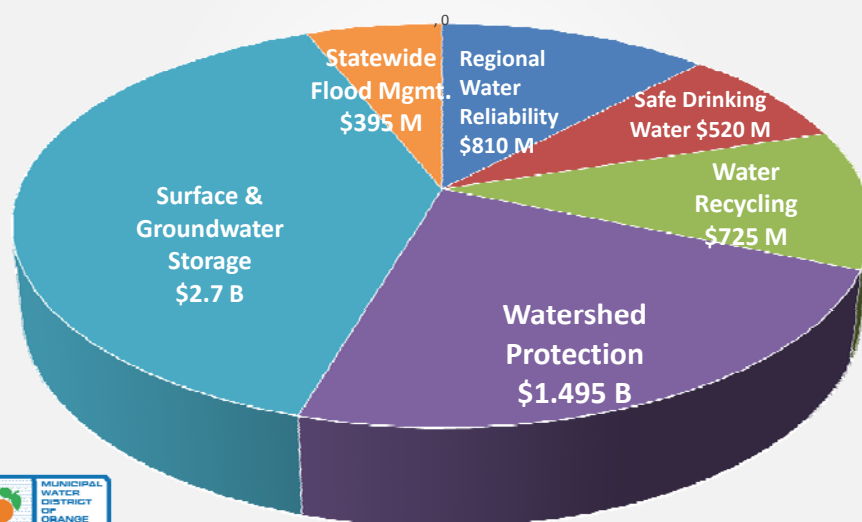


An Agreement is Made

- **August 11 the Governor releases legislative language outlining a \$7.195 billion bond**
- **AB 1471 and SB 866 are amended and introduced the next morning, August 12**
- **August 13, both houses pass AB 1471 and SB 866, with Governor Brown signing AB 1471 allowing it to replace the previous \$11 billion bond on the ballot**
- **Both measures received unanimous support in the Senate, Assemblymembers Chesbro & Donnelly opposed**



Prop 1 – The Water Quality, Supply and Infrastructure Improvement Act of 2014



Allocation of Funds

- **Surface and Groundwater Storage - \$2.7 billion**
 - Continuous Appropriation for above and below-ground storage projects
 - Two reservoirs, one north of Sacramento in Colusa County, and the other in the Sierra, northeast of Fresno are expected to win funding
 - No funding for projects from this chapter unless it provides measurable improvements in the Delta ecosystem
 - Match may not exceed 50%



Allocation of Funds, Continued

- **Watershed Protection, Ecosystem Restoration, State Settlements, \$1.495 billion**
 - \$327.5 million to conservancies
 - \$200 million to Wildlife Conservation Board
 - \$285 million to Department of Fish & Wildlife (outside the Delta, no mitigation on BDCP)
 - \$87.5 million to Department of Fish & Wildlife (in-Delta with constraints)
 - \$475 million to State Settlement Obligations, including CVPIA
 - \$120 million to Rivers and Creeks



Allocation of Funds, Continued

- **Groundwater Sustainability - \$900 million**
 - \$800 million to prevent and reduce contaminants
 - \$100 million to provide sustainable groundwater management planning and implementation
- **Regional Water Reliability- \$810 million**
 - \$510 million for integrated regional water management
 - \$200 million for storm water capture
 - \$100 million for water conservation



Allocation of Funds, Continued

- **Water Recycling- \$725 million**
 - Water recycling projects including treatment, storage, conveyance, and distribution facilities for potable and nonpotable recycling projects
 - Contaminant and salt removal including groundwater and desalination projects
 - Pilot projects for new potable reuse and other salt contaminant removal technology
 - Match not less than 50%



Allocation of Funds, Continued

- **Safe Drinking Water - \$520 million**
 - Leverages federal funds for safe drinking water and clean water programs for disadvantaged communities
 - \$260 million for Small Community Wastewater Program
 - \$260 million for Drinking Water Public Infrastructure
 - \$5 million limit per project



Allocation of Funds, Continued

- **Statewide Flood Management - \$395 million**
 - \$295 million for Delta levee subvention programs and Delta flood protection projects
 - \$100 million for statewide flood management projects and activities
 - Make best effort to coordinate funding with proceeds from Props 84 and 1E



Allocation of Funds, Continued

- **General Provisions**
 - \$7.12 billion issuance of bonds
 - \$425 million of unissued bonds authorized for Props 1E, 13, 44, 50, 84 and 204
 - Eligible applicants include public agencies, nonprofit organizations, public utilities and mutual water companies
 - Funding eligibility requires compliance with the 2009 Water Conservation Act
 - Bay Delta Conservation Plan neutral



Funding Beneficial for Local Projects

- **Of significance to Orange County:**
 - \$63 million for the Santa Ana region Integrated Regional Water Management Program (IRWMP)
 - \$52 million for the San Diego IRWMP (includes South Orange County)
 - Desalination is an eligible project under Recycling
 - Santa Ana Watershed is eligible for funding under the State Coastal Conservancy
 - San Juan basin would be eligible for funding under storm water capture
 - An additional \$100 million is available for water use efficiency outside IRWM that can be utilized for conservation purposes



Support and Opposition

- **Support**
 - ACWA
 - California Chamber of Commerce
 - California Farm Bureau
 - Natural Resources Defense Council
 - Ocean Conservancy
 - Surfrider Foundation
- **Opposition**
 - Southern California Watershed Alliance
 - Restore the Delta



Questions?





ACTION ITEM
September 17, 2014

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Barbre, Clark and Hinman)

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: S2198 (Feinstein) Emergency Drought Relief Act of 2014

RECOMMENDATION

Staff recommends the Public Affairs and Legislation Committee adopt a support position on S2198 (Feinstein) – *Emergency Drought Relief Act of 2014*.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on September 15th and make a recommendation to the Board.

SUMMARY

The *Emergency Drought Relief Act* is a narrowly-focused bill to address the most dire effects of drought in California. The bill leaves federal laws and regulations untouched—including the *Endangered Species Act*, the *Clean Water Act* and all biological opinions. Its goal is to cut red tape and increase operational flexibility for federal agencies.

The bill includes five key provisions for California to maximize water supplies during the drought while operating within environmental laws and regulations:

- Federal agencies must open the Delta Cross Channel Gates for as long as possible while salmon are not migrating, which will allow additional water to be pumped without harming fish or water quality.
- The Bureau of Reclamation is required to monitor turbid (cloudy or opaque) water, which will allow water pumping operations to be adjusted when endangered fish that are attracted to turbid waters swim close to pumps.

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

- Movement of voluntary water transfers must remain at a one-to-one ratio for the months of April and May while the governor's drought declaration remains in effect. This means any water transfers sent down the San Joaquin River are allowed to be pumped out of the Delta at an equal amount. This provision only applies to voluntary water transfers, not the river's regular flow, and must adhere to current law.
- Federal agencies must provide maximum water supplies possible from Delta pumping while remaining consistent with the *Endangered Species Act* and biological opinions for both smelt and salmon.
- The review process for installing temporary barriers and operable gates in the Delta must be expedited, which will help manage salinity and improve the quantity and quality of water.

DETAILED REPORT

Emergency Drought Relief Act of 2014 - Requires the Administrator of the Environmental Protection Agency (EPA), the Secretary of Commerce, and the Secretary of the Interior (Secretaries), in response to the declaration of a state of drought emergency in California, to provide the maximum quantity of water supplies possible to Central Valley Project (CVP) and Klamath Project agricultural, municipal and industrial, and refuge service and repayment contractors, State Water Project contractors, and any other locality or municipality in California by approving, consistent with applicable laws:

(1) any project or operations to provide additional water supplies if there is any possible way the Secretaries can do so, unless the project or operations constitute a highly inefficient way of providing additional water supplies; and

(2) any projects or operations as quickly as possible based on available information to address the emergency conditions.

Sets forth actions to be taken to increase water supply, including:

(1) ensuring that the Delta Cross Channel Gates remain open to the greatest extent possible,

(2) requiring the Director of the National Marine Fisheries Service to recommend revisions to operations of the CVP and the California State Water Project,

(3) adopt a 1:1 inflow to export ratio for the increased flow of the San Joaquin River,

(4) require the Director and the Commissioner of the Bureau of Reclamation to complete all requirements under the National Environmental Policy Act of 1969 (NEPA) and the Endangered Species Act of 1973 necessary to make final permit decisions on water transfer requests, and

(5) make WaterSMART grant funding allocated to California for eligible projects available on a priority and expedited basis.

Authorizes financial assistance under the Reclamation States Emergency Drought Relief Act of 1991 for projects to increase water supply.

Requires federal agency heads to consult with the Council on Environmental Quality to develop alternative arrangements to comply with NEPA.

Directs the EPA to prioritize projects under state water pollution control revolving funds to provide water to areas at risk of having an inadequate supply of water for public health and safety purposes or to improve resiliency to drought.

Requires the Commissioner of Reclamation to provide water supply planning assistance in preparation for and in response to dry, critically dry, and below normal water year types, upon request, to CVP or Klamath Project contractors or other reclamation project contractors in California, including contractors who possess contracts for refuge water supplies or who deliver refuge water supplies.

Reauthorizes: (1) the Calfed Bay-Delta Act, (2) the Reclamation States Emergency Drought Relief Act of 1991, and (3) the Secure Water Act.

Directs the Secretary of the Interior to fund or participate in pilot projects to increase Colorado River System water in Lake Mead and the initial units of Colorado River Storage Project reservoirs to address the effects of historic drought conditions. Amends the Klamath Basin Water Supply Enhancement Act of 2000 to authorize the Secretary of the Interior to take actions to reduce water consumption or demand or to restore ecosystems in the Klamath Basin watershed, including tribal fishery resources held in trust.

Provides for the termination of authorities under this Act upon the suspension or withdrawal of the California drought emergency declaration.

Amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act to expand federal emergency assistance to provide for disaster unemployment, emergency nutrition, and crisis counseling assistance.



ACTION ITEM
September 17, 2014

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Darcy M. Burke

SUBJECT: RESOLUTION HONORING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY RETIRING DIRECTOR WAYNE CLARK

RECOMMENDATION

Staff recommends the Board of Directors approve honoring MWDOC Director Wayne Clark with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

DETAILED REPORT

In early December, Director Wayne Clark will retire from the Municipal Water District Board of Directors after 35 years of faithful service.

As a small token of our thanks for his years of service and his continued support, staff has drafted an honorary resolution recognizing his contributions and achievements. The draft resolution follows and is intended to be presented to Director Clark at MWDOC's upcoming Water Policy Dinner which will be held on October 2nd, 2014.

| | | | |
|---|--------------------------|----------|-----------|
| Budgeted (Y/N): Y | Budgeted amount: \$5,000 | Core _X_ | Choice __ |
| Action item amount: \$150.00 | Line item: 32-7040 | | |
| Fiscal Impact (explain if unbudgeted): | | | |

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
HONORING WAYNE A. CLARK.
FOR HIS SERVICE TO THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

WHEREAS, Wayne A. Clark is retiring from the Municipal Water District of Orange County (MWDOC) Board of Directors after 35 years of service to the District and to his constituents in west and central Orange County conducting himself at all times with honor, integrity, dignity, and respect, and made decisions based on what is right for those whom he serves, not on what is politically expedient; and

WHEREAS, Director Clark has served Orange County well, providing leadership and valuable perspective as a member and former president of the MWDOC Board of Directors; and

WHEREAS, Director Clark has also represented Orange County's interests and the regional water community as a whole, through his founding of the Urban Water Institute, where he has served formerly as their Executive Director and continues to serve on its Board of Directors in addition to the serving as a representative to the Association of California Water Agencies (ACWA) and the National Water Resources Association; and

WHEREAS, Director Clark helped form the Irvine Unified School District and served as a charger chairman of the Irvine City Planning Commission, and served as director of the Irvine Ranch Water District from 1977 to 1981 and was the first elected director to serve as president; and

WHEREAS, Director Clark was an early member of the Orange County Press Club, a writer and columnist for several newspapers, including the *Los Angeles Times*, as well as the first public information officer for the University of California, Irvine.

WHEREAS, Director Clark was a former executive assistant to a member of the Orange County Board of Supervisors and was president and owner of a public relations consulting firm managing successful campaigns and state-wide bond issues including one that financed the start-up of UC-Irvine and several other campuses of higher education; and

WHEREAS, Director Clark served our great nation in the United States Army, earned a bachelor's degree in economics from the University of California Berkeley and attended Hastings College of Law in San Francisco; and

WHEREAS, the Board of Directors and staff of the Municipal Water District of Orange County have thoroughly enjoyed working with Director Clark over the years and will miss him and the positive, supportive, and solution-oriented approach he brought to his role as a water leader and policy maker.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Director Wayne A. Clark for his service to the District, for his leadership and valuable contributions in enhancing water reliability for Orange County and all of southern California, and for his friendship and personal dedication in all that he has done for our country.

Adopted on this 17th Day of September, Two Thousand and Fourteen.



Item No. 7-6

ACTION ITEM September 17, 2014

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Darcy M. Burke

**SUBJECT: RESOLUTION HONORING ORANGE 7 CI BHMK 5 H9 F 8 -GHF-7 H
RETIRING DIRECTOR KATHRYN "KAY" BARR**

RECOMMENDATION

Staff recommends the Board of Directors approve honoring OCWD Director Kathryn "Kay" Barr with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

DETAILED REPORT

In early December, Director Katherine "Kay" Barr will retire from the Orange County Water District Board of Directors after 35 years of faithful service.

