

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
February 21, 2018, 8:30 a.m.

Teleconference Site:

Director Yoo Schneider will participate
via teleconference at the following location:
Hyatt Regency San Antonio Riverwalk
123 Losoya St, San Antonio, TX 78205

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

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

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

EMPLOYEE SERVICE AWARDS

NEXT RESOLUTION NO. 2063

CONSENT CALENDAR (Items 1 to 10)

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

1. MINUTES

- a. January 3, 2018 Workshop Board Meeting
- b. January 17, 2018 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: January 2, 2018
- b. Administration & Finance Committee Meeting: January 10, 2018
- c. Public Affairs & Legislation Committee Meeting: January 15, 2018
- d. Executive Committee Meeting: January 18, 2018
- e. MWDOC/OCWD Joint Planning Committee Meeting: January 24, 2018

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of January 31, 2018
- b. MWDOC Disbursement Registers (January/February)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of December 31, 2017
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the period ending December 31, 2018
- b. Quarterly Budget Report

Recommendation: Receive and file as presented.

5. 2017-18 CONSUMER CONFIDENCE REPORTS

Recommendation: Approve entering into a contract with Stetson Engineers for preparation of the Consumer Confidence Reports (CCR) for 2017-18.

6. GRANT TRACKING AND ACQUISITION SERVICES

Recommendation: Enter into a 3-year professional services contract with Soto Resources to provide grant tracking, writing (upon request) and acquisition. The award would be not to exceed \$20,000 in fiscal year 2017-18, and not to exceed \$36,000 in fiscal year 2018-19, and not to exceed \$36,000 in fiscal year 2019-20. Total authorization of this contract is \$92,000 over three years.

7. TECHNICAL ASSISTANCE FOR THE DEVELOPMENT OF A WATER LOSS CONTROL SHARED SERVICES BUSINESS PLAN

Recommendation: Authorize the General Manager to enter into a Professional Services Agreement with Water Systems Optimization, Inc. to develop a Water Loss Control Shared Services Business Plan.

8. ORANGE COUNTY RELIABILITY STUDY UPDATE BUDGET AUGMENTATION TO CDM SMITH

Recommendation: Approve a budget augmentation to CDM Smith in the amount of \$36,372 to complete the Water Reliability Study 2018 Update. Furthermore, staff recommends an additional contingency amount be included in the amount of \$8,000 for additional time, if required, for workshops, additional model runs, or meetings with agencies or groups of agencies beyond what has been estimated.

9. TRAVEL TO WASHINGTON, DC TO COVER FEDERAL ADVOCACY INITIATIVES

Recommendation: Receive and file the report.

10. TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

Recommendation: Receive and file report.

– End Consent Calendar –

ACTION ITEMS**11-1 PARS POST-EMPLOYMENT BENEFITS TRUST PROGRAM RES. NO. ____**

Recommendation: Adopt the Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the General Manager as the District's Plan Administrator, and authorizing the General Manager to execute the documents to implement the Program.

11-2 ADOPT LEGISLATIVE POSITIONS

- a. AB 1876 (Frazier) - Sacramento-San Joaquin Delta: Delta Stewardship Council
- b. AB 2050 (Caballero) - Small System Water Authority Act of 2018
- c. SB 998 (Dodd) - Water Shutoffs: Urban and Community Water Systems

Recommendation: Adopt an oppose position on AB 1876 (Frazier) and join the Metropolitan Water District of Southern California's (MET) coalition letter in opposition; adopt a support position on AB 2050 (Caballero); and adopt an oppose unless amended position on SB 998 (Dodd).

11-3 BOARD RESOLUTIONS HONORING CONGRESSMAN ED ROYCE AND CONGRESSMAN DARRELL ISSA RES. NOS. ____ & ____

Recommendation: Approve recognizing Congressman Ed Royce and Congressman Darrell Issa with honorary resolutions and direct staff to prepare the resolutions for presentation at the upcoming Washington D.C. luncheon.

11-4 ACWA DC CONFERENCE – FEBRUARY 27-MARCH 1, 2018

Recommendation: Approve an additional attendee (staff) to the ACWA DC Conference.

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

12. GENERAL MANAGER'S REPORT, FEBRUARY 2018 (ORAL AND WRITTEN)

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

13. MWDOC GENERAL INFORMATION ITEMS

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

Recommendation: Receive and file as presented.

ADJOURNMENT

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

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

January 3, 2018

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

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Wayne Osborne
Megan Yoo Schneider
Sat Tamaribuchi
Jeffery M. Thomas (absent)

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Melissa Baum-Haley, Sr. Water Resource Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Damon Micalizzi, Dir. Of Public Affairs
Chris Lingad, Water Resources Analyst
Heather Baez, Government Affairs Manager

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman (absent)

OTHERS PRESENT

Mark Monin
Jose Vergara
Fred Adjarian
Doug Reinhart
Peer Swan
Paul Weghorst
John Kennedy
Bill Green
Andy Brunhart
Brooke Jones
Al Nederhood
Marc Marcantonio
Liz Mendelson-Goossens
Brenda Erickson

El Toro Water District
El Toro Water District
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Orange County Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Yorba Linda Water District
San Diego County Water Authority

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

No items were presented.

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

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

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

ACTION ITEMS

**STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2018;
SCHEDULE OF COMMITTEE MEETING DATES FOR 2018**

President Barbre announced that proposed appointments to Standing Committee and Ad Hoc Committees, as well as the schedule of Committee meeting dates for 2018 were before the Board for consideration. Mr. Barbre noted that due to a typo on the dates, a revised sheet with meeting dates was distributed to the Board and made available to the public.

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (6-0), the Board (1) ratified the list of Standing Committee and Ad Hoc Committee appointments as presented by the President of the Board; and (2) ratified Committee meeting dates/times for 2018. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, and Tamaribuchi voted in favor; Director Thomas was absent.

ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2018

President Barbre announced that the proposed appointments to the Associations and Commissions for 2018 were before the Board for consideration.

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (6-0), the Board ratified the appointment of Representatives and Alternates to Associations, as recommended by the President of the Board; and adopted RESOLUTION NO. 2062 approving the appointment of Satoru Tamaribuchi as Representative, Jