

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
November 12, 2014, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director J. Finnegan
Director Osborne

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

Ex Officio Member: L. Dick

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

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

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – October 2014
 - b. Disbursement Approval Report for the month of November 2014
 - c. Disbursement Ratification Report for the month of October 2014
 - d. GM Approved Disbursement Report for the month of October 2014
 - e. Water Use Efficiency Projects Cash Flow – October 31, 2014
 - f. Consolidated Summary of Cash and Investment – September 2014
 - g. OPEB Trust Fund monthly statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the period ending September 30, 2014
 - b. Quarterly Budget Review
 - c. Audit Report for FY 2013-14 (audit not yet complete)

ACTION ITEMS

3. ADOPT REVISIONS TO CONFLICT OF INTEREST CODE
4. LIABILITY INSURANCE

DISCUSSION ITEMS

5. DISCUSSION REGARDING CHANGES TO PERSONNEL MANUAL

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

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

OTHER ITEMS

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

ADJOURNMENT

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

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

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

WATER REVENUES

Date	From	Description	Amount
10/03/14	Trabuco Canyon Water District	August 2014 Water deliveries	16,660.76
10/03/14	South Coast Water District	August 2014 Water deliveries	520,484.07
10/03/14	City of San Clemente	August 2014 Water deliveries	960,005.51
10/03/14	City of Brea	August 2014 Water deliveries	439,503.86
10/06/14	City of Seal Beach	August 2014 Water deliveries	292,465.06
10/06/14	City of San Juan Capistrano	August 2014 Water deliveries	637,409.25
10/06/14	City of La Palma	August 2014 Water deliveries	5,732.00
10/07/14	City of Newport Beach	August 2014 Water deliveries	333,338.27
10/09/14	Serrano Water District	August 2014 Water deliveries	686.14
10/09/14	City of La Habra	August 2014 Water deliveries	13,597.88
10/09/14	Laguna Beach County Water District	August 2014 Water deliveries	371,583.26
10/10/14	City of Fountain Valley	August 2014 Water deliveries	23,374.22
10/14/14	East Orange County Water District	August 2014 Water deliveries	631,121.14
10/14/14	City of Orange	August 2014 Water deliveries	725,308.74
10/14/14	Mesa Water	August 2014 Water deliveries	258,925.37
10/15/14	Orange County Water District	August 2014 Water deliveries	2,887,197.51
10/15/14	El Toro Water District	August 2014 Water deliveries	960,804.58
10/15/14	City of Westminster	August 2014 Water deliveries	242,790.42
10/15/14	Moulton Niguel Water District	August 2014 Water deliveries	2,773,811.64
10/15/14	Yorba Linda Water District	August 2014 Water deliveries	903,429.00
10/15/14	Golden State Water Company	August 2014 Water deliveries	593,169.11
10/15/14	Irvine Ranch Water District	August 2014 Water deliveries	1,166,182.03
10/15/14	Santiago Aqueduct Commission	August 2014 Water deliveries	197,754.20
10/15/14	Santa Margarita Water District	August 2014 Water deliveries	2,826,214.51
10/24/14	City of Garden Grove	September 2014 Water deliveries	798,786.89
10/31/14	Santa Margarita Water District	September 2014 Water deliveries	2,675,682.94
10/31/14	City of Huntington Beach	September 2014 Water deliveries	777,819.81
10/31/14	City of San Clemente	September 2014 Water deliveries	906,217.52

TOTAL REVENUES \$ 22,940,055.69

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
10/03/14	6 Checks	10/2/14 Water policy dinner	450.00
10/06/14	City of Costa Mesa	10/2/14 Water policy dinner	75.00
10/09/14	Redwine & Sherill	10/2/14 Water policy dinner	75.00
10/23/14	The Water Brewery	10/2/14 Water policy dinner	150.00
10/30/14	Paypal	10/2/14 Water policy dinner	948.23
10/23/14	URS	5/16/14 OC Water Summit	120.00
10/30/14	Paypal	ISDOC Registrations	578.21
10/22/14	Susan Hunt	Nov & Partial Dec 2014 COBRA medical premium	956.35
10/31/14	Stan Sprague	November 2014 Retiree medical premium	519.94
10/17/14	Lee Jacobi	December 2014 Retiree medical premium	13.20
10/16/14	Susan Hinman	Jul-Sep 2014 Director's Pension & Health reimbursement	616.54
10/16/14	Joan Finnegan	Jul-Sep 2014 Director's Pension & Health reimbursement	846.27
10/10/14	Laura Loewen	Movie tickets	32.00
10/14/14	Mary Snow	Movie tickets	32.00
10/16/14	Katie Davanaugh	Movie tickets	16.00
10/17/14	2 Checks	Movie tickets	112.00
10/31/14	Laura Loewen	Movie tickets	16.00
10/14/14	City of Santa Ana	Additional Sep 2013 & Jan-Jun 2014 School billing	36,320.68
10/23/14	City of Fountain Valley	June 2014 Smart Timers rebate program	75.00
10/24/14	City of Huntington Beach	Jun-Aug 2014 Smart Timer rebate program	433.85
10/14/14	Mesa Water	August 2014 Smart Timers rebate program	225.00
10/17/14	City of Fullerton	August 2014 Smart Timers rebate program	955.93
10/22/14	Irvine Ranch Water District	August 2014 Smart Timers rebate program	341.20
10/22/14	South Coast Water District	August 2014 Smart Timers rebate program	150.00
10/22/14	City of Westminster	August 2014 Smart Timers rebate program	34.44
10/23/14	Yorba Linda Water District	August 2014 Smart Timers rebate program	351.00
10/28/14	Moulton Niguel Water District	August 2014 Smart Timers rebate program	144.00
10/31/14	City of Tustin	August 2014 Smart Timers rebate program	225.00
10/06/14	City of San Juan Capistrano	July 2014 Turf Removal rebate program	630.00
10/14/14	City of Orange	August 2014 Turf Removal rebate program	1,655.49
10/22/14	Irvine Ranch Water District	August 2014 Turf Removal rebate program	11,448.00
10/31/14	City of La Habra	August 2014 Turf Removal rebate program	105.00
10/22/14	City of San Juan Capistrano	August 2014 Turf Removal rebate program	840.00
10/14/14	Golden State Water Company	August 2014 Smart Timers and Turf Removal rebate program	1,434.58
10/17/14	2 Checks	August 2014 Smart Timers and Turf Removal rebate program	2,334.98
10/22/14	City of Garden Grove	August 2014 Smart Timers and Turf Removal rebate program	292.68
10/31/14	City of Brea	August 2014 Smart Timers and Turf Removal rebate program	2,812.00
10/31/14	El Toro Water District	August 2014 Rotating Nozzle rebate program	3,225.00
10/14/14	El Toro Water District	August 2014 So Cal Watersmart Residential rebate program	3,577.99
10/14/14	Golden State Water Company	August 2014 So Cal Watersmart Residential rebate program	1,155.00
10/28/14	Irvine Ranch Water District	August 2014 So Cal Watersmart Residential rebate program	35,463.00
10/03/14	Trabuco Canyon Water District	FY 14-15 Choice Programs	9,374.77
10/06/14	City of Orange	FY 14-15 Choice Programs	30,224.00
10/06/14	City of San Juan Capistrano	FY 14-15 Choice Programs	23,105.08
10/06/14	City of Seal Beach	FY 14-15 Choice Programs	11,638.61
10/09/14	Serrano Water District	FY 14-15 Choice Programs	3,222.86
10/10/14	City of Brea	FY 14-15 Choice Programs	27,174.58
10/10/14	City of La Habra	FY 14-15 Choice Programs	10,417.02
10/10/14	City of San Clemente	FY 14-15 Choice Programs	35,387.87
10/14/14	East Orange County Water District	FY 14-15 Choice Programs	6,475.14
10/14/14	Moulton Niguel Water District	FY 14-15 Choice Programs	106,974.49
10/14/14	Yorba Linda Water District	FY 14-15 Choice Programs	19,260.84
10/17/14	Laguna Beach County Water District	FY 14-15 Choice Programs	26,869.86
10/17/14	Mesa Water	FY 14-15 Choice Programs	20,729.20
10/21/14	City of Newport Beach	FY 14-15 Choice Programs	66,957.08
10/22/14	City of Westminster	FY 14-15 Choice Programs	15,817.72
10/23/14	City of Anaheim	FY 14-15 Choice Programs	2,387.04
10/23/14	City of La Palma	FY 14-15 Choice Programs	4,105.89
10/24/14	City of Tustin	FY 14-15 Choice Programs	19,324.76

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

MISCELLANEOUS REVENUES

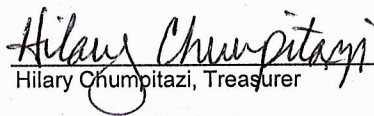
<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
10/31/14	City of Huntington Beach	FY 14-15 Choice Programs	70,332.71
10/31/14	Santa Margarita Water District	FY 14-15 Choice Programs	92,061.29
10/16/14	Irvine Ranch Water District	BWTP OC-33 Additional deposit for MET plan checking & 3 plug valves	66,200.00
10/17/14	Donna Mayer/CESA	Development of finance binders for pre-conference training	2,065.86
10/31/14	LA Department of Water and Power	Jul 2014-Jun 2015 Strategic Consulting Services on MET & Water Resource Issues - Ron Gastellum	8,125.00
10/31/14	Metropolitan Water District	Refund for unused portion of deposit for Emergency Generator Tie-In on Service Connection OC-70	5,205.70

TOTAL MISCELLANEOUS REVENUES \$ 793,223.93

TOTAL REVENUES \$ 23,733,279.62



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard Ackerman	
1047	September 2014 Legal consulting on water policy issues	625.00
1051	October 2014 Legal consulting on water policy issues	987.50
	*** Total ***	1,612.50
	ALTA FoodCraft	
514101374	10/15/14 Coffee & tea supplies	257.44
	*** Total ***	257.44
	American Water Works Association	
7000878268	2015 Annual membership renewal	1,513.00
	*** Total ***	1,513.00
	Awards & Trophies Co., Inc.	
11516	Picture plate for Director McKenney	15.18
	*** Total ***	15.18
	Best Best and Krieger LLP	
55401-SEP14	September 2014 Legal services	18,458.79
	*** Total ***	18,458.79
	C3 Office Solutions LLC	
INV31218	Staples for Canon copier	169.84
	*** Total ***	169.84
	CDW Government	
PT07178	1 HP Computer	786.51
PX85616	2 Toner cartridges for Ricoh color printer	112.32
	*** Total ***	898.83
	Dissinger Associates	
AP-MWD-OCT14	October 2014 Pension plan consulting	450.00
	*** Total ***	450.00
	East Orange County Water District	
102914	Refund balance of MET deposit for Service Connection OC-70 modifications	5,205.70
	*** Total ***	5,205.70
	Epiphany Media Group	
102114	10/21/14 Business Communication seminar for PAW workshop	2,995.00
	*** Total ***	2,995.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Fraser Communications	
15264	September 2014 Consulting for Water Communication Plan focus groups	2,099.04
	*** Total ***	2,099.04
	Fry's Electronics	
20501376	11/4/14 Computer supplies	26.95
	*** Total ***	26.95
	Ronald R. Gastelum	
OCT14	October 2014 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	GovConnection, Inc.	
51958930	Windows server license for ACT software	581.40
	*** Total ***	581.40
	Immersiv Media, Inc.	
010(MWDOC 2014)	July-September 2014 Website hosting and maintenance service	525.00
	*** Total ***	525.00
	Independent Special Districts of Orange County	
103014-OCT14	October 2014 PayPal luncheon receipts for 10/30/14 ISDOC meeting	578.21
103014	10/30/14 ISDOC meeting-Registrations for Directors Dick, Finnegan, Hinman & Osborne	68.00
	*** Total ***	646.21
	James C. Barker, P.C.	
105-0914	September 2014 Federal legislative advocacy services	8,967.44
105-1014	October 2014 Federal legislative advocacy services	8,000.00
	*** Total ***	16,967.44
	Jeff Cole	
JCP100614	Video production services for 10/2/14 Water Policy dinner	500.00
	*** Total ***	500.00
	Lewis Consulting Group, LLC	
1374	September 2014 Professional services	4,000.00
	*** Total ***	4,000.00
	Edward G. Means III	
MWDOC-1024	October 2014 Support on MET issues & strategic guidance to Engineering department	2,398.52
	*** Total ***	2,398.52
	Metropolitan Water District	
41501	FY 13-14 Operation & maintenance cost for East Orange County Feeder #2	254,902.44
	*** Total ***	254,902.44

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Norco Delivery Services	
649393	10/3/14 Delivery charges for Board packets	83.46
654613	10/31/14 Delivery charges for Board packets	163.58
	*** Total ***	247.04
	Orange County Water District	
14337	September 2014 50% share of WACO expense	211.73
14378	September 2014 Postage, shared office & maintenance expense	9,045.94
	*** Total ***	9,257.67
	Office Solutions	
I-00682725	10/9/14 Office supplies	32.38
I-00682726	MWDOC name tags for 2 new hires	32.38
I-00683810	10/10/14 Office supplies	438.69
I-00684034	MWDOC name tags for 2 new hires	32.38
I-00686513	Sit/stand adjustable monitor arm	351.00
I-00691865	1 Alera EQ series ergonomic chair	657.72
I-00692975	10/31/14 Office supplies	471.16
I-00693628	11/4/14 Office supplies	158.20
	*** Total ***	2,173.91
	Patricia Kennedy Inc.	
5748	October 2014 Plant maintenance	214.00
20027	November 2014 Plant maintenance	214.00
	*** Total ***	428.00
	Petty Cash	
103114	October 2014 Petty Cash reimbursement	221.42
	*** Total ***	221.42
	Quick Signs	
40872	310 Lawn signs for Turf Removal program for 3 member agencies	2,257.71
	*** Total ***	2,257.71
	SmartDraw Group, LLC	
983227	5 License upgrades for CI Enterprise edition software	756.00
	*** Total ***	756.00
	Staples Advantage	
8031707527	10/11/14 Office supplies	326.04
	*** Total ***	326.04
	Talent Assessment and Development, LLC	
1391	June 2014 Interview assessment for new hire applicant	1,100.00
1462	August 2014 Interview assessment for new hire applicant	450.00
	*** Total ***	1,550.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Top Hat Productions	
89363	9/19/14 Lunch for management staff meeting	185.76
89500	10/16/14 Lunch for Managers' meeting	403.38
	*** Total ***	589.14
	Townsend Public Affairs, Inc.	
10385	October 2014 State legislative advocacy services	7,500.00
	*** Total ***	7,500.00
	Tustin Irvine Medical Group	
00771151	9/25/14 New hire pre-employment exam	160.00
	*** Total ***	160.00
	USA Fact	
2329408-IN	9/30/14 New hire background check	18.16
2329404-IN	10/3/14 New hire background check	18.16
	*** Total ***	36.32
	Vavrinek, Trine, Day & Co., LLP	
0108634-IN	September 2014 Services for F/Y 13-14 Single audit	2,000.00
	*** Total ***	2,000.00
	The Westin South Coast Plaza	
18553-10/2/14	10/2/14 Water Policy Dinner banquet facilities	12,077.81
	*** Total ***	12,077.81
	Total Core Expenditures	361,304.34

Choice Expenditures:

	Discovery Science Center	
093014(A)MWDOC	FY14-15 Marketing, promotion & bookings for School program	5,000.00
093014(B)MWDOC	September 2014 School program	5,051.50
	*** Total ***	10,051.50
	Immersiv Media, Inc.	
011 (MWDOC 2014)	Development services for WUE Microsite	2,500.00
	*** Total ***	2,500.00
	James Klein & Associates	
3190	August 2014 Graphic design services for WUE bill inserts	875.00
	*** Total ***	875.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Top Hat Productions	
89424	10/2/14 Lunch for WUE Workgroup meeting	406.08
	*** Total ***	406.08
	Ultimate Image Printing	
100252	10,000 Rebate flyers for WUE program	981.42
	*** Total ***	981.42
	Total Choice Expenditures	<hr/> 14,814.00

Other Funds Expenditures:

	AquaFicient Consulting	
02-065	September 2014 Landscape Performance Certification program funded by IRWD & MET	1,500.00
	*** Total ***	1,500.00
	ConserVision Consulting, LLC	
LPCP-223	September 2014 Consulting services for Landscape Performance Certification program	7,089.75
	*** Total ***	7,089.75
	Integrated Media Systems	
44654	October 2014 Service call to repair audio wiring at S. EOC	330.00
	*** Total ***	330.00
	Mission RCD	
1704	September 2014 Field verifications for Water Use Efficiency rebate programs	37,228.41
	*** Total ***	37,228.41
	Noah Gwartney	
100714	October 2014 Bi-monthly cleaning for WEROC EOCs	115.00
	*** Total ***	115.00
	Office Solutions	
I-00683420	Two way radio for WEROC	47.51
	*** Total ***	47.51
	Quick Signs	
40872	555 Lawn signs for Turf Removal program for 24 member agencies	2,259.17
	*** Total ***	2,259.17

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Spray to Drip Program</i>	
S2D1002	L. Foto	175.00
S2D1012	D. Van Klaveren	175.00
S2D1015	K. Ells	350.00
S2D1065	J. Raub	175.00
S2D1093	R. Davis	337.57
S2D1122	I. Ali	175.00
S2D25728	A. Ott	197.54
S2D33925	P. Karl	525.00
S2DC1024	Coto de Caza Guest Lodges, LLC (Coto de Caza)	1,200.00
S2DC32412	C. Gray	161.85
	*** Total ***	3,471.96
	<i>Turf Removal Program</i>	
TR4-EOC-002	J. Lesser	5,313.44
TR4-HB-027	D. Crawford	535.00
TR4-HB-028	S. Sawyer	860.00
TR4-HB-033	C. Phelan	1,058.00
TR4-O-024	B. Van Gilder	418.00
TR4-O-029	V. Chan	918.00
TR4-O-030	D. Rector	708.00
TR4-SM-047	N. Malik	745.20
TR4-SM-051	W. Hampton	328.80
TR4-TC-005	W. Ambrosius	6,867.50
TR5-BREA-013	T. Flenniken	2,907.00
TR5-BREA-016	A. Nakasone	3,555.00
TR5-BREA-017	A. Tamula	7,155.00
TR5-BREA-018	E. Mondeau	438.00
TR5-BREA-019	C. McFarland	981.00
TR5W-BREA-1243	D. Lordi	2,650.00
TR5W-BREA-1262	G. Froman	1,500.00
TR5-ET-009	C. Taylor	1,374.00
TR5-ET-012	J. Schickley	4,208.00
TR5-FV-004	J. Metcalf	3,434.00
TR5-FV-006	W. Schultheis	1,846.00
TR5-FV-007	L. Pagliughi	4,152.00
TR5-FV-010	S. Tran	2,950.00
TR5-GG-007	N. Margo	2,704.00
TR5-GG-008	D. Van Gorder	2,148.00
TR5-GG-013	J. Armitage	2,252.00
TR5-GSWC-040	W. Gray	964.00
TR5-GSWC-042	J. Hetrick	1,248.00
TR5-GSWC-047	D. Miller	5,026.00
TR5-GSWC-048	M. Popejoy	12,698.00
TR5-GSWC-049	M. McShane	1,322.00
TR5-GSWC-051	A. Adams	832.00
TR5-GSWC-053	C. Christenson	1,562.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-GSWC-056	R. / A. Delander	2,378.00
TR5-GSWC-057	T. Schofield	568.00
TR5-GSWC-062	L. Lagda	1,974.00
TR5-HB-037	R. Bone	510.00
TR5-HB-038	B. Gillissen	598.00
TR5-HB-039	B. Bolt	1,478.00
TR5-HB-041	J. Paradiso	664.00
TR5-HB-043	G. Krmpotich	654.49
TR5-HB-044	J. Flores	1,634.00
TR5-HB-047	L. Hill	1,520.00
TR5-HB-048	A. Loyd	3,512.00
TR5-HB-049	J. Kingston	1,048.00
TR5-HB-052	J. Phibbs	756.00
TR5-HB-053	D. Chappell	1,146.00
TR5-HB-056	J. Tabata	4,146.00
TR5-HB-057	E. Montgomery	1,246.00
TR5W-HB-1015	S. Eagle	836.00
TR5W-HB-1234	S. McConnell	310.00
TR5W-HB-1347	G. Smith	1,950.00
TR5-IRWD-106	Mandeville HOA (Irvine)	11,736.00
TR5-IRWD-127	Y. Dao	660.00
TR5-IRWD-129	H. Rafi	500.00
TR5-IRWD-131	J. Matta	1,270.00
TR5-IRWD-145	T. Moran	1,894.00
TR5-IRWD-148	T. Tibbits	1,292.00
TR5-IRWD-153	G. Parkinson	866.00
TR5-IRWD-156	E. Chin	1,076.00
TR5-IRWD-160	P. Yager	1,236.00
TR5-IRWD-169	M. Riff	396.00
TR5-IRWD-172	C. Kawashima	1,998.00
TR5-IRWD-178	J. Mains	1,972.00
TR5-IRWD-201	Irvine Ranch Executive Suites (Tustin)	16,402.00
TR5-IRWD-202	D. Godley	696.00
TR5-IRWD-205	L. Zhou	1,100.00
TR5-IRWD-206	E. Tsai	1,906.00
TR5-IRWD-212	A. Andrews	2,572.00
TR5-IRWD-215	R. Navarro	720.00
TR5-IRWD-218	A. Kakar	1,500.00
TR5-IRWD-226	Ridgecrest Apartments (Lake Forest)	2,424.00
TR5-IRWD-229	C. Gaal	1,480.00
TR5-IRWD-235	A. Nelson Sr.	1,972.00
TR5-IRWD-236	R. Clow	540.00
TR5-IRWD-238	K. McCune	2,208.00
TR5-IRWD-240	S. Lee	1,030.00
TR5-IRWD-241	J. Lai	464.00
TR5-IRWD-245	C. Maniscalco	566.00
TR5-IRWD-247	J. Hill	600.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-IRWD-256	J. Green	628.00
TR5-IRWD-260	R. Sullivan	924.00
TR5-IRWD-281	B. Hawkins	744.11
TR5-LB-015	J. Friesel	286.00
TR5-LH-009	S. Gandhi	4,084.00
TR5-MESA-030	M. Mazzanella	3,516.00
TR5-MESA-031	B. Doyle	2,284.00
TR5-MESA-037	J. Vaughan	532.00
TR5-MESA-039	C. Hofmann	568.00
TR5-MESA-040	C. Hofmann	906.00
TR5-MESA-042	S. Rush	1,985.38
TR5-MESA-047	K. Cloud	1,744.00
TR5W-MESA-1018	D. Banfill	2,268.00
TR5-MN-050	G. Calley	1,493.18
TR5-MN-065	I. Hansen	656.00
TR5-MN-066	S. Truong	1,789.79
TR5-MN-068	J. Miner	1,840.00
TR5-MN-072	El Niguel Country Club (Laguna Niguel)	871,198.00
TR5-MN-075	S. Whitaker	3,488.00
TR5-MN-079	P. / K. Kaemerle	2,644.00
TR5-MN-080	B. Goto	324.00
TR5-MN-083	J. Na	608.00
TR5-MN-084	E. Chan	4,194.00
TR5-MN-089	D. Joyce	1,270.00
TR5-MN-092	E. Rubright	752.00
TR5-MN-095	S. Boeck	3,006.00
TR5-MN-096	N. Allebest	1,106.00
TR5-MN-101	D. DiAngelo	2,282.00
TR5-MN-102	L. Tarkoff	784.00
TR5-MNT-106	J. Pianta	4,350.00
TR5-MNT-110	J. Shubin	4,200.00
TR5-MNT-115	L. Taylor	4,200.00
TR5-MNT-116	T. Mauro	1,708.71
TR5-MNT-120	L. Domshy	1,580.00
TR5-MNT-130	W. Lacambra	2,530.00
TR5-MNT-133	H. Sadaghian	2,063.00
TR5-MNT-137	I. Tondu	3,275.00
TR5-MNT-140	R. Fields	4,250.00
TR5-MNT-144	T. Wetzell	1,350.00
TR5-MNT-146	B. Farahmand	705.86
TR5-MNT-152	B. Singley	4,248.00
TR5W-NWPT-1274	S. Alpert	1,018.00
TR5-O-032	B. Johnson	958.00
TR5-O-034	J. Bailey	3,434.00
TR5-O-036	J. Brill	1,826.00
TR5-O-045	J. Bears	756.00
TR5-SC-033	B. Resch	1,468.66

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
TR5-SC-034	C. Hilton	5,088.00
TR5-SC-036	R. Gales	826.00
TR5-SC-037	S. Hardie	2,024.00
TR5-SC-040	J. Kidwiler	2,444.00
TR5-SC-042	B. de Marquette	774.00
TR5-SC-048	K. Daum	3,554.00
TR5-SC-060	J. Hockins	474.00
TR5-SC-062	E. Zerrer	1,046.00
TR5-SC-063	A. Donchak	2,758.00
TR5-SJC-014	J. Dobson	838.15
TR5-SJC-017	M. Man	655.57
TR5-SJC-020	D. D'Auria	944.00
TR5-SJC-022	C. Jooyan	2,170.00
TR5-SJC-024	C. Nielsen	3,156.90
TR5-SM-090	B. Yau	3,548.00
TR5-SM-104	J. Chao	792.00
TR5-SM-107	H. DeBeer	734.00
TR5-SM-111	H. McCurdy	1,466.00
TR5-SM-116	R. Richards	1,856.00
TR5-SM-119	G. Talbott	1,154.00
TR5-SM-120	I. Ahmed	578.00
TR5-SM-130	R. Bora	540.00
TR5-SM-131	R. Anderson	792.00
TR5-SM-133	P. Andrada	360.00
TR5W-SM-1131	L. Farinella	840.00
TR5W-SM-1195	E. Lyon	1,588.00
TR5W-SM-1329	R. Chamberlin	1,866.00
TR5W-SM-1375	C. Davis	614.00
TR5W-SM-1384	J. Corris	506.00
TR5-SOCO-033	T. Stansbury	626.00
TR5-SOCO-039	B. Burgess	1,750.00
TR5-SOCO-042	K. Mueller	1,702.00
TR5-SOCO-043	M. Peters	840.00
TR5-SOCO-044	Antigua at Monarch HAO (Dana Point)	15,420.00
TR5-SOCO-045	A. Grimes	1,310.00
TR5-SOCO-047	D. Beightol	700.00
TR5-SOCO-049	P. Crain	2,050.00
TR5-SOCO-051	B. Graham	340.00
TR5-SOCO-054	R. Bender	2,470.00
TR5-SOCO-055	E. / J. Housley	390.00
TR5-SOCO-056	A. Stoeckmann	1,300.00
TR5-TUST-006	K. Lascon	4,428.00
TR5-YLWD-003	P. Gwosdof	1,268.00
TR5-YLWD-005	W. / B. Fray	1,602.00
TR5-YLWD-007	R. Patel	1,366.00
TR5W-YLWD-1239	G. Urban	746.00
*** Total ***		1,217,782.74

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

Invoice#	Vendor / Description	Amount to Pay
	URS Corporation Americas	
6041565	September 2014 Professional services for Industrial Process Water Use Reduction program	1,415.00
	*** Total ***	1,415.00
	Total Other Funds Expenditures	1,271,239.54
	Total Expenditures	1,647,357.88

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126354	10/8/14	TIMEWA	Time Warner Cable	
		5210-OCT14	October 2014 Telephone and internet expense	930.98
			***Total ***	930.98
126355	10/8/14	VERIZO	Verizon Wireless	
		9732614698	September 2014 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
	10/15/14	ACKEEX/ACKECO	Linda Ackerman	
126377		083114	August 2014 Business expense	47.04
		093014	September 2014 Business expense	58.80
126378		AUG2014	August 2014 MET Director's compensation	1,221.65
		SEP2014	September 2014 MET Director's compensation	1,465.98
			***Total ***	2,793.47
126382	10/15/14	C3OFFI	C3 Office Solutions LLC	
		INV30827	October 2014 Canon copier maintenance	386.57
			***Total ***	386.57
126387	10/15/14	DELAGE	De Lage Landen Public Finance	
		42797065	October 2014 Copier lease	509.00
			***Total ***	509.00
126395	10/15/14	IRONMO	Iron Mountain	
		KUP5556	October 2014 Storage/retrieval of archived documents	665.57
			***Total ***	665.57
126400	10/15/14	FRANKS	Sarah Franks	
		093014	September 2014 Business expense	58.08
			***Total ***	58.08
126411	10/15/14	TIMEWA	Time Warner Cable	
		3564-OCT14	October 2014 Telephone expense for 4 analog fax lines	138.60
			***Total ***	138.60
126444	10/15/14	USBANK	U.S. Bank	
		5783/6533-SEP14	8/22/14-9/22/14 Cal Card charges	10,562.26
			***Total ***	10,562.26
			(See attached sheet for details)	
ACH001138	10/15/14	BARBCO	Brett Barbre	
		SEP2014	September 2014 MET Director's compensation	2,443.30
			***Total ***	2,443.30

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
	10/15/14	DICKCO	Larry Dick	
ACH001144		SEP14	September 2014 MET Director's compensation	2,443.30
ACH001145		093014	September 2014 Business expense	113.12
			***Total ***	2,556.42
	10/15/14	FINNEG	Joan Finnegan	
ACH001147		093014	September 2014 Business expense	118.84
			***Total ***	118.84
	10/15/14	HARRIS	Cathleen M. Harris	
ACH001149		091914	September 2014 Business expense	104.76
			***Total ***	104.76
	10/15/14	HINMAN	Susan Hinman	
ACH001150		093014	September 2014 Business expense	417.03
			***Total ***	417.03
	10/15/14	THOMAS	Jeffery Thomas	
ACH001168		093014	September 2014 Business expense	105.71
			***Total ***	105.71
	10/31/14	BACATI	Tiffany Baca	
126493		101814	September-October 2014 Business expense	170.31
			***Total ***	170.31
	10/31/14	BURKED	Darcy M. Burke	
126494		100114	September-October 2014 Business expense	195.91
		102414	October 2014 Business expense	830.69
			***Total ***	1,026.60
	10/31/14	CLARKW	Wayne Clark	
126496		083114	August 2014 Business expense	100.80
		093014	September 2014 Business expense	100.80
		103114	October 2014 Business expense	117.60
			***Total ***	319.20
	10/31/14	BAEZHE	Heather Baez	
126498		102414	October 2014 Business expense	88.90
			***Total ***	88.90
	10/31/14	HEDGES	Steve Hedges	
126499		101014	September-October 2014 Business expense	86.91
			***Total ***	86.91

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
126501	10/31/14	LYONKE 103114	Keith Lyon September-October 2014 Business expense ***Total ***	118.55 118.55
ACH001173	10/31/14	BERGJO 092914	Joseph Berg September 2014 Business expense ***Total ***	114.75 114.75
ACH001176	10/31/14	OUWERK 093014	Jessica H. Ouwerkerk September 2014 Business expense ***Total ***	103.14 103.14
Total Core Disbursements				23,856.96

Choice Disbursements:

126444	10/15/14	USBANK 5783-SEP14	U.S. Bank 8/22/14-9/22/14 Cal Card charges ***Total *** (See attached sheet for details)	20.70 20.70
126344	9/30/14	SDG&E 7768-OCT14	SDG&E 9/18/14-10/19/14 Electrical service for Doheny Ocean Desal project ***Total ***	248.04 248.04
ACH001173	10/31/14	BERGJO 092914	Joseph Berg September 2014 Business expense ***Total ***	16.00 16.00
Total Choice Disbursements				284.74

Other Funds Disbursements:

126353	10/8/14	ATTEOC 4492-SEP14 8200-SEP14 0532-SEP14	AT&T September 2014 S. EOC telephone expense September 2014 N. EOC telephone expense September 2014 N. EOC dedicated phone line ***Total ***	224.46 160.71 55.60 440.77
126356	10/9/14	BREA 092314	City of Brea Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	8,670.00 8,670.00

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126357	10/9/14	BUENAP 092314	City of Buena Park Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 6,445.00 6,445.00
126358	10/9/14	WESTMI 092314	City of Westminster Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 5,127.00 5,127.00
126359	10/9/14	EASTOR 092314	East Orange Co Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 6,583.00 6,583.00
126360	10/9/14	ELTORO 092314	El Toro Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 15,767.00 15,767.00
126361	10/9/14	GOLDEN 092314	Golden State Water Company Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 14,830.00 14,830.00
126362	10/9/14	IRWD 092314	Irvine Ranch Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 44,381.00 44,381.00
126363	10/9/14	LAHABR 092314	City of La Habra Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 5,036.00 5,036.00
126364	10/9/14	LAPALM 092314	City of La Palma Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 950.00 950.00
126365	10/9/14	LAGUNA 092314	Laguna Beach County Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 6,075.00 6,075.00

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126366	10/9/14	MESAWA 092314	Mesa Water Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 3,696.00 3,696.00
126367	10/9/14	MOULTO 092314	Moulton Niguel Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 3,498,562.80 3,498,562.80
126368	10/9/14	OCWD 092314	Orange County Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 17,683.00 17,683.00
126370	10/9/14	SANCLE 092314	City of San Clemente Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 921,671.05 921,671.05
126371	10/9/14	SANJUA 092314	City of San Juan Capistrano Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 315,888.12 315,888.12
126372	10/9/14	SERRAN 092314	Serrano Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 1,521.00 1,521.00
126373	10/9/14	SANTAM 092314	Santa Margarita Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 3,083,163.36 3,083,163.36
126374	10/9/14	SOUTHCH 092314	South Coast Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 249,277.79 249,277.79
126375	10/9/14	TRABUC 092314	Trabuco Canyon Water District Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error ***Total ***	 4,108.00 4,108.00

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
126376	10/9/14	YORBAL	Yorba Linda Water District	
		092314	Refund for Tier 2 overcharges from 2007 & 2008 due to OC-88 metering error	16,173.00
			***Total ***	16,173.00
126394	10/15/14	HUBBAR	Kelly Hubbard	
		083114	August 2014 Business expense	120.15
		093014	September 2014 Business expense	69.24
		091114	September 2014 Business expense - CESA	871.10
			***Total ***	1,060.49
126396	10/15/14	PARSON	Lisa Parson	
		091114	September 2014 Business expense-CESA	125.44
		091114A	September 2014 Business expense	59.08
			***Total ***	184.52
126444	10/15/14	USBANK	U.S. Bank	
		5783-SEP14	8/22/14-9/22/14 Cal Card charges	1,101.85
			***Total ***	1,101.85
			(See attached sheet for details)	
126491	10/31/14	ATTEOC	AT&T	
		4492-OCT14	October 2014 S. EOC telephone expense	224.83
		8200-OCT14	October 2014 N. EOC telephone expense	161.12
		0532-OCT14	October 2014 N. EOC dedicated phone line	55.80
			***Total ***	441.75
126492	10/31/14	ATTUVEOC	AT&T	
		8599-OCT14	October 2014 N. EOC U-verse internet service	22.50
			***Total ***	22.50
126495	10/31/14	CATALI	Catalina Island Conservancy	
		10630	October 2014 WEROC radio repeater site lease	1,484.32
			***Total ***	1,484.32
126500	10/31/14	PARSON	Lisa Parson	
		101514	October 2014 Business expense	77.52
		101114	October 2014 Business expense	42.56
			***Total ***	120.08
ACH001178	10/31/14	SANTAM	Santa Margarita Water District	
		AUG2014	August 2014 SCP Operation surcharge	34,270.21
			***Total ***	34,270.21

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH001179	10/31/14	SPRINT	Sprint	
		320982721-122	October 2014 WEROC cell phone expense	41.91
			***Total ***	41.91
WIRE-103114	10/31/14	METWAT	Metropolitan Water District	
		8120	August 2014 Water deliveries	11,735,541.78
			***Total ***	11,735,541.78
Total Other Funds Disbursements				<u>20,000,318.30</u>
Total Disbursements				<u><u>20,024,460.00</u></u>


 Robert J. Hunter, General Manager


 Hilary Chumbitazi, Treasurer

Cal Card Statement Detail
Statement Date: September 22, 2014
Payment Date: October 15, 2014

Date	Description	Amount
<u>Karl's Card</u>		
08/26/14	UPS delivery charges for Board & Committee packets on Aug. 13, 2014	\$ 42.70
08/26/14	Lunch for WEROC training	127.00
08/27/14	Staff development lunch	242.34
08/27/14	1 HP LaserJet printer	558.99
08/27/17	5 Toner cartridges	288.14
08/27/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for Director Hinman	695.00
08/28/14	Reflective tape for WEROC	28.45
08/28/14	8 Traffic cones for WEROC	191.92
08/29/14	American Red Cross Disaster Preparedness Academy in Anaheim, CA on Oct. 22, 2014 - Registration for L. Parson	110.00
08/31/14	8/29/14-8/30/14 Facebook marketing for WUE programs	20.70
09/01/14	FedEx delivery charges to Metropolitan Water District on Aug. 27, 2014	17.73
09/03/14	CalDesal Annual conference in Monterey, CA from Oct. 6-7, 2014 - Registration for R. Bell	225.00
09/03/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for K. Seckel	695.00
09/03/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for R. Hunter	695.00
09/04/14	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Registration and membership for Director Barbre	445.00
09/05/14	Orange County Water Association meeting in Irvine, CA on Sep. 26, 2014 Registration for K. Hubbard & L. Parson	50.00
09/04/14	California Urban Water Conservation Council meeting in Sacramento, CA on Sep. 17, 2014 - Airfare for J. Berg	386.20
09/09/14	UPS delivery charges for Board & Committee packets on Sep. 4, 2014	6.05
09/09/14	Society for Human Resource Management annual membership renewal	185.00
09/10/14	California Special Districts Association Governance Foundations workshop in Palm Springs, CA on Sep. 29, 2014 - Registration for Director Barbre	225.00 1
09/10/14	California Special Districts Association Governance Foundations workshop in Palm Springs, CA on Sep. 29, 2014 - Registration for Director Dick	225.00 1
09/10/14	California Special Districts Association Governance Foundations workshop in Palm Springs, CA on Sep. 29, 2014 - Registration for R. Hunter	225.00 1
09/10/14	California Special Districts Association Governance Foundations workshop in Palm Springs, CA on Sep. 29, 2014 - Registration for K. Seckel	225.00 1
09/10/14	CalDesal Annual conference in Monterey, CA from Oct. 6-7, 2014 - Airfare for R. Bell	239.20
09/12/14	California Emergency Services Association - Annual Training conference in Indian Wells, CA from Sep. 8-11, 2014 - Accommodations for L. Parson	594.48
09/13/14	Legislative activities in Washington, DC from Sep. 10-13, 2014 - Accommodations for Director Barbre	1,275.47 2

Cal Card Statement Detail
Statement Date: September 22, 2014
Payment Date: October 15, 2014

Date	Description	Amount
09/15/14	State Water Resource Control Board meeting in Sacramento, CA from Oct. 14-15, 2014 - Airfare for D. Burke	180.20
09/17/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for H. Baez	695.00
09/17/14	ACWA Fall conference in San Diego, CA from Dec. 2-5, 2014 - Registration for H. De La Torre	695.00
09/17/14	UPS delivery charges for Board & Committee packets on Aug. 26 & Sep. 4, 2014	45.80
09/18/14	Colorado River Water Users Association 2014 Annual conference in Las Vegas, NV from Dec. 10-12, 2014 - Registrations and memberships for R. Hunter, D. Burke & H. De La Torre	1,360.00
09/19/14	Governmentjobs.com job posting for Associate Water Resources Analyst position	175.00
09/19/14	Governmentjobs.com job posting for Senior Administrative Assistant position	175.00
Total		<u>\$ 11,345.37</u>


- 1 Canceled workshop registrations and refund was received on 9/25/14
- 1 Director Barbre to reimburse MWD OC \$502.58

Cal Card Statement Detail
Statement Date: September 22, 2014
Payment Date: October 15, 2014

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Rob's Card</u>		
8/22/14-9/22/14	Meals for R. Hunter's meetings on various dates	267.49
09/20/14	Food for Management staff meeting	71.95
	Total	<u>\$ 339.44</u>

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Expenditures:				
126385	10/15/14	COOKHU 100314	Hunter T. Cook August-October 2014 Coastal retiree health benefit	1,364.76
			***Total ***	1,364.76
126446	10/20/14	METOTH 100314	Metropolitan Water District Additional deposit for Service Connection OC-33 modifications	66,200.00
			***Total ***	66,200.00
			Total Core Disbursements	67,564.76
Choice Expenditures:				
			Total Choice Disbursements	0.00
Other Funds Expenditures:				
126369	10/9/14	QUICKS EST. 5274	Quick Signs 50% Deposit for 605 Lawn signs for Turf Removal program	1,973.27
			***Total ***	1,973.27
			Total Other Funds Disbursements	1,973.27
			Total Disbursements	69,538.03


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

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

	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
Cash - Beginning Balance	\$ 219,916.10	\$ 150,103.91	\$ 117,766.90	\$ (72,152.50)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	
REVENUES:													
City of Brea	3,448.00	328.00	69.00	2,812.00									\$ 6,657.00
City of Fountain Valley				75.00									\$ 75.00
City of Fullerton	75.00	75.00	346.30	955.93									\$ 1,452.23
City of Garden Grove		255.00	810.00	292.68									\$ 1,357.68
City of Huntington Beach				433.85									\$ 433.85
City of La Habra		105.00		105.00									\$ 210.00
City of San Clemente	600.00	1,965.00	2,145.00	1,449.98									\$ 6,159.98
City of San Juan Capistrano	105.00	735.00		1,470.00									\$ 2,310.00
City of Santa Ana		157.68											\$ 157.68
City of Tustin				225.00									\$ 225.00
City of Orange	630.00	1,050.00	1,020.00	1,655.49									\$ 4,355.49
City of Westminster		19.97		34.44									\$ 54.41
El Toro Water District	2,703.99	2,717.00	1,576.00	6,802.99									\$ 13,799.98
Golden State Water Company	2,671.00	3,493.93	3,350.00	2,589.58									\$ 12,104.51
Irvine Ranch Water District	65,383.05	28,904.47	41,340.19	47,252.20									\$ 182,879.91
Laguna Beach County Water District	328.00	1,130.00		885.00									\$ 2,343.00
Mesa Water District		225.00	75.00	225.00									\$ 525.00
Metropolitan Water District		142,191.56	1,183.00	11,158.91									\$ 154,533.47
Moulton Niguel Water District			789.98	144.00									\$ 933.98
Santa Margarita Water District	1,092.20	4,782.20											\$ 5,874.40
South Coast Water District	75.00	225.00											\$ 450.00
Yorba Linda Water District			213.00	351.00									\$ 564.00
Miscellaneous Revenues													
Miscellaneous	5,950.50												5,950.50
Interest Revenue	171.77												171.77
Total Revenues	83,233.51	188,359.81	52,917.47	79,068.05	-	-	-	-	-	-	-	-	\$ 403,578.84
EXPENDITURES:													
Aquaticent	1,500.00	1,500.00		3,000.00									6,000.00
Conservation Consulting, LLC	7,544.25	7,411.50		13,663.25									28,619.00
City of Newport Beach	2,968.00												2,968.00
Executive Information Systems		584.00											584.00
Hotel Program			5,151.92	27,674.40									32,826.32
Irvine Ranch Water District	16,250.00												16,250.00
Metropolitan Water District	7,988.20												7,988.20
MESA	2,119.50												2,119.50
Mission RCD	6,485.80	12,988.02	14,006.16	30,794.12									64,274.10
Quick Signs				1,973.27									1,973.27
Signs to Drip program		975.00	10,100.26	2,852.56									13,927.82
Staley Gizmo				675.00									675.00
Trip Removal	108,189.95	183,408.30	197,345.22	442,202.55									931,146.02
URS		12,580.00		1,415.00									13,995.00
Waterwise Consulting		1,250.00	1,250.00										2,500.00
Miscellaneous Expenses													
Interest Expense													-
Safety & Benefit			14,983.31										14,983.31
Total Expenditures	153,045.70	220,696.82	242,836.87	524,250.15	-	-	-	-	-	-	-	-	\$ 1,140,829.54
Cash - Ending Balance	\$ 150,103.91	\$ 117,766.90	\$ (72,152.50)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	\$ (517,334.60)	



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
September 30, 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	10.93%
Grant & Project Cash Flow	1,000,000	6.47%
Building Repair	<u>239,491</u>	<u>1.55%</u>
Total Designated Reserves	2,927,056	18.95%
General Fund	6,446,453	41.73%
Water Fund	4,326,681	28.01%
Conservation Fund	(72,153)	(0.47)%
Desalination Feasibility Study Fund	222,385	1.44%
WEROC Fund	171,428	1.11%
Trustee Activities	(5,824)	(0.04)%
Total	\$14,016,026	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.10%	\$154,297	\$154,297
Short-term investment			
• LAIF	38.47%	\$5,392,565	\$5,392,565
• OCIP	38.29%	5,366,272	5,366,272
Long-term investment			
• Misc. Securities	14.29%	2,002,892	2,046,503
• Certificates of Deposit	7.85%	1,100,000	1,094,153
Total	100.00%	\$14,016,026	\$14,053,790

The average number of days to maturity/call as of September 30, 2014 equaled 147 and the average yield to maturity is 0.83%. During the month, the District's average daily balance was \$26,016,323.87. 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 September 2014.

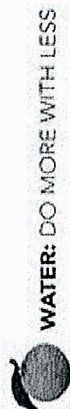
The \$37,763 difference between the book value and the market value on September 30, 2014 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, 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 September 30, 2014



9/30/2014	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	1,100,000.00	1,094,152.50	1,100,000.00	7.94	1262	1.459
Local Agency Investment Funds	5,392,565.22	5,392,565.22	5,392,565.22	38.91	1	0.246
Miscellaneous Securities - Coupon	2,000,000.00	2,046,502.50	2,002,891.75	14.43	319	3.346
Orange County Investment Pool	5,366,272.51	5,366,272.51	5,366,272.51	38.72	1	0.350
Total Investments	13,858,837.73	13,899,492.73	13,861,729.48	100.00%	147	0.830

Cash						
Passbook Checking	154,296.95	154,296.95	154,296.95		1	0.00
Total Cash and Investments	14,013,134.68	14,053,789.68	14,016,026.43		147	0.830

Total Earnings	Month Ending September	Fiscal Year to Date
Current Year	11,564.06	32,415.05
Average Daily Balance	26,016,323.87	
Effective Rate of Return	0.830%	

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


Robert J. Hunter, General Manager

Date

11-6-14


Hilary Chumpitazi, Treasurer

Date

11/6/2014

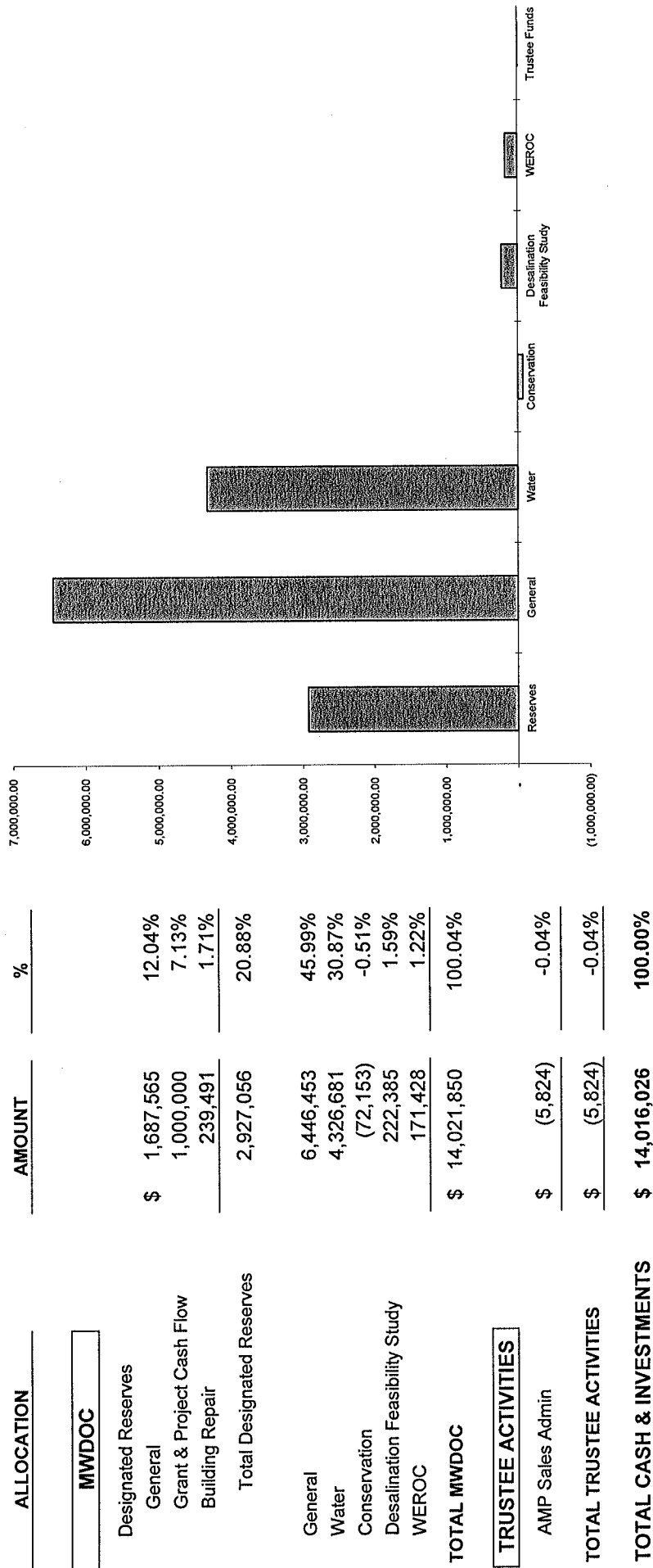
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
September 30, 2014

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	248,517.50	250,000.00	1.150	1.150	1028	7/24/2017
Discover Bank	2546712Y5	7/23/2014	250,000.00	248,490.00	250,000.00	1.600	1.600	1392	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	248,510.00	250,000.00	1.200	1.200	1029	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	99,970.00	100,000.00	1.050	1.050	846	1/23/2017
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	248,665.00	250,000.00	2.050	2.050	1764	7/30/2019
Sub Total			1,100,000.00	1,094,152.50	1,100,000.00	1.459	1.459	1262	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	256,702.50	251,484.96	3.700	3.000	336	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	255,245.00	251,196.24	3.400	2.700	267	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	515,180.00	500,696.35	3.125	3.007	468	1/1/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	514,155.00	499,707.18	3.450	3.508	398	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	505,220.00	499,807.02	3.875	4.020	107	1/15/2015
Sub Total			2,000,000.00	2,046,502.50	2,002,891.75	3.500	3.346	319	
Total Investments			3,100,000.00	3,140,655.00	3,102,891.75	2.776	2.677	653	
Total Earnings									
Current Year		Month Ending September	6,722.62	Fiscal Year To Date	19,833.69				

September 30, 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	5,392,565.22	5,392,565.22	5,392,565.22	0.246	0.246	1	N/A
Sub Total			5,392,565.22	5,392,565.22	5,392,565.22	0.246	0.246	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	5,366,272.51	5,366,272.51	5,366,272.51	0.350	0.350	1	N/A
Sub Total			5,366,272.51	5,366,272.51	5,366,272.51	0.350	0.350	1	
Total Investments									
			10,758,837.73	10,758,837.73	10,758,837.73	0.298	0.298		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	153,796.95	153,796.95	153,796.95	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			154,296.95	154,296.95	154,296.95	0.000	0.000	1	
Total Cash and Investments									
			10,913,134.68	10,913,134.68	10,913,134.68	0.298	0.298	1	
Total Earnings									
Current Year		Month Ending September	4,841.44	Fiscal Year To Date					
				12,581.36					

Cash and Investments at September 30, 2014



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS GASB 45 Program**Monthly Account Report for the Period**
9/1/2014 to 9/30/2014Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 9/1/2014	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 9/30/2014
Employer Contribution	\$1,124,425.88	\$0.00	-\$19,501.94	\$528.64	\$0.00	\$0.00	\$1,104,395.30
Totals	\$1,124,425.88	\$0.00	-\$19,501.94	\$528.64	\$0.00	\$0.00	\$1,104,395.30

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	
-1.73%	-0.93%	7.64%	9.75%	N/A	N/A	10/26/2011

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

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

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

Inception Date: Plan's inception date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2014 THRU SEPTEMBER 30, 2014

**Municipal Water District of Orange County
Combined Balance Sheet
As of September 30, 2014**

<u>ASSETS</u>	Amount
Cash in Bank	154,296.95
Investments	13,861,729.48
Accounts Receivable	38,265,328.20
Accounts Receivable - Other	526,630.69
Accrued Interest Receivable	31,389.66
Prepays/Deposits	795,794.98
Leasehold Improvements	3,015,137.08
Furniture, Fixtures & Equipment	535,372.82
Less: Accum Depreciation	(2,498,215.72)
Net OPEB Asset	37,041.00
	<hr/>
TOTAL ASSETS	\$54,724,505.14
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	38,913,290.43
Accrued Salaries and Benefits Payable	404,739.93
Other Liabilities	2,041,039.01
Unearned Revenue	1,095,020.32
Total Liabilities	42,454,089.99
	<hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	954,814.06
Total Restricted Fund Balances	954,814.06
	<hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,724,605.61
Grant & Project Cash Flow	1,000,000.00
Building Repair	239,491.00
Total Designated Reserves	2,964,096.61
	<hr/>
GENERAL FUND	1,997,292.48
WEROC	55,774.88
Total Unrestricted Fund Balances	5,017,163.97
	<hr/>
Excess Revenue over Expenditures	
Operating Fund	6,241,992.12
Other Funds	56,445.00
Total Fund Balance	12,270,415.15
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$54,724,505.14
	<hr/>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	6,440,532.00	6,440,532.00	100.00%	0.00	0.00
Water Increment	8,590.80	49,290.73	103,564.00	47.59%	0.00	54,273.27
Water rate revenues	8,590.80	6,489,822.73	6,544,096.00	99.17%	0.00	54,273.27
Interest Revenue	11,334.32	31,633.15	138,000.00	22.92%	0.00	106,366.85
Subtotal	19,925.12	6,521,455.88	6,682,096.00	97.60%	0.00	160,640.12
Choice Programs	1,109,408.78	1,109,408.78	1,261,086.00	87.97%	0.00	151,677.22
Choice Prior Year Carry Over	0.00	94,000.00	0.00		0.00	(94,000.00)
Miscellaneous Income	40.11	186.13	3,000.00	6.20%	0.00	2,813.87
School Contracts	3,872.00	3,872.00	70,000.00	5.53%	0.00	66,128.00
Transfer-Out To Reserve	0.00	0.00	(84,374.00)	0.00%	0.00	(84,374.00)
Subtotal	1,113,320.89	1,207,466.91	1,249,712.00	96.62%	0.00	42,245.09
TOTAL REVENUES	1,133,246.01	7,728,922.79	7,931,808.00	97.44%	0.00	202,885.21

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	247,056.59	744,568.89	2,995,855.00	24.85%	0.00	2,251,286.11
Salaries & Wages - Grant Recovery	(11,267.88)	(11,267.88)	(16,437.00)	68.55%	0.00	(5,169.12)
Directors' Compensation	13,926.81	40,070.12	210,342.00	19.05%	0.00	170,271.88
MWD Representation	7,574.23	18,324.75	120,197.00	15.25%	0.00	101,872.25
Employee Benefits	67,516.40	202,766.67	961,916.00	21.08%	0.00	759,149.33
OPEB Annual Contribution	0.00	0.00	133,331.00	0.00%	0.00	133,331.00
Employee Benefits - Grant Recovery	(2,885.99)	(2,885.99)	0.00	0.00%	0.00	2,885.99
Director's Benefits	6,119.33	20,052.35	119,356.00	16.80%	0.00	99,303.65
Health Ins \$'s for Retirees	2,858.34	10,137.72	50,244.00	20.18%	0.00	40,106.28
Training Expense	2,097.00	2,097.00	18,000.00	11.65%	0.00	15,903.00
Tuition Reimbursement	0.00	0.00	6,000.00	0.00%	0.00	6,000.00
Personnel Expenses	332,994.83	1,023,863.63	4,598,804.00	22.26%	0.00	3,570,759.28
Engineering Expense	7,027.77	21,866.03	355,000.00	6.16%	45,786.74	287,347.23
Legal Expense	9,145.19	38,738.03	329,000.00	11.77%	290,261.97	0.00
Audit Expense	2,000.00	8,900.00	23,000.00	38.70%	12,225.00	1,875.00
Professional Services	53,136.95	171,422.05	1,065,200.00	16.09%	261,777.65	632,000.30
Professional Fees	71,309.91	240,926.11	1,772,200.00	13.59%	610,051.36	921,222.53
Conference-Staff	4,755.00	5,090.00	13,925.00	36.55%	0.00	8,835.00
Conference-Directors	1,570.00	2,690.00	8,650.00	31.10%	0.00	5,960.00
Travel & Accom.-Staff	895.85	4,178.01	38,300.00	10.91%	0.00	34,121.99
Travel & Accom.-Directors	787.83	1,634.53	29,600.00	5.52%	0.00	27,965.47
Travel & Conference	8,008.68	13,592.54	90,475.00	15.02%	0.00	76,882.46
Membership/Sponsorship	265.00	42,221.26	90,437.00	46.69%	0.00	48,215.74
CDR Support	0.00	9,990.25	39,961.00	25.00%	29,970.75	0.00
Dues & Memberships	265.00	52,211.51	130,398.00	40.04%	29,970.75	48,215.74
Business Expense	425.53	1,803.73	7,000.00	25.77%	0.00	5,196.27
Maintenance Office	16,966.17	27,030.11	118,768.00	22.76%	86,645.60	5,092.29
Building Repair & Maintenance	1,269.62	1,743.54	10,800.00	0.00%	9,056.46	0.00
Storage Rental & Equipment Lease	962.66	2,887.98	16,708.00	17.29%	12,820.02	1,000.00
Office Supplies	2,112.86	6,245.42	24,288.00	25.71%	2,653.87	15,388.71
Postage/Mail Delivery	789.91	2,402.29	11,100.00	21.64%	3,424.41	5,273.30
Subscriptions & Books	0.00	146.02	1,600.00	9.13%	0.00	1,453.98
Reproduction Expense	28.75	90.00	90,625.00	0.10%	3,500.00	87,035.00
Maintenance-Computers	1,068.05	1,570.16	6,000.00	26.17%	1,458.57	2,971.27
Software Purchase	0.00	6,883.40	25,515.00	26.98%	0.00	18,631.60
Software Support	7,666.21	11,988.35	28,869.00	41.53%	0.00	16,880.65
Computers and Equipment	0.00	5,140.11	9,300.00	55.27%	0.00	4,159.89
Automotive Expense	1,144.97	2,556.96	13,300.00	19.23%	0.00	10,743.04
Toll Road Charges	112.50	216.42	1,250.00	17.31%	0.00	1,033.58
Insurance Expense	7,108.93	25,981.72	97,000.00	26.79%	11,455.07	59,563.21
Utilities - Telephone	1,254.27	3,700.71	16,900.00	21.90%	0.00	13,199.29
Bank Fees	966.25	2,770.47	10,700.00	25.89%	0.00	7,929.53
Miscellaneous Expense	5,065.34	10,222.17	109,700.00	9.32%	18.16	99,459.67
MWDOC's Contrb. To WEROC	10,709.00	32,127.00	128,508.00	25.00%	0.00	96,381.00
Depreciation Expense	3,124.18	10,830.32	0.00	0.00%	0.00	(10,830.32)
Other Expenses	60,775.20	156,336.88	727,931.00	21.48%	131,032.16	440,561.96
Election Expense	0.00	0.00	444,000.00	0.00	0.00	444,000.00
Building Repair & Maintenance	0.00	0.00	168,000.00	0.00%	0.00	168,000.00
TOTAL EXPENSES	473,353.62	1,486,930.67	7,931,808.00	18.75%	771,054.27	5,673,823.06
NET INCOME (LOSS)	659,892.39	6,241,992.12	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	17,476,682.50	55,902,893.80	163,874,103.00	34.11%	107,971,209.20
Readiness to Serve Charge	1,161,520.50	3,484,561.50	13,946,682.00	24.98%	10,462,120.50
Capacity Charge CCF	304,941.67	914,825.01	3,659,300.00	25.00%	2,744,474.99
SCP Surcharge	32,251.49	101,836.29	361,200.00	28.19%	259,363.71
Interest	221.95	703.55	4,275.00	16.46%	3,571.45
TOTAL WATER REVENUES	18,975,618.11	60,404,820.15	181,845,560.00	33.22%	121,440,739.85
<u>WATER PURCHASES</u>					
Water Sales	17,476,682.50	55,902,893.80	163,874,103.00	34.11%	107,971,209.20
Readiness to Serve Charge	1,161,520.50	3,484,561.50	13,946,682.00	24.98%	10,462,120.50
Capacity Charge CCF	304,941.67	914,825.01	3,659,300.00	25.00%	2,744,474.99
SCP Surcharge	32,251.49	101,836.29	361,200.00	28.19%	259,363.71
TOTAL WATER PURCHASES	18,975,396.16	60,404,116.60	181,841,285.00	33.22%	121,437,168.40
EXCESS OF REVENUE OVER EXPENDITURES	221.95	703.55	4,275.00		

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

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	16,517.37	116,000.00	14.24%
Expenses	<u>27,652.00</u>	<u>116,000.00</u>	23.84%
Excess of Revenues over Expenditures	(11,134.63)	0.00	
SmarTimer Program			
Revenues	82,131.89	50,467.00	162.74%
Expenses	<u>58,336.18</u>	<u>50,467.00</u>	115.59%
Excess of Revenues over Expenditures	23,795.71	0.00	
Industrial Water Use Reduction			
Revenues	1,415.00	113,980.00	1.24%
Expenses	<u>1,430.90</u>	<u>113,980.00</u>	1.26%
Excess of Revenues over Expenditures	(15.90)	0.00	
Spray To Drip Conversion			
Revenues	4,917.14	65,342.47	7.53%
Expenses	<u>13,155.73</u>	<u>65,342.47</u>	20.13%
Excess of Revenues over Expenditures	(8,238.59)	0.00	
Water Smart Landscape for Public Property			
Revenues	3,166.41	1,248,000.00	0.25%
Expenses	<u>2,890.77</u>	<u>1,248,000.00</u>	0.23%
Excess of Revenues over Expenditures	275.64	0.00	
Member Agency Administered Passthru			
Revenues	0.00	27,143.00	0.00%
Expenses	<u>0.00</u>	<u>27,143.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	33,008.12	132,250.00	24.96%
Expenses	<u>20,259.42</u>	<u>132,250.00</u>	15.32%
Excess of Revenues over Expenditures	12,748.70	0.00	
HECW Rebate Program			
Revenues	96,450.00	403,000.00	23.93%
Expenses	<u>73,973.95</u>	<u>403,000.00</u>	18.36%
Excess of Revenues over Expenditures	22,476.05	0.00	
CII Rebate Program			
Revenues	900.00	159,250.00	0.57%
Expenses	<u>0.00</u>	<u>159,250.00</u>	0.00%
Excess of Revenues over Expenditures	900.00	0.00	
Large Landscape Survey			
Revenues	40,331.15	32,000.00	126.03%
Expenses	<u>26,171.71</u>	<u>32,000.00</u>	81.79%
Excess of Revenues over Expenditures	14,159.44	0.00	
Indoor-Outdoor Survey			
Revenues	1,565.78	5,200.00	30.11%
Expenses	<u>0.00</u>	<u>5,200.00</u>	0.00%
Excess of Revenues over Expenditures	1,565.78	0.00	
Turf Removal Program			
Revenues	512,280.54	725,000.00	70.66%
Expenses	<u>646,756.07</u>	<u>725,000.00</u>	89.21%
Excess of Revenues over Expenditures	(134,475.53)	0.00	

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

	Year to Date Actual	Annual Budget	% Used
Comprehensive Landscape (CLWUE)			
Revenues	0.00	258,690.00	0.00%
Expenses	0.00	258,690.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Home Certification and Rebate			
Revenues	3,194.50	248,050.00	1.29%
Expenses	2,097.47	248,050.00	0.85%
Excess of Revenues over Expenditures	1,097.03	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	145,960.00	0.00%
Expenses	0.00	145,960.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WEROC			
Revenues	161,073.57	248,622.00	64.79%
Expenses	47,183.01	248,622.00	18.98%
Excess of Revenues over Expenditures	113,890.56	0.00	
WUE Projects			
Revenues	795,877.90	3,730,332.47	21.34%
Expenses	872,724.20	3,730,332.47	23.40%
Excess of Revenues over Expenditures	(76,846.30)	0.00	
RPOI Distributions			
Revenues	-	4,921.00	0.00%
Expenses	-	4,921.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Ocean Desalination			
Revenues	-	94,000.00	0.00%
Expenses	(2,045.46)	94,000.00	-2.18%
Excess of Revenues over Expenditures	2,045.46	0.00	



Memorandum

DATE: November 12, 2014

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

FROM: Robert Hunter

SUBJECT: Quarter ending September 2014 Financials Actual versus Budget

The following reports are attached:

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

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

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>	<u>Projected Year End Cost</u>
<u>REVENUES</u>				
Water Rate revenues:				
Retail connection fees	6,441	6,440	100.0%	6,440
Water rate increment ⁽¹⁾	<u>49</u>	<u>104</u>	<u>47.6%</u>	<u>104</u>
Subtotal	6,490	6,544	99.2%	6,544
Other Revenues:				
Interest income	32	138	22.9%	138
Choice Programs	1,203	1,261	95.4%	1,261
School Contracts	4	70	5.5%	70
Other income	0	3	6.2%	3
Transfer to Reserve	<u>-</u>	<u>(84)</u>	<u>0.0%</u>	<u>(84)</u>
Subtotal	1,239	1,388	89.3%	1,388
TOTAL REVENUES	7,729	7,931	97.4%	7,931
<u>EXPENSES</u>				
Personal Expenses (incl. Dir.)	1,024	4,599	22.3%	4,599
Professional services	180	1,088	16.6%	1,088
Outside engineering	22	355	6.2%	355
Legal expense	39	329	11.8%	329
Travel & Conference	14	90	15.0%	90
Dues and memberships ⁽²⁾	52	130	40.0%	130
General & Admin expense	156	1,171	13.3%	1,171
Building Repair & Maintenance	<u>-</u>	<u>168</u>	<u>0.0%</u>	<u>168</u>
TOTAL EXPENSES	1,487	7,931	18.7%	7,931
EXCESS OF REVENUES OVER EXPENSES	6,242	-		-

RESERVE FUND ⁽³⁾

Beginning Balance	2,566
Dec 2013 - excess from FY 12-13 General Fund	310
Jan 2014 - excess from FY 12-13 General Fund	32
Feb 2014 - closed out Projects 2325, 2335 and net with Summit loss 2013	<u>19</u>
TOTAL RESERVE FUND	2,927

¹ Water rate increment had 57% of revenue in July, 25% in August and 18% in September.