As a token of our thanks for her years of service, staff has drafted an honorary resolution recognizing her contributions to OCWD and Orange County. The draft resolution follows and is intended to be presented to Director Barr at MWDOC's upcoming Water Policy Dinner which will be held on October 2nd, 2014.

| | | | |
|--|--------------------------|----------|-----------|
| Budgeted (Y/N): Y | Budgeted amount: \$5,000 | Core _X_ | Choice __ |
| Action item amount: \$150.00 | Line item: 32-7040 | | |
| Fiscal Impact (explain if unbudgeted): | | | |

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
HONORING KATHRYN (“KAY”) L. BARR
FOR HER SERVICE TO THE ORANGE COUNTY WATER DISTRICT**

WHEREAS, Kathryn (“Kay”) Barr is retiring from the Orange County Water District (OCWD) Board of Directors after 35 years of service to the District and to her constituents in north Orange County; and

WHEREAS, Director Barr has served Orange County well, providing leadership and valuable perspective as a member and former president of the OCWD Board of Directors; and

WHEREAS, Director Barr has been a public servant in a myriad of ways including serving on the City Council of Garden Grove from 1962 to 1970, and again from 1974 to 1978; serving as Mayor Pro Tem from 1962 to 1969, and appointed Mayor in 1969; served as a member of Orange County Vector Control District's Board of Trustees and Director of the Garden Grove Sanitary District and

WHEREAS, Director Barr also represented Orange County's interests by serving as a representative to the Association of California Water Agencies (ACWA) and the National Water Resources Association; and

WHEREAS, Director Barr has been involved in the business community and advocated for their interests while at S&S Construction, her own business and in real estate; and

WHEREAS, Director Barr served her community with the Garden Grove Chamber of Commerce, the Artificial Kidney Foundation, the Girls Club of Garden Group, Garden Grove Woman's Civic Club and the Community Hospital of Long Beach; and

WHEREAS, Director Barr has been recognized for her service and was named Garden Grove Woman of the Year as well as Cypress College Community Leader of the Year; and

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Director Kathryn (“Kay”) Barr for her service to Orange County, for her leadership and valuable contributions in enhancing water reliability for Orange County and all of southern California, and for her friendship and personal dedication in all that he has done for our country.

Adopted on this 17th Day of September, Two Thousand and Fourteen.



ACTION ITEM
September 17, 2014

TO: Board of Directors

FROM: Robert Hunter
General Manager

Staff Contact: Darcy M. Burke

SUBJECT: RESOLUTION HONORING LOS ANGELES METROPOLITAN DIRECTOR KRIS MURRAY

RECOMMENDATION

Staff recommends the Board of Directors approve honoring Metropolitan Director Kristine (“Kris”) L. Murray with an honorary resolution and direct staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on October 2, 2014.

DETAILED REPORT

In August, Director Kristine (“Kris”) Murray retired from the Metropolitan Water District of Southern California’s Board of Directors after serving on behalf of the City of Anaheim for five years. As a token of our thanks for her years of service and her continued support, staff has drafted an honorary resolution recognizing her contributions and leadership. The draft resolution follows and is intended to be presented to Director Murray at MWDOC’s upcoming Water Policy Dinner which will be held on October 2nd, 2014.

| | | | |
|--|--------------------------|----------|-----------|
| Budgeted (Y/N): Y | Budgeted amount: \$5,000 | Core _X_ | Choice __ |
| Action item amount: \$150.00 | Line item: 32-7040 | | |
| Fiscal Impact (explain if unbudgeted): | | | |

**RESOLUTION
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
HONORING KRISTINE (KRIS) L. MURRAY
FOR HER SERVICE TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN
CALIFORNIA COUNTY**

WHEREAS, Kristine (“Kris”) Murray is retiring from the Metropolitan Water District of Southern California (Metropolitan) after 5 years of service to the District representing her constituents in Anaheim and working for the interests of all Orange County; and

WHEREAS, Director Murray has served on the Real Property and Asset Management Committee; Special Committee on Bay-Delta; Communications and Legislation Committee, providing leadership and valuable perspective to the Metropolitan Board of Directors; and

WHEREAS, Director Murray has served her city, the City of Anaheim, as a member of the City Council; and

WHEREAS, Director Murray served the residents of Anaheim as a member and Vice Chairman on the Anaheim Public Utility Board; and

WHEREAS, Director Murray represents the City of Anaheim on the Southern California Council of Governments Region Council, served on the Executive Committee; and

WHEREAS, Director Murray also represents the City of Anaheim on the Orange Council of Governments Board and as a member of the Foothill/Eastern Transportation Corridor Agency; and

WHEREAS, Director Murray has advocated for crime prevention, youth initiatives, education, transportation solutions and economic sustainability; and

WHEREAS, Director Murray earned a bachelor’s degree in Political Science from California State University Long Beach and a Master’s Certificate in Transportation Management from the Mineta Transportation Institute at San Jose State University; and

WHEREAS, the Board of Directors, MWDOC Metropolitan Water District of Southern California Directors and staff of the Municipal Water District of Orange County have thoroughly enjoyed working with Director Murray over the years and will miss her and the positive, supportive, and solution-oriented approach she brought to her role as a water leader and policy maker.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County offers a heartfelt thanks to Director Kristine (“Kris”) Murray for her service to the District, for her leadership and valuable contributions in enhancing water reliability for Orange County and all of southern California.

Adopted on the 17th Day of September, Two Thousand and Fourteen.



ACTION ITEM
September 17, 2014

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Jessica Ouwerkerk

SUBJECT: ISDOC OFFICER ELECTIONS

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss the ISDOC Officer Elections and authorize President Dick to vote on behalf of MWDOC.

COMMITTEE RECOMMENDATION

The Public Affairs & Legislation Committee will review this item on September 15th and make a recommendation to the Board.

SUMMARY

2014 is an election year for the Independent Special Districts of Orange County (ISDOC). Currently, ISDOC is conducting a vote of the Regular Special District Members for the election of officers to serve a two-year term beginning January 1, 2015 and ending December 31, 2016. (Additional information on the election and procedure is provided in the attached letter sent from ISDOC to its membership.)

At this time, MWDOC is requested to cast its vote by completing and remitting the attached Ballot. One candidate per position has been slated, including Director Finnegan for the position of Treasurer. Ballots are due Friday, October 17, 2014.

The new officers will be announced at the October 30th ISDOC Quarterly Lunch Meeting.

| | | | |
|---|----------------------|--|---------------------------------|
| Budgeted (Y/N): N | Budgeted amount: N/A | Core <input checked="" type="checkbox"/> X | Choice <input type="checkbox"/> |
| Action item amount: \$0 | Line item: | | |
| Fiscal Impact (explain if unbudgeted): | | | |



September 3, 2014

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

www.mwdoc.com/isdoc

Executive Committee

President
Hon. Rich Freschi
Serrano Water District

1st Vice President
Hon. Bob Moore
South Coast Water District

2nd Vice President
Hon. Mike Scheafer
Costa Mesa Sanitary District

3rd Vice President
Hon. Sandra Jacobs
Santa Margarita Water District

Secretary
Hon. Leslie Keane
Orange County Cemetery District

Treasurer
Hon. Joan C. Finnegan
*Municipal Water District of
Orange County*

Staff Administration

Jessica H. Ouwerkerk
*Municipal Water District of
Orange County*

Heather Baez
*Municipal Water District of
Orange County*

**RE: Election of Independent Special District of Orange County (ISDOC)
Officers**

Dear Member Districts,

The nomination period for Executive Committee officer positions closed on August 25th. At this time, ISDOC is conducting a vote of Regular Special District Members for the election of officers. This letter serves as official notice of the election.

Currently, there is one nomination per position. The names of nominated candidates are printed on the ballot; however, any elected or appointed official from a Regular Member District has the ability to run for an officer position as a write-in candidate. If elected, a write-in candidate will need to provide a resolution supporting election to the position from its District before he/she can be seated.

The Executive Committee meets at 7:30 am on the first Tuesday of the month. Meetings are open to the public. Duties of Executive Committee members are contained in the ISDOC bylaws, which may be found at the ISDOC website - <http://www.mwdoc.com/ISDOC>.

Each Regular Member district in good standing shall be entitled to one vote. In accordance with current bylaws, the vote must be cast (signed) by the district's presiding officer or an alternate selected by the district board.

You may submit your ballot via mail or email to Jessica Ouwerkerk: P.O. Box 20895, Fountain Valley, CA 92728 (mail) or jouwerkerk@mwdoc.com (email). **Ballots must be received by 5:00 p.m. on Friday, October 17, 2014 in order to be counted. Even if positions are uncontested, it is important to submit a ballot since a quorum of voting members is required for the election of officers.**

The names of officers elected will be announced at the October 30th quarterly meeting.

If you have any questions or wish to discuss the election process further, please contact Jessica Ouwerkerk (MWDOC) at jouwerkerk@mwdoc.com.

Sincerely,

Rich Freschi, President
Independent Special Districts of Orange County

Enclosed: Ballot for ISDOC Election of Officers

INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY

ELECTION OF OFFICERS

The ISDOC Executive Committee consists of the President, First Vice President, Second Vice President, Third Vice President, Secretary, Treasurer and Immediate Past President. Officers are elected in October of even numbered years for two year terms. You may vote for the those individuals who have been nominated or select another individual. If elected, however, write in candidates will need to provide a resolution from their Board supporting their election before they can be seated.

Cast your Vote:

Please cast your vote by placing an "X" on the line next to the individuals for which you wish to vote. If you are writing in a candidate, please include their district affiliation and position.

President

_____ Mike Schaefer, Vice President **or** _____
Costa Mesa Sanitary District

First Vice President (Programs)

_____ Bob Moore, Vice President **or** _____
South Coast Water District

Second Vice President (Membership)

_____ Jim Fisler, President **or** _____
Mesa Water District

Third Vice President (Legislation)

_____ Sandra Jacobs, President **or** _____
Santa Margarita Water District

Secretary

_____ Leslie Keane, Vice Chair **or** _____
Orange County Cemetery District

Treasurer

_____ Joan Finnegan, Director **or** _____
Municipal Water District of Orange County

DISTRICT NAME

SIGNATURE OF VOTING REPRESENTATIVE

Ballots must be received no later than 5 p.m. October 17, 2014.

You may mail or email your ballot - Attention ISDOC Executive Committee Election - to:

Mail: Jessica Ouwerkerk, P.O. Box 20895, Fountain Valley, CA 92728

Email: jouwerkerk@mwdoc.com

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES SEPTEMBER 2014

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| Managers' Meeting | <p>MWDOC held its Member Agency Managers' meeting in Fountain Valley on Thursday, August 21. In attendance were Eric Bauman (San Juan Capistrano); Howard Johnson (Brady & Associates); Jose Diaz (Orange); Luis Estevez (Seal Beach); Steve Conklin (YLWD); Art Valenzuela (Tustin); George Murdoch (Newport); Paul Cook and Paul Weghorst (IRWD); Mike Dunbar (EBSD); Andy Brunhart (SCWD); Dave Rebensdorf (San Clemente); Michael Grisso (Buena Park); Paul Shoenberger (Mesa); Lisa Ohlund (EOCWD); Joone Lopez and Matt Collings (MNWD); Brian Ragland (Huntington Beach); Renae Hinchey (LBCWD); Mark Sprague (Fountain Valley); Scott Miller (Westminster); Ken Vecchiarelli (GSWC); Bob Hill (ETWD); Dan Ferons (SMWD); Mike Markus (OCWD); Karl Seckel; Darcy Burke; Joe Berg; Harvey De La Torre; Heather Baez; Lisa Parson; Kelly Hubbard; Keith Lyon and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. Review of WEROC's Mission & Goals 2. O.C. Water Reliability Study 3. Drought Messaging & Conservation Campaign 4. Review of State Water Board Emergency Drought Water Usage Report 5. MWDOC's Member Agencies' Water Conservation Ordinances 6. Update on the Water Bond 7. CEQA Streamlining 8. Continuous Energy Improvement Activities 9. AQMD: Review and Comment on MWDOC's Memo 10. MWDOC's MET Director Appointment Update <p>The next meeting is scheduled for September 18.</p> |
| Semitropic Groundwater Banking Storage | <p>Karl, Harvey and I met with Will Boschman, General Manager of Semitropic Water Storage District, to discuss Semitropic Groundwater Banking Storage arrangements to better understand the options and costs for storage capacity in the Central Valley. Assuming water could be secured at a cost of \$350 per AF for storage purposes, the overall cost for the storage program and the costs for MET treatment and wheeling come out to about \$1700 per AF. This information will be incorporated into the OC Water Reliability Study</p> |

MET ITEMS CRITICAL TO ORANGE COUNTY

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| MET's Water Supply Conditions | <p><u>Updating MWD's Water Supply Allocation Plan (WSAP)</u></p> <p>With MET expected to draw over a million acre-feet 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 WSAP. The purpose of the review is to prepare the WSAP for possible implementation in mid-2015, if conditions continue to be dry.</p> <p>The workgroup of MET and member agency staffs is focusing on three key areas in updating the WSAP: 1) resetting the baseline 2) reviewing the formulas; and 3) evaluating the enforcement provisions in the plan. Currently, the Workgroup is reviewing different alternatives in resetting the baseline, and plan to start reviewing the formulas later this month. MET staff plans to present the workgroup's recommended changes to the WSAP for the MET Board's review and consideration by the end of the year.</p> |
| MET's Finance and Rate Issues | <p><u>Approval of the MWD Ad Valorem Tax Rate</u></p> <p>Last month, the MWD Board approved freezing the Ad Valorem (AV) tax rate for fiscal year 2014/15. This action maintains a share of MET's fixed revenue (5%), which is collected on the property tax. The projected revenue from the AV will result in \$90 million for FY 2014/2015 and \$92 million for FY 2015/16 to cover a portion of MET's largest expenditure - State Water Project (SWP) costs. The benefit of maintaining this fixed revenue from the AV is its application towards fixed SWP infrastructure cost, current and future SWP debt financing, and future Bay-Delta Conservation Plan (BDGP) funding. All of which are expected to increase in the coming years.</p> <p><u>Renewal of the MWD Purchase Order</u></p> <p>In the coming months, MET and the member agencies will be deciding whether the Purchase Orders will be renewed, restructured, or discontinued. The Purchase Orders are a financial contract between MET and a number of member agencies, who voluntarily committed to purchase a set amount of imported water from MET over a 10 year period. In return for those member agencies that signed a purchase order, they are able to purchase imported water at the lower</p> |