² Most dues and memberships are paid in the first half of the year. We do not anticipate going over budget.

³ FY 2013/14 Reserve transfer will be posted in November 2014.

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

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,440,532	6,440,532	100.00%
Water Increment	49,291	103,564	47.59%
Water rate revenues	6,489,823	6,544,096	99.17%
Choice Programs	1,109,409	1,261,086	87.97%
Choice Prior Year Carry Over	94,000	0	0.00%
Interest Revenue	31,633	138,000	22.92%
Miscellaneous Income	186	3,000	6.20%
School Contracts	3,872	70,000	5.53%
Transfer to Reserve	-	(84,374)	0.00%
Other revenues	1,239,100	1,387,712	89.29%
TOTAL REVENUES	7,728,923	7,931,808	97.44%

OPERATING EXPENSES			
Salaries & Wages	744,569	2,995,855	24.85%
less Recovery from Grants	(11,268)	(16,437)	68.55%
Directors' Compensation	40,070	210,342	19.05%
MWD Representation	18,325	120,197	15.25%
Employee Benefits	202,767	961,916	21.08%
less Recovery from Grants	(2,886)	-	0.00%
OPEB Annual Contribution	0	133,331	0.00%
Directors Benefits	20,052	119,356	16.80%
Health Insurances for Retirees	10,138	50,244	20.18%
Training Expense	2,097	18,000	11.65%
Tuition Reimbursement	-	6,000	0.00%
Personnel Expenses	1,023,864	4,598,804	22.26%
Engineering Expense	21,866	355,000	6.16%
Legal Expense	38,738	329,000	11.77%
Audit Expense	8,900	23,000	38.70%
Professional Services	171,422	1,065,200	16.09%
Professional Fees	240,926	1,772,200	13.59%
Conference-Staff	5,090	13,925	36.55%
Conference-Directors	2,690	8,650	31.10%
Travel & Accom.-Staff	4,178	38,300	10.91%
Travel & Accom.-Directors	1,635	29,600	5.52%
Travel & Conference	13,593	90,475	15.02%
Membership/Sponsorship	42,221	90,437	46.69%
CDR Support	9,990	39,961	25.00%
Dues & Memberships	52,212	130,398	40.04%

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

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	1,804	7,000	25.77%
Maintenance Office	27,030	118,768	22.76%
Building Repair & Maintenance	1,744	10,800	0.00%
Storage Rental & Equipment Lease	2,888	16,708	17.29%
Office Supplies	6,245	24,288	25.71%
Postage/Mail Delivery	2,402	11,100	21.64%
Subscriptions & Books	146	1,600	9.13%
Reproduction Expense	90	90,625	0.10%
Maintenance-Computers	1,570	6,000	26.17%
Software Purchase	6,883	25,515	26.98%
Software Support	11,988	28,869	41.53%
Computers and Equipment	5,140	9,300	55.27%
Automotive Expense	2,557	13,300	19.23%
Toll Road Charges	216	1,250	17.31%
Insurance Expense	25,982	97,000	26.79%
Utilities - Telephone	3,701	16,900	21.90%
Bank Fees	2,770	10,700	25.89%
Miscellaneous Expense	10,222	109,700	9.32%
MWDOC's Contribution To WEROC	32,127	128,508	25.00%
Depreciation Expense	10,830	0	0.00%
Election Expense	0	444,000	0.00%
Building Repair and Maintenance	-	168,000	0.00%
Other Expenses	156,337	1,339,931	11.67%
TOTAL EXPENSES	1,486,931	7,931,808	18.75%
-			
EXCESS OF REVENUES OVER EXPENSES	6,241,992	0	

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

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	55,902,894	163,874,103	(107,971,209)
Ready to Serve Charge	3,484,562	13,946,682	(10,462,121)
Capacity Charge Flat Rate	914,825	3,659,300	(2,744,475)
SCP Surcharge	101,836	361,200	(259,364)
Interest	<u>704</u>	<u>4,275</u>	<u>(3,571)</u>
Total Water Revenues	<u>60,404,820</u>	<u>181,845,560</u>	<u>(121,440,740)</u>
 <u>Water Purchases</u>			
Water Sales	55,902,894	163,874,103	(107,971,209)
Ready to Serve Charge	3,484,562	13,946,682	(10,462,121)
Capacity Charge	914,825	3,659,300	(2,744,475)
SCP Surcharge	<u>101,836</u>	<u>361,200</u>	<u>(259,364)</u>
Total Water Purchases	<u>60,404,117</u>	<u>181,841,285</u>	<u>(121,437,168)</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 <u>704</u>	 <u>4,275</u>	 <u>(3,571)</u>

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

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	161,074	248,622	(87,548)
Expenditures	<u>47,183</u>	<u>248,622</u>	<u>(201,439)</u>
Excess of Revenues over Expenditures	113,891	-	113,891
 <u>WUE Projects (details on next page)</u>			
Revenues	795,878	3,730,332	(2,934,455)
Expenditures	<u>909,953</u>	<u>3,730,332</u>	<u>(2,820,380)</u>
Excess of Revenues over Expenditures	(114,075)	-	(114,075)
 <u>RPOI Distribution</u>			
Revenues	-	4,921	(4,921)
Expenditures	<u>-</u>	<u>4,921</u>	<u>(4,921)</u>
Excess of Revenues over Expenditures	-	-	-
 <u>Ocean Desalination</u>			
Revenues	-	94,000	(94,000)
Expenditures	<u>(2,045)</u>	<u>94,000</u>	<u>(96,045)</u>
Excess of Revenues over Expenditures	2,045	-	2,045

Footnote:

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Landscape Performance Certification</u>					
Revenues	16,517		116,000	14.24%	116,000
Expenditures	<u>27,652</u>		<u>116,000</u>	23.84%	<u>116,000</u>
Excess of Revenues over Expenditures	(11,135)	-67%	-		

Actual Variance: Expenses paid prior to receiving revenues.

Budget Variance: No comment needed.

SmarTimer Program

Revenues	82,132		50,467	162.74%	100,000
Expenditures	<u>61,006</u>		<u>50,467</u>	120.88%	<u>100,000</u>
Excess of Revenues over Expenditures	21,126	26%	0		

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

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

Industrial Water Use Reduction

Revenues	1,415		113,980	1.24%	113,980
Expenditures	<u>1,431</u>		<u>113,980</u>	1.26%	<u>113,980</u>
Excess of Revenues over Expenditures	(16)	-1%	0		

Actual Variance: No comment needed.

Budget Variance: Program just beginning.

Spray to Drip Conversion

Revenues	4,917		65,342	7.53%	65,342
Expenditures	<u>13,156</u>		<u>65,342</u>	20.13%	<u>65,342</u>
Excess of Revenues over Expenditures	(8,239)	-168%	-		

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

Budget Variance: No comment needed.

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Water Smart Landscape for Public Property</u>					
Revenues	3,166		1,248,000	0.25%	1,248,000
Expenditures	<u>2,891</u>		<u>1,248,000</u>	0.23%	<u>1,248,000</u>
Excess of Revenues over Expenditures	276	9%	0		

Actual Variance: No comment needed.

Budget Variance: Program just beginning.

Member Agency Administered Passthru

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

Actual Variance: Program has not started yet.

Budget Variance: Program has not started yet.

ULFT Rebate Program

Revenues	33,008		132,250	24.96%	132,250
Expenditures	<u>20,259</u>		<u>132,250</u>	15.32%	<u>132,250</u>
Excess of Revenues over Expenditures	12,749	39%	0		

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

Budget Variance: No comment needed.

HECW Rebate Program

Revenues	96,450		403,000	23.93%	403,000
Expenditures	<u>73,974</u>		<u>403,000</u>	18.36%	<u>403,000</u>
Excess of Revenues over Expenditures	22,476	23%	0		

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

Budget Variance: No comment needed.

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>CII Rebate Program</u>					
Revenues	900		159,250	0.57%	159,250
Expenditures	<u>-</u>		<u>159,250</u>	0.00%	<u>159,250</u>
Excess of Revenues over Expenditures	900	100%	0		

Actual Variance: Received pre-funding.

Budget Variance: Program just beginning.

Large Landscape Survey

Revenues	40,331		32,000	126.03%	80,000
Expenditures	<u>44,140</u>		<u>32,000</u>	137.94%	<u>80,000</u>
Excess of Revenues over Expenditures	(3,808)	-9%	0		

Actual Variance: Billing MET for expenses.

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

Indoor-Outdoor Survey

Revenues	1,566		5,200	30.11%	5,200
Expenditures	<u>-</u>		<u>5,200</u>	0.00%	<u>5,200</u>
Excess of Revenues over Expenditures	1,566	100%	0		

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

Budget Variance: No comment needed.

Turf Removal Program

Revenues	512,281		725,000	70.66%	10,000,000
Expenditures	<u>660,721</u>		<u>725,000</u>	91.13%	<u>10,000,000</u>
Excess of Revenues over Expenditures	(148,441)	-29%	0		

Actual Variance: Expenditures (rebate payments) are slightly out ahead of requested revenues.

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

Notes:

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

[2] Fiscal year budget versus Actual

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

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

	<u>Actual</u>	<u>Variance %^[1]</u>	<u>Fiscal Year Budget</u>	<u>% of Budget^[2]</u>	<u>Projected Final FY Budget^[3]</u>
<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	-		258,690	0.00%	258,690
Expenditures	<u>-</u>		<u>258,690</u>	0.00%	<u>258,690</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: Program has not started yet.

Budget Variance: Program has not started yet.

Home Certification and Rebate

Revenues	3,195		248,050	1.29%	248,050
Expenditures	<u>4,723</u>		<u>248,050</u>	1.90%	<u>248,050</u>
Excess of Revenues over Expenditures	(1,528)	-48%	0		

Actual Variance: Expenses ahead of revenues.

Budget Variance: No comment needed.

CII, Large Landscape, Performance (OWOW)

Revenues	-		145,960	0.00%	145,960
Expenditures	<u>-</u>		<u>145,960</u>	0.00%	<u>145,960</u>
Excess of Revenues over Expenditures	-	0%	0		

Actual Variance: Program has not started yet.

Budget Variance: Program has not started yet.

Notes:

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

[2] Fiscal year budget versus Actual

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



ACTION ITEM
November 19, 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 BIENNIAL REVIEW

STAFF RECOMMENDATION

Staff recommends the Board of Directors: Approve revisions to the District's Conflict of Interest Code and authorize staff to submit the revisions to the Orange County Clerk of the Board of Supervisors.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

The Board of Supervisors for the County of Orange (MWDOC's Code Reviewing Body) assists the District in reviewing its Conflict of Interest Code every two years.

In response to the County's 2014 Biennial Review notice to MWDOC, staff has identified one employee title change that needs to be added to MWDOC's Conflict of Interest Code disclosure categories. Once the MWDOC Board has approved the addition, the amended Conflict of Interest Code will be submitted to the County for approval. Attached please find the revised Exhibit A to the Conflict of Interest Code for both MWDOC, adding the WEROC Programs Manager to Exhibit A.

Legal Counsel has conducted a review of the amended Code and ~~conveyed that no further revisions are necessary~~found that it complies with the requirements set forth by the Orange County Board of Supervisors.

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

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

CONFLICT OF INTEREST AND DISCLOSURE OF PERSONAL FINANCES	§7000-§7006
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§7000 GENERAL REQUIREMENTS

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference.

§7001 MWDOC CONFLICT OF INTEREST CODE

MWDOC has adopted the Fair Political Practices Commission Model Code (2 Cal. Code of Regs., Section 18730) as its Conflict of Interest Code (Code) and has promulgated a list of Designated Positions and Disclosure Categories as required therein (see Appendix A to Section 7005). This Code incorporates, by reference, the definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission and any amendments to the Act or regulations. This regulation and the attached Appendix designating officials and employees and establishing disclosure categories, shall constitute the Conflict of Interest Code of the Municipal Water District of Orange County and the Municipal Water District of Orange County Water Facilities Corporation.

In accordance with Government Code 82011(b), the Board of Supervisors for the County of Orange (Board of Supervisors) has been designated as the Code Reviewing Body for MWDOC. Amendments to the MWDOC or MWDOC Water Facilities Corporation Conflict of Interest Code, including Appendix "A", will be submitted to the Board of Supervisors for approval within 90 days after the circumstances necessitating the amendments have become apparent. (Government Code Section 87306(a).)

Res. No. 1874 – 2/17/10

§7002 FILING OFFICER/OFFICIAL

The District Secretary is designated as the filing official responsible for receiving and forwarding original statements of economic interest (statements) for MWDOC and MWDOC Water Facilities Directors to the Clerk of the Board of Supervisors. The District Secretary shall retain one copy of each such statement for MWDOC records. The District Secretary is designated as filing officer for all other designated filers of MWDOC and MWDOC Water Facilities Corporation and as such shall be responsible for receiving and retaining the original statements of such filers in the official records of MWDOC. The District Secretary

shall follow the duties of filing officer denoted in Title 2, Section 18115(a) and of filing official denoted in Title 2, Section 18115(b).

Motion - 4/20/94; Motion - 9/21/94; M – 9/20/06

§7003 FILING OF STATEMENTS OF ECONOMIC INTERESTS

Persons in designated positions are required to file statements with the District Secretary as follows:

1) Initial Statements - Within 30 days after adoption of the Code or amendments to the Code. Includes all reportable interests during 12 months prior to the effective date of the Code or amendments thereto.

2) Assuming Office Statements - Within 30 days after assuming the designated position. Includes all reportable interests during the 12 months prior to the date of assuming office or date of appointment or nomination

3) Annual Statements - No later than April 1 each year. Includes all reportable interests during the previous calendar year.

4) Leaving Office Statements - Within 30 days after leaving office. Includes all reportable interests during period between the closing of the last statement filed and the date of leaving office.

Motion - 4/20/94;

§7004 OPINIONS OF LEGAL COUNSEL

A. Opinion Requests - Any designated employee who is unsure of any right or obligation arising under this Code may request an opinion from MWDOC's Legal Counsel or the Fair Political Practices Commission.

B. Evidence of Good Faith - If an opinion is rendered by the Fair Political Practices Commission, stating in full the facts and the law upon which the opinion is based, compliance by a designated employee with such opinion may be evidence of good faith in any civil or criminal proceeding brought pursuant to the Political Reform Act of 1974 or this Code. The designated employee's good faith compliance with the opinion of the Fair Political Practices Commission shall also act as a complete defense to any disciplinary action that MWDOC may bring under Section 91003.5 of said Act or this Code (Government Code Section 83114).

Motion 4/20/94

§7005 DESIGNATED POSITIONS AND CATEGORIES

Designated employees shall file statements of economic interests with the Municipal Water District of Orange County's Political Reform Act Filing Officer, District Secretary, who will make the statements available for public inspection and reproduction (Government Code Section 82008).

Upon receipt of the statements of the Members of the Board of Directors, General Manager, Treasurer, Deputy Treasurer, Finance Manager, and Legal Counsel the Filing

Officer shall make and retain a copy and forward the original of these statements to the Clerk of the Orange County Board of Supervisors, who is the Filing Officer for these positions

Statements for all other designated employees will be retained by the Filing Officer.

Motion – 9/20/06; Res. No. 1861 – 11/18/09; Res. No. 1874 – 2/17/10; M-11/17/10

APPENDIX A
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY WATER FACILITIES CORPORATION
CONFLICT OF INTEREST CODE

Designated Positions	Disclosure Categories
Board Member	OC-01
General Manager	OC-01
Treasurer	OC-01
Deputy Treasurer	OC-01
Director of Finance AS-	OC-01
Legal Counsel	OC-01
Administrative Services Manager	OC-02
Associate General Manager	OC-01
Assistant General Manager	OC-01
Consultant	OC-30
Governmental Affairs Manager	OC-01
District Secretary	OC-02
Director of Public Affairs	OC-01
Principal Water Resources Planner	OC-02
Principal Engineer	OC-02
Principal Water Resources Analyst	OC-02
Water Use Efficiency Program Manager	OC-02
<u>WEROC Programs Manager</u>	OC-02

DISCLOSURE CATEGORIES
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Disclosure Category	Disclosure Description
OC-01	All interests in real property in Orange County or the District, as well as investments, business positions and sources of income (including gifts, loans and travel payments).
OC-02	All investments, business positions and sources of income (including gifts, loans and travel payments).
OC-30	Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest category in the code subject to the following limitation: The Department Head/Director/General Manager/Superintendent/etc. may determine that a particular consultant, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure required. The determination of disclosure is a public record and shall be filed with the Form 700 and retained by the Filing Officer for public inspection.

EXHIBIT B: CATEGORIES

Category I: Designated Employees in Must Disclose for the Following Types of Business Entity, Investment, Source of Income or Real Property:

1. Real Property
2. Pipes, valves, fittings, pumps, tanks, meters, etc.
3. Construction and building materials
4. Soil tests, compaction and other soil-related services
5. Engineering and architectural services
6. Agriculture
7. Construction firms
8. Well drilling service and equipment
9. Cathodic protection equipment services and supplies
10. Real estate leasing, sales and investments
11. Real estate appraisal firms
12. Environmental services
13. Petroleum products
14. Safety equipment and facilities
15. Water quality testing services and supplies
16. Chemicals
17. Electrical generating equipment, supplies and operations

Category II: Designated Employees Must Disclose for the Following Types of Business Entity, Investment, Source of Income or Real Property:

1. All disclosure categories listed for other positions
2. Banks
3. Savings and loan associations
4. Securities dealers
5. Insurance agencies and companies
6. Financial audit and accounting firms
7. Computer and office equipment and furnishings, sales and services
8. Office and computer sales and service
9. Office services
10. Employment agencies
11. Temporary help agencies
12. Travel agencies
13. Printing, copying, reproduction, commercial art and microfilm services and equipment sales
14. Food services and supplies
15. General and special equipment leasing, sales and maintenance services
16. Periodicals, books and newspaper publishing and sales
17. Legal reporting services

18. Newspaper clipping services
19. Mail delivery service
20. Communications and telephone services and equipment sales and maintenance
21. Lodging and transportation services
22. Staff development training sales and services
23. Motor vehicles, parts, sales, service, leasing, maintenance
24. Surveying equipment services and supplies
25. Public utilities
26. Medical services, supplies and informational material
27. Right-of-way agent services
28. Securities
29. Consulting services (i.e., real estate, public relations, legal, energy and power, engineering, soils testing, water treatment, data processing, computers, employee training, advertising, travel, communications, design, art work, audio-visual, movie productions, planning, water pricing and demand, economists, desalting, environmental, appraisers, real estate sales and investment services, financial services, management services, legislative and lobbying services)
30. Electric energy
31. Security services
32. Title insurance and escrow services
33. Private water companies
34. Real estate development firms
35. Audio or visual aids
36. Educational equipment and supplies

- The General Manager may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The General Manager's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Minute action - 6/24/81; R1132 - 6/23/82; R1306 - 6/4/86; R1386 - 7/5/89; Minute action - 4/3/91; R1468 - 9/2/92; Motion - 7/21/93; Motion - 3/16/94; Motion - 4/20/94; R1519 - 9/21/94; R1564 - 9/18/96; Motion - 11/15/00; Motion - 11/20/02; Motion - 9/20/06; Motion 9/19/12

§7006 ARTICLE 2, POLITICAL REFORM ACT

Pursuant to Article 2 of the Political Reform Act (Government Code Section 87200 et seq.) those positions which involve the management of public investments are required to report their economic interests under the provisions of Article 2 rather than under MWDOC's

Conflict of Interest Code, on Form 700. Those positions with MWDOC who are required to report their economic interests are as follows:

- General Manager
- Members of the Board of Directors
- Treasurer
- Deputy Treasurer
- Director of Finance ~~Manager~~

Filing requirements will be followed as listed under Administrative Code §7003.

R1519 - 9/21/94; R1538 - 4/19/95; R1564 - 9/18/96; Motion – 11/15/00



ACTION ITEM
November 19, 2014

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathy Harris, Administrative Services Manager
Katie Davanaugh, Exec. Asst. /HR Specialist

SUBJECT: MWDOC LIABILITY INSURANCE RISK ASSESSMENT REPORT

STAFF RECOMMENDATION

Staff recommends the Board of Directors review the information presented and direct the General Manager to notify JPIA of MWDOC's intent to rescind its notice to withdraw from the Liability, Crime and Property Programs and continue participation in the JPIA Programs.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The attached information was presented to the Committee for review at its A&F Committee Meeting on October 8. Based on its review the Committee directed staff to contact Alliant (Broker) and request information on the cost to add a \$25 million Inverse Condemnation Rider to the proposed liability Insurance coverage through Special Liability Insurance Program (SLIP).

The representative from Alliant indicated that SLIP has agreed to amend the exclusion of Inverse Condemnation Coverage and the cost for the primary \$10 million is \$5,000. The deductible is \$1,000. Alliant has indicated they are pretty confident that they can obtain the full limit of \$25 million for Inverse Condemnation coverage for \$5,000.

The proposed cost for Liability Insurance coverage through SLIP is \$58,893 (as shown in Exhibit A) plus an additional \$5,000 for an Inverse Condemnation Coverage rider would be an approximate total cost of \$63,893. MWDOC is currently paying an estimated \$68,729 for Liability Insurance Coverage through JPIA (this amount is based on an estimated dividend adjustment over the most recent 10-year period).

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

Please note that if the Board chooses to further evaluate liability coverage through SLIP, a new quote will need to be obtained to confirm pricing.

Staff recommends the Board of Directors review the information presented and direct the General Manager to notify JPIA of MWDOC's intent to rescind its notice to withdraw from the Liability, Crime and Property Programs and continue participation in the JPIA Liability, Property and Crime Programs.

Background Information Presented at October 8, 2014 – A&F Committee Information

An independent risk assessment of the District's liability insurance coverage to evaluate the appropriate insurance coverage limits based on the District's current operations and business practices was completed.

The District hired Bickmore Insurance Services to perform the Liability Insurance Risk Assessment. Bickmore met with staff, talked to JPIA (the District's current program), evaluated District documents and quotes previously obtained through Alliant Insurance Services. Bickmore's detailed report is attached for review (Attachment 1). The Liability Insurance Risk Assessment evaluated the following:

- Exposure Analysis
- Alternative Insurance Carriers
- Coverage Offered
- Limits
- Deductibles
- Financial Strength
- Minimum Participation
- Withdrawal Notification
- Claims Handling
- Dividends/Assessments
- Price Indication
- Other Factors for Consideration

Bickmore's Risk Assessment noted the following:

- The District has modest exposure to liability loss. While there is no guarantee the District will not have a liability claim in the future, such claims are extremely unlikely, but the exposure to claims is continually present.
- Bickmore evaluated three programs (including JPIA), Special Liability Insurance Program (SLIP) and Special District Risk Management Authority (SDRMA). (Details outlined in Exhibit 1).
- Based on its evaluation of MWDOC's operations, Bickmore recommends that MWDOC should carry no less than \$15 million in liability protection with an upper limit of \$25 million. The District's current Liability insurance carrier is JPIA and the current limit is \$60 million.
- All three programs evaluated offer a reasonable scope of coverage for the District's current operations. SLIP and SDRMA offer a base limit of \$10 million. Higher limits can be built to meet a higher limit. JPIA does not offer options for a lower limit.

- SLIP is a commercial insurance program designed for small and medium sized public agencies and the program is exclusive to Alliant. SLIP's proposed annual cost is \$9,800 less than JPIA.
- SDRMA's proposed annual cost is \$4,800 more than JPIA.
- JPIA's proposed annual cost is \$68,729. This includes an estimated dividend adjustment. Based on dividends over the most recent 10-year period.
- In comparing the coverages, JPIA provides the broadest coverage, extending to failure to supply water claims and inverse condemnation actions, with minor limitations.

Staff held a conference call with Legal Counsel (Russ Behrens) and Bickmore (Michael Kaddatz) to discuss the lack of inverse condemnation coverage by providers other than JPIA. It was stated that even with MWDOC's limited visibility and culpability, the possibility of being named in a suit exists. In moving away from JPIA, the District would have a lower liability limit and no coverage extending to inverse condemnation or failure to supply water, at an estimated annual cost savings of \$9,800. Legal Counsel advised against changing carriers and losing the inverse condemnation coverage.

Staff contacted JPIA to inquire about considering lower limits for small agencies with limited exposure. JPIA responded that it would not be likely since a pool has to be big enough to take advantage of its size (using economies of scale) to be successful. There are not enough agencies to make a large enough pool.

JPIA will be performing calculations at the end of December for the 2010-11 policy years and older. The District will be notified of premium dividends sometime in February.



September 29, 2014

Ms. Katie Davanaugh
Municipal Water District of Orange County
P.O. Box 20895 Fountain
Valley, CA 92728
kdavanaugh@mwdoc.com

RE: Liability Risk Assessment

The purpose of this study is to evaluate the Municipal Water District of Orange County's (the District's) exposures to liability loss and to determine which of three liability coverage programs best suits the District's liability risk profile. The programs are the current program provided by Association of California Water Agencies Joint Powers Insurance Authority (ACWA-JPIA), and two programs proposed by the insurance brokerage firm, Alliant:

- Special District Risk Management Authority (SDRMA), and
- Special Liability Insurance Program (SLIP).

To conduct this analysis we interviewed District personnel and stakeholders, spoke with brokers and JPA managers, conducted research as needed on coverage issues and liability losses, and reviewed the following documents:

- Annual reports, budget documents
- Audited financial statements
- Policy forms, memorandums of coverage and JPA agreements
- Program descriptions & marketing material
- Loss runs
- JPA agendas, meeting minutes

A. Exposure Analysis

The District is a wholesale water supplier and resource planning agency serving cities and water agencies of Orange County. The District purchases imported water from the Metropolitan Water District of Southern California (Metropolitan) and provides the water to its 28 member agencies who then provide retail water services to over 2 million residents.

As a wholesale water supplier, the District does not physically transport, store, treat or condition water. Since 1995 when the District ceased operating and maintaining a water line, it has not owned or operated facilities associated with water operations. The District does not own or lease vehicles or heavy equipment. The District does not own transmission or distribution lines, reservoirs, tanks or treatment plants. Water purchased on behalf of the District's members is transmitted, stored and treated in infrastructure owned by Metropolitan or a member agency.

The District owns its office building. Constructed in 1992, the District's building is on land leased from a sister agency, the Orange County Water District (OCWD). As we understand the lease terms, each party is responsible for its own liability insurance. The lease contains mutual hold harmless provisions as well.

The District does have 33 full-time equivalent employees. The employees perform executive, analytical, and administrative activities. Employees travel mostly in California to meetings, conferences and other events associated with the water community. The balance of their time is largely in the office.

Two staff administer the Water Emergency Response Organization of Orange County (WEROC), a program that promotes planning and preparedness in the event of a major disaster. The program is supported by virtually every public water agency in the County.

Staff is involved in various outreach efforts, such as community events. Employees participate in Metropolitan-organized tours of water facilities, helping to host people from the community to provide knowledge about water issues and promote goodwill. The School Education Program is carried out through a contract with Discovery Science Center.

An affiliated entity, Water Facilities Corp. (WFC), exists to issue bonds for capital projects. At the present time there are no bonds outstanding.

Assessing the liability potential from operations is a necessary step in determining what limit of liability insurance to carry. In reviewing the District's operations, we judge it has a modest exposure to liability loss. In the past, it has had very few liability claims. We understand there have been no liability losses incurred in the last ten years. While member districts have been pulled into expensive litigation, MWDOC has not been named in those suits to date.

The District's role in the water community does not put it in a position of easy visibility or culpability when things go wrong. Thus, it is insulated from liability loss potential. As new issues arise, the District could be involved in new initiatives, such as evaluating desalinization projects, purchasing storage in the Central Valley and other strategies to better serve the water consuming public. But the expectation in these new areas is that MWDOC's role will continue to be supportive, not operational.

Given this background, we judge the most likely event to cause a large tort liability claim against the District is an automobile accident. While the District neither owns nor leases vehicles, its employees do drive their own or rental vehicles on District business. If a District employee-driver is in an accident and found negligent, damages could be assessed against the employee and the District. Because most employees do not carry significant limits of coverage, plaintiffs and their counsel could be motivated in these cases to involve the District as a “deep pocket” defendant.

No comprehensive liability loss data base exists to give one a clear cost range for judgments and settlements on serious injury cases. But from a variety of sources, we have developed a partial list of California large cases against public agencies. Reported judgment and settlement amounts for the cases on our list center around \$10 million. One Orange County case went as high as \$50 million, for serious injuries to two women. This case is, we hope, a rare exception. While it involved a vehicle accident, the negligence issues revolved around road design versus negligent vehicle operation. Yet it illustrates the level of damages a vehicle accident could generate.

The District’s not having had serious liability claims is no guarantee it will not have them in the future. Such claims are extremely unlikely. But in the wrong fact scenario in just a single case, damages can escalate rapidly. In affluent Orange County, where high income-earners are numerous and are potential claimants, the exposure to claims of \$10 million or more is continually present.

We looked for benchmarks for the liability insurance carried by other public agencies. Except for the very largest California cities, we note that cities throughout California carry between \$20 million and \$50 million in liability coverage limits. Cities clearly have much higher likelihood of liability claims than the District, given their range of functions and facilities. Police, fire, public works and recreation functions generate liability claims of high incidence and high value. Ordinary water and irrigation districts tend to carry \$60 million liability limits, which may be because of their utilizing heavy equipment, exposure to reservoir failure and responsibility for the safety of individuals using their lakes, streams and canals.

Other special districts, such as those in SDRMA’s program, typically carry \$10 million in liability coverage limits. Only 5 of SDRMA’s 450 members, for example, carry more than the base \$10 million offered by SDRMA.

Considering all of the above information and giving weight to its Orange County location, we judge that MWDOC should carry no less than \$15 million in liability protection. The range of prudent limits might extend to \$25 million on the upper end. We hasten to add, however, that one can always construct an accident scenario, where even \$60 million (the current limit) is not sufficient.

B. Alternatives

Since 1990, the District has procured liability protection directly from a joint powers authority, ACWA-JPIA. A stable program since it began in 1979, ACWA-JPIA serves water and irrigation districts throughout California. We evaluated two other programs proposed by Alliant, an insurance broker:

- Special Liability Insurance Program (SLIP) – a commercial insurance program designed for small and medium public agencies. The program is exclusive to Alliant.
- Special District Risk Management Authority (SDRMA) – affiliated with the California Special Districts Association, this program is a joint powers authority that serves special districts of all types. Out of about 450 members currently, about 50 are water agencies.

Key features of the three programs are compared in the Exhibit 1 attached to this letter and explained below.

1. Coverage Offered

All three programs offer broad public entity liability coverage, of the type common to California. Overall, we judge ACWA-JPIA's form to be the broadest, extending to failure to supply water claims and inverse condemnation actions, with minor limitations. The nature of the District's operations does not obviously expose it to these type of claims, so the coverage advantage of ACWA-JPIA is of nominal value.

SLIP and SDRMA have coverage extensions to protect against liability and costs associated with data breaches, where someone's electronic data (such as social security numbers, credit card numbers or health information) is released by the District. This coverage advantage of SLIP and SDRMA is also of nominal value, given the District does not maintain a significant amount of such data.

On balance, all three programs offer a reasonable scope of coverage for the District's current operations.

2. Limits

SLIP and SDRMA offer a base limit of \$10 million. From this base, higher limits can be built to meet a higher objective at the approximate cost of \$10,000 per \$5 million in limits. ACWA-JPIA offers \$60 million. While a participant can buy higher limits, ACWA-JPIA does not offer options below its \$60 million limit base. Since the District questions its need for \$60 million in protection, as do we, the lack of flexibility presents an unnecessary cost to the District.

3. Deductibles

SLIP and SDRMA have relatively nominal deductibles and ACWA-JPIA has none. This is only a slight advantage for ACWA-JPIA, since in a typical year, the District has no losses.

4. Financial Strength

SLIP has an independent financial strength rating from A.M. Best of A (Excellent), XI (\$750 to \$1,000 million in policy holder surplus). A.M. Best labels this a secure rating. SDRMA has accreditation with excellence from the California Association of Joint Powers Authorities (CAJPA). The rating indicates SDRMA passes all of the financial ratios that signify financial solvency and that SDRMA follows the best practices of the JPA industry. ACWA-JPIA has no independent rating. However, in reviewing their audited financial statements, we ran the typical ratios that measure solvency and ACWA-JPIA passed on the conservative side. In short, all three programs are solid, reliable sources of coverage.

5. Minimum Participation

ACWA-JPIA and SDRMA each require new members to participate for three years, minimum. The District has satisfied this requirement with ACWA-JPIA, but would have to remain in SDRMA for at least three years. Thus, flexibility would be lost for the District in that time frame. SLIP has no minimum period of participation.

6. Withdrawal Notification

ACWA-JPIA requires a 1 year advance notice of intent to withdraw from its members. The District has satisfied this requirement for the possibility of withdrawal on October 1, 2015. If the District decides not to withdraw, it must formally rescind its withdrawal notice by July 1, 2015. SDRMA only requires a 90 day notice of withdrawal. SLIP has no advance notice requirement on its insureds.