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| MET's Finance and Rate Issues | <p>Tier 1 supply rate up to 90% of their base (Agency's Base is 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 chose not to sign 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; 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. Currently, MWDOC has a Tier 1 annual limit of 280,592 AF.</p> |
| Colorado River Issues | <p><u>Lake Mead Water Levels</u> Lake Mead continues to decline. On July 31, the Lake's elevation reached 1,080 feet, a new low since the reservoir was initially filled in the 1930s. At 38% of capacity, Lake Mead's water levels are just 5 feet above the shortage trigger level of 1,075 ft. This would impact delivery to both Arizona and Nevada. The Lake has dropped at a record pace. In just six months, levels have dropped 28 feet. However, the U.S. Bureau of Reclamation projects that for the remainder of the year, Lake Mead should stabilize and slightly increase during the fall. Next year's levels will largely depend on the amount of snow that falls in the Upper Colorado River Basin.</p> <p><u>Fallowing Call with MET's Palo Verde Valley Farmer's program</u> Beginning this fiscal year, MET has called on Palo Verde Valley Farmers participating in MET's fallowing and crop rotation program to maximize their fallowing call this year. Starting August 1, 2014, farmers increased their fallowing to 17.5 percent of their enrolled lands in the program, which will total approximately 65,000 AF of water conserved during the 2014/15 contract year. MET staff continues to work with the Palo Verde Irrigation District to allow the opportunities for those farmers willing to increase their fallowing call beyond the 17.5 percent in advance of next year's contractual date.</p> |
| Bay Delta/State State Water Project Issues | <p><u>State Water Resources Control Board</u> The Governor proclaimed a State of Emergency in January 2014 to address the record dry conditions around the state. In response to this proclamation, the State Water Resources Control Board (SWRCB) issued a statewide notice of water shortages and potential for future curtailment of water right diversions. Metropolitan staff monitored this workshop, collaborated with the Department of Water Resources (DWR) and other water contractors, and provided input to the SWRCB.</p> |

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| Bay Delta/State State Water Project Issues (Continued) | <p>Notices of curtailment were issued in May 2014 to all post-1914 water right holders in the Delta and Sacramento and San Joaquin River watersheds instructing them to cease diversions. Due to limited response to the curtailment notice, emergency regulations were instituted in July 2014 to curtail post-1914 water right holders. The emergency regulations also allow for curtailment of senior water right holders on a case-by-case basis. On July 23, DWR and the U.S. Bureau of Reclamation submitted a letter to the SWRCB requesting that it use its statutory authority to obtain information from certain Delta water users to support their assumed right to water or require curtailment as unauthorized diversions.</p> <p><u>Activities in the Delta</u></p> <p>DWR continues to develop emergency rock stockpile sites in the Delta, with the goal of doubling rock stockpiles at their Stockton and Rio Vista storage sites. At Stockton, DWR will complete site development, build at least two permanent water-land access load-out facilities, and add a warehouse for a total of three major warehouses by 2015. This will allow stockpiling of fabric lined wire cages and plastic muscle wall (similar in appearance to freeway k-rails), filled with soil and water respectively in actual emergencies, along with sand bags and plastic sheeting to rapidly restore levee freeboard. In West Sacramento, the U.S. Army Corps of Engineers (USACE) has stockpiled fabric lined wire cages, large super sacks, and rapid deployment flood walls for closure of breaches and restoration of freeboard. A DWR contract will be issued to purchase large sheet pile as a redundant construction measure for rock in order to close deep levee breaches. Combined, these stockpiles could close several deep breaches and restore several miles of levee slumping from a major earthquake, to facilitate development of an emergency freshwater pathway.</p> |
| ENGINEERING & PLANNING | |
| South County Pipeline | <p>MWDOC has been asked to help secure MET's concurrence on the quality of water being introduced into the South County Pipeline. MET management staff prepared an Amendment to the agreement. Dan Ferons (SMWD) and Karl and I met with Debra Man, Jim Green and Catherine Stites of MET to discuss this Amendment.</p> |
| Doheny Desalination Project | <p>Staff members from the Doheny Desal Participants group met to discuss the current status of events. The meeting provided an opportunity for South Coast Water District to discuss their planned</p> |

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| Doheny Desalination Project (Continued) | work activities; Andy Brunhart passed out a schedule of work over the next several years that would result in completion of CEQA and permitting for a 5 mgd facility that could ultimately be expanded to a 15 mgd facility. Andy expressed the desire to explore concepts for the formation of a JPA that would include provisions for other agencies coming in at a later time, say after completion of the Foundational Action Program work. The other Participants expressed an interest in the concept. Questions were raised on the need for a JPA versus proceeding under a Contractual Arrangement similar to the way the Baker Project was developed. The group agreed to meet again in several weeks to continue the discussions, including how to address the Lease with State Parks. |
| Poseidon Resources Ocean Desalination Project in Huntington Beach | Karl participated in several meetings with OCWD's Financial Consultant, Clean Energy Capital. MWDOC is assisting in the efforts in developing information on MET's future water rates and in helping to evaluate the reliability benefits of the project. The work is scheduled to be completed and released at the October Board meeting. |
| OC-88 Metering Issue on the South County Pipeline | 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. Upon confirmation with the Participants, a letter will be sent out to the remaining MWDOC agencies who will receive part of the Tier 2 refund resulting from the meter/billing reconciliation process. |
| Orange County Water Reliability Study | Of the six companies invited, CDM was the only one to submit a proposal. They have done quite a bit of this work historically in Orange County and other areas in Southern California. CDM has worked with IRWD and MNWD on a similar proposal so they have the expertise needed. The review committee met on Friday, August 29, to review the proposal and agreed that CDM met all of our requirements. The Reliability Workgroup will meet on September 15 to discuss how to proceed. |
| Ocean Plan Amendments | Richard Bell has been participating in discussions with Cal Desal regarding the recently released Ocean Plan Amendments. He attended the August 6 workshop with the State Water Resources Control Board and has helped to draft MWDOC comments as well as comments from CALDesal. |
| Mesa Water District | Karl met with District Engineer, Phil Laurie, and CFO, Andrew Hamilton, Mesa Water,, to discuss county and MET water issues. |
| Other Meetings | Karl and Joe met with a Landscape Architect to discuss design features |

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| Other Meetings (Continued) | <p>around the main building entrance and to update the Atrium area.</p> <p>Karl Seckel met with Pat Shields, Executive Director of Operations at IRWD, to brief him on MWDOC's activities.</p> |
| OCWD Producers | When Keith attended the September 10 Producers' meeting, agenda items included: Water Quality issues; Basin Accumulated Overdraft calculation for 6/30/14; OCWD Speaking engagements; Long-Term Facilities Plan; MWDOC OC Water Reliability Study; and a Poseidon Resources update. |
| San Clemente LRP | The LRP agreement for San Clemente's Expanded Recycled Water Project was reviewed and the billing process for LRP incentives was established when Keith and Jeff Stalvey met with David Rebensdorf, Tom Redino and Jim Mies (San Clemente), and Ray Mokhtari and Thelma Bloes (MET). It is anticipated that San Clemente's Recycled Project will start invoicing for \$250/AF LRP incentives in November or December this year. The Expansion Project will produce and deliver up to 1,000 AFY for irrigation uses. Also, San Clemente is utilizing MET's Recycled On-site Retrofit Program for new recycled water customers. |
| EMERGENCY PREPAREDNESS | |
| General Activities | Kelly Hubbard attended the California Emergency Services Association (CESA) Southern Chapter Annual Awards Luncheon and Program on August 14. The program included 2 speakers on the potential use of drones for emergency response and the legal ramifications of using unmanned aerial vehicles. A third speaker was from the County of San Diego Operational Area and she shared lessons learned from their response to a fire storm earlier this year. |
| Member Agency Coordination | <p>Ongoing - Kelly participated in the August MET Exercise Design meeting to assist in the development of a disaster exercise that will be coordinated between MET, the three MET cities, WEROC and its member agencies. The group worked on disaster scenario development and communication tools that would be utilized during the exercise. This meeting was held at the OC EOC and Kelly provided the group a tour of the facility.</p> <p>WEROC held its quarterly member agency emergency coordinator meeting in August. A representative of Irvine Ranch Water District provided an overview and lessons learned from working with Orange County Fire Authority (OCFA) Hazmat Response Team in response to a gaseous chlorine leak at one of their facilities. Additionally, the group had a good discussion about the upcoming MET exercise in which OC water utilities are being invited to participate.</p> |

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| Member Agency Coordination (Continued) | <p>Karl, Lisa Parson, and Kelly met with the City of Huntington Beach, Moulton Niguel Water District and Irvine Ranch Water District individually to receive feedback on the Draft WEROC/MWDOC Generator and Fuel Supply Member Agency Survey. The purpose of the survey is to utilize the results to enhance our regional Fuel and Power Supply Plan and coordination efforts. Good feedback was received and will be incorporated into the survey before it is sent to all 35 agencies.</p> <p>Kelly provided the IRWD Human Resources Manager, Safety Compliance Manager and their Emergency Coordinator, along with Lisa Parson, a tour of the Operational Area (OA) Emergency Operations Center (EOC).</p> <p>Kelly provided the Costa Mesa Sanitary District (WEROC Member Agency) with a presentation on WEROC and general emergency response within OC and the state. This presentation was provided at the WEROC South EOC and so a tour and explanation of the facility was also provided.</p> <p>During budget discussions, several agencies suggested that they would be interested in having their staff contribute to the WEROC program more and requested a presentation on how they might be able to do so. At the August MWDOC Member Agency Managers' meeting, Kelly provided a brief presentation on WEROC and discussed ways the agencies could support the program. First, was a reminder and request to give their staff the time and direction to participate in the WEROC activities already being provided to support the member agencies. Then, there was a discussion on staffing needs for the WEROC EOC. She explained the number of staff needed for a large extended event response (approx. 70 people for full activation!) and the number of hours involved in training as a WEROC EOC staff member. Agencies agreed to the idea of committing more staff time to WEROC EOC training and offering their staff for response, when their own agency is not impacted.</p> |
| Coordination with the County of Orange | <p>On August 13, Kelly attended the OA Executive Board Meeting as the voting member of the Independent Special Districts of Orange County (ISDOC) to this board. The group heard several reports and approved two emergency plans, most importantly the OA Emergency Response Plan.</p> <p>Kelly and Lisa attended the Ready Orange County and the See Something Say Something (typically abbreviated: ROC/S4) Steering Committee. This is a grant funded public outreach campaign that includes natural disaster response, as well as terrorism prevention.</p> |

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| Coordination with Outside Agencies | <p><i>Ongoing (last month's report as reference): 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 a weekly conference call to provide an update to the Southern Region and the State Operations Center (SOC) on drought impacts, activities and needs. Currently a lot of the coordination is centered on identifying small private wells that serve small areas and have run dry. These areas are in need of support for well drilling, water hauling and often financial assistance. The conference calls are serving as a way to share methods for assisting this group within the southern region.</i></p> <p>Kelly has been coordinating with the California Water and Wastewater Response Network (CalWARN) State Steering Committee in response to the 6.0 magnitude Napa Earthquake. The group provided the coordination of mutual aid teams for water utility recovery. Kelly provided a verbal report at the September 2 Planning and Operations Committee Meeting.</p> |
| WEROC Emergency Operations Center (EOC) Readiness | <p>Kelly successfully participated in the scheduled OA Radio and MARS radio test this month.</p> <p>Kelly provided two EOC Staff Trainings titled WEROC's Role as a Liaison. This training is one of four being offered to EOC staff to prepare for the November Disaster exercise with Met. This training focused on the purpose of WEROC. Future trainings will get more into the details and tools of response.</p> <p>Significant progress has been made in the development and formatting of the MWDOC Continuity of Operations Plan that will be uploaded to the new In Case of Crisis phone application. Final reviews and corrections should be completed this month and the application launched to MWDOC staff.</p> |
| <h2 style="text-align: center;">WATER USE EFFICIENCY</h2> | |
| California Urban Water Conservation Council (CUWCC) | <p>On August, 13, Joe Berg participated in the CUWCC Board Meeting hosted by the Sacramento Suburban Water District. More than 20 board members, staff, and interested representatives from throughout the state attended this meeting. Agenda items included:</p> |

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| CUWCC (Continued) | <ul style="list-style-type: none"> • Introductions • Public Comment • Adoption of Consent Calendar • 2013 Audit • Lease Extension • Accountant Contract • Process to Revise the Annual SWRCB Report • Strategic Planning Workshop Proposal • Executive Director's Report • Possible Water Rates Workshop • BMP 1.4 Revision Process • Tentative September Plenary Agenda Topics • Other Business <p>The next meeting is scheduled for November 12, 2014 at Irvine Ranch Water District.</p> |
| CUWCC Landscape Committee | <p>Melissa Baum-Haley participated in multiple conference calls for the CUWCC Landscape Committee. The purpose of these conference calls was to discuss the tools and work plan for implementing the "landscape new norm," which is a holistic approach to landscape design and management to achieve water and resource savings.</p> |
| UCI Research Project Update | <p>On August 18, Karl, Joe, and Melissa met with Neeta Bijoor of UCI to discuss the preliminary results of the research project on water use efficiency trends within Orange County, which focuses on outdoor water use efficiency and savings potential. These results will be shared with participating agencies in the coming weeks.</p> |
| Stanford Research Project | <p>On August 19, Karl, Joe, and Melissa met with Newsha Ajami of Stanford University and Terri Hogue of Colorado College of Mines, along with representative from El Toro Water District, City of Huntington Beach, Irvine Ranch Water District, Mesa Water District, Santa Margarita Water District, and South Coast Water District. The purpose of this meeting was to assist the colleges with selecting and obtaining host retail agencies to aid in the development of new demand forecasting techniques. Agencies were asked to provide historic water use information to the colleges for this effort. It is anticipated that work on this effort will be completed over a three year period.</p> |
| Spray to Drip Pilot Program | <p>On August 20, Melissa and Beth Fahl met with Anita Matlock of Rain Bird to discuss progression of the Spray to Drip Pilot Program. This Program provides residential and commercial customers with rebates for purchasing and installing drip irrigation in place of spray irrigation.</p> |