7. Claims Handling

ACWA-JPIA and SDRMA have in-house staff that handle liability claims and are well versed on claims of the type their members have. SLIP uses a contract claims administrator, Carl Warren & Company. There is no significant advantage to the JPAs here, since Carl Warren has an excellent reputation for professional services on the claims of public entities of all types.

8. Dividends/Assessments

Both JPAs return surplus revenues from one year to the participants of that year. For the last 10 years, ACWA-JPIA's dividends to the District have averaged 20% of the District's contributions to the JPIA. While the dividend is not guaranteed, ACWA-JPIA's steady delivery of dividends is

impressive and symbolic of a well-run JPA. Exhibit 2 attached summarizes the history of the District's dividends and premiums while participating in ACWA-JPIA.

While SDRMA grants surplus refunds to its members as well, it was less willing to share details of calculations and its track record. Rather than return the money in check form, SDRMA grants continuity credits to their members' renewal contributions, based on how long they've been a member. We were unable to garner enough information to calculate potential dividends (or credits) by SDRMA.

Both of the JPAs also can assess their members. That is, in a year where claims and expenses exceed premiums, the JPA has the right to assess addition funds from that year's participants. In the last 20 years, ACWA-JPIA has assessed the District only in one year. The amount was small in relation to the dividends the District has received. SDRMA reports it has not assessed its members in the last 10 years. The assessable feature of the JPAs can be looked at as a positive in that it is a mechanism that keeps JPAs solvent. On the other hand, it can present a surprise bill to the District. In the long run, the District (and other JPA members) is jointly and severally liable for the solvency of either of these JPAs. Given the stability of both JPAs, we do not see this potential as a major risk.

The SLIP program offers neither a dividend nor the possibility of assessment. We give the advantage to SLIP because of its guaranteed cost feature and its record of long term stability. SLIP does not have the reputation some insurance programs do of being an inconsistent source of insurance.

9. Price Indication

We compared the current cost of ACWA-JPIA to price indications from SDRMA and SLIP obtained by Alliant. The cost for the base limits of each program, before adjustments, favors SLIP. We next adjusted the base costs for:

- ACWA-JPIA's likely dividend, based on the JPA's most recent 10 year history of dividends & assessments.
- The estimated cost of property insurance that is automatically included in SDRMA's price indication.
- The estimated cost to increase the base limits of SDRMA and SLIP to the upper limit of the prudent range we recommend be considered.

On a cost-adjusted basis, SLIP is approximately \$10,000 less expensive for coverage of \$25 million compared to \$60 million for ACWA-JPIA. This cost delta should be considered approximate and subject to change from year to year.

C. Other Considerations

The objective factors, in total, seem to favor moving to SLIP from ACWA-JPIA. While we think none impose a serious threat, the District should weigh four other considerations.

1. Perceptions in the Water Community

ACWA-JPIA grew out of an initiative in the water community to overcome an unstable and high-cost insurance market. The program is heavily subscribed to, and probably includes most of the District's members. Will the image of the District incur any significant injury if it leaves the program? Or will the decision be viewed as a business choice by the District supported by objective analysis?

2. Unified Defense of Claims

As indicated above, the District has not been named in lawsuits against its members, even where it may have facilitated the delivery of water that is alleged to have caused some damage to a third party. If the District is unexpectedly named as a defendant in such claims in the future, would its defense be stronger if unified with the defense of its co-defendant member agency? If the District is in a commercial insurance program, the insurer will make defense decisions based on what's best for its bottom line. If the District is in the ACWA-JPIA, the JPIA is more likely to make defense decisions based on what's best for the water community.

3. Unexpected Return of the Hard Insurance Market

ACWA-JPIA and other JPAs were formed in a hard insurance market where insurance was less available, more restrictive and unreasonably expensive. The JPAs permitted participants to say, "NO!!!" to unreasonable insurance terms and replace it with a stable source of protection. At present, no one is predicting a return of the hard market, even though it has been relatively soft for a long period of time. But some risk remains that a severely hard market will return. If so, it could affect the cost and terms of the SLIP program adversely and the District may have to turn to a JPA for coverage. Will the JPA penalize the return?

4. Lack of Inverse Condemnation Coverage by Providers other than ACWA-JPIA

In California, following an event that results in significant property damage possibly caused or exacerbated by a public agency's facilities, plaintiffs' attorneys often bring an action under a special

provision in the law called inverse condemnation. In such cases the plaintiffs contend that it was the public agency's facility that caused or contributed to the damages they incurred. Different from traditional tort liability claims, the plaintiffs who plead inverse condemnation do not have to prove the public agency was negligent. Instead courts have ruled that the damage resulting from the failed public facility was a "taking" of the property under the law and that the public agency has strict liability for the damages.

Of the three coverage providers in this analysis, only ACWA-JPIA covers such claims. It does so, by clarifying in its coverage form that claims brought under inverse condemnation and similar laws are covered, unless they arise from the deliberate acts of (in this case) the MWDOC Board. Hypothetically, if the Board took an action to build a water treatment plant in a certain neighborhood, and the neighbors sued (under inverse condemnation) for the loss of value of their homes due to the nearby existence of the plant, such suit would not be covered by ACWA-JPIA. On the other hand, if water from the plant flooded the neighborhood causing damage to the neighbors' property, resulting inverse condemnation claims would be covered.

Because MWDOC does not own or operate such facilities and has no plans to in the foreseeable future, we earlier stated this coverage advantage for ACWA-JPIA (i.e. SLIP and SDRMA completely exclude all inverse condemnation claims) is of nominal value. However, MWDOC's member districts are exposed to such claims and have been involved in events where the alleged damages and defense costs have reached eight figures. Though MWDOC has not been named in such suits in the past, a risk remains that it could be in the future solely because of its affiliation with the member districts. Even with MWDOC's limited visibility and culpability, the possibility of being named in a suit exists. If MWDOC were to become a defendant in such a case, the costs of defense alone might reach six figures.

We have placed this issue in the "other considerations" category, because it is not easily assigned a dollar value. The strong likelihood is that MWDOC will not be involved in a material way in claims of this nature. On the other hand, the financial consequences of just a single claim could be significant in relation to the \$10,000 cost savings of SLIP versus ACWA-JPIA. While having a claim and not having the coverage could be expensive, MWDOC's insulation from the operations of its members influences us to judge the resulting costs of no-coverage would not likely be catastrophic. Further \$10,000 in annual premium savings would accrue in the near term. In conjunction with legal counsel, MWDOC management should consider this indirect exposure to inverse condemnation claims and make its best judgment considering all factors.

D. Next Steps

If the District decides to move toward withdrawal from ACWA-JPIA in 2015, it should reconfirm the prices, coverage and financial soundness from all three sources discussed above in June of 2015, as July 1 is the deadline to rescind or confirm its withdrawal notice. Alliant should be queried about new sources in 2015 that should be contacted as well.

* * * * *

We appreciate the opportunity to perform this assignment. Questions concerning the analysis should be directed to Paul Cross or me.

Respectfully submitted,



Michael M. Kaddatz, CPCU, ARM
Director, Risk Management Consulting

Attachments:

EXHIBIT 1 – *Liability Coverage Comparison*

EXHIBIT 2 – *Premium & Dividend History with ACWA-JPIA*

EXHIBIT 1
Liability Coverage Comparison
Municipal Water District of Orange County

COMPARISON ELEMENT	ACWA-JPIA	ALLIANT (SLIP)	SDRMA
1 Coverages Offered			
a General Liability	Yes	Yes	Yes
b Automobile Liability	Yes	Yes	Yes
c Public Officials/Errors & Omissions	Yes	Yes	Yes
d Employment Practices	Yes	Yes	Yes
e Network Privacy & Security	Partial	Yes	Yes
f Failure to Provide Water	Yes (except Board decisions)	No	Yes (except Board decisions)
g Inverse Condemnation	Yes (except deliberate takings)	No	No
2 Limits			
a Per Occurrence	60,000,000	10,000,000	10,000,000
b Aggregate Limit	None	None	EPL only
3 Deductibles			
a General Liability	None	1,000	500
b Automobile Liability	None	1,000	1,000
c Public Officials/Errors & Omissions	None	1,000	None
d Employment Practices	None	10,000	None
4 Financial Strength	Not Accredited, but financially sound	A, XI Secure, by A.M. Best	Accredited with Excellence by CAJPA
5 Minimum Participation	3 years (MWDOC has satisfied)	Not applicable	3 full program years
6 Withdrawal Notification	1-yr advanced notice; 90 day confirmation/rescission	Not applicable	90 days before end of program year
7 Claims Handling	by JPA	by Third Party Administrator	by JPA
8 Dividends / Assessments	Yes (both).	Not applicable	Longevity discounts. Have not assessed in 10 years.
9 Price Indication			
a Liability Indication (from Alliant)	86,388	28,893	45,077
b Adjustment for Dividends *	(17,659)	0	0
c Adjustment for Property Inclusion	0	0	(1,500)
d Additional 15M xs 10M in Limits	0	30,000	30,000
<i>Total (sum a through d)</i>	<i>68,729</i>	<i>58,893</i>	<i>73,577</i>

* Based on average dividends over most recent 10-year period.

EXHIBIT 2
Premium & Dividend History with ACWA-JPIA
Municipal Water District of Orange County

POLICY YEAR	PREMIUM	DIVIDEND (ASSESSMENT)	NET COST
2014-15	-	-	-
2013-14	83,371	-	-
2012-13	86,388	-	-
2011-12	78,957	-	-
2010-11	78,946	-	-
2009-10	80,463	16,328	64,135
2008-09	81,850	(8,508)	90,358
2007-08	82,338	35,128	47,210
2006-07	73,957	15,662	58,295
2005-06	69,436	8,988	60,448
2004-05	68,552	749	67,803
2003-04	64,256	19,430	44,826
2002-03	57,340	17,179	40,161
2001-02	58,127	18,893	39,234
2000-01	53,558	17,173	36,385
1999-00	52,898	10,930	41,968
1998-99	48,251	19,289	28,962
1997-98	53,079	10,543	42,536
1996-97	58,178	14,086	44,092
1995-96	52,792	2,145	50,647
1994-95	51,552	3,539	48,013
1993-94	53,208	9,675	43,533
1992-93	52,208	10,755	41,453
1991-92	45,891	11,292	34,599
1990-91	42,009	5,103	36,906



DISCUSSION ITEM

November 12, 2014

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

**FROM: Robert Hunter,
General Manager**

**Staff Contact: Cathleen Harris, Administrative Services Manager
Katie Davanaugh, Executive Assistant/HR Asst.**

SUBJECT: PROPOSED DRAFT OF PERSONNEL MANUAL CHANGES

STAFF RECOMMENDATION

Staff recommends the Board of Directors review proposed changes and provide input, as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Attached for the Committee's review and input is a draft of the proposed Personnel Manual revisions. Staff plans to continue its review, to ensure the policies are consistent with all practices. Once internal review has been completed, staff will provide to legal for final review. Staff anticipates presenting the final document for Board approval in December.

The following outlines the proposed revisions:

- Delete all sections throughout the document that list the adopted and revision dates. All actions taken and dates can be found in the Records Management System.
- Cover
 - Added District logo
 - Combined the two paragraphs on the cover and deleted the At Will Statement. Already addressed under Employment Policy Section.
- Page 5 – Introduction Section

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

- Added new section providing overview of District.
- Page 5 – Employment Policy
 - Deleted language under this section that is already covered under Equal Employment & Harassment and Selection of Employees.
- Page 6 – Selection of Employees
 - Added new language outlining District's current practice regarding selection process
- Page 6 – Equal Employment & Harassment Policy
 - Added military and veteran status to protected category in compliance with law.
 - Deleted repeated language
- Page 7 – Visual Forms of Harassment and Sexual Harassment
 - Grammar revision
- Page 7 - Complaint Procedure
 - Added General Manager, Board of Directors or any member of Management Staff
- Pages 8 to 10 – Grammar revisions and format changes
- Page 11 – Pre-Employment Testing
 - Format and grammar changes
 - Language revised stating that drug/alcohol testing may be required based on job duties.
- Page 12 to 13 – Format Changes
- Page 14 – Employment Status
 - Revised language to provide a general overview of benefits
 - Revised section to state that employees working 32 to 39 hours per week accrue paid leaves on a prorated basis, based on the number of hours worked
 - Revised section to state that employees cannot reduce their regular work schedule to less than 40 hours a week without GM approval.
- Page 15 – Regular Part-Time Employees
 - Added word for consistency
- Page 15 – Temporary Employees
 - Revised language to more clearly define temporary employee and set the term of employment not to exceed 12 months.
- Page 15 – Limited Term Employees
 - Revised language to state that a Limited-Term Employee is for a specific period and specific project
 - Added statement that Limited-Term Employment requires Board approval to be consistent with practice
- Page 15 – Volunteers
 - Deleted section not applicable
- Page 16 – Interns
 - Added section stating that Interns may be employed for a period of up to 6 months after graduation.
 - Added language stating that an intern's pay rate is established based on Intern Classification schedule
 - Added language stating that after one year of internship, interns may be eligible for a pay increase based on the recommendation of their supervisor

- Added language stating that Interns are not eligible for merit increases on the same basis as regular/part-time employees
- Page 16 - Working Hours
 - Revised payroll work week to be consistent with current practice
 - Add language regarding modified workweek – staff to further evaluate to establish language and consistent practice
- Page 16 - Rest and lunch period
 - Grammar revision
- Page 17 – Record of Work Hours
 - Revised language to be consistent with current practice
- Page 18 – Overtime
 - Added language to be consistent with FLSA guidelines.
- Page 18 – Category I
 - Revised language for clarity
- Page 18 – Category II
 - Deleted all information categorized under this section. No longer applies to the position that was designated under this category
- Page 18 and 19 – Category III
 - All information under this section will be moved into Category II
 - Added language defining exempt employees to be in compliance with FLSA guidelines
 - Staff to further evaluate FLSA regarding exempt employee's pay when working less than a full day
- Page 19 – Make-Up Time
 - Revised language for clarity
- Page 19 – Sick Leave
 - Revised policy to state that sick leave over 3 days may be verified by a doctor's statement at the General Manager's discretion.
 - Added to the definition of immediate family for purposes of sick leave
- Page 20 – Method of Accrual
 - Revised language for clarification regarding prorated leave accruals based on hours worked and, no leave accruals for leave of absence without pay except for the absence due to an injury arising out of or in the course of employee's employment.
- Page 20 – Maximum Accrual
 - Revised policy so that only non-exempt employees are eligible to be paid for any accrued but unused sick leave
- Page 21 – Bereavement Leave
 - Added to the definition of immediate family
- Page 21 – Disability Leave
 - Deleted paragraph already covered under other leave sections
- Page 21 – Short-Term Disability Program
 - Added language explaining the benefit
 - Revised language for clarity and a short summary of the benefit
- Page 22 – Long-Term Disability
 - Added language explaining benefit
 - Revised paragraph for clarity and brief summary of the benefit

- Page 22 – Employee Filing Requirements/Verification of Disability/Employee Benefits While on Disability Leave
 - Revised language for clarity
- Page 23 – Return to Work
 - Deleted section. Added policy in subsequent sections addressing return to work
- Page 23 – Family/Medical Leave of Absence (FMLA/CFRA)
 - Revised language in compliance with FMLA
- Page 24 – Return to Work and Medical Evaluation Policy from Family/Medical Leave of Absence
 - Added language to address the process when an employee returns to work from a leave of absence.
 - Added language stating that an employee returning to work from a leave of absence may be subject to a return to work medical evaluation
- Page 25 – Pregnancy Disability Leave/Paid Family Leave
 - Revised language for clarity
 - Added language in compliance with Paid Family Leave guidelines
- Page 26 – Serious Family Illness Leave
 - Added language to comply with current practice
 - Staff to evaluate a policy on establishing a limit on the number of days per year
- Pages 26 to 27 – Jury or Witness Duty Leave
 - Revised language for clarity
 - Revised language to clarify eligibility for compensation under jury or witness duty leave
- Page 27 - Personal Leave of Absence without Pay
 - Revised language for clarity
- Page 28 – Unauthorized Absence
 - Revised language for clarity
- Page 28 – Administrative Leave
 - Revised language to be consistent with current practice
 - Staff to further evaluate policy regarding pay out of unused leave
- Page 28 - Catastrophic Leave
 - Revised language for clarity
 - Staff to evaluate policy further and to possibly remove the limit on the number of hours donated
- Page 29 - Personnel Files
 - Revised language to provide more detail on process
- Page 30 - Compensation and Benefits/Surveys and Pay Structure Adjustments/Annual Merit Increases
 - Revised language for clarity
- Page 30 - Merit Guidelines
 - Added word for clarity
- Page 30 - Performance Appraisal
 - Added language explaining process
- Page 31 - Performance Criteria
 - Revised language to be consistent with current ratings
- Page 31 - Merit Increase Procedures
 - Revised language for clarification

- Revised language so that an employee can only receive merit increases within the established salary range. If the employee is at the maximum salary range, a merit increase may be granted in the form of a lump sum performance payment
- Page 32 - Promotion
 - Revised language for clarity
- Page 33 – Position Reclassification/Paydays
 - Grammar correction
- Page 33 - Payroll Deductions
 - Revised for clarity and to provide a brief overview
- Page 33 and 34 - Vacations
 - Revised language for clarity regarding GM's authority
- Page 35 – Method of Accrual
 - Revised language for clarity
- Page 35 – Maximum Accrual
 - Revised policy so that once employee reaches allowable maximum vacation accrual, the accrual will stop and no longer accrue
- Page 35 and 36 – Holidays
 - Revised policy to designate Christmas Eve as a designated holiday and designate one floating holiday each year at the employee's choice
 - Added language stating that the GM may elect to maintain a minimum staff on any holiday
- Page 36 – Holiday on Weekend or Scheduled Day Off Per Modified Workweek Schedule
 - Revised language for clarity
 - Staff to further evaluate coordination of holiday with modified workweek schedule
- Page 36 – Workers Compensation
 - Deleted outdated information
 - Revised language for clarity
- Page 37 – Return to Work (RTW) from Industrial Injury or Illness
 - Added language to address the process when an employee returns to work from Industrial Injury or Illness
 - Added language stating that employee returning to work from an Industrial Illness or Injury may be subject to a return to work medical evaluation
- Page 38 – Medical Insurance
 - Revised language to be consistent with current practice
- Page 38 to 40 – Retiree Health, Medical and Elective Coverage
 - Revised language in compliance with JPIA guidelines
- Page 40 – Dental Insurance/ Vision Insurance
 - Revised language for clarity
- Page 41 - Period of Coverage
 - Revised language for clarity
- Page 42 – Notice of Election of Coverage
 - Revised language for clarity
- Page 42 – Management Physical Examinations
 - Deleted this policy. Has not been used in at least 10 years
- Page 43 – Life Insurance
 - Revised language for clarity and to be consistent with current practice

- Page 43 – Retirement Programs –
 - Revised language for clarity
- Page 44 and 45 – CalPERS
 - Revised section so that it is consistent with current practice and to provide a general overview of the benefits offered
- Page 46 - Deferred Compensation Plan
 - Revised language for clarity
- Page 47 – Flexible Benefits Spending Plan
 - Revised word
- Page 47 – Employee Assistance Program
 - Added language explaining program and provide an overview
- Page 47- Employee Recognition Program
 - Added language for clarification
- Page 48 – Employee Excellence
 - Added an additional option for award presentation
- Page 49 – Driver Responsibility
 - Added language regarding Driver's responsibilities while operating a vehicle
- Page 49 – Mileage Reimbursement/Auto Allowance
 - Deleted Associate GM from list
 - Revised language to state that payment of auto allowance is subject to review during the compensation and benchmark study or at the Board's discretion
- Page 50 – Operating Rules for Automobile Allowance
 - Revised language to state that an employee receiving an auto allowance must provide a car that is in excellent condition, in lieu of 6 years old
- Page 51 – Mileage Reimbursement
 - Revised language for clarity
- Page 51 to 52 – Education Reimbursement
 - Added Human Resources as part of the approval process
- Page 53 – Business Use Only/No Guarantee of Privacy/Passwords and Security Measures/ Standards of Conduct
 - Revised language for clarity
 - Added Poor Performance to list
- Page 56 – At Will Agreement
 - Revised for clarity
- Page 57 – Employee Designations
 - Revised list with all current positions
- Page 59 – Salary and Merit Process
 - Deleted Section. Covered under the Salary and Merit Process
- Page 60 – Schedule of Holidays
 - Deleted this section. Covered under Holiday section

In reviewing the Personnel Manual, staff identified some policies that may be evaluated further and included in the Personnel Manual, as follows:

- Flexible work week schedules
- Telecommuting policy
- Outside employment

- Acting Pay
- Termination of Employment
- Auto Mileage Reimbursement for those receiving an allowance and travelling outside MWDOC service area and more cost effective to fly than drive
- Cell Phone Policy – Use of and Reimbursement

Based on input from the General Manager and the Board, staff will move forward with finalizing the document and including the proposed policies as recommended.



PERSONNEL MANUAL

Effective date: December , 2014

~~This Personnel Manual describes policies as set by the Board of Directors of the Municipal Water District of Orange County. These policies are subject to change at any time at the sole discretion of the Board, except for the policy of Employment At-Will which can be changed only in a formal written contract signed by the employee and an authorized representative of the Board of Directors.~~

This Personnel Manual describes policies as set by the Board of Directors of the Municipal Water District of Orange County. These policies are subject to change at any time at the sole discretion of the Board.

This Manual is not a guarantee, expressed or implied, of continued employment for any specific duration. ~~Although we hope that your employment relationship with the District will be long term, the Municipal Water District of Orange County is an At-will employer, and, as such, employment with the District is without specified term and may be terminated at the will of either the District or the employee, with or without cause, and with or without notice to the other.~~

Approved: ~~4/28/76~~
Revised: ~~12/19/07~~ new date

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**PERSONNEL MANUAL
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

INTRODUCTION

The Municipal Water District of Orange County (MWDOC) was formed by Orange County voters in 1951 under the Municipal Water District Act of 1911. Today, MWDOC is Metropolitan Water District of Southern California's (MET's) third largest member agency, providing and managing the imported water supplies used in Orange County.

The Municipal Water District of Orange County (MWDOC) is a wholesale water supplier and resource planning agency. Our efforts focus on sound planning and appropriate investments in water supply development, water reliability, water resources management, and water use efficiency, public information, legislative advocacy, water education, and emergency preparedness. MWDOC's service area covers all of Orange County, with the exception of the cities of Anaheim, Fullerton, and Santa Ana. We serve Orange County through 28 retail water agencies.

MWDOC is governed by a seven-member Board of Directors. Each director is elected by the public to represent a specific portion of Orange County. MWDOC also appoints four representatives to advocate the interests of Orange County on the Metropolitan Board. MWDOC holds key leadership positions on the Board of Directors that oversee policy development, strategy, and implementation.

The General Manager is directly responsible to the Board of Directors for the administration of policies established by the Board.

EMPLOYMENT POLICY

The Municipal Water District of Orange County is an at-will employer and as such employment with the District is without a specified term and may be terminated at the will of either the District or the employee, with or without cause and with or without prior notice to the other. This policy of employment at-will can be changed only in a formal written contract signed by the employee and an authorized representative of the Board of Directors. No other representative of the District has any authority to make any agreement contrary to the foregoing.

~~All persons considered for employment with the Municipal Water District of Orange County shall be qualified to perform the duties of the position for which they are employed. All persons shall be granted the opportunity to seek, obtain or hold employment without discrimination because of race, age (over 40), religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status, political beliefs, or any other classification protected by State or Federal Law.~~

~~In accordance with Federal and State Immigration and Naturalization laws, all employees must provide the necessary documentation to prove identity and the right to work in the United~~

~~States within the required period of time after starting work. Failure to provide such documentation will result in disqualification from position and/or grounds for immediate termination.~~

~~Adopted: 4/28/76; revised: 4/1/87; 6/6/90; 12/12/90; 10/15/97; 4/21/04~~

SELECTION OF EMPLOYEES

All persons considered for employment with the Municipal Water District of Orange County must be qualified to perform the duties of the position for which they are employed. All new employees will be required to complete a medical examination and based on the job duties, a pre-employment drug test before reporting for work may be required. All employees shall be required to sign an Oath of Allegiance pursuant to State law.

All new employees must provide necessary documentation to prove identity and the right to work in the United States in accordance with Federal and State Immigration and Naturalization laws. Failure to provide such documentation will result in disqualification from selection and/or grounds for immediate termination.

Note:

Add statement regarding misrepresentation of information during the hiring process is subject to immediate dismissal.

EQUAL EMPLOYMENT AND HARASSMENT POLICY

The District is committed to a policy of equal employment opportunity for all applicants and employees and to providing a work environment that is free of discrimination or harassment. In keeping with this commitment, the District maintains a policy prohibiting discrimination or harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, military and veteran status, age, sexual identity and any other category protected by law. ~~_, veteran status or age (protected status) by officials, employees and non-employees (vendors, contractors, etc).~~ This policy applies to all employees', officials, consultants and contractors of the District whom the District knows or has reason to know are violating this policy. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge. Harassment includes, but is not limited to, the following:

- Verbal Forms of Harassment: epithets, derogatory comments or slurs, propositions based upon a person's protected status.
- Physical Forms of Harassment: assault, impeding or blocking movement, grabbing, patting, leering, mimicking, taunting or any physical interference with normal work or movement when directed at an individual on the basis of their protected status.
- Visual Forms of Harassment: derogatory posters, cartoons or drawings or emails based on a person's protected status.
- Sexual Harassment: includes, but is not limited to, unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when (1) submission to such conduct ~~is~~ includes either an explicit or implicit condition of employment; (2) submission to or rejection of such conduct is used as the basis for an employment decision affecting the harassed employee; or (3) the harassment substantially interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment. Examples include unwelcome sexual propositions, hugging, kissing, or other offensive physical contact of a sexual nature; lewd gestures, remarks or innuendoes, unwelcome discussions of sexual practices or anatomy, and sexually offensive posters, photographs, drawings, cartoons, jokes, stories, nicknames, or comments about appearance.

Penalties for Violation: Any employee who violates this policy is subject to immediate termination, or such other disciplinary action as the District deems appropriate, including but not limited to verbal or written warning, suspension, demotion, transfer, cut in pay, leave of absence, and required anti-harassment training.

Complaint Procedures Involving Discrimination or Harassment

An employee or applicant who believes he or she has been discriminated against or harassed or who believes this policy has been violated in any manner should make his or her complaint directly to the General Manager, Human Resources, the Board of Directors, or any member of management staff. ~~a supervisor or to the Administrative Services Manager.~~ The recipient of the complaint ~~supervisor or Administrative Services Manager~~ is responsible for immediately reporting complaints that have been made to the General Manager. If the complaint involves the Administrative Services Manager, it should be made directly to the General Manager; if it involves the General Manager, it should be made directly to the Administrative Services Manager, who will convey the complaint to the Board President. No information regarding the complaint will be provided to the Board until such time as it is determined whether the Board will be involved.

Any employee who is not satisfied with the reply may appeal to the Board President and will receive a reply. Complaints of harassment of any type will be investigated fairly and impartially. The nature and scope of the investigation will depend on the particular circumstances surrounding the complaint.

Corrective Action: If any violation of this policy is found to have occurred, the District will take appropriate corrective action which may include discipline against the individual(s)

involved. In each case, the employee reporting the problem will receive an oral or written reply from management on the general results of the investigation and that remedial action has been taken, if any.

Any employee who is not satisfied with the reply may appeal to the Board of Directors and will receive a reply.

Cooperation: All employees are required to cooperate fully and in good faith with the District in any investigation under this policy. Knowingly making a false charge of harassment or a false statement in connection with an investigation, or deliberately interfering with any such investigation, is also a violation of this policy.

Confidentiality: The District will attempt to keep complaints and investigations under this policy confidential to the greatest extent possible, but some disclosure will be necessary to conduct a proper investigation and take appropriate corrective action. Employees are encouraged to use discretion in discussing complaints or investigations under this policy with others since unnecessary disclosure may prevent a fair investigation.

No Retaliation: No employee ~~will~~ ~~shall~~ be subject to any form of retaliation for reporting any violation or participating in any investigation under this policy truthfully and in good faith. Employees who believe they have been retaliated against in violation of this policy should utilize the same complaint procedure described above.

Contractors, Consultants, Vendors, Customers and Other Third Parties: This policy applies to leased employees and individuals providing service to the District under contract such as consultants and other independent contractors. This policy also applies to vendors, customers and other third parties who are present in any workplace where District employees are performing duties (depending on degree of control that the District has over such individual).

Complaint Procedures Not Involving Discrimination or Harassment:

An employee who has a complaint regarding (1) the application or interpretation of any District rule or regulation or (2) a working condition, can make a complaint orally or in writing to the Administrative Services Manager or General Manager. The Administrative Services Manager or General Manager will ~~have the complaint~~ ~~investigated.~~ ~~the complaint~~ and notify the employee of what action, if any will be taken to remedy the complaint.

Option to Report to Outside Administrative Agencies:

Applicants, officials, contractors and employees may file complaints about harassment or other employment discrimination with any of the local offices of the U.S. Equal Employment Opportunity Commission or the California Department of Fair Employment and Housing, whose addresses may be found in the local telephone directory.

The U.S. Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing are authorized to accept and investigate complaints of employment discrimination, and to mediate settlements. The Fair Employment and Housing Commission has authority to issue accusations against employers, conduct formal hearings, and award reinstatement, back pay, damages, and other affirmative relief. State and federal law also prohibit retaliation against employees because they have filed a complaint

with the EEOC, DFEH or FEHC, participated in an investigation, proceeding, or hearing with either agency, or opposed any practice made unlawful by federal or state law.

AMERICANS WITH DISABILITIES ACT

The District is committed to promoting equal employment opportunities for all qualified individuals with disabilities.

This policy protects any individual with a physical or mental impairment that limits their major life activities—such as walking, seeing, hearing, speaking, communicating, and caring for themselves—provided the individual can perform the essential functions of the job safely and efficiently with or without reasonable accommodations. Depending on the particular employee's condition, this can include not only persons who traditionally have been regarded as disabled—such as those with impaired vision, hearing, or speech—but also those with “invisible” disabilities, such as AIDS or HIV-positive, cancer, or learning disabilities. These protections may apply if the individual currently suffers from a disability, or has a history or record of a disability or is perceived by the employer to have a disability¹⁷, even if that is not the case¹⁸, or associates with persons with disabilities.

In accordance with these laws, the District's policy strictly forbids all forms of intentional discrimination against qualified applicants or employees with disabilities, and requires reasonable accommodation if necessary for such individuals to perform the essential functions of the job safely and efficiently without serious risk to health and safety. In addition, all employees of the District are expected to abide by the following basic guidelines:

1. Applicants or employees may be questioned if they have the physical and mental ability to perform the essential functions of a particular job, but they are not to be asked if they are “disabled” or “handicapped.” Applicants or employees who indicate they have a physical or mental impairment that interferes with job performance may be asked for medical evidence of such disability and may also be asked to state what the District could do to accommodate them.

2. Applicants and employees who have disabilities should inform the District of their desire to be reasonably accommodated. In many cases, the District will have no way of knowing whether an individual has a disability unless he or she requests accommodation.

3. After the District becomes aware of the disability and requests to be accommodated, the District will arrange for a discussion with the employee, in person or via telephone, to consider the employee's limitations and potential reasonable accommodation. This process is intended to be interactive.

4. Employees who are made aware that an applicant or employee has a disability should consider the information confidential, and discuss it only with management, affected employees, and the Human Resources Department unless the disabled individual discloses the information or consents to further disclosure. In certain cases, further disclosure may be necessary in order to assess the reasonableness of the accommodation, and to assure that adequate precautions are taken for dealing with emergencies or other safety and health issues. In some cases, further medical opinion may be appropriate.

5. The law requires only reasonable accommodations^s, which do^{es} not result in an undue hardship to the District or a direct threat to health and safety, and the individual must be able to perform the essential functions of the position.

Whether a certain accommodation meets these standards must be determined on a case-by-case basis, after consultation with the individual and consideration of all the particular facts and circumstances.

6. Unwelcome verbal or physical harassment of an individual because he or she is disabled or has been given special accommodation is absolutely forbidden and grounds for immediate termination. Employees who believe they have been harassed in violation of this policy may pursue a complaint under the District's policy on equal employment/~~unlawful~~ harassment.

Observing these guidelines will help achieve the District's goal of assuring equal employment opportunity for all qualified individuals, including those with disabilities.

~~Adopted: 7/1/87; revised 6/6/90; 10/15/97; 4/21/04; 11/21/07~~

DRUG AND ALCOHOL FREE WORKPLACE

Section 1. Introduction

Using, possessing, purchasing, selling, negotiating sale or purchase or being under the influence of drugs, or being under the influence of alcohol, during working time, or on District premises, including parking lots, or while operating a personal vehicle on company business, is absolutely forbidden and will result in discharge or other discipline as the District deems appropriate.

Section 2. Prescription Drugs:

The use of prescription drugs which would not alter an employee's work performance is acceptable, if prescribed to the employee by a licensed healthcare provider and used in accordance to the prescription directions. – In the event there is a question regarding an employee's ability to perform assigned duties safely and effectively while using such drugs, clearance from a licensed health care provider may be required before the employee is allowed to resume the employee's regular duties.

Section 3. Employees Duties and Responsibilities

- A. Notify their supervisor before beginning work when taking drugs (prescription or non-prescription), which the employee reasonably believes may interfere with the safe and effective performance of their duties;
- B. Not report to work, be at work, or work while under the influence of, or while his or her ability to perform job duties is impaired due to, on or off-duty alcohol or drug use;
- C. Not possess or use alcohol or impairing drugs or substances while on duty, at work, or working;
- D. Not directly, or through a third party, sell or provide drugs or alcohol to any person, including an employee, while either or both employees is on duty, at work, or working;
- E. Submit immediately to an alcohol or drug test when directed by a supervisor or manager;

- F. Provide, within 24 hours of request, bonafide verification of a current valid prescription for any potentially impairing drug or medication identified when a drug screen/test is positive. The prescription must be from a licensed health care provider and in the employee's name; ~~and~~
- G. Report any conviction received pursuant to a criminal drug statute for violations for conduct occurring on or off District premises while conducting District business. A report of conviction must be made to the Administrative Services Manager within five (5) days after conviction, as mandated by the Federal Drug-Free Workplace Act of 1988; ~~and~~
- H. The unlawful manufacture, distribution, dispensing, possession or consumption of any controlled substance is prohibited anytime an employee is on duty, at work or working; ~~and~~
- I. Any violation of this section and other provisions of this Policy may result in discipline, up to and including termination.

Section 4. Alcohol at District Sponsored Events:

With prior approval of Management and in Management's sole discretion, the District may allow employees to consume moderate amounts of alcohol at District sponsored social events outside of normal business hours where such use is appropriate in the circumstances. Employees who are found to be under the influence of alcohol, or who engage in misconduct at such events, are subject to discharge or discipline, in accordance with District processes and procedures.

Section 5. Pre-Employment Testing:

- A. As a condition of ~~a job every~~ offer of employment, ~~or any promotion or new assignment,~~ and based on the job duties, the District reserves the right to require any new hire to undergo and successfully complete a blood, urine, or other chemical test for drugs or alcohol; ~~and~~
- B. The drug and/or alcohol test may test for any substance which could impair an employee's ability to perform the functions of their job effectively and safely, including, but not limited to, prescription drugs, alcohol, and other controlled substances; ~~and~~
- C. All testing (including sample collection, chain of custody and laboratory services) shall be conducted in accordance with the approved procedures of the substance Abuse and Mental Health Services Administration, formerly NIDA. The results of testing shall be reviewed by a medical review officer, who shall be a licensed physician, possessing appropriate training, and knowledgeable about substance abuse disorders; ~~and~~
- D. Pre-employment drugs and/or alcohol test result.
 - 1. A positive result from a drug and/or alcohol analysis may result in the applicant not being hired where the applicant's use of drugs and /or alcohol could affect requisite job standards, duties or responsibilities; ~~and~~

2. If a drug screen is positive at the pre-employment physical, the applicant must provide, within 24 hours of the request, bona fide verification of a valid current prescription for the drug identified in the drug screen. If the prescription is not in the applicant's name or the applicant does not provide acceptable verification, or if the drug is one that is likely to impair the applicant's ability to perform the job duties, the applicant may not be hired for the position.

Section 6. Reasonable Cause Testing:

- A. As a condition of continued employment, the District may require any employee to undergo and successfully complete a blood, urine, or other chemical test for drugs or alcohol whenever the District has reasonable suspicion to believe the employee is under the influence of or impaired by drugs or alcohol while on duty, at work, or working.
- B. A determination that an employee is under the influence of or impaired by drugs or alcohol will be based on specific personal observations of any of the following, which alone or in combination, may constitute reasonable suspicion depending upon the circumstances in which the behavior is observed and/or reported:
 1. Bloodshot eyes;
 2. Glassy eyes;
 3. Dilated pupils;
 4. Slurred Speech;
 5. Odor on breath;
 6. Drowsiness;
 7. Euphoria;
 8. Mood swings;
 9. Inattentiveness;
 10. Excitement and confusion
 11. Irritability;
 12. Aggressiveness;
 13. Shaking or erratic movement;
 14. Disorientation;
 15. Unsteady walking and movement;
 16. An accident involving District property, where it appears the employee's conduct is at fault;
 17. Physical altercation;
 18. Verbal altercation;
 19. Unusual behavior;
 20. Use or possession of alcohol, drugs or paraphernalia; and/or
 21. Information obtained from a reliable person with personal knowledge.
- C. Any Manager or supervisor requiring an employee to submit to a drug/and or alcohol test should document in writing the facts constituting reasonable suspicion that the employee in question is impaired or under the influence. A manager or supervisor's failure to comply with this paragraph does not invalidate the directive to submit to testing.

- D. All testing will be conducted at a clinic or laboratory selected by the District, with appropriate safeguards for privacy, confidentiality, and accuracy. Test results will be kept confidential to the fullest extent required by law, and will be maintained separate from the individual's personnel file. All testing (including sample collection, chain of custody and laboratory services) shall be conducted in accordance with the approved procedures of the Substance Abuse and Mental Health Services Administration, formerly NIDA. The results of testing shall be reviewed by a medical review officer, who shall be a licensed physician, possessing appropriate training, and knowledgeable about substance abuse disorders. The manager or supervisor may arrange for the employee to be transported to a testing facility, and then home afterwards. The manager or supervisor may also notify appropriate law enforcement agencies.
- E. The reports or test results may be disclosed to District management on a strictly need-to-know basis and to the tested employee upon request. Disclosures, without patient consent, may also occur when: (1) the information is compelled by law or pursuant to a lawfully issued subpoena; (2) the information has been placed at issue in a formal dispute between the employee and the District; (3) the information is to be used in administering an employee benefit plan; or (4) the information is needed by medical personnel for the diagnosis or treatment of the patient who is unable to authorize disclosure; and
- F. Managers and supervisors shall notify their department head or designee when they have reasonable suspicion to believe that an employee may have controlled substances in his or her possession or in an area not jointly or fully controlled by the District. If the department head or designee concurs that there is a reasonable suspicion of illegal drug possession, the department head shall notify the appropriate law enforcement agencies.

Employees are required to cooperate with the District and its clinic or laboratory in conducting tests. Employees who refuse to undergo testing or who interfere with the testing process, including but not limited to interference by unreasonable delay or contamination or tampering of the sample, will be subject to immediate discharge or discipline.

Employees who test positive, fail to cooperate with testing procedures, or otherwise violate this policy are subject to discharge or other discipline.

In any case involving unusual or extenuating circumstances, the District in its sole discretion may allow an applicant or employee who tests positive to commence or continue employment, subject to the condition that the employee undergo some form of treatment for addictions or abuse of drugs and alcohol as determined by the District, in its sole discretion and submit to periodic or random testing as required by the District.

Section 7. Accommodation for Drug and Alcohol Rehabilitation Programs:

The District will reasonably accommodate any employee who comes forward before violating this policy and requests to enter voluntarily into a drug or alcohol rehabilitation program. Such requests will be kept confidential as provided by law. Once an employee

violates this policy, however, any request to enroll in a rehabilitation program in lieu of discharge or discipline will be left to the sole discretion of the District, and ~~may will~~ require random testing and other necessary follow-up measures. Employees who wish to enroll in drug or alcohol rehabilitation are encouraged to come forward before they are found in violation of this policy.

~~Adopted: 12/12/90; 4/21/04; 12/19/07~~

EMPLOYMENT STATUS

INTRODUCTORY PERIOD

The first six months of employment with the District represents an introductory period during which newly hired employees can demonstrate that they can meet the requirements of their position. This period may be extended upon notice by the supervisor to the employee. This period may also be waived, upon the General Manager's approval, when an employee is converted from temporary or intern status to full-time status. During this period, work habits, performance and attendance will be reviewed by the employee's supervisor and appropriate management staff, and written performance appraisal reports may be completed.

A newly hired employee shall become a regular full-time or part-time employee only upon receipt of written confirmation from the supervisor and appropriate management staff that this introductory period has been satisfactorily completed.

During this review period, an employee is not eligible to take paid vacation time or receive a salary increase unless an adjustment of ranges indicates that the employee's current salary is below the adjusted range. The employee's original date of hire will be the anniversary date for computation of salary and benefits.

Successful completion of this initial six-month evaluation period in no way changes or modifies the employee's At-will status with the District.

~~Adopted: 4/28/76; revised: 8/22/84; 12/2/87; 6/1/88; 12/12/90; 9/20/95; 10/15/97; 4/21/04~~

REGULAR FULL-TIME EMPLOYEES

An employee who has satisfactorily served the required six-month introductory period and who works at least 32 hours per week (projected on an annual basis, including paid leave times) in an established position on a regular basis is considered a regular full-time employee. ~~Such employees are eligible for full benefits as provided herein. and is eligible for health, life, long-term disability insurance and paid leaves in accordance with District policy. However, E-employees who work between 32 to -39 hours per week on a regular basis, accrue paid leaves on a prorated basis predicated on the number of hours worked and are eligible for holiday pay on a pro-rated basis, only if the holiday falls on a regularly scheduled workday.~~

~~While a normal workweek is typically considered to be 40 hours, in special circumstances, some employees may be approved to work a 32-hour workweek.~~ No employee hired to work

a 40-hour workweek can reduce their work schedule ing hours without ~~the prior~~ approval of the General Manager.

~~Adopted: 4/28/76; revised: 6/6/86; 12/12/90; 6/16/99; 4/21/04~~

REGULAR PART-TIME EMPLOYEES

An employee who regularly and customarily works less than 32 hours per week is considered a regular part-time employee and is not eligible for any benefits other than those mandated by law.

~~Adopted: 4/28/76; revised: 6/6/86; 9/5/90; 6/16/99; 4/21/04~~

TEMPORARY EMPLOYEES

~~An employee serving in a position in which the requirements of the services performed are of a temporary nature shall be classified as a temporary employee for a period not to exceed twelve months. This classification includes, but is not limited to, personnel employed for seasonal peak workloads, emergency extra workloads, necessary vacation or leave of absence relief, or special investigative study workloads. An employee placed on the District's payroll for a temporary period of time is considered a T~~temporary employees ~~are~~ and is not eligible for ~~fringe any~~ -benefits. ~~However, an employee who is hired as a regular, full-time employee after working on a temporary basis for more than three consecutive months will be eligible for medical, dental, vision and life insurance effective on the first day of the month following hiring by the District. If a temporary employee is subsequently hired to full- time employment status, T~~the actual date of hire to full-time status by the ~~District, District~~ however, will be the anniversary date for computation of leave accruals. ~~, salary increases and other benefits.~~

~~Adopted: 4/28/76; revised: 6/6/90~~

LIMITED-TERM EMPLOYEES

A limited-term employee is one who is serving in a position in which the requirements of the services performed are of a temporary nature and who are retained by entering into an employment contract ~~of one year or less~~ for a specified period purpose of time for a specificed project. Limited-term employees may be are eligible for benefits as provided for in the employment contract. Limited-Term Employment requires Board approval. The General Manager, at his or her discretion, has the authority to annually renew a Board-approved limited-term agreement.

~~Adopted: 10/18/95; revised: 4/2/96; 10/15/97; 4/21/04~~

VOLUNTEERS

~~As authorized by the Board, the General Manager has the authority to utilize volunteers to provide certain services for the District. While engaged in performing such voluntary services, such authorized volunteers (which includes MWDOC Water Facilities Corporation Directors)~~

~~are classified as employees only for the purpose of coverage under the District's workers' compensation insurance.~~

~~Adopted: 7/17/86~~

INTERNS

The District's Internship Program is designed to meet specific limited-term organizational needs while providing meaningful training and work experience for college students pursuing academic studies. The District will recruit and hire Interns based on authorized budget expenditures and a specific purpose, program and project in accordance with the District's strategic goals and objectives and in accordance with the intern policy guidelines. Interns may be employed for a period of up to six months after their graduation. –Interns are not eligible for employee benefits. An Intern's pay rate is established based on the District's classification schedule and in accordance with their level in college. ~~and shall be paid in accordance with the established.~~ After completing one year of internship, interns may be granted a pay increase based on the recommendation of their Supervisor/Department Head and at the discretion of the General Manager. ~~pay-grade in the Limited Term Pay Structure.~~ Additional requirements may apply based on the specific college and program in which the Intern is enrolled. Interns are not eligible for merit increases on the same basis as regular full-time and part-time employees.

~~Adopted: 9/19/96; Revised 4/18/12~~

WORKING HOURS

For payroll purposes, the official workweek for all employees shall begin at 12:01 a.m. each Monday ~~Saturday~~ and end at 12:00 ~~p.m.~~ the midnight the following Sunday ~~Friday~~.

For all employees working a 9/80 work schedule their workweek shall begin exactly four hours into their 8 hour shift on the day of the week which constitutes their alternating regular day off.
Need to review process with payroll for modified workweek.

~~Adopted: 4/28/76; revised: 7/22/81; 10/23/85; 8/5/92; 10/15/97; 4/21/04~~

REST AND LUNCH PERIODS

Employees are allowed ~~15-minute~~ rest periods not to exceed 15 minutes during each four consecutive hours of work. The time of each employee's rest period will be determined by the department supervisors. Rest periods shall be considered hours worked but employees shall be relieved of all duties and responsibilities during breaks.

Lunch periods are unpaid and shall be staggered to permit the office to remain open during the lunch period. Any employee who works for at least five (5) hours in a work day is required to take a thirty (30) minute lunch within the first five (5) hours of work, and employees who work more than ten (10) hours in one day are eligible for a second meal period. An employee who works less than six (6) total hours in a day may waive such unpaid meal period. All other employees must take their a thirty (30) minute lunch break within the first five (5) hours of the workday.

Adopted: ~~4/28/76; revised 10/15/97; 4/21/04~~

RECORD OF WORK HOURS

All ~~non-exempt~~ employees are required to complete a timesheet, ~~every workday~~, accurately recording their working hours, hours taken off and reported as sick, vacation, etc. and allocate the hours to the appropriate time codes. ~~actual starting time, and finishing time.~~ The ~~timesheets are to~~ must be submitted electronically to each employee's immediate supervisor for approval and submitted to the Accounting Department prior to ~~by~~ -10:00 a.m. every Monday. ~~Timesheets must show actual hours worked and actual hours taken off during the workweek, allocating appropriate time codes.~~

~~Exempt employees' timesheets shall also accurately reflect actual hours worked and actual hours taken apportion 40 hours over the activities worked on off during the workweek.~~

Making any false statement in connection with time or payroll records and continuous errors may will result in immediate discharge or other discipline.

Adopted: ~~4/28/76; revised: 7/22/81; 10/23/85; 8/5/92; 10/15/97; 4/21/04~~

Note:

Add the following

Flexible Work Schedules

Telecommuting policy

Outside Employment

OVERTIME

The overtime policy shall be in compliance with the requirements of the Fair Labor Standards Act (FLSA) and ~~with Board adopted policy and~~ shall be applied to all employees as defined in Category I ~~and~~ II ~~and III~~. (See Appendix "A"). FLSA does not require overtime to be paid for hours worked over eight in a day. FLSA overtime is required only when the work actually performed exceeds a certain number of hours in a work period- - usually forty hours in a seven consecutive day workweek. –Employees in Category I ~~and II~~ can accrue a maximum of 40 hours of compensatory time. All overtime hours in excess of the allowable maximum will be paid. Overtime must be approved by the Supervisor prior to working.

In accordance with the Fair Labor Standards Act (FLSA), the use of accrued compensatory time to extend employment when an employee has actually vacated a position due to termination is not considered employment; therefore, an employee separating from employment with the District who has performed authorized overtime service for which he/she has not been compensated as provided for, shall be paid at the employee's last regular rate of pay for such accrued service or the average regular rate of pay that the employee received during his last three years of employment, whichever is higher.

For the purposes of defining overtime policy, personnel are identified by the following ~~three~~ two categories:

CATEGORY I (Non-exempt)

Any employee may be ~~directed~~ requested to work in excess of the regular workday by the General Manager or their supervisor. The District will pay all Category I employees at the rate of one and a half times the regular rate of pay for all hours worked in excess of 40 in a workweek. Paid leave hours (vacation, holiday, sick leave, bereavement leave, jury duty, ~~military leave~~, etc.) will be included in the calculation of hours worked for determination of a 40-hour workweek.

CATEGORY II (Exempt)

~~Hours worked by an employee in Category II in excess of 40 hours in the designated workweek, with the authorization of the General Manager, shall be classified as exempt overtime hours and as such will be compensated at or granted as compensatory time off on an hour-for-hour basis, paid at the employee's regular hourly rate of pay. All overtime hours in excess of the allowable maximum for compensatory time off will be paid on this hour-for-hour basis.~~

~~Employees in Category II, while on inspection trips and other similar types of trips away from the office, will be compensated or accrue compensatory time on an hour-for-hour basis for those hours actually worked. The actual hours worked includes travel time while on inspection trips.~~

~~Employees in Category II may be required to take time off on an hour-for-hour basis within the established workweek at the direction of the General Manager or the employee's supervisor.~~

CATEGORY III (Exempt)

Employees in Category III are not eligible for additional compensation or compensating time off for hours worked in excess of 40 hours in the designated workweek and are required to work the hours necessary to fulfill the responsibilities of the position. Exempt employees are executive, administrative or professional employees and perform office or non-manual work and perform one or more of the exempt duties of an executive, administrative or professional employee, in accordance with the Fair Labor Standards Act guidelines.

Exempt employees shall not be subject to docking of pay for absences of less than a full day, except as provided by law. Change policy? Check with Legal. Per FLSA, public employers may deduct pay for an exempt employee who has exhausted his/her accrued leave for absences during the work day.

~~Adopted: 4/28/76; revised: 7/22/81; 10/23/85; 4/21/04~~

MAKE-UP TIME

If a Category I employee needs to take time off for personal reasons and desires to make up the time rather than be docked or have the time charged to the appropriate accumulated leave balance, said employee may make up the time, with the approval of the employee's supervisor, provided said time is made up within the same pay period workweek in which the time off was taken and provided that making up such time does not cause the employee to exceed 40 hours in one workweek.

~~Adopted: 4/28/76; revised: 7/22/81; 10/23/85; 11/27/85; 6/6/90; 8/5/92; 10/15/97; 4/21/04~~

HOLIDAY TIME

Employees working at the discretion of the General Manager on District recognized holidays will be compensated at the employee's hourly rate (as defined by the FLSA) in addition to the regular days' pay for the holiday, if eligible for overtime pay as defined in the "Overtime" section.

~~Adopted: 7/22/81 (Effective: 8/1/81); revised: 10/23/85; 10/15/97; 4/21/04~~

ABSENCE FROM WORK

SICK LEAVE

Definition

Sick leave is granted as a benefit to eligible full-time employees to be used for illness or injury; and is not an earned right to time off from work. Eligible employees are entitled to use sick leave following completion of 30 days of employment. Employees on sick leave will be paid from their accumulated sick leave hours. Any sick leave over four consecutive days ~~shall~~ may require verification be verified by a doctor's statement at the General Manager's discretion; however, the General Manager may request a doctor's statement for sick leave at any time. Sick leave may also be used to attend to the illness or injury, or due to medical and

dental office appointments, of a member of the employee's immediate family. For purposes of this section, immediate family shall mean the employee's spouse, child, parent, domestic partner or any family member with whom the employee resides, ~~and also includes~~ biological or foster children ~~and parents~~, stepchildren and stepparents, legal wards and guardians, ~~and~~ children of domestic partners, siblings, parent-in-law, and grand-parents. Absence to attend to a serious illness of a family member is covered under Serious Family Illness Leave.

Method of Accrual

Regular, eligible full-time employees working 40 hours per week shall accrue 3.69230 hours (equivalent to 96 hours per year) of sick leave with pay for each biweekly pay period of service. Employees working at least 32 to 39 but less than 40 hours per week on a regular basis shall accrue sick leave on a prorated basis. An employee on leave of absence without pay shall earn no sick leave credit during any pay period in which they are absent without pay. ~~for more than three consecutive full working days.~~ Employees' on a leave of absence and or temporarily working part-time due to a medical disability shall accrue sick leave on a prorated basis based on the number of hours worked (see section under Disability for clarification of use while on disability leave), except that sick leave shall continue to accrue if an employee is absent due to an injury arising out of, or in the course of, his/her employment and is entitled to Workers' Compensation benefits. Employees are to allocate the number of hours to sick time accordingly on their electronic time sheet.

Maximum Accrual

A maximum of 488 hours of sick leave may be accumulated. Any non-exempt employee accumulating sick leave in excess of 488 ~~hours, hours with the exception of the General Manager, Assistant Manager, and management-level staff in Pay Grade 15 and above,~~ will be paid for those excess hours on the first check of each September based on the following formula of sick leave taken during the previous 12 months. ~~Accrued sick leave of any person terminating employment shall be automatically cancelled. On September 1 of each year, excess hours for the General Manager, Assistant Manager and management-level staff in Pay Grade 15 and above will be cancelled.~~ Employees will not be paid for any accrued but unused sick leave upon termination of employment.

If employee has taken

Hours in excess of 488 paid back

0 hours of sick leave	50%
8 hours of sick leave	33.33%
9-32 hours of sick leave	25%
33-64 hours of sick leave	8.33%
65 or more hours of sick leave	0%

~~Adopted: 4/28/76; revised: 10/23/85; 6/6/86; 6/1/88; 12/12/90; 9/2/92; 10/15/97; 6/16/99; 4/21/04~~

BEREAVEMENT LEAVE

In the event of death of a member of an employee's immediate family (spouse, domestic partner, child, step-child, parent, step-parent, brother, sister, step-brother, step-sister, grandparent, grandchild, father-in-law, or mother-in-law, or any family member with whom the employee resides, foster children, legal wards and guardians, children of domestic partners), regular full-time employees are eligible to take up to three days with pay in any one instance to arrange for or attend a funeral of a member of their immediate family. This benefit is effective immediately upon employment. Employees are to allocate the number of hours to Bereavement Leave accordingly on their electronic time sheet.

~~Adopted: 4/28/76; revised: 6/6/86; 6/1/88; 12/12/90; 4/21/04~~

DISABILITY LEAVE

~~All employees are covered for short-term disability under the State Disability Insurance. Long-term disability insurance is also provided for regular full-time employees. Under State Disability, the first seven days of a claim is a waiting period during which no benefits are payable.~~

~~The waiting period for the long-term plan is 60 days.~~

Short-term Disability Program

The District ~~participates~~ offers a short-term disability program through the in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Disability Insurance Fund for all full- and part-time employees immediately upon hire with the premiums currently being paid by the District. The program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. ~~There are other limitations apply for a resident in a state-approved Alcoholic Recovery Home or Drug-Free Residential Facility.~~ Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on by the date the claim begins. ~~Any available Use of~~ sick leave accruals may be coordinated with the SDI benefit through EDD to make up offset the difference between disability benefits and an employee's regular pay. In cases where there is not sufficient sick leave to make up the difference, an employee may elect to use vacation and/or compensatory time off CTO to supplement the difference.

~~Adopted: 6/25/80 - Effective: 10/1/80; revised: 7/1/87; 6/1/88; 4/21/04~~

Long-term Disability Program

Long term disability insurance (LTD) is an insurance policy that provides partial income replacement in the event that he or she is unable to work due to illness, injury, or accident for an extended period of time.

All regular full-time employees are eligible for long-term disability insurance, per the terms of the insurance policy in force at the time of hire, on the first of the month following 30 days of continuous employment with the premiums paid by the District. The program goes into effect on the 61st day of disability based on the requirements of the Plan. This benefit provides for payment of 60% of salary or \$5,000 monthly, whichever is less, minus any benefit paid by State Disability, Social Security, or Worker's Compensation. See Human Resources for a complete outline of coverage, exclusions and policy information. An employee receiving long-term disability benefits may elect to apply accrued earned leave time to make up the difference between disability benefits received and the employee's regular salary.

Adopted: 8/28/85 - Effective 9/1/85; revised 6/1/88

EMPLOYEE FILING REQUIREMENTS

It is the employee's obligation-responsibility to file for disability insurance benefits as soon as possible in order to eliminate undue delay in the receipt of their disability pay. See State disability forms can be obtained from Personnel Human Resources on where to obtain the appropriate forms. , EDD.ca.gov, or your physician, doctor, or hospital.

VERIFICATION OF DISABILITY

Employees are required to provide Human Resources their immediate supervisor with a certification of disability from a licensed physician within fifteen calendar days of the commencement of a period of claimed disability leave. The employee shall provide a renewed certification at intervals not exceeding 30 calendar days.

EMPLOYEE BENEFITS WHILE ON DISABILITY LEAVE

Employees on an authorized medical/disability/ leave of absence without pay may continue disability, health and life coverage for a period of four (4) months from the effective date of medical/disability/leave of , with absence with the Employee and the District each paying its share of the premiums, in accordance with District policy. . Thereafter, coverage is terminated under the District's group plan unless continuation of coverage for health insurance is elected under state or federal COBRA laws. Upon return to work, employees become eligible for reinstatement in accordance with the terms of agreement with the carriers then in effect.

An employee on disability leave without pay from the District will not be eligible to accrue vacation or sick leave and shall not be eligible for any paid leaves or pension plan contributions.

Adopted: 12/12/90 12/12/90; revised 4/20/94; 4/21/04; 12/15/04

RETURN TO WORK

~~An employee will be required to provide a physician's statement attesting to his/her fitness, based upon the normal duties of the job description, before returning to work. An employee who returns to work within the four¹²-week-month period (maximum of 123 calendar days) will be reinstated in the same or a comparable position unless no such position is available due to business necessity. An employee who returns from disability leave after the fourth month and before the end of the twelfth month will be returned to the first available position for which they are qualified, unless this would impose an undue hardship on the District.~~

FAMILY/MEDICAL LEAVE OF ABSENCE (FMLA/CFRA)

This covers leaves of absence for (1) an employee's own serious health condition; (2) the birth and care of the eligible employee's child or placement for adoption or foster care of a child with the employee, newborn or newly adopted children within one year after birth or placement; or (3) the care of an employee's spouse, domestic partner, parent, or child with a serious health condition. This leave category applies to all full-time and part-time employees who have more than 12 months of service and have worked at least 1,250 hours during the 12-month period immediately prior to the date the leave is to begin.

For purposes of this section, a family member shall include an employee's child, spouse, domestic partner, parent, foster or adoptive parent, stepparent, ~~or~~ legal guardian, grandparent, sibling or parent-in-law. A serious health condition is generally defined as an illness, injury, impairment or physical or mental condition that involves inpatient care in a hospital, hospice or residential medical care facility or continuing treatment or supervision at home by a health care provider.

Requests for family/medical leaves of absence are to be made in writing, using the District's Request for Leave form, 30 days in advance of the need for the leave whenever the need is foreseeable (i.e., elective surgery, childbirth) or as soon as possible otherwise. Except in cases of emergency, where prior notice cannot be given, a request for family/medical leave may be denied or deferred until appropriate notices are given. Requests for family/medical leaves must be supported by a written certification from the employee's own or the family member's health care provider, which shall include the date on which the health condition began, the probable duration of the condition, and appropriate medical facts regarding the condition. For leaves due to the care of a family member, the certification must include a statement that the employee is needed to care for the child or family member. For leave requests due to the employee's own serious health condition, the certification must include a statement that the employee is unable to perform the functions of his/her job.

Terms of Family/Medical Leave

Unpaid family/medical leaves of absence will be granted for a maximum total of 12 workweeks in a 12-month period. Leave taken intermittently will be aggregated and counted toward the 12 workweek total maximum. The 12-month period is a "rolling" 12-month period measured forward from the first date the employee uses such leave. There is no carryover of unused leave from one period to the next.

Pay/Benefits During Family/Medical Leaves

Family/medical leaves of absence are unpaid. To the full extent allowed by law, the employee is required to use all available accrued sick, compensatory time off and vacation hours before using unpaid leave. All time off, paid or unpaid is counted toward the 12-week period. Group insurance benefits will be continued for up to twelve weeks while a covered employee is on such leave of absence. During such period, the District will continue to contribute its portion of the premiums. ~~The employee's portion of the premium contributions, if any, must continue to be paid by the employee.~~ If an employee does not pay his/her portion of the premium while on such leave, coverage under the benefit plan will cease. Employees on FMLA are to mark the FMLA code on their timesheets accordingly.

Return To Work And Medical Evaluation Policy From Family/Medical Leave of Absence

~~Unless otherwise required by law, an employee's original position or a comparable position will be made available upon return from a family/medical leave unless no such position is available due to business necessity as defined under the family leave laws.~~

An Employee returning to work from a leave of absence due to an injury, illness, disability or an extended leave of absence will be required to provide a physician's statement attesting to his/her fitness, based upon the normal duties of the job description, before returning to work. An employee who returns to work within the 12- week period will be reinstated in the same or a comparable position unless no such position is available due to business necessity. An employee who returns from disability leave after the 12-week period will be returned to the first available position for which they are qualified, unless this would impose an undue hardship on the District. Where the health care provider's written statement provides for an indefinite period of disability, periodic written updates at least every 30 days concerning the employee's status, expected date of return, and continued intent to return to work at the end of the leave are required. If the employee fails to return to work at the end of the leave, the employee will be considered to have voluntarily terminated his/her employment, effective the date the approved leave has ended.

An employee who has been absent from work due to an injury, illness, disability or an extended leave of absence may be subject to a Return To Work (RTW) medical evaluation. RTW medical evaluations are conducted to determine whether an employee has a medical condition that impact's the employee's ability to perform on the job without any substantial risk or injury to the employee or others.

The degree of complexity of the RTW medical examination may differ depending upon the circumstances of the leave, changes in job demands, and/or inquiries with or between appropriate management staff and/or the employee's physician. The medical criteria for making RTW determinations shall be the same criteria as applied to pre-placement medical evaluations.

If the employee's original position or a similar position is offered at the conclusion of such leave and the employee does not accept the position, the employee will be considered to have voluntarily terminated employment effective the day such refusal is made.

~~No employee may return to work from an approved family/medical leave of absence due to his/her own serious medical condition without a physician's release (see the section "Return To Work" under the previous disability section). Where the health care provider's written statement provides for an indefinite period of disability, periodic written updates at least every 30 days concerning the employee's status, expected date of return, and continued intent to return to work at the end of the leave are required. If the employee fails to return to work at the end of the leave, the employee will be considered to have voluntarily terminated his/her employment, effective the date the approved leave has ended.~~

~~Adopted: 10/15/97; 4/21/04; 12/15/04~~

PREGNANCY DISABILITY LEAVE

All full and part-time female employees who are temporarily disabled due to pregnancy, childbirth or related medical conditions shall be eligible for leave totaling up to four months (123 calendar days maximum; pro-rated for part-time employees) in accordance with federal and state law. An employee who returns to work within the four month pregnancy disability leave ~~will shall~~ be reinstated in the same or in a substantially similar job unless no such position is available due to business necessity as defined by the pregnancy disability leave law. The employee is required to provide Human Resources ~~the immediate supervisor~~ with a written notice that states the beginning and estimated duration of the leave, at least five working days prior to beginning ~~of~~ the leave. In addition, the employee is required to notify Human Resources ~~the immediate supervisor~~, at least five working days prior to return to work of the actual date of return to work. The ~~first twelve weeks of a~~ pregnancy disability leave may also qualify as family leave. In all other respects, an employee on pregnancy disability leave is subject to the same provisions and requirements of the District's disability leave policy.

~~Adopted: 7/1/87; revised 10/15/97; 4/21/04~~

PAID FAMILY LEAVE

~~Beginning July 1, 2004, e~~Employees may be eligible for a benefit known as Paid Family Leave which is a form of compensation paid through the State of California Employment Development Department (EDD). Paid Family Leave is a component of the California State Disability Insurance Program (SDI) and is funded by a payroll tax. The maximum benefit available is limited to six weeks, and the amount depends on the employee's rate of pay. When available, Paid Family Leave is taken concurrently with other family leave under FMLA and CFRA. There is a seven-day waiting period before benefits can be paid, and Paid Family Leave is not available to employees already receiving SDI, unemployment benefits, or workers compensation. Eligible employees may request Paid Family Leave in order to:

- Care for a seriously ill child, spouse, parent, or domestic partner, including foster, adopted, and stepchild ~~ren_ and parents~~ stepparent, parent-in-law, grandparent, grandchild and sibling;

- To bond with a newborn child of the employee or domestic partner in the first year after birth, or
- To bond with a newly adopted child or foster child within one year after adoption or placement.

A certificate from a health care provider is required in order to be eligible for Paid Family Leave.

~~Adopted: 4/21/04; 12/15/04~~

NO RETALIATION

The District's policy and state and federal laws forbid any form of discrimination, harassment, or retaliation against employees because they have exercised their rights under law, protested any violation of law, or participated in any proceeding under law. The U.S. Department of Labor and the California Department of Fair Employment and Housing are authorized to investigate and resolve complaints of any violation of the PDL, FMLA, CFRA, and other laws. Employees also have the right to bring a civil action for violations of the PDL, FMLA, CFRA, and other laws.

~~Adopted: 4/21/04~~

SERIOUS FAMILY ILLNESS LEAVE

Following completion of 30 days of employment, regular full-time employees are eligible to take up to three days with pay in any ~~one~~ instance for serious family illness to attend the birth of an employee's child, operation of an immediate family member, to attend to the serious illness or injury of an immediate family member, or where death of an immediate family member appears imminent. Immediate family ~~shall~~ includes those mentioned in the Bereavement Leave policy above. This form of leave does not extend the leave period provided under the family leave laws. Employees are to allocate the number of hours to Serious Family Illness Leave accordingly on their electronic time -sheet.