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| MET's Water Use Efficiency Meeting | <p>On August 21, Elizabeth Nam participated in Metropolitan's monthly Water Use Efficiency meeting. Approximately 45 member and sub-agency representatives attended the meeting. Agenda items included:</p> <ul style="list-style-type: none"> • Conservation Program Update – Water Planning Stewardship Committee • Media Plan Implementation Overview • Public Agency Landscape Program Update • Large Landscape Audit Program Update • Member Agency Roundtable <p>The next meeting is scheduled for September 18, 2014 at Metropolitan.</p> |
| Droplet Technologies | <p>On September 3, the Water Use Efficiency Department met with Droplet Technologies to discuss the potential use of their turf replacement program online platform and process automation services. This platform includes online registration, along with web-based tools to enable administration, tracking, and approval of applications through a user interface.</p> |
| Orange County Water Use Efficiency Coordinators Workgroup | <p>On September 4, Joe, Beth, Steve Hedges, and Darcy attended the Workgroup meeting which was hosted by the City of Santa Ana, and approximately 15 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • Host Agency Welcome/Spotlight • MWDOC Updates <ul style="list-style-type: none"> ○ Sbx 7-7 Fiscal Year 2014-2015 Progress Report • Agency Roundtable <ul style="list-style-type: none"> ○ Agency Drought Response Update • Problem Solving Roundtable • Water Supply Update • Public Affairs/Marketing Update <ul style="list-style-type: none"> ○ Drought Messaging and Outreach ○ MWDOC Value of Water Communications Choice Program ○ Bay-Delta Conservation Plan Update ○ Metropolitan Media Plan Implementation Overview • Metropolitan Update <ul style="list-style-type: none"> ○ Conservation Rebate Program Materials ○ Conservation Program Update ○ Public Agency Landscape Program Update ○ Landscape Survey Program Update • Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ Home Certification Program ○ Turf Removal Program ○ Smart Timer Program and Evaluation <p>The next meeting is scheduled for October 2, 2014 and will be hosted by Santa Margarita Water District.</p> |

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| Turf Terminators | <p>On September 5, Joe and I met with representatives of Turf Terminators, a company that developed their business plan around removing turf grass for the value of the turf removal program rebate. They have embarked on an aggressive marketing campaign, which includes radio. Turf Terminators has not yet begun work in Orange County, but wanted to introduce themselves to MWDOC and answer any questions we might have. We encouraged them to keep in contact so that when they entered the Orange County market, we could make sure they understood our program requirements.</p> |
| PUBLIC/GOVERNMENT AFFAIRS | |
| Member Agency Relations | <p>Darcy and Tiffany continue to work with Albert Mendez of Metropolitan on the upcoming inspection trip season. Itineraries, invitations, confirmations, registrations, and guest and Director needs are being coordinated for the following 4 trips simultaneously: The first trip of season is Colorado River Aqueduct trip on September 12 and 13. Director Larry Dick will be hosting an Ag Trip on September 26 and 27 and his shared business coalition inspection trip on October 9 and 10. Director Linda Ackerman will be co-sponsoring a State Water Project trip with Chairman Randy Record on October 17 and 18.</p> <p>By Director request, Tiffany is creating a Save the Date notice for Director Barbre's Colorado River Aqueduct trip scheduled for December 5-7.</p> <p>Darcy and Jessica participated in Metropolitan's PIO meeting on August 14. Updates on regional rebate programs and communication efforts were presented. Darcy is scheduled to present on the Value of Water at the October Metropolitan PIO meeting.</p> <p>Jessica is coordinating a Public Affairs Workshop on Business Communications and Presentations on October 21.</p> <p>Darcy presented on the Value of Water research, findings and recommendations to the East Orange County Water District Board of Directors on Thursday, August 21, 2014.</p> <p>Darcy is working with Nathan Purkiss from MET on coordinating future Bay Delta Conservation Plan outreach, messaging and defining the current "Ask."</p> |

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| Member Agency Relations (Continued) | <p>Heather Baez prepared a brief background sheet on AB 2104 (Gonzalez) for the City of Newport Beach.</p> <p>Heather presented on Proposition 1, the water bond, at South Coast Water District's meeting on August 28.</p> <p>Jessica provided water use efficiency graphics and materials to: LBCWD, Santa Ana, Tustin, La Habra, Seal Beach, SCWD, TCWD, Master Gardeners.</p> <p>Jessica participated in the August 26 Orange County Stormwater Program Public Education Committee meeting. MWDOC and the OC Stormwater Program are working on a number of collaborative efforts, including a Coastal Cleanup Day event, how-to videos on efficient watering, and the OC Garden Friendly program.</p> <p>Jessica met with SMWD's new Public Information Officer, Jonathan Volke, to discuss public relations and outreach activities.</p> <p>Jessica provided Metropolitan staff with information and graphics on MWDOC's drought outreach activities. The information was used in a Communication & Legislation Committee meeting presentation by staff.</p> <p>Jessica facilitated a large order of Metropolitan's outreach materials on behalf of the member agencies. Water use efficiency brochures, drought rack cards, and water saving tips flyers were distributed to 15 MWDOC member agencies.</p> |
| Community Relations | <p>In Irwindale, Darcy presented on the Value of Water research and findings at Southern California Edison's 21st Annual Water Conference.</p> <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, 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 provided a customized "What does 20% Look Like?" infographic for the Yorba Linda Water District.</p> |