Note:

Establish a limit on number of days per year.

~~Adopted: 4/28/76; revised: 6/6/86; 6/1/88; 12/12/90; 4/21/04~~

JURY OR WITNESS DUTY LEAVE

~~Regular~~ Eligible full-time employees required to serve as jurors are granted jury duty leave with pay, less any fees paid to them by the court, except mileage up to a maximum period of thirty (30) working -days. Employees serving on a jury exceeding the thirty (30) day period shall do so without pay. This benefit is effective immediately upon employment. An employee serving jury duty must obtain an attendance slip from the court and to be submitted-submit it to the accounting department with the affected timesheet in order to be eligible for pay for those hours. Employees are to allocate the number of hours to Jury Duty Leave accordingly on their electronic time sheet.

An employee who is subpoenaed to appear in court in a matter regarding an event or transaction which he or she perceived or investigated in the course of his or her job duties will do so without loss of compensation. An employee will not be paid to appear in court in a matter unrelated to his/her duties or in a matter initiated by the employee.

~~An employee should notify his or her supervisor immediately upon notice of being subpoenaed to testify as a witness. Although an employee will be granted leave to serve as a court witness, this leave shall be unpaid.~~

~~Adopted: 4/28/76; revised: 6/6/86; 6/1/88; 10/15/97; 7/19/00; 4/21/04~~

MILITARY LEAVE

Military leave shall be granted in accordance with State and Federal law.

Active Service - An employee who is engaged in military duty ordered for purposes of active military training or encampment is entitled to military leave with pay for up to 30 days per calendar year.

Inactive Service - An employee who is required to attend scheduled service drill periods or perform other inactive duty reserve obligations is entitled to military leave without pay, not to exceed 180 calendar days per year. Such employee may, at his or her option, elect to use accrued vacation or compensatory time to attend the scheduled reserve drill periods or to perform other inactive drill period obligations.

~~Adopted: 4/28/76; revised: 6/6/86; 5/6/92; 8/5/92; 10/15/97; 4/21/04~~

PERSONAL LEAVE OF ABSENCE WITHOUT PAY

Upon written request, approved by the General Manager's sole discretion, a regular full-time employee may be granted a personal leave of absence without pay not to exceed 30 ~~days~~ working days. The General Manager based on the District's needs and requirements will ~~shall~~ determine conditions of such leave of absence. The Board of Directors must approve requests for personal leaves of absence longer than 30 days' duration. This benefit is effective following successful completion of six months of service.

No sick or vacation leave will be accrued ~~credit will be earned~~ during any pay period an employee is absent without pay ~~in excess of three consecutive full working days. No vacation credit will be earned during any pay period an employee is absent without pay in excess of five consecutive full working days.~~

The ~~employee and the~~ District will each continue to pay its share of the premiums in accordance with District ~~for policy for disability, medical, dental, vision, and life insurance for~~ qualified employees on authorized personal leave of absence without pay for up to 30 days on such leave. Thereafter, continuing such premium payments will be at the sole discretion of the Board of Directors. Should coverage be terminated under the District's long-term disability plan, coverage may be converted to an individual plan at the expense of the employee. Upon

return to work, employees become eligible for reinstatement in accordance with the terms of the agreement with the insurance carrier then in effect.

Refer to the appropriate sections regarding continuation of premium payments for disability, medical, dental, vision and life insurance coverage while on other leaves without pay.

~~Adopted: 4/28/76; revised: 6/1/88; 12/12/90; 2/19/92; 4/21/04~~

UNAUTHORIZED ABSENCE

Any unauthorized absence from work is considered cause for immediate dismissal. Absence from work without permission and without notification to the District for three consecutive days will ~~shall~~ be considered a resignation.

~~Adopted: 4/28/76; 4/21/04~~

ADMINISTRATIVE LEAVE

All ~~Management~~ management -level staff as designated by the General Manager in Pay Grade R15 and above, including the General Manager, ~~and Assistant Manager~~ shall be eligible for five days paid administrative leave per calendar year.

~~Any such leave not used by the end of the calendar year or upon termination of employment shall be cancelled.~~ Check with legal on whether this leave should be paid out similar to vacation.

~~Adopted: 12/12/90, effective 1/4/91; revised: 10/19/94; 10/15/97~~

CATASTROPHIC LEAVE PROGRAM

The District has adopted a program that allows employees who have accrued vacation or sick leave credits the option to voluntarily donate up to 16 hours per fiscal year to another employee who has exhausted his/her sick, vacation and compensatory time leaves due to a non-work related catastrophic illness or injury to allow the employee to recover from their illness or injury. ~~All employees have been provided with a copy of the program; The Program guidelines and forms can be obtained from Human Resources. appropriate forms can be obtained from Personnel.~~

Note:

Staff to evaluate this and not set a limit on the donated hours however evaluate the implementation of the calculation on time or cost basis.

~~Adopted: 2/19/92; Revised 4/21/04~~

ADMINISTRATION

PERSONNEL FILES

~~Pursuant to laws related to confidentiality and privacy of personnel files, access to personnel files is strictly controlled. Access is limited to the official custodian of personnel files, the employee, supervisors and managers who have a legitimate "need and right to know", and those possessing legal authority for access to particular information, such as by written approval of the employee or court order. An employee may inspect only his or her personnel file and only in the presence of the custodian of personnel files or other supervisor.~~

Employees have the right to inspect or receive a copy of the personnel records that MWD OC maintains relating to ~~their~~ performance or to any grievance concerning ~~them~~. ~~you~~. Certain documents may be excluded or redacted from ~~an Employee's~~ personnel file by law, and there are legal limitations on the number of requests that can be made.

Any request to inspect or copy personnel records must be made in writing to Human Resources. ~~Employees~~ ~~Can~~ obtain a form for making such a written request from Human Resources.

~~may~~Employees may designate a representative to conduct the inspection of the record or receive a copy of the records. However, any designated representative must be authorized by ~~the in~~Employee in writing to inspect or receive a copy of the records. MWD OC may take reasonable steps to verify the identity of any representative ~~the Employee has~~ designated in writing to inspect or receive a copy of ~~their~~ personnel records.

The personnel records may be made available to ~~the either~~employee either at the place where ~~workthey work~~ or at a mutually agreeable location (with no loss of compensation for going to that location to inspect or copy the records). The records will be made available no later than 30 calendar days from the date MWD OC receives ~~the Employee's~~ written request to inspect or copy ~~their~~ personnel records (unless ~~the Employee /or their~~ representative and MWD OC mutually agree in writing to a date beyond 30 calendar days but no later than 35 calendar days from receipt of the written request).

If ~~an request~~Employee requests a copy of the contents of ~~their~~ file, ~~they~~ will be charged the actual cost of copying.

Disclosure of personnel information to outside sources, other than ~~the designated~~Employee's designated representative, will be limited. However, MWD OC will cooperate with a request from ~~authorized~~ law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Adopted 12/15/99; Revised 4/21/04

COMPENSATION AND BENEFITS SURVEYS AND PAY STRUCTURE ADJUSTMENTS

The compensation philosophy guiding the District's decisions related to employee compensation and benefits is that of desiring to provide salary ranges and benefit practices that are competitive with market practices. In conducting compensation surveys, the District establishes its salary ranges by considering the mean (average) of the marketplace. In administering benefits surveys, the District considers prevailing and emerging practices related to the District's labor market. This approach has been adopted in an effort to attract and retain the best available staff and continue in its commitment to quality service to the District's member agencies.

Human Resources shall conduct a planned pay structure adjustment survey in the first calendar quarter February of each year of the direct labor market agencies to determine the percentage adjustments to for the Pay Structure Ranges for the upcoming fiscal year to go into, effective July 1.

A comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. Human Resources may conduct interim market analyses for newly established or modified job classifications between the comprehensive annual reviews.

Revised: 4/18/12

ANNUAL MERIT INCREASES

Merit increases for regular full-time and part-time employees are granted in proportion relation to an employee's demonstrated job performance and current placement within the employee's his/her job classification's salary range. Supervisors and managers will shall establish performance standards and communicate these expectations to each of their staff. their respective employees. In addition, supervisors and managers will shall discuss with each employee concerning his/her performance during that employee's performance review process.

Revised: 4/18/12

MERIT GUIDELINES

The amount of each merit increase will be determined in part by the performance of the employee, as documented on the Performance Appraisal. The performance review should provide a fair and accurate evaluation of the employee's performance in the preceding fiscal year.

PERFORMANCE APPRAISAL

To provide a fair evaluation of performance, newly hired or promoted employees will be appraised at six months from date of hire or position change. Thereafter, performance will be appraised annually during the months of June and July, consistent with the timing of the annual merit increase process.

Managers will meet with employees during the year to assess performance and progress.

PERFORMANCE CRITERIA AND DEFINITIONS

- 1 = Unsatisfactory. Performance ~~is below job fails to meet minimum requirements~~requirements and ~~Performance significantly below the~~ level expected and it appears the employee is either unwilling or unable to perform successfully.
- 2 = Needs Improvement. Performance meets some, but not all job requirements. ~~Occasionally Meets Expectations.~~ Improvement is needed to meet requirements. Employee has potential for successful performance.
- 3 = Successful. Performance mMeets job requirements. expectations. ~~Meets expected requirements.~~ Overall performance has been at the ~~expected~~ level expected for the position.
- 4 = Exceeds Expectations. Performance consistently meets and frequently exceeds some job requirements. ~~above average; behavior constantly reflects interest in improving and attaining higher level of achievement for self and company.~~
- 5 = Outstanding. Far Exceeds Expectations. Performance consistently far exceeds all job requirements. ~~well beyond expectations; positive behavior reflecting a keen interest in excellence and exceeding company goals.~~

MERIT INCREASE PROCEDURES

~~All Regular Full-Time and Part-time employees are eligible to receive a merit increase.~~ Merit increases ~~will~~ become effective ~~July 1 and will be reflected in~~ the first full pay period following July 1. Employees, with the exception of the General Manager, with a minimum of six full calendar months of employment with the District ~~may be shall be~~ eligible for ~~a~~ merit increase consideration. Merit raises, within the established salary ranges, shall not be automatic, but will be granted based upon employee performance and budgetary considerations, as determined by the General Manager.

The General Manager's performance evaluation is conducted in accordance with the Board approved Performance Evaluation guidelines relating to the General Manager.

Merit Increases will be granted within the established Salary Range only ~~only~~, ~~with the exception of employees receiving an overall performance rating of at least "Exceeds Expectations" as described below.~~ If an employee has reached the maximum rate of the Salary Range, the employee's salary shall be frozen (remain unchanged) until such time that the Board of Directors approves a salary range adjustment that would result in the employee's pay rate being less than the range maximum. ~~The employee will then be eligible for a merit increase as defined above.~~

In the event that the employee is paid at the maximum rate of the salary range any additional compensation that is paid would be at the General Manager's discretion to grant in the form of a lump sum performance payment ~~or up to ten percent above the established pay range,~~ in accordance with the merit increase guidelines.

~~Adopted: 8/22/84; Revised: 4/18/12~~

PROMOTIONS

A promotion is defined as the movement of an employee from one classification to another classification in a higher salary range, i.e. Administrative Assistant to Senior Administrative Assistant. An employee who is promoted will shall receive, at the discretion of the General Manager, a promotional salary increase at least to the salary range minimum. The General Manager may, however, grant greater increases. ~~__if justified and deemed appropriate.~~

A promoted employee will be required to serve a six-month review period in the new position; retention of the employee in the promoted classification may be determined at any time during this review period. The six-month review period will have no effect on the timing of the promoted employee's annual salary review for merit consideration or salary range adjustments. If the promoted employee fails this review period, he/she would not have the automatic right to return to his/her former classification, unless there is a vacant position in said former classification. If an employee is returned to his/her former classification, the employee will shall return to their original pay status in the former classification.

~~Revised: 4/18/12~~

POSITION RECLASSIFICATION

A position reclassification ~~is shall be~~ the ~~change reclassification~~ of a position from one salary range to another salary range and ~~will shall~~ be implemented under the General Manager's authority in the management of the District.

If an employee is in a position that is reclassified to a higher salary range, ~~the~~ employee ~~will shall~~ maintain his/her current salary rate unless his/her current salary rate is below the minimum salary of the new range, in which case ~~the~~ employee ~~will shall~~, at the discretion of the General Manager, be eligible to receive the beginning salary in the new range.

If an employee is in a position that is reclassified to a lower salary range, said employee ~~will shall~~ be placed at a salary level within the lower range at the discretion of the General Manager.

~~Adopted: 12/12/90; Revised: 4/18/12~~

Note:

Add

ACTING PAY - Process when an employee is filling in for a position over an extended period of time.

TERMINATION OF EMPLOYMENT - Process on how pay is handled when an employee terminates.

PAYDAYS

~~Effective January 16, 1986,~~ District paydays ~~will shall~~ be every two weeks ~~, on Thursdays.~~ Pay vouchers ~~will shall~~ be inclusive of pay for all hours in the two preceding workweeks. In the event a payday falls on a holiday, paychecks will be distributed on the following workday.

~~Adopted: 4/28/76; revised: 10/23/85; 4/21/04~~

PAYROLL DEDUCTIONS

~~Payroll Deductions~~deductions are taken from the pay of all employees in compliance with for State and Federal withholding guidelines based on employee's earnings, marital status, and number of exemptions claimed. Required deductions include Federal Income Tax, FICA "Medicare Only" Contributions, State Income Tax and Pension. ~~taxes.~~ ~~Other authorized deductions include Deferred Compensation Plan, Flexible Benefits Spending Plan, Social Security, and/or medical premiums above the cap paid by the District.~~ Voluntary employee deductions may be taken from pay based on employee's participation in those voluntary benefits. Employees hired after April 1, ~~1986~~ are required to contribute to Medicare and payroll deductions ~~are will be~~ made accordingly.

~~Adopted: 4/28/76; revised: 6/25/80; 11/5/86; 10/15/97~~

VACATIONS

Definition

In order to realize the full benefit and purpose of a vacation policy, employees are encouraged to take at least a portion of their annual earned vacation time off each year, in a block of time of at least five consecutive working days. The scheduling of an employee's vacation time and/or the extension of accrued vacation beyond the designated 12-month accrual period will ~~shall~~ be determined at the discretion of the General Manager based on the needs and requirements of the District. ~~relative to the levels of activity, deadlines and current work flows and past extraordinary services rendered by the employee.~~

Method of Accrual

Regular, eligible full-time employees working 40 hours per week shall earn vacation time off with pay in accordance with the following schedule. Employees working ~~at least 32 to 39 but less than 40~~ hours per week on a regular basis shall accrue vacation on a prorated basis. Part-time employees who later convert to full-time employees will begin to accrue vacation time, ~~beginning with the using the~~ date of their full-time status ~~as the beginning point for accrual purposes~~. Vacation time may not be taken during the first six months of service. No vacation credit will be earned during any pay period an employee is absent without pay ~~in excess of five consecutive full working days~~. Employees' temporarily working part-time ~~while on a leave of absence due to a medical disability may shall~~ accrue vacation leave on a prorated basis. ~~When an approved holiday falls within a vacation period, an employee, on vacation shall be entitled to the holiday and will not be required to use vacation hours for that day.~~

<u>Years of Service</u>	<u>Hours Earned per</u> <u>Biweekly Pay Period</u>	<u>Yearly Equiv.</u>
Beginning with 1st year	3.07696	80 hours
Beginning with 4th year	4.61536	120 hours
Beginning with 11th year	5.23080	136 hours
Beginning with 15th year	6.15384	160 hours
Beginning with 20th year	6.46153	168 hours

Maximum Accrual

No employee ~~will shall~~ be eligible to accumulate more than one and one-half times his/her applicable annual accrual of unused vacation at any time. Vacation hours accrued in excess of the allowable maximum will ~~cease and no longer accrue, be paid as they are earned at the then current rate of salary per hour or portion thereof~~ unless the General Manager approves a carryover. Unused vacation time will be compensated to a terminating employee, or his designated beneficiary, based on the individual's then current rate of salary or portion thereof prorated for the number of hours accrued.

~~Adopted: 4/28/76; revised: 5/25/83; 10/22/86; 12/2/87; 6/1/88; 12/21/88; 12/12/90; 9/2/92; 10/15/97; 11/12/97; 6/16/99; 4/21/04~~

HOLIDAYS

~~All eligible regular full-time employees are granted the following paid holidays (total of 11). The following paid holidays are granted to all eligible full-time employees of the District if the District-observed holiday falls on an employee's regularly scheduled workday:~~

*New Year's Day (January 1)	January 1
President's Day (3RD Monday in February)	3rd Monday in February
Memorial Day (last Monday in May)	Last Monday in May
Independence Day (July 4)	July 4
Labor Day (First Monday in September)	1st Monday in September
Veteran's Day (November 11)	November 12

- Thanksgiving Day (4th Thursday in November)
- Day after Thanksgiving (4th Friday in November)
- Christmas Eve (December 24)
- *Christmas Day (December 25) December 25
- *One floating holiday to be designated by the employee each year

~~*Two additional holidays will be given during the two-week Christmas and New Year period as identified by the General Manager in December for the following year. (See Appendix "C").~~

The General Manager may elect to maintain a minimum staff on any holiday.

In order to be entitled to holiday pay, an employee must be eligible for full pay for the scheduled workday both before and after said paid holiday.

~~Adopted: 4/28/76; revised: 10/22/80; 12/18/85; 4/20/94; 6/16/99; 4/21/04~~

HOLIDAY ON WEEKEND OR SCHEDULED DAY OFF PER MODIFIED WORKWEEK SCHEDULE

For all eligible employees, the following shall apply: When a paid holiday falls on a Sunday, the following Monday shall be deemed the paid holiday. When a paid holiday falls on a Saturday, the preceding Friday shall be deemed the paid holiday.

~~For all eligible employees who work a 40-hour~~ When a paid holiday falls on an employee's scheduled day off per the modified work week schedule, if a holiday falls on the employee's regular day off, the employee will receive eight hours of vacation accrual in lieu of the following day off.

Note: Work with Finance to make sure policy is consistent with practice.

~~No employee will receive more than 8 hours of holiday pay.~~

Adopted: 4/21/04

OTHER BENEFITS

WORKER'S COMPENSATION

~~All District employees are covered by the ACWA/JPIA for on-the-job injuries. A list of available emergency medical services is posted on the bulletin board outside the lunchroom.~~ Whenever an employee sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the employee shall obtain treatment according to the provisions of the California Labor Code 4600 et seq. and shall receive compensation for hours not worked while obtaining such medical care without loss of accrued leave hours. Employees are required to immediately report a work-related injury/incident to their supervisor and Human Resources.

Whenever an employee is compelled by direction of his/her physician to be absent from duty on account of such injury or disability, such employee ~~will shall~~ be placed on Workers' Compensation Leave. The employee ~~will shall~~ receive full compensation for the first three (3) calendar working days following the date of the injury without loss of accrued leave hours. Thereafter, the employee may elect to apply pro-rated sick leave first, ~~or~~ vacation, ~~or~~ Compensatory Time Off (CTO), -if sick leave is exhausted, -to such absence to receive compensation in an amount equal to the difference between the compensation to which he/she is entitled under in order to compensate for the difference between Workers' Compensation Act and his/her regular pay, benefits and his/her regular pay, not ~~to~~ exceed the amount of accrued leave. An employee who is receiving Workers' Compensation ~~will shall~~ continue to accrue sick leave and vacation.

Workers' Compensation benefits begin with the fourth full consecutive calendar day of missed work (including weekends); however, if the absence continues beyond fourteen (14) days, Workers' Compensation will then pay the applicable benefits for the first three (3) days of missed work. When this occurs, the employee will be docked for the first three (3) days the District previously paid him/her in an amount equal to the Workers' Compensation benefits received.

An employee, who is on Workers' Compensation leave of absence and who was covered by disability insurance when the work related injury occurred, may be eligible for disability benefits. Compensation to which an employee is entitled from Workers' Compensation and disability shall not exceed an employee's regular pay.

Supervisors are required to complete the required reporting forms whenever an employee is injured and/or placed on Workers' Compensation Leave. A doctor's release must be provided to the District upon the employee's return to work from a Workers' Compensation Leave. See Human Resources for the appropriate forms.

Adopted: 4/28/76; revised: 6/20/01; 4/21/04

Return To Work (RTW) From Industrial Injury or Illness

The decision to return an employee to work or place an employee back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process, as follows:

- If there is no permanent disability, no work restrictions, and the absence has not been longer than thirty days, the employee shall be returned to work.
- If there is no permanent disability but temporary work restrictions, or there has been an absence of thirty days or more, a review of the employee's medical records from the Workers' Compensation case and RTW medical evaluation may be conducted. An employee shall be returned to work if the work restrictions are compatible with job demands or modified job demands, if available.
- If there is a permanent disability, placement of the employee in the position last held by the employee will be considered following a RTW medical evaluation.

The employee must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his/her job. If it is determined that the job demands of the position last held by the employee are not compatible with the employee's restrictions and the employee is willing to return to work, placement in an alternative position, if available, will be considered. The employee shall be reclassified as "medically disqualified" and placed on unpaid leave while alternative positions are being considered. However, the employee may elect to use accrued leave hours, such as vacation, to receive compensation. Placement of an employee in an alternate position requires a pre-placement medical evaluation for the alternative job.

If it is determined that the job demands of the position last held by the employee are not compatible with the employee's restrictions and there is not an alternative position, or the employee's restrictions are not compatible with an alternative position, or the employee is not willing to return to work, the employee shall be reclassified as "medically disqualified." The employee shall then be retired for disability, or be terminated from employment due to medical disqualification.

MEDICAL INSURANCE

Group medical insurance is provided to eligible regular full-time District employees. Coverage is also offered to spouses, dependents and registered domestic partners of eligible employees in accordance with the terms of the Plan documents. The District will pay a portion toward the monthly premiums based on employee and dependent status for medical coverage based on the amounts approved by the Board and in accordance with the insurance policy guidelines. ~~Employees may choose to elect or decline coverage from the plans offered by the District, either at the time of enrollment or prior to the anniversary date for renewal of the plans (each January).~~ This benefit goes into effect on the first day of the month following 30 days of service. ~~Brochures and claim forms are available in the Personnel Department.~~

~~Adopted: 4/28/76; Revised: 10/16/13~~

MEDICARE COVERAGE

All District employees hired after April 1, 1986 are required by the passage of the Consolidated Omnibus Budget Reconciliation Act (COBRA), to contribute to the Medicare portion of the Social Security Program. Those employees shall contribute 1.45% of their salary with the District matching the fund by contributing 1.45% of the employee's salary, unless changed by federal law.

~~Adopted: 11/5/86~~

MEDICAL AND ELECTIVE HEALTH AND WELFARE COVERAGE UPON RETIREMENT (Applies to Regular Full-Time employees hired prior to July 1, 2012)

The District shall provide the retiree medical and elective health and welfare benefits set forth in this Policy for retired employees who are at least 55 years of age, including their spouses or domestic partner registered with the State of California (at the time of retirement), and that have accrued a specified number of years of service:

10 Years of Service: Employees with a minimum of 10 consecutive years of full-time service with the District shall receive retiree medical benefits on the following terms:

- Retirees are not eligible for District paid dental and vision benefits.
- Retiree will have the option to continue participation in dental and vision coverage at their own cost in accordance with the Consolidated Omnibus Reconciliation Act (COBRA).
- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- Once the retiree becomes Medicare eligible, coverage will cease.
- Retirees must enroll in Medicare ~~are required to notify the District when they initiate upon eligibility. -with Medicare.~~
- Upon becoming Medicare eligible, the District will reimburse the retiree, in an amount up to \$1,800 per calendar year, for a supplemental Medicare insurance policy and Medicare Prescription Drug Insurance covering the retiree only.
- Supplemental Reimbursement for Medicare and Medicare Prescription Drug Coverage will be made to the retiree on a quarterly basis upon submission of proof of payment.
- In the event a spouse or registered domestic partner survives a retiree before the District-paid group coverage would normally end, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage, enrollment under another plan, or becoming eligible for Medicare.

25 Years of Service: Employees with a minimum of 25 consecutive years of full-time service with the District shall receive retiree medical benefits on the following terms:

- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- Retirees and spouses or registered domestic partners are eligible to participate in the District's Dental and Vision Insurance Plan as follows:
 - Dental
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly premium for retiree plus spouse or registered domestic partner.
 - Vision
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly insurance premiums.
- Retirees must enroll in Medicare upon ~~are required to notify the District when they initiate eligibility. -with Medicare.~~
- Upon becoming Medicare eligible, enrolled retirees must enroll in Medicare Parts A and B. The District will include reimbursement of payment for Medicare Option B for both retiree and his/her eligible spouse or registered domestic partner after submitting

verification to the District of official enrollment in Medicare Option B. This results in a reduced premium cost to the District. Eligibility for retiree health benefit participation is contingent on enrollment in Medicare Parts A and B upon Medicare eligibility.

- In the event a spouse or domestic partner survives a retiree before the District-paid group coverage would normally end, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage, enrollment under another plan, or becoming eligible for Medicare.

Retiree Health and Welfare Coverage contribution amounts are established in accordance with Administrator Plan Document guidelines then in effect and as approved by the MWDOC Board.

Employees hired on or after July 1, 2012 are not eligible to receive District-paid retiree medical and elective health and welfare benefits.

Any variance from these benefits and requirements requires approval by the Board of Directors.

~~Adopted: 6/17/87; Revised: 4/18/12; 12/18/13~~

DENTAL INSURANCE

Group dental insurance is provided for all regular full-time employees and their dependents by the District as specified in the dental insurance policies. -The District will shall pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with insurance -policy. This benefit goes into effect on the first day of the month following 30 days of service.

~~Adopted: 10/22/80; Revised: 10/16/13~~

VISION INSURANCE

Group vision insurance is provided for all regular full-time employees and their dependents by the District as specified in the vision insurance policy. The District will shall pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with insurance policy guidelines. ~~for coverage.~~ This benefit goes into effect on the first day of the month following 30 days of service.

~~Adopted: 1/1/88; Revised: 10/16/13~~

NOTE: Employees on an authorized medical/disability leave of absence without pay may continue medical, dental, and vision coverage for a period of four (4) months with the District paying its share of the premiums and the employee paying their respective portions of the premiums, based on the amounts approved by the Board and in accordance with insurance policy guidelines. ~~-as outlined in the policy.~~ Thereafter, coverage is terminated under the District's group plans unless continuation coverage is elected as explained below. Upon return

to work, employees become eligible for re-enrollment in accordance with the terms of agreement with the insurance carriers then in effect.

| ~~Adopted: 12/12/90; Revised: 12/19/01~~

CONTINUED MEDICAL, DENTAL AND VISION COVERAGE

Medical, dental and vision coverage may be continued if an individual's group health benefits end due to a "qualifying event" and if the employee elects to continue coverage under the plan. In order to continue coverage, the individual will be required to pay the total monthly premium payment plus two percent for administrative costs.

| ~~Revised: 5/1/91~~

QUALIFYING EVENTS

For an employee:

1. Termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the employee ineligible for coverage.

For dependents:

1. Death of the employee.
2. Divorce or legal separation.
3. Loss of coverage due to the employee becoming entitled for Medicare, or
4. For a dependent child, ceasing to qualify as a dependent under the plan.

PERIOD OF COVERAGE

If coverage is elected, the continued coverage will end on the earliest of the following:

1. 18 months after the date of termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the employee ineligible for coverage.
2. Up to 29 months after termination of employee due to total disability within the meaning of the Social Security Act at the time of the qualifying event.
3. 36 months after the date of any other qualifying event.
4. The date the employee or dependent fails to make any required premium payment when due.
5. The date the employee or dependent becomes covered under any other group health plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA) as amended.

6. The date the employee or dependent becomes eligible for Medicare.
7. In the case of a divorced or widowed spouse, the date on which the individual remarries and becomes covered by any other group medical plan unless the new plan contains any exclusion or limitation with respect to any pre-existing conditions in which event the individual may remain eligible for continued coverage in accordance with the Health Insurance Portability and Accountability Act (HIPAA), as amended.

The District [and third-party Benefits Administrators](#) have the responsibility of billing and collecting premiums for individuals who have terminated from the District's group health plans.

The foregoing is merely a summary of certain rules and regulations concerning COBRA, which are subject to revision at any time. Employees and others participating in the District's group medical plan should contact the District for further information at or before the time of a qualifying event in order to assure they understand the full extent of their rights and obligations under COBRA.

~~Revised: 5/1/91; 12/15/04~~

COST OF THE COVERAGE

The monthly premiums are subject to change whenever the premiums are changed for active employees.

NOTIFICATION OF ELECTION TO CONTINUE COVERAGE

~~The affected Employees must assume the responsibility of notifying the Personnel Department~~ [are required to notify Human Resources](#) of a qualifying event for themselves or dependents. The District will then begin the appropriate notification procedure.

~~The eligible COBRA participant. An eligible person~~ must provide an election notice and premium payment to the ~~District plan administrator~~ within 60 days of notification of their right to continue coverage.

~~Adopted: November 5, 1986 (medical)~~

~~Adopted: April 1, 1987 (dental)~~

~~Adopted: January 13, 1988 – Effective February 1, 1988 (vision)~~

~~Revised: May 2, 1990 (medical, dental and vision)~~

MANAGEMENT PHYSICAL EXAMINATIONS

~~The General Manager and Assistant Manager are to be reimbursed for the cost of a physical examination every other year up to a maximum of \$300.~~

~~Adopted: 12/4/94~~

LIFE INSURANCE

Group life insurance, which may include death and dismemberment benefits, is provided ~~to~~ to regular full-time eligible employees only, and the ~~premium currently is paid by the District. District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with insurance policy guidelines.~~ This benefit becomes effective ~~in accordance with the terms of the insurance policy~~ on the first day of the month following 30 days of service. The current coverage ~~is will be~~ two times ~~each the~~ eligible the eligible employee's annual salary to a maximum of \$250,000 coverage. ~~_(with some limitations — see policy for restrictions). See Policy guidelines for details on benefits and restrictions.~~ Voluntary, supplemental life insurance coverage is also available to regular full-time employees as a voluntary benefit and the at employee pays 100% of the cost, ~~payment~~ of which may be made through payroll deductions.

Employees on an authorized medical/disability leave of absence without pay may continue basic and supplemental coverage for a period of four (4) months with the District paying its share of the premiums and the employee paying their respective share of the premiums for basic coverage only, based on the amounts approved by the Board and in accordance with insurance policy guidelines. ~~paying the premiums for basic coverage only and Employees are responsible for paying 100% for the employee paying for the~~ supplemental life insurance coverage. Thereafter, coverage is terminated under the District's group plan unless individual coverage is elected. Upon return to work, such employees become eligible for re-enrollment in accordance with the terms of agreement with the insurance carriers then in effect.

~~Adopted: 4/28/76; revised: 2/11/81; 2/22/84; 6/1/88; 12/12/90; 6/21/95; 9/16/98; 4/21/04~~

RETIREMENT PROGRAMS

Pension Plan – Effective March 3, 2003, this plan is no longer offered to new hires.

Prior to March 3, 2003, full and part-time employees of the District who work 1,000 hours during a plan year participated in the District sponsored Money Purchase Pension Plan ~~(currently Aetna Variable Annuity Life Insurance Company Pension Plan).~~

The District contributes 10.5% of the employee's base pay immediately upon hire. After one year of service, the District's contribution is increased to 13.5%. Participants in the Plan will be 100% vested upon completion of five years of service. The Plan allows for retirement at age 59-1/2 or early retirement at age 55. Details of the plan are detailed in the Plan Document and Summary Plan Description.

Board of Directors are eligible to participate in the Plan in amounts equivalent to those provided for employees of the District (as outlined in the previous paragraph).

Limited-term employees, temporary employees, and part-time employees who complete less than 1,000 hours of service during a plan year are not eligible to participate in this plan. Such employees are covered under Social Security.

~~Adopted: 4/28/76; Revised: 4/18/12~~

CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CalPERS) —

The District became a member of CalPERS eEffective March 3, 2003.

~~In lieu of Rather than~~ Social Security, the District offers to its eligible ~~E~~employees a retirement Plan under (CalPERS).

Persons Eligible: Regular full-time employees, and part-time employees reaching the minimum working hours requirement.

Waiting Period: Eligible from the first day of employment.

Employee/Member Contribution: The maximum required employee/member contribution amount depends on the employee's hire date in accordance with Board approved policy and the Public Employee Pension Reform Act (PEPRA) as follows: is 7%. ~~The District may pay the entire 7% Employee contribution on behalf of the employee.~~

- 2% @ 55 Formula - Employees with the District prior to March 1, 2013 pay a portion of the employee/member contribution amount. The maximum employee/member amount is 7% as mandated by statute. The employee/member -contribution amount (paid by the employer) is ~~to be established~~ determined by the Board annually during the budget process and goes into effect July 1 of each year. The employer contribution rate is established by CalPERS based on its annual actuarial analysis.
- 2% @ 55 Formula - Employees hired on or after March 1, 2013 and that are PERS Members without an interruption of service are eligible to participate in this formula. The employee/member contribution amount is 7%. The employer contribution rate is established by CalPERS.
- 2% @ 62 Formula – Employees hired after January 1, 2013 that have no prior CalPERS service or have an interruption in CalPERS service of 6 months or more are enrolled as new members and fall under the PEPRA. The employee and employer contribution amounts are mandated by legislation.

~~Human Resources shall conduct a survey in February of each year of the direct labor market agencies to determine the employee contributions and plan options for the upcoming fiscal year to be effective July 1.~~

~~Employer Contribution: Varies according to experience rating.~~

Vesting Provisions: ~~Participants~~ You become vested after completion of five years of public service, be it with the District or another public employer with reciprocity. ~~who participated in PERS.~~ Vesting means funds may be left on deposit for future retirement. Upon termination, an Should employee may you leave the District and wish to withdraw their your contributions or leave them with CalPERS. ~~, you may request a refund.~~ The employer contributions are only paid upon retirement.

Benefits Provided: ~~Employees are~~ You will be eligible to retire upon completing when you have five years of service and ~~have~~ attained the appropriate age based on the retirement formula. ~~50.~~ Your retirement date can be any date you choose; however, the amount of the monthly allowance can be affected. ~~Your age determines your benefit factor used in the retirement formula. So, you may decide to retire on your birthday or at a completed quarter of age to increase the benefit factor.~~ PERS will calculate ~~the~~ retirement benefits based on three factors, (1) years of service, (2) percentage factor determined by ~~your~~ age at retirement, and (3) the final average monthly pay rate based on the PERS formula. ~~for the highest 12 consecutive months of work.~~

For additional information regarding PERS Options for the 2% @55 and 2% @62 Contracts, please see Human Resources.

~~The District has also purchased several options for its employees, briefly described below. For more detailed information check with Personnel~~Human Resources.

• ~~2% @55~~

~~This formula provides to local miscellaneous members 2% of pay at age 55 for each year of service credited with that employer. For members who retire earlier, the percentage is reduced to 1.426% at age 50 and gradually increases for each attained age to the maximum of 2.418% at age 63+.~~

• ~~One-Year Final Compensation~~

~~The period for determining the average monthly pay rate when calculating retirement benefits would be for the 12 highest paid consecutive months.~~

• ~~1959 Survivor Benefit, 4th Level (if enrolled)~~

~~The 1959 survivor benefit is paid along with the other death benefits, with the exceptions of the special death benefit, whether or not you were eligible to retire at the time of death. The fourth level provides a higher level of 1959 survivor benefits to survivors of a member who dies prior to retirement. The benefit is in addition to the Basic Death Benefit. A spouse is eligible until remarriage, if he or she (1) has care of eligible children, or (2) is age 60 or older.~~

Employees nearing retirement are urged to avail themselves of the retirement pre-counseling and planning available to them by PERS. PERS requires at least 90 days notice in advance of planned retirement (as does Social Security for any previous services). However, the District strongly urges employees anticipating retirement to make their inquiries at least six months to one year in advance to avoid any unnecessary delays.

Personnel~~Human Resources~~ can provide you with names and phone numbers of personnel at PERS who can assist you in your retirement planning. More detailed information may be obtained from Personnel~~Human Resources or the calpers.org website.~~

~~Adopted: 2/19/03; Revised: 4/18/12~~

DEFERRED COMPENSATION PLAN

A voluntary non-qualified deferred compensation Section 457 plan is available to any eligible employee who elects, pursuant to the Plan, to defer a portion of his/her compensation and who fulfills the requirements for participation in the Plan. Information on the plan is available ~~in~~ through the Personnel Department Human Resources. The District does not make any contributions to this plan

FLEXIBLE BENEFITS SPENDING PLAN

The Flexible Benefits Spending Plan is a voluntary program and is available to all full-time employees on the first of the month following ~~3~~ 60 days of employment. The plan allows participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for employee contributions for District group health insurance premiums to be deducted from earnings on a pre-tax basis. [Personnel Human Resources](#) will provide you with all the Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

~~Adopted: 10/21/98; revised 5/16/01; 10/15/03; 11/19/03; 4/21/04~~

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The EAP provides confidential, professional assistance when personal problems affect an employee's life and work. The program provides information, consultation and counseling for employees, dependents and domestic partners, as well as offering training and consultation to management.

The EAP encourages employees to use services early in the progression of a problem before situations significantly impact work. This is accomplished by promoting service for "normal problems in living" such as relationships, stress, legal and financial problems, career concerns, anxiety and depression. The EAP also services more serious concerns such as alcohol and drug problems, family violence, and threats of suicide.

This benefit is provided for all regular full-time employees. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with insurance policy guidelines. This benefit goes into effect on the first day of the month following 30 days of service.

~~The Municipal Water District of Orange County cares about your well being. As part of that concern, it has established an Employee Assistance Program (EAP) that provides confidential, professional assistance when personal or relationship problems affect your life and work. The program offers information, consultation and counseling for you, your dependents and or domestic partners.~~ If you need more information, please contact [Personnel Human Resources](#) or call the EAP at (800) 999-7222.

EMPLOYEE RECOGNITION PROGRAMS

SERVICE AWARDS

The Service Award Program is designed to formally recognize all regular full and part-time employees for continuous years of dedicated service with the District. Employees will be formally recognized at completion of five-years of service and at five-year increments thereafter.

Following completion of the required years of service, a certificate will be presented to the employee at the Board meeting during the employee's anniversary month.

At completion of five years, the employee will be granted one compensation day (8 hours) to be used within the following 12 months. At completion of ten years and every five years thereafter, the employee will be granted two compensation days (16 hours) to be used within the following 12 months.

| ~~Adopted: 10/5/88; Revised: 6/20/12~~

EMPLOYEE EXCELLENCE

This program has been established to recognize outstanding Municipal Water District of Orange County (MWDOC) employees and to acknowledge their contributions to MWDOC. The goal is to encourage quality work, continuous improvement, teamwork, efficiency, customer service, and a high level of dedication. The program recognizes that MWDOC employees are the source of our strength, reputation and innovation.

| Recipient will receive recognition at either a MWDOC Staff meeting or the Regular Board Meeting by way of an Outstanding Performance Certificate and a gift certificate up to a maximum of \$200 for individuals and larger awards to departments or groups, as determined by the General Manager. Based upon the act or accomplishment, the General Manager may grant a special award of up to \$1,000.

| ~~Adopted: July, 2004, Rev. June, 2005~~

VEHICLE POLICY

When necessary during the course of an employee's or Director's official duties, transportation or reimbursement shall be provided by MWDOC. The transportation method authorized will be determined in terms of the best interest of MWDOC and in accordance with the provisions of this policy.

PURPOSE

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

EXCEPTIONS

The General Manager may authorize exceptions to any of the provisions herein set forth and shall give written notification to the Administration & Finance Committee of such exception within 30 days of the date such exception is authorized. All exceptions shall be reviewed by the General Manager annually to determine whether continuation of such exception is justified.

IMPLEMENTATION

The provisions of this policy will be implemented and administered by the General Manager. Annually, the General Manager shall conduct a review of automobile allowances to assure that continuation is justified. During this review, the following should be considered: employee's duties and responsibilities, including "on-call" duties, type of vehicle, classification, location of employee's residence and work station, justification for allowance and average monthly business mileage.

New requests for automobile allowance shall be made through the annual budget process and may be made from time to time as necessary throughout the year following the above review procedures. Requests may be made during the year when required by circumstances. All requests made as the result of the creation of a new position within MWDOC are subject to the approval of the Administration & Finance Committee of the Board.

The General Manager shall submit an annual report to the Administration & Finance Committee listing employees receiving a vehicle allowance for use of privately-owned vehicles as defined in the Operating Rules for Automobile Allowance Section of this policy, and a listing of exceptions to the provisions of this policy authorized under the Exceptions Section of this policy.

DRIVER RESPONSIBILITY

1. Only those MWDOC employees who possess a valid California driver's license may drive on behalf of MWDOC.
2. It is the responsibility of all employees who drive vehicles on MWDOC business to practice safe and defensive driving.
3. As required by MWDOC's insurance carrier, all employees and Directors who are paid an auto allowance or may receive mileage reimbursement, are to attend, at MWDOC cost, a defensive driver training course every four years or more often if driving record so dictates.

Employees who drive a vehicle while on District business must exercise due diligence to drive safely and comply with all the laws applicable to driving a vehicle. Drivers are required to use hands-free equipment while talking on their cellular telephones. Employees using their cell phones GPS or mapping service, must do it with a hands-free device. It is against the law to driving while reading, writing or sending a text message. Employees are responsible for any driving infractions or fines as a result of their driving. It is against the law to drive without a seatbelt. ~~mandatory that lap belts and shoulder harnesses be used~~ Seatbelts must be used ~~by~~ the driver and all passengers.

MILEAGE REIMBURSEMENT/AUTOMOBILE ALLOWANCE

Employees and Directors may use their own vehicles and be reimbursed for mileage driven when on official MWDOC business at the rate then permitted by the IRS. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage reimbursement rate. No employee who receives an automobile allowance shall

receive mileage reimbursement.

Note:

Add Policy travelling outside MWDOC's service area when more cost effective than flying?

The General Manager and, ~~Assistant Manager, and Associate General Managers~~ may receive an automobile allowance in an amount established by resolution of the Board of Directors. The payment of automobile allowance is subject to review during the Total Benchmark and Compensation Study or at the Board's discretion. ~~executive management's annual review process.~~

The General Manager may authorize the payment of an automobile allowance to others in an amount not to exceed that established by resolution of the Board of Directors for executive use, when the interest of MWDOC would best be served by paying an allowance rather than mileage; providing, however the following criteria are met:

1. Nature of Job Classification

Employee has specific job duties requiring the performance of official MWDOC business outside of regular working hours on a recurring basis and who meet the following criteria:

- a. On-call availability;
- b. Frequent attendance at conferences, seminars, meetings, and community affairs (after normal working hours)
- c. Frequent participation in public affairs activities, such speaking engagements (after normal working hours)
- d. Regular and frequent travel during working hours.

2. Nature of Work Activity

An automobile allowance may be offered to other management personnel for two-year renewable periods upon a review of the individual personnel requirements for an allowance based upon the criteria indicated in Section (1). This review shall be performed and documented by the Department Manager and approval of an assignment for automobile allowance shall be made only by the General Manager. The assignment shall be effective for a maximum period of two-years and shall be reviewed at that time to determine continued justification.

OPERATING RULES FOR AUTOMOBILE ALLOWANCE

1. Automobile allowance may only be provided to appropriate management positions as defined above.
2. An employee receiving an Automobile Allowance must provide a car which is in appropriate condition, ~~less than six (6) years old~~, well maintained, and capable of comfortably accommodating four adults.
3. Employees receiving an Automobile Allowance must maintain insurance to cover their normal private use of the vehicle (pursuant to Insurance Requirement Section below)
4. The Automobile Allowance will be provided coinciding with the first pay period of the month following the month of use.

The provision of the Automobile Allowance is and shall remain at the discretion of MWDOC.

1. Employees receiving an Automobile Allowance are expected to use his/her personal automobile on all required MWDOC business.
 - a. Employees receiving an Automobile Allowance shall not be entitled to receive any additional remuneration for the cost of gasoline, repairs or maintenance on his/her vehicle. Mileage expense claims of any type are prohibited. ??
Travel to conferences outside of MWDOC service area when more cost effective than flying??

INSURANCE REQUIREMENTS

Employees and Directors of MWDOC, who are paid an automobile allowance or mileage reimbursement as set forth in Section 8105 and 8106 for use of privately-owned automobile for MWDOC business, shall possess and maintain insurance on such automobile with liability coverage acceptable to MWDOC. Each employee and Director shall provide private automobile insurance information, which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of employee or Director, insurance company, policy number, amount of coverage, and operator's license number and expiration date.

~~Motion 1/14/81; Motion 2/25/81; R 1399 12/20/89; Motion 1/16/90; Motion 5/19/93; R1490 6/16/93; Motion 2/16/94; Motion 9/21/94; Motion 7/16/97; Motion 2/19/03; Motion 8/21/13~~

MILEAGE REIMBURSEMENT

Employees authorized by the General Manager to use their private automobile in the performance of duties will ~~shall~~ be reimbursed for such mileage at the standard rate established ~~permitted~~ by the IRS. ~~at the time.~~ Mileage reimbursement shall automatically be adjusted whenever the IRS adjusts their rate.

~~Revised: 12/12/90; 2/16/94; 4/21/04~~

Add???
Cell Phone Reimbursement Policy

EDUCATION REIMBURSEMENT

The education reimbursement program is designed to provide financial assistance to regular, full-time employees with one or more years of service; who wish to continue their formal education, training and certification and to assist employees in obtaining skills and/or knowledge to become better qualified for their current work or for advancement in the District.

Courses must be related to the employee's position, occupation, or advancement within the District as determined by the Supervisor, General Manager and Human Resources. . This includes courses that are prerequisites for work-related courses and those that are required to

obtain a degree in a work-related field. Eligible courses are those taken at an accredited institution.

Correspondence courses from reputable institutions will be considered when equivalent courses are not available at local accredited schools, or when the employee's circumstances prevent attendance at courses offered locally.

Courses must be taken on the employee's time, unless special circumstances warrant otherwise and prior arrangements have been made with the supervisor and approved by the General Manager.

Requests for tuition reimbursement may be denied based on district budgeting constraints for that particular fiscal year.

Employees may not use District computers to complete classes online or complete homework assignments during working hours.

Eligible expenses are tuition, parking, books, registration fees and laboratory/materials fees. The annual limit each year for educational expenses shall be based on the Cal State Fullerton adopted program fee schedule for undergraduate and graduate programs given the program which the employee is enrolled. Expenses for travel and other incidental costs are not reimbursable. Written approval for reimbursement must be obtained from [Human Resources](#), the employee's supervisor and the General Manager prior to or within 30 days of enrollment in the course.

Funds received from outside sources such as scholarship grants or Veterans educational benefits must be applied toward the cost of the course before the District's reimbursement is applied.

Evidence of successful completion of the course with a minimum grade of "B" or higher and receipts for the allowable expenses must be submitted prior to reimbursement.

Expenses reimbursed may be considered taxable income and subject to tax withholding.

If an employee voluntarily terminates employment or is terminated for cause within 24 months of completing a course in which educational reimbursement has been paid, the employee shall reimburse the District based on the following pro-rated service requirement:

- Voluntary termination or termination for cause within one year of completing a course = 100% reimbursement to the District.
- Voluntary termination or termination for cause within 13 to 24 months of completing a course = 50% reimbursement to the District.

If an employee fails to reimburse the District, the District may sue the employee for breach of Agreement.

~~Adopted: 4/28/76; Revised: 4/18/12~~

COMPUTER LOAN PROGRAM

Interest-free loans to assist employees with the financing of a personal computer system are available to regular full-time employees who have completed one year of service. Loans can be in amounts from \$300 to \$2,000.

~~Adopted: March 1992~~

OFFICE EQUIPMENT POLICY

Introduction: The District provides a wide variety of office and telecommunications equipment for employee use, including telephones with voice mail, computers with email and Internet access, and fax machines, photocopiers, postage meters, and other facilities. All employees are expected to comply with this policy when using any of this office equipment.

Business Use Only: All office equipment is intended strictly for business use in the course of performing assigned duties and responsibilities. All office equipment, as well as the content of voice-mail, e-mail, and other files, is considered District property. We recognize that some personal use cannot be avoided, as in the case of family, personal, or medical emergencies, but employees should have no expectation of ~~we cannot guarantee the~~ privacy of such messages. All such personal use should be kept to an absolute minimum and must not interfere with work performance.

No Guarantee of Privacy: The District does not or cannot guarantee the privacy of any employee use of its office equipment, and the District reserves the right to monitor all such use and to access and copy information found on its office equipment to the fullest extent allowed by law. This includes but is not limited to all use of voice-mail, e-mail, and Internet access. Confidential telephone conversations ~~are may be~~ -subject to monitoring. ~~-with the consent of all parties to the conversation.~~ The District also reserves the right to utilize software or other measures to block employee access to improper or unauthorized web sites. Employees should not give any absolute assurances of privacy to anyone outside the District that their messages will be kept confidential, especially with email. Even erasing an email message does not assure privacy since it is likely to be preserved on back-up systems.

Passwords and Security Measures: The District may allow employees to use passwords or other security measures on its office equipment in order to channel communications to the proper persons. Employees are expected to honor passwords and other security measures, and are not to access information unless it was intended for them. Moreover, management must be kept informed of all passwords and other security measures, as the District retains the right to override passwords and other security ~~such~~ measures in order to assure full access to all office equipment.

Unlawful Harassment or Discrimination: Employees are forbidden from using the District's office equipment for any form of unlawful harassment or discrimination based on race, color, national origin, ancestry, sex, sexual orientation, sexual identity, pregnancy or

childbirth, religion, political beliefs, disability, marital status, veteran status, or any other criteria prohibited by District policy or applicable law.

Other Misconduct: Use of ~~office and telecommunications~~ ~~the voice-mail and e-mail~~ systems is subject at all times to all other District rules concerning employee conduct. Under no circumstances are these systems to be used for pornography, gambling, sports, shopping, stock trading, hobbies, criminal or fraudulent activity, buying or selling goods and services, outside activities, or any other non-work related purpose.

Confidential Information: Employees are expected to use special caution in handling any confidential or proprietary information. In general, email should not be used to transmit confidential information outside of the District unless extraordinary precautions are taken to assure confidentiality.

Good Judgment: Employees are expected to exercise good judgment and discretion when using the District's voice-mail, ~~or~~ e-mail ~~or internet~~ systems, and must resist the temptation to use these systems for any purpose that violates this policy even when a client, applicant, or vendor initiates or welcomes inappropriate messages. Employees should not forward chain letters that are sent by email, even if they appear to be for a legitimate cause. Employees must also be careful in the overall tone and content of all messages they send. Unprofessional messages can prove embarrassing when read by an unintended recipient. Emails should include a clear and concise subject line for easy identification. They should be kept to a minimum in length, and proofread carefully before being sent.

Intellectual Property Rights: The District's computer systems are not to be used to violate or infringe copyrights, trademarks, or other intellectual property rights of third parties. Employees are forbidden from installing or downloading software on to the District's computer system without the express authorization of management, and must refrain from utilizing trademarks or other copyrighted material without proper permission from the owner.

Penalties: Any violation of this policy can result in immediate termination or other discipline.

STANDARDS OF CONDUCT

~~The following examples are given in order to provide some guidance concerning unacceptable behavior. If MWDOC chooses to correct an employee who engages in unacceptable behavior, the employee may be subject to corrective action up to and including termination. Please note that it is impossible to provide an exhaustive list of behaviors that are not acceptable. The following is therefore intended to simply provide some examples: All Employees of the District are hired for an indefinite duration and are employed for as long as the relationship is mutually satisfactory. Employment may be terminated by either the employee or the District for any reason. As a guide for employees, the following list gives examples of prohibited misconduct that will result in discipline or discharge as the District in its sole discretion deems appropriate.~~

1. Falsification or willful destruction of time, personnel, production, quality control or other District records, reports, or documents.

2. Excessive absenteeism or tardiness, regardless of cause.
3. Unauthorized absence, failure to promptly report an absence from work, or failure to return to work at the time the District was advised to expect return.
4. Leaving work areas before the end of the work period without authority.
5. Neglect of duty, sleeping, loafing, wasting time, or being off the job without authority.
6. Gambling on District premises or on District time.
7. Using, possessing, buying, selling, concealing, or being under the influence of drugs or alcohol on District premises or Company time.
8. Use or possession of firearms, weapons, or explosives on District property or in car. -
9. Destroying, defacing, abusing, or wasting District property or the property of a fellow employee.
10. Creating or contributing to unhealthy or unsanitary conditions.
11. Violation of safety rules or common safety practices.
12. Disorderly conduct, horseplay, or rowdyism, on District premises, or profanity or discourtesy toward supervisors, co-employees, or customer.
13. Fighting or agitating a fight, or attempting or threatening bodily injury, regardless of provocation.
14. Insubordination, refusal to follow instructions, or disregard of proper authority.
15. Unauthorized disclosure of confidential or proprietary information.
16. Interfering with the work of other employees, or preventing others from performing their duties.
17. ~~Leaving District premises during working hours without permissions of the supervisor.~~
18. Theft or dishonesty.
19. Bringing in or working on unauthorized work on District premises.
20. Smoking on District premises other than designated areas.
21. Soliciting for any purpose during working time in any work area.
22. Distributing any literature during working time in any work area.
23. Inviting non-employees to enter the District's facilities without permission at any time.
24. Failure to cooperate with the District during any disciplinary investigation.
- 24.25. Poor performance

These rules do not list every imaginable form of misconduct, and employment may be terminated due to lack of work, reorganization, or for any other reason in the discretion of the District or the employee. Progressive discipline is left to the sole discretion of the District and nothing in this Handbook requires the District to issue a warning or suspension prior to discharging any employee.

Adopted: 4/21/04

Add???

Corrective Process - oral discussion, written corrective action

AT-WILL AGREEMENT
And Acknowledgment of Personnel Manual

I agree that I am employed by the Municipal Water District on an at-will basis, and that my employment can be terminated at any time with or without cause or advance notice either by me or the District. This agreement supersedes all prior agreements, promises, or understandings concerning termination of my employment, and can only be changed by ~~a formal written contract signed by~~ the General Manager. .

I also acknowledge that I have received a copy of the Personnel Manual and have read and understood all of its provisions. I acknowledge that the District retains the right and sole discretion to modify, delete, or add to any of the policies set forth in the Personnel Manual, but that this agreement for employment At-will can be amended or modified only in a written contract signed by me and an authorized representative of the Board of Directors. I understand that no supervisor has the authority to modify, delete, or add to the policies in the Personnel Manual, and that in the event of a conflict between the terms of the Personnel Manual and anything told to me by a supervisor or co-employee, the terms of the Personnel Manual shall control.

Employee's Signature_____

Dated: _____

NOTE: This original signed document is to be filed in the employee's personnel file.

APPENDIX “A” - EMPLOYEE DESIGNATIONS

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

The designations of employees into the following categories shall be in accordance with the FLSA and with the approval of the General Manager. The General Manager shall revise the designations as necessary in compliance with the FLSA and District policy.

CATEGORY I (NON-EXEMPT; Overtime paid at time and one-half) (needs new schedule or refer to classification schedule or coordinate with Exhibit “D”)

<u>Accountant</u>	<u>Records Coordinator</u>
<u>Accounting Technician</u>	<u>Senior Accountant</u>
<u>Administrative Assistant</u>	<u>Senior Administrative Assistant</u>
<u>Assoc. Water Resources Analyst</u>	<u>Senior Administrative Assistant/Public Affairs Assistant</u>
<u>Executive Assistant/HR Specialist</u>	<u>Senior Executive Assistant to the —General Manager</u>
<u>Financial Analyst/Database Analyst</u>	<u>Senior Executive Assistant to the Board</u>
<u>Human Resources Specialist</u>	<u>Water Resources Analyst</u>
<u>Network Administrator</u>	<u>WEROC Program CoordinatorAssistant</u>
<u>Office Assistant</u>	<u>WUE Analyst</u>
<u>Office Specialist</u>	
<u>Office Aide</u>	
<u>Student Intern I, II and III</u>	<u>WUE Program Coordinator</u>
	<u>WUE Program Specialist</u>
<u>Public Affairs Specialist</u>	<u>Public Affairs Coordinator</u>

Office Assistant	Sr. Accountant
Office Specialist	Sr. Executive Assistant to the GM
WEROC Program Assistant	WUE Program Specialist
Accounting Technician	Financial Analyst/Database Analyst
Administrative Assistant	Network Administrator
Records Coordinator	Sr. Executive Assistant to the Board
Sr. Administrative Assistant	Accounting Supervisor
Sr. Administrative Assistant/Public Affairs Assistant	WUE Program Supervisor
Water Resources Analyst	WEROC Programs Manager
WUE Analyst	
Accountant	Office Aide
WUE Program Coordinator	Student Intern I/II
Executive Assistant/Human Resources Specialist	Maintenance Assistant
Public Affairs Specialist	Maintenance Technician

CATEGORY II (EXEMPT; Overtime paid at straight time)

~~Governmental Affairs Manager~~

CATEGORY III (EXEMPT; Not eligible for overtime)

~~Administrative Services Manager~~
~~Principal Water Resources Analyst~~
~~Senior Engineer~~
~~Director of Public Affairs~~
~~Principal Water Resources Planner~~
~~WUE Program Manager~~
~~Principal Engineer~~
~~Director of Finance/IS~~
~~Assistant General Manager~~

Accounting Supervisor
Accounting Manager
Administrative Services Manager
Assistant General Manager
Director of Finance/IS
Director of Public Affairs
General Manager
Governmental Affairs Manager
Principal Engineer
Principal Water Resources Analyst
Principal Water Resources Planner
Public Affairs Supervisor
Public Affairs Manager
Senior Engineer
WEROC Programs Manager
WUE Program Manager
WUE Program Supervisor

~~Adopted: 10/23/85; revised: 6/6/86; 4/1/87; 8/5/87; 1/20/88; 5/2/90; 10/3/90; 12/12/90;~~
~~5/16/94; 5/17/95; 10/16/96; 5/21/97; 8/20/97; 11/12/97; 1/20/99; 7/21/99~~

APPENDIX "B" - SALARY AND MERIT PROGRAM PROCESS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Merit increases are granted to all eligible employees, with the exception of the General Manager and go into effect the first day of the payroll period following July 1.

Merit increases are granted in relation to an employee's job performance and current placement within his/her job classification salary range.

Human Resources shall conduct a planned pay structure adjustment survey in February of each year of the direct labor market agencies to determine the percentage adjustments for the ranges for the upcoming fiscal year, effective July 1.

A comprehensive compensation and benefits survey shall be conducted every 3 years to evaluate market practices and job grading.

Human Resources may conduct interim market analysis for newly established or modified job classifications between the comprehensive annual reviews

APPENDIX "C" – SCHEDULE OF HOLIDAYS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

The Offices of the Municipal Water District of Orange County will be closed for the observance of the following holidays in 2013. (Please note that the two floating holidays are determined by the General Manager)

<u>January 1, 2013 (Tuesday)</u>	<u>New Year's Day</u>
<u>February 18 (Monday)</u>	<u>President's Day</u>
<u>May 27 (Monday) —</u>	<u>Memorial Day</u>
<u>July 4 (Thursday)</u>	<u>Independence Day</u>
<u>September 2 (Monday)</u>	<u>Labor Day</u>
<u>November 11 (Monday)</u>	<u>Veteran's Day</u>
<u>November 28 (Thursday)</u>	<u>Thanksgiving Day</u>
<u>November 29 (Friday)</u>	<u>Day After Thanksgiving</u>
<u>December 24 (Tuesday)</u>	<u>Christmas Eve (Floating Holiday)</u>
<u>December 25 (Wednesday)</u>	<u>Christmas Day</u>
<u>December 31 (Tuesday)</u>	<u>New Years Eve (Floating Holiday)</u>
<u>*** January 1, 2014 (Wednesday)</u>	<u>New Years Day</u>

TOTAL HOLIDAYS FOR 2013 — 11

****Applies toward 2014 Holiday

In accordance with the Personnel Manual, when a paid holiday falls on a Sunday, the following Monday shall be deemed the paid holiday. When a paid holiday falls on a Saturday, the preceding Friday shall be deemed the paid holiday.

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APPENDIX "D" – PAY STRUCTURE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

| [Add new](#)

| **APPENDIX "E" – Organizational Chart – [add new](#)**



INFORMATION ITEM

November 12, 2014

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

FROM: Robert Hunter, General Manager

Staff Contact: Harvey De La Torre

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

Fig. 1 OC Water Usage, Monthly by Supply Groundwater was the main supply in September.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in August 2014 was average compared to the previous four Augusts.

Fig. 3 Historical OC Water Consumption OC water consumption of about 622,000 AF in FY 2013-14 was up about 3-½ % from FY 2012-13, but was still below the long-term average of about 630,000 AF/yr. Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts.

Fig. 4 MWDOC "Firm" Water Purchases, 2014 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 purchases is zero in 2014.

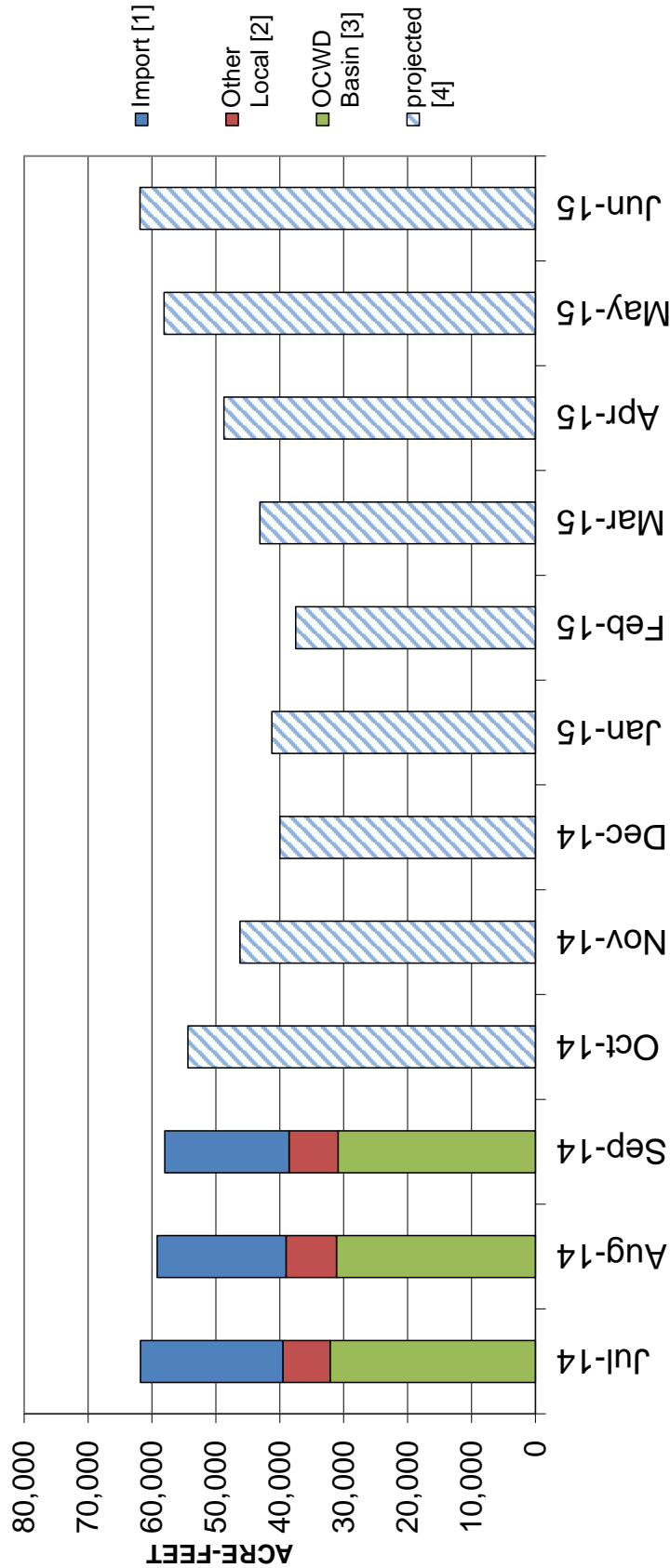
Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u> </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

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

- Orange County's accumulated rainfall in October through was below average average for this period. This continues the impact of the previous two hydrologic years' below-normal rainfall in reducing those local supplies that are derived from local runoff.
- Northern California accumulated precipitation in October was around 106% of normal for this period. The Northern California snowpack was 23% of normal as of April 1st, the date used for year-to-year comparison. This follows two below-average hydrologic years. The Governor has declared a Drought Emergency, and the State Water Project Contractors Table A Allocation is only 5% as of the end of July. This percentage may be increased a little, but it is certain that there will be less State Project water deliveries to MET and the other Contractors than in previous years.
- Colorado River Basin accumulated precipitation in October was a little 56% average for this period. The Upper Colorado Basin snowpack was 111% of average as of April 15th, the date used for year-to-year comparison. However, this follows two below-average hydrologic years, and this watershed is in a long-term drought. Lake Mead and Lake Powell combined have about 60% of their average storage volume for this time of year. If Lake Mead's level falls below a "trigger" limit, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. The USBR predicts that the "trigger" limit could be reached as early as 2015.

DRAFT

**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



Note: values shown include some estimation and are subject to change.

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

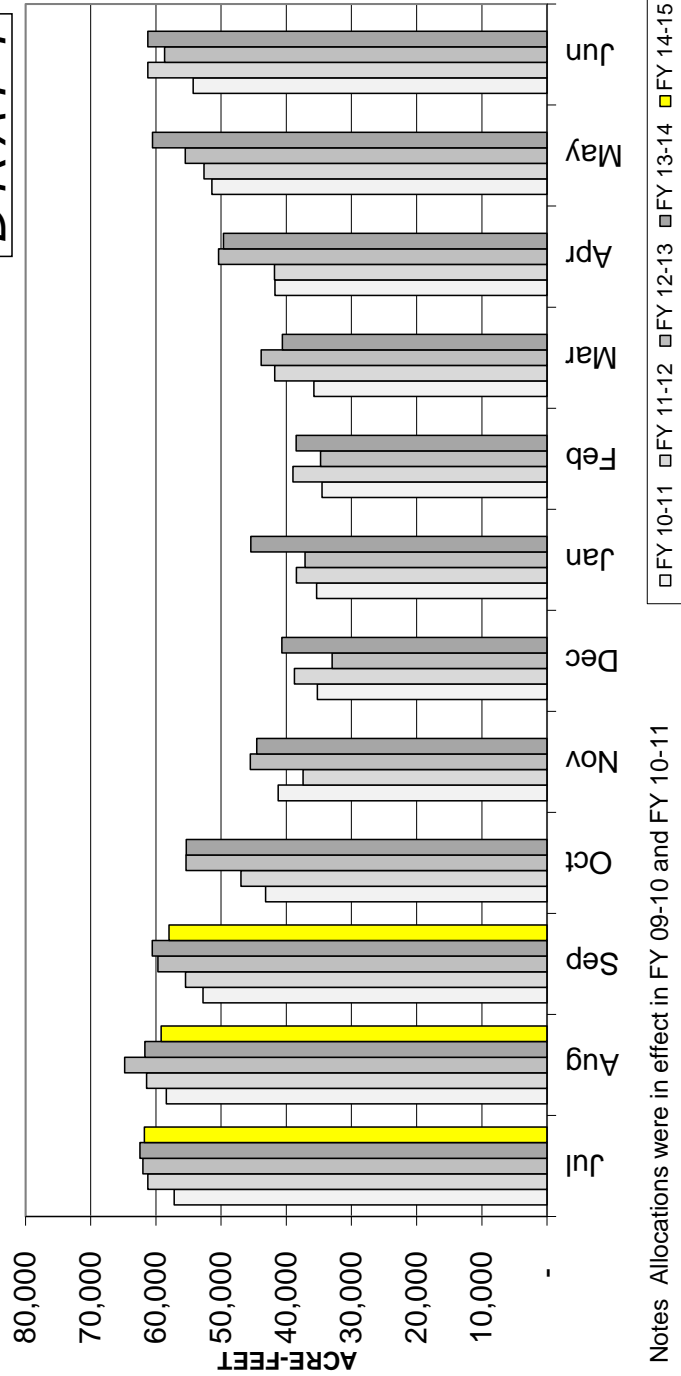
[2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.

[3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '13-14 is 70%.

[4] MWDOC's estimate of monthly demand is based on the projected FY 14-15 "Retail" water demand and historical monthly demand patterns.

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

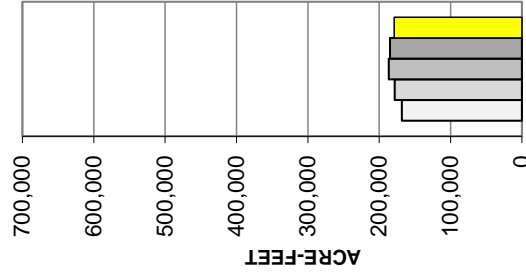
DRAFT

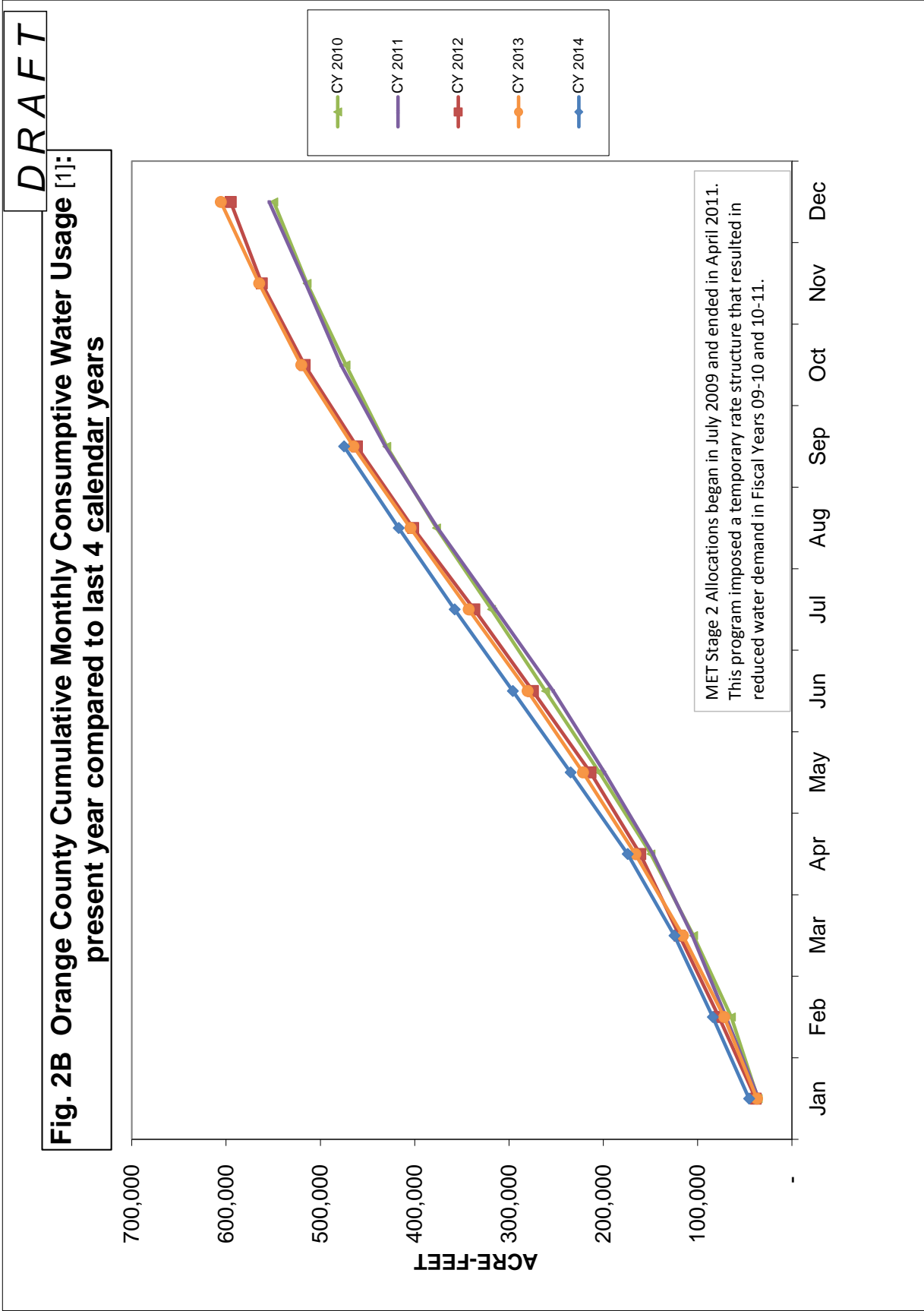


Notes: Allocations were in effect in FY 09-10 and FY 10-11

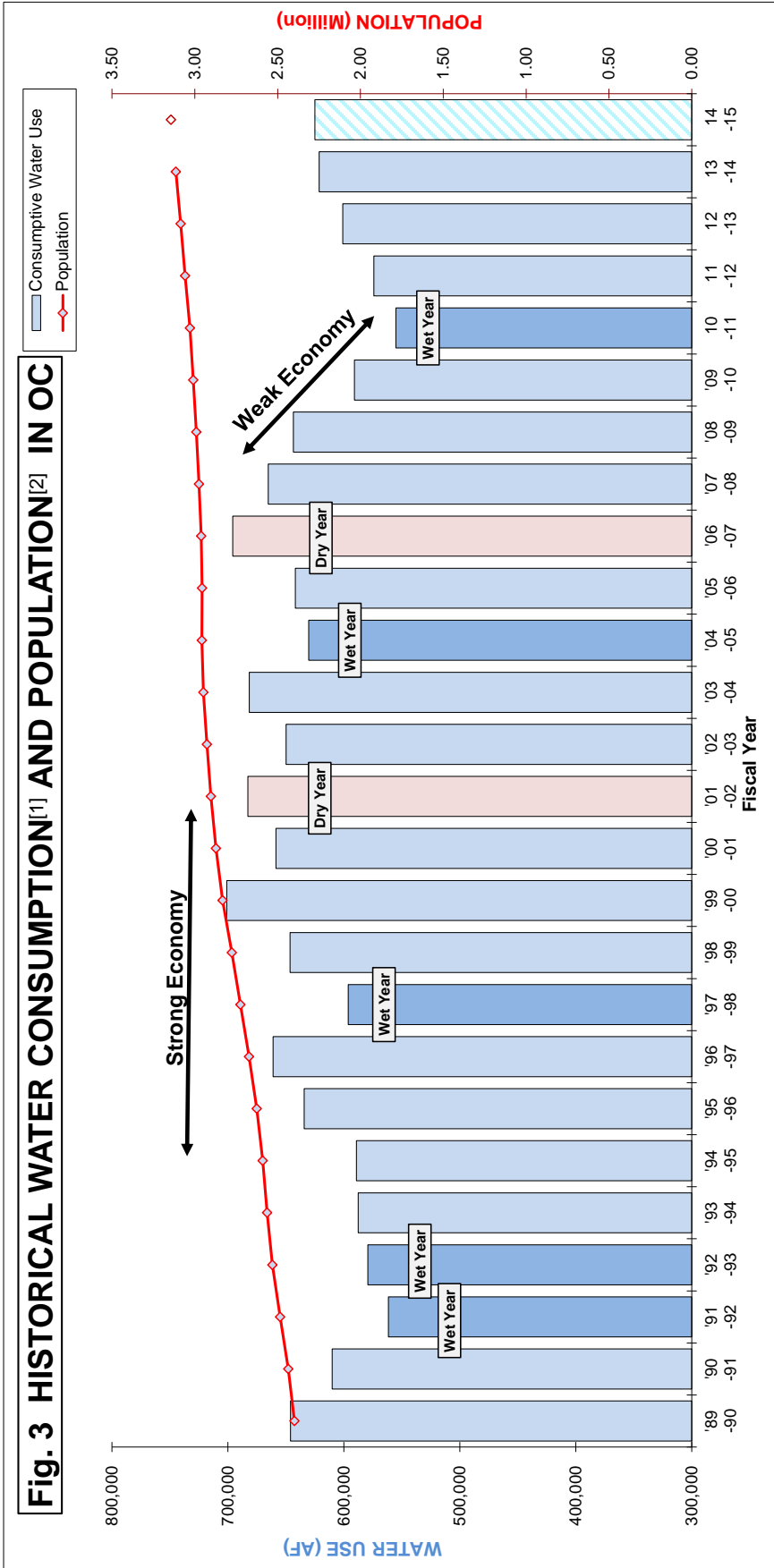
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment projects.) Recent months numbers include some estimation.

partial year
subtotals





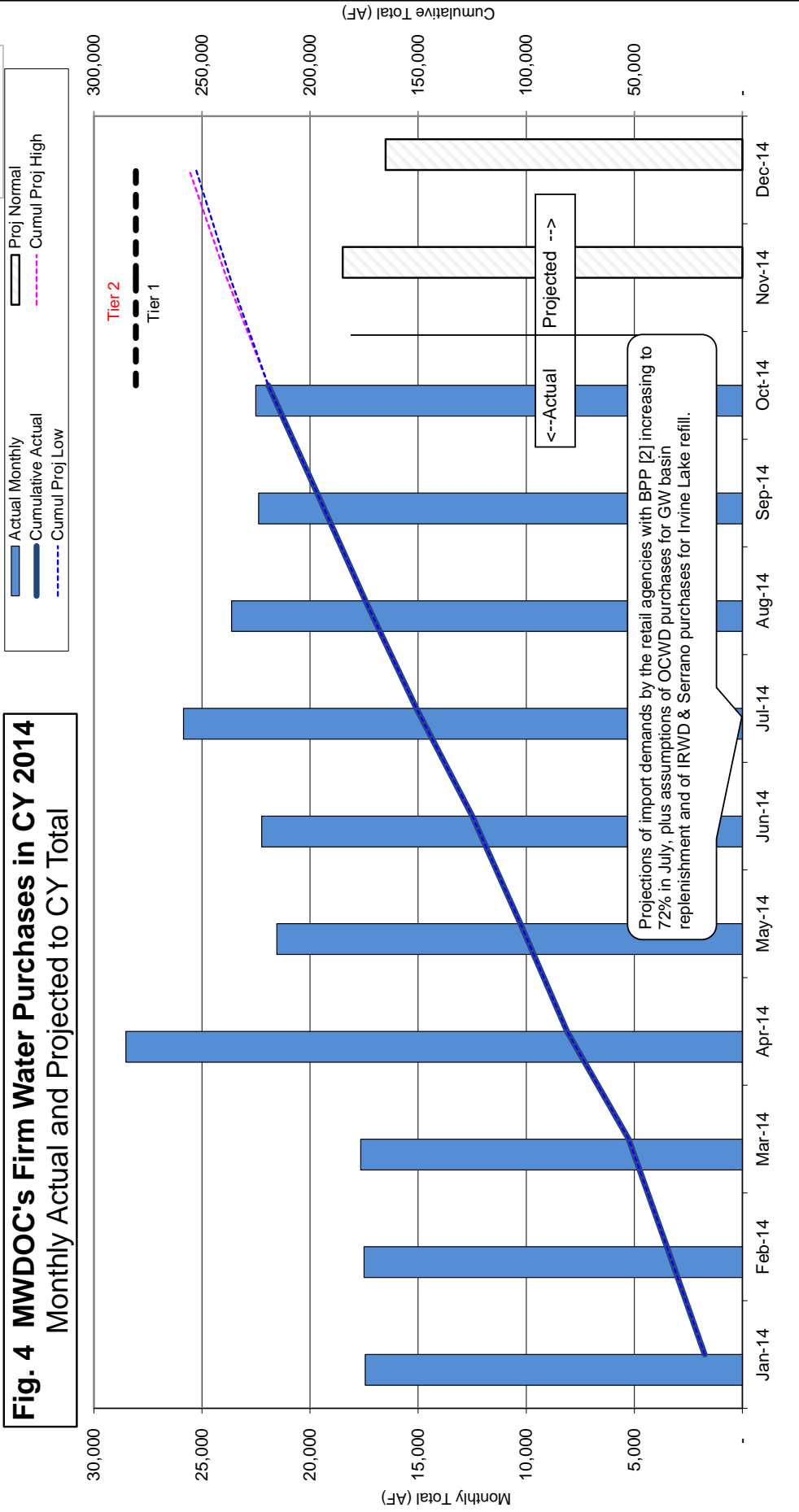
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production and waste brine from water quality pumping projects).



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

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.

Fig. 4 MWDOC's Firm Water Purchases in CY 2014
Monthly Actual and Projected to CY Total



Notes

1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.

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

Accumulated Precipitation

DRAFT

for the Oct.-Sep. water year, through October 2014

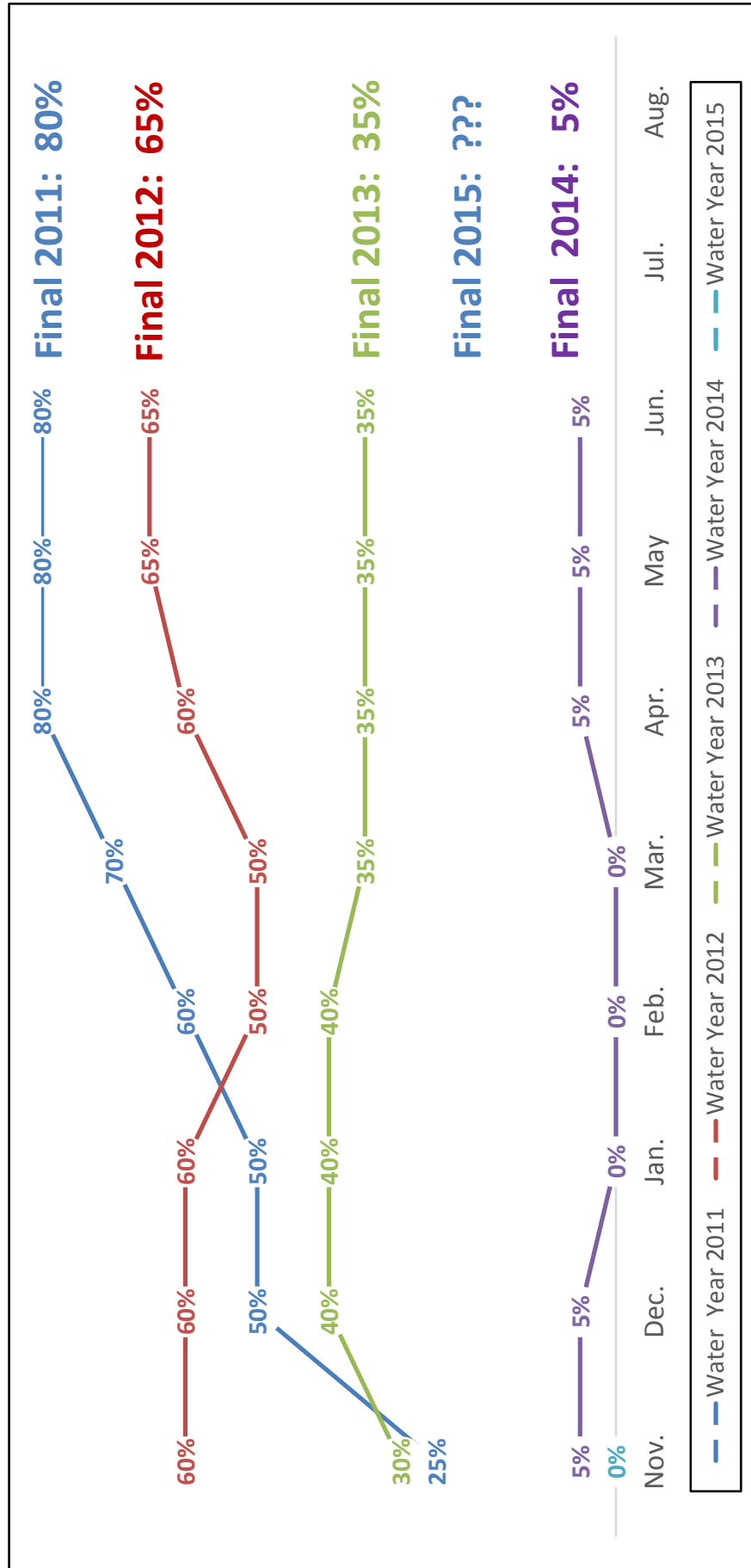


* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.



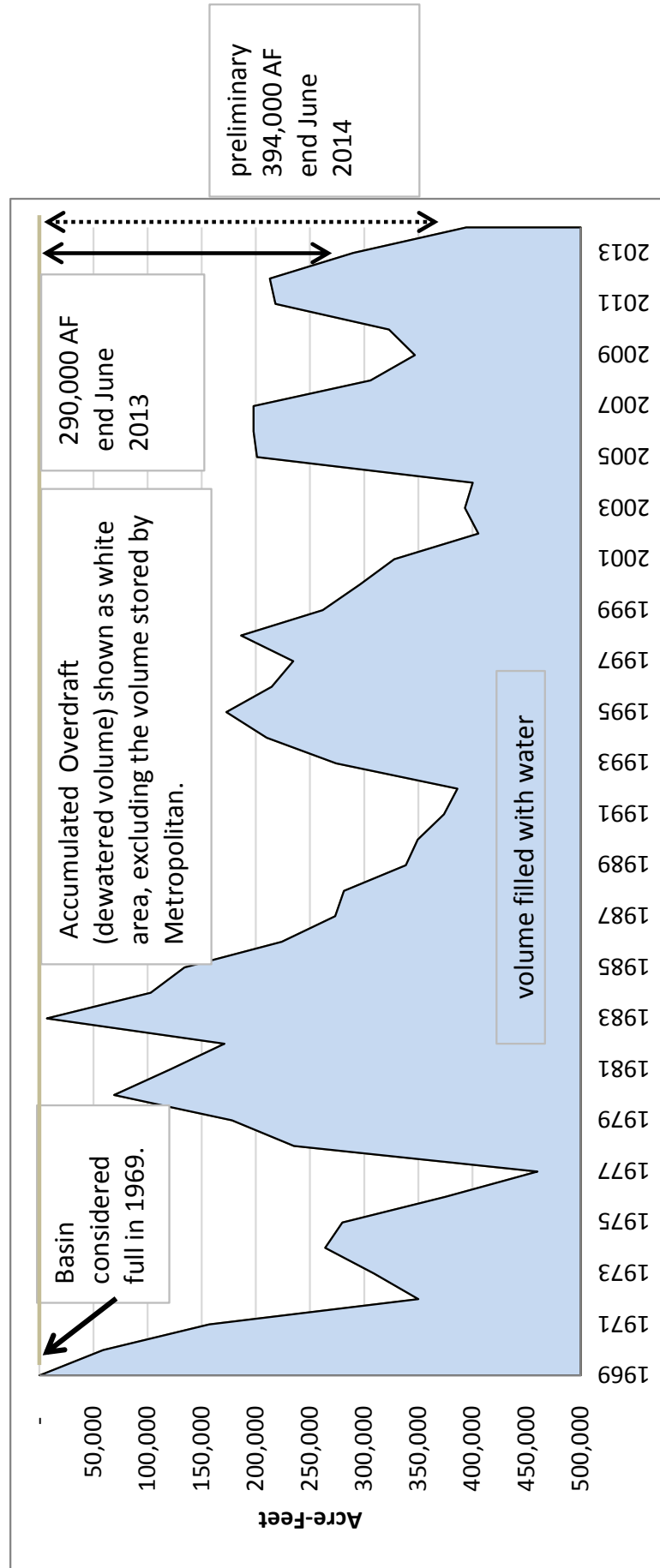
SWP Table A Allocation

for State Water Project Contractors



OCWD Basin Accumulated Overdraft

Annual, 1969 to present



values as of June 30th

source: OCWD

California, Colorado R., and MET Reservoir Storage

as of end of October 2014

Lake Oroville
0.94 Million AF
27% of Capacity
44% of Average

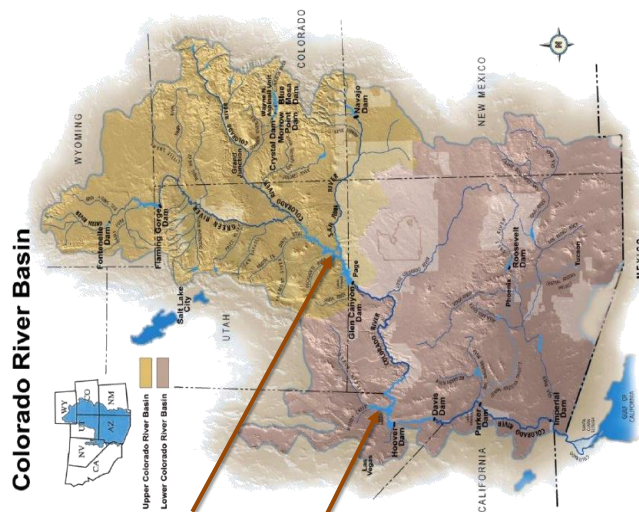
Lake Shasta
1.109 Million AF
24% of Capacity
41% of Average

Lake Powell
12.3 Million AF
51% of Capacity
69% of Average

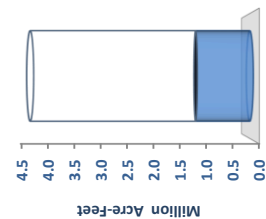
Lake Mead
10.2 Million AF
40% of Capacity
53% of Average

San Luis Res.
0.39 Million AF
19% of Capacity
36% of Average

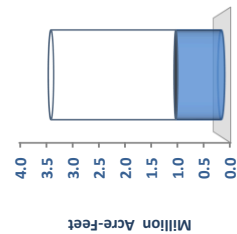
Diamond Valley Lake
0.39 Million AF
49% of Capacity



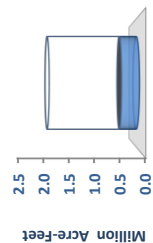
Lake Shasta



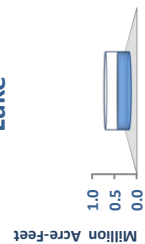
Lake Oroville



San Luis Resv.



Diamond Valley Lake



Lake Powell

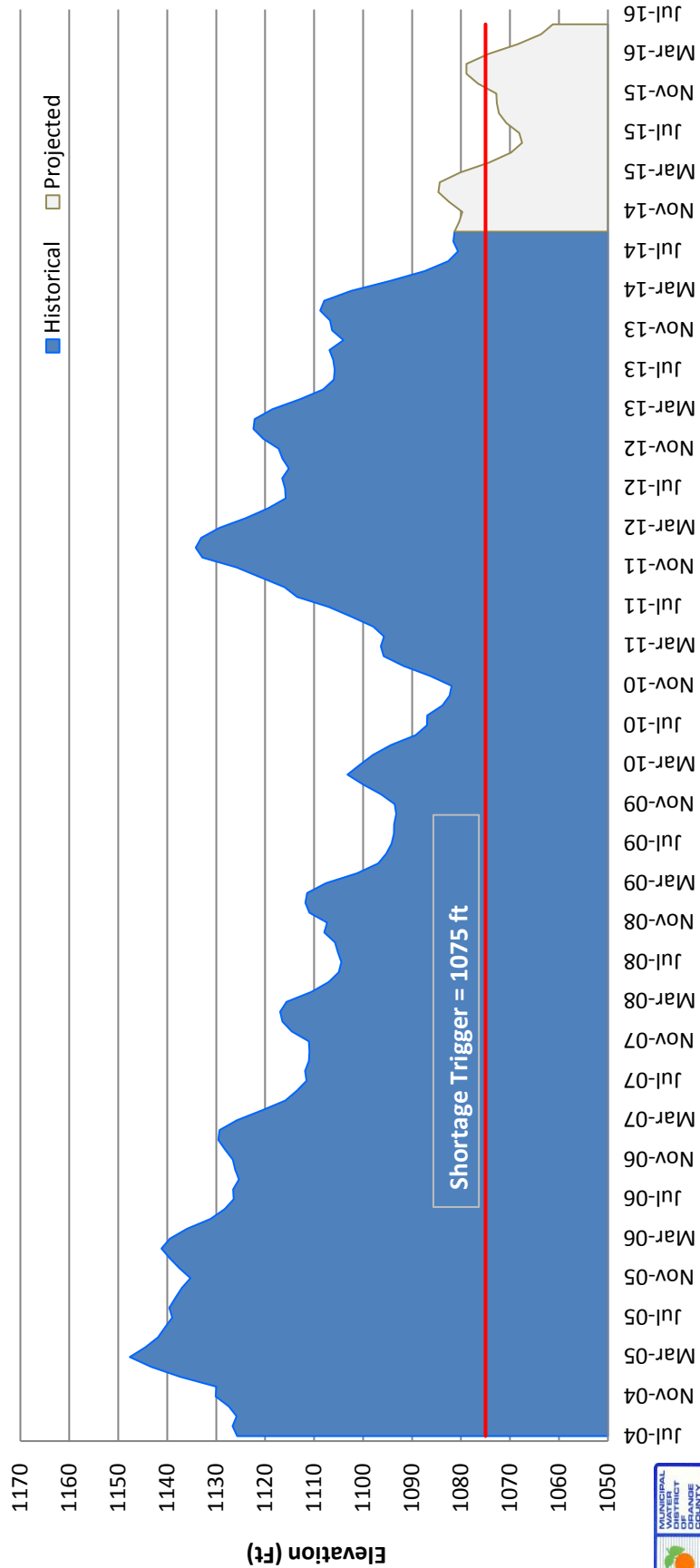


Lake Mead



Lake Mead Levels: Historical and Projected

projection per USBR 24-Month Study



**Administration Activities Report
October 3, 2014 to November 6, 2014**

Activity	Summary
Administration/Board	<ul style="list-style-type: none"> • Maribeth has been scheduling meetings for Rob Hunter and for various Ad Hoc Committees of the Board. • Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board, as well as research projects. • Maribeth has been assisting Hilary and Heather on Board related procedures, write-ups, etc. • Maribeth is working with legal counsel on amendments to the District's Conflict of Interest Code and Admin Code for the Board's review. • Maribeth responded to one Public Records Request • Maribeth has been compiling documents/packet for the new Director in Division 5, as well as compiling a handbook for Director McKenney • Maribeth has been working with Rob and Darcy on the logistics for the upcoming Elected Officials Forum • Pat has been scheduling meetings for Karl and Rob on the OC Water Reliability Study. • Pat is reviewing and cleaning-up lists in the District's Act database. • Pat is researching government rates for airline travel through the State of CA - Dept. of General Services. • Pat has been scheduling travel for Fall Conferences which included preparation of purchase requisitions and back-up. • Pat attended the October 1 Joint Workshop meeting and prepared minutes. • Pat has been registering attendees for the 11/6 Elected Officials' Forum.
MWDOC/OCWD Joint Administration	No activity this month.
Property/Liability/Workers Compensation Insurance	<ul style="list-style-type: none"> • Follow-up inquiries were made to Alliant regarding the general liability insurance program. A report is provided in the Committee packet.
Health Benefits	<ul style="list-style-type: none"> • Open enrollment has been completed for health benefits. • Open enrollment continues for the Flexible Benefits plan. Staff is evaluating use of the debit card. A last minute change by the IRS resulted in an increase to the election limit for the health account to \$2,550.
Records Management	<ul style="list-style-type: none"> • Sarah quality checked & archived historical Finance records (on-going) • Sarah ordered 2 boxes & 3 files from Iron Mountain for the Accounting department • Sarah assisted with meeting set ups, mail, and phone coverage due

	<p>to vacations</p> <ul style="list-style-type: none"> • Sarah purged 3 file drawers of Coastal Accounting files from the vault & 1 box of onsite records.
CalPERS	Staff is awaiting CalPERS valuation report.
Agency Inquiries	<ul style="list-style-type: none"> • No inquiries this month.
Recruitment /Departures	<ul style="list-style-type: none"> • Final recruitment efforts are underway for the Sr. Administrative Assistant and the Water Use Efficiency Program Assistant positions. Both applicants are anticipated to begin employment during the week of November 17.
Other	
Projects and Activities	<ul style="list-style-type: none"> • Administrative staff continues to assist the Water Use Efficiency Department with scanning and processing of turf rebate applications that are being received on a daily basis. • A staff Thanksgiving luncheon is planned for November 25th. • A review of the long term disability and life insurance policy renewals for 2015 continues to determine best pricing and coverage. • Cathy assisted in coordinating the General Manager's evaluation process. • Cathy participated in WEROC training on October 13, October 30th and November 5. • MWDOC staff participated in the "Great Shake Out" drill on October 16th. • Cathy and Katie have been reviewing Personnel Manual and making recommended changes for consideration. A draft will be presented to the Administration and Finance Committee for review with final approval to go to the Board in December. • Cathy has been working on development of a new performance evaluation format. It is anticipated this will be used for the mid-year reviews in January. • Cathy and Katie have been working on a draft RFP for the District's Compensation and Benefits Study to be completed this spring.



INFORMATION ITEM

November 12, 2014

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects and department activities that are in-progress or to be completed during FY 2014-15.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California report	100%	10/31/14	Completed
Implementation of WUE Landscape Programs Database for Member Agencies.	70%	6/30/15	In Progress
State Controller Report preparation	100%	10/31/14	Completed
Annual financial audit conducted by Vavrinek, Trine, Day & Company	90%	10/31/14	Audit partners reviewing financial report.
Preparation of Audited Financial Statement Report	100%	11/30/14	Awaiting any changes from audit firm.
Preparation of documents for FY15-16 budget process.	0%	6/30/15	Not Started

<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade MS Office 2013 for remain Desktop Computers	75%	3/31/2015	In Progress
Implement Web Security for District Network	30%	6/30/2015	In Progress
Program auto voice respond for "Turf Removal Program" for WUE Department	40%	12/31/2014	In Progress
Purchase and upgrade Network Attach Storage for Offsite Backup.	10%	3/31/2015	In Progress
Purchase and upgrade 5 Desktop Computers for Staff.	100%	12/31/2014	Completed
Purchase and upgrade 3 laptops for Staff.	30%	12/31/2014	In Progress
Purchase and upgrade portable Projector.	10%	6/30/2015	In Progress
Purchase and upgrade 4 Desktop Computers for WEROC NEOC (hardware and software).	10%	6/30/2015	In Progress
Purchase and implement SmartDraw software for Public Affairs Dept.	100%	12/31/2015	Completed
Implement and upgrade ACT software on a new Virtual Windows Server.	60%	6/30/2015	In Progress
Purchase and replace Projection Screen in Conference Room 102	100%	03/31/2014	Completed

FY 2014-15 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
Upgrade Serenic ERP Software from version 5 to version 7	100%	7/31/14	Completed
Research additional Investment options for Reserves	100%	8/31/14	Invested \$1,000,000 in four CD's; laddered terms. Approximate monthly gain of \$970.
Investment in OCIP	100%	8/15/2014	Invested \$3 million in OCIP from Retail Meter revenues. May need to transfer some back out in 6 months for operating expenses.
State Tax filing for Water Facilities	100%	9/30/14	Completed

Description	% of Completion	Completion date	Status
<u>Information Technology</u>			
Upgrade existing Windows Server Operating Systems from 2003 and 2008 versions to 2012 version (software upgrade).	100%	6/30/14	Completed
Purchase and upgrade District Record Management Database Server (hardware and software).	100%	6/30/14	Completed
Purchase and upgrade Finance database Server (hardware and software) to run new version of Serenic application (64-bit).	100%	6/30/14	Completed
Purchase and upgrade 4 Desktop Computers for WEROC SEOC (hardware and software).	100%	09/30/14	Completed
Purchase and upgrade 2 Network Printers.	100%	12/31/2014	Completed