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| Community Relations (Continued) | <p>Tiffany and Jessica completed a WUE rebates handout/infographic describing available rebates, rebate amounts, and water saving statistics. This infographic is currently being utilized at community events, on social media pages, and has been added to the MWDOC website.</p> <p>Tiffany and Sarah are working on an infographic titled "Orange County is Saving Water." This infographic highlights water saving efforts by Orange County residents and Orange County water agencies.</p> <p>The October 2 Water Policy Forum & Dinner featuring keynote speaker John Coleman, President of ACWA, is just a few weeks away. Jessica developed and distributed multiple email invitations. Tiffany created and distributed both e-version and print-version customized invitations to legislative staffers, and to organizations that have purchased reserved tables at previous dinners. To date, approximately 50 guests have registered for the event, including 2 reserved tables: Cadiz and Mesa WD.</p> <p>Darcy attended the South Orange County Economic Coalition's breakfast forum on August 22.</p> <p>Directors Larry Dick and Jeff Thomas and Heather attended the Community Leaders Briefing featuring MET's General Manager, Jeffrey Kightlinger, and Congressman Alan Lowenthal.</p> <p>Heather attended the Orange County Water Association monthly luncheon with a presentation from Jonathan Loveland of Poseidon Water.</p> <p>Heather drafted an article on the water bond for the September issue of eCurrents.</p> <p>Jessica developed and distributed the August issue of eCurrents which focused on the drought. Darcy developed many of the articles.</p> <p>Jessica developed a Frequently Asked Questions handout on the new State Water Board regulations. The FAQ was added to the MWDOC website, distributed through social media, and sent to the member agencies. Several agencies have also distributed the FAQ sheet through their communication channels.</p> |
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| Education | Jessica worked with Accounting staff to develop the year-end reconciliation report for the 2013-14 School Program. The report delineates how surplus revenue will be credited back to the participating agencies. |
| Media Relations | <p>OC Register, Reporter Kelly Zhou requested information on sprinkler flow rates for a story on overwatering. Jessica provided the requested information on August 18.</p> <p>Jessica and Sarah Franks wrote a press release announcing the Water Bond will go on the November ballot as Proposition 1.</p> <p>Yahoo! News, Reporter Dylan Stableford wrote an article on lawn painting as it pertains to drought and turf removal. MWDOC's turf removal program was mentioned.</p> <p>OC Register, On August 30, Reporter Teri Sforza wrote an article on the \$8 million water meter error in South Orange County. Darcy, Jessica and I spoke with Teri prior to the article and provided information.</p> <p>Leader-Post, Reporter Amy Taxin of the Associated Press wrote an article about drought and turf replacement. MWDOC's Turf Removal Program was discussed, and Joe Berg was quoted.</p> <p>Daily Pilot, On August 20, Reporter Bradley Zint wrote an article about turf removal in Costa Mesa. The article spotlighted a Costa Mesa couple who participated in MWDOC's Turf Removal Program.</p> <p>OC Register, On August 19, Reporter Aaron Orlowski wrote an article about California's water resources and the state's limited ability to track water use. I was quoted on Orange County's water sources.</p> |
| Special Projects | <p>Darcy and Jessica are working with Fraser Communications to finalize the Value of Water creative materials, campaign and media strategy. The information will be presented to the Public Affairs Workgroup on September 16.</p> <p>Darcy participated in Orange County's Virtual Joint Information Center's Working Group meeting.</p> <p>The Water Bond, SB 2198 and drought outreach efforts were discussed when Darcy met with Mario Santoyo of the Friant Water Authority and Latino Water Coalition.</p> |

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| Special Projects (Continued) | <p>Darcy met with California Nevada Section, American Water Works Association's new Certification Manager, Steve Garner. They reviewed next steps in the industry analysis for Recycled Water Operator Certification, Water Quality Sampling Certification and advanced treatment endorsements for certified treatment operators.</p> <p>Darcy is assisting Heather Collins of MET and the American Water Works Association's Annual Conference and Exhibition Planning Committee on arranging a number of technical tours in Orange County. The International Annual Conference will be held in Anaheim next June.</p> <p>Director Jeff Thomas, Director Steve Sheldon (OCWD), Darcy and Eleanor Torres (OCWD) met and began planning the 8th Annual Orange County Water Summit scheduled for Friday, May 15, 2015. Preliminary planning includes a business session, agricultural session, as well as an opening panel and lunch presentation. The format planned is identical as in the past 5 years.</p> <p>At Orange County Sanitation District, Darcy attended the National Water Resources Institute's Branding Workshop.</p> <p>Darcy is working with Lisa Ohlund, East Orange County Water District and current Chairman of the Urban Water Institute, on planning an event to recognize retiring Director Wayne Clark and his 35 years of service to the District and the water profession.</p> <p>Jessica, Joe, and Darcy met with a company that developed a water waster app. The app is being used by more than a hundred water agencies in the U.S. to facilitate citizen reports of water waste. Per the request of our member agencies, MWDOC is exploring the feasibility enhancing the app with rebate info and water saving tips, then implementing it on a countywide basis.</p> <p>Jessica participated in a WEROC training on 'WEROC's role as a liaison.'</p> |
| Water-Use Efficiency Marketing | <p>Jessica participated in the September 8 OC Garden Friendly steering committee meeting. Two events are currently scheduled for fall 2014: UC Cooperative Extension on September 27 and Tree of Life Nursery on October 18. Four additional events will be scheduled between Fall of 2014 and Spring 2015.</p> |

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| Water-Use Efficiency Marketing | <p>Per request of the member agencies, Jessica developed several designs for lawn signs that can be installed at residential and commercial properties during the landscape renovation phase of the Turf Removal Program. The idea is to turn an ugly, dying lawn into a positive, water-saving activity while promoting the Turf Removal Program to folks passing by. Jessica distributed the 3 designs and an order form to the MWDOC member agencies and thus far, 26 agencies have ordered the signs. MWDOC will pay for printing of the signs using budgeted WUE marketing funds.</p> <p>Jessica is working with Immersiv Media to develop a water use efficiency microsite. The beta site is up and running and content is being loaded. The site is expected to launch in October.</p> <p>Jessica created a custom lawn sign for East Orange County Water District. The sign can be installed at residential and commercial properties that have made significant changes to save water.</p> <p>Jessica created large landscape signs to be placed at public properties participating in the Public Spaces Water Smart Landscape Program. Twelve signs were printed and will be displayed at South OC sites.</p> |
| Legislative Affairs | <p>Darcy and Heather participated in the WACO planning meeting as well as logistics and staff support for the September 5 meeting. Heather provided a brief presentation on the Water Bond.</p> <p>Darcy secured the WACO speaker for October 3, 2014: Kathy Cole.</p> <p>On August 8, Heather attended the ACWA State Legislative Affairs Committee meeting in Sacramento. While in Sacramento, she met with Steve McCarthy, Assembly Republican Caucus Consultant for the Water, Parks & Wildlife Committee; Jennifer West, Director for Water at California Municipal Utilities Association; Todd Moffitt, Senate Republican Caucus Consultant for the Natural Resources & Water Committee; Jennifer Franklin, Special Assistant at East Bay Municipal Utility District; and Rosalie Thompson at MET.</p> |

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| Legislative Affairs (Continued) | <p>Heather drafted a response to the Senate Environmental Quality and Judiciary Committees in response to their request for ways to improve the California Environmental Quality Act.</p> <p>In response to the Legislature passing a new water bond, Heather drafted thank you notes to the Orange County delegation for their support and a PowerPoint presentation for future use.</p> <p>Director Brett Barbre and Heather and Karl gave a tour of the Doheny Desalination site to Jacquelyn Gonzalez and Eduardo Lerma from Congresswoman Sanchez's office who were in the district visiting from Washington D.C.</p> <p>Heather participated in ACWA's planning session in preparation for response to the EPA's Clean Water Act definition, "Waters of the US."</p> <p>Heather participated in the ISDOC Executive Committee meeting and prepared/mailed ballots for the annual election of officers.</p> |
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pat meszaros
9/11/14

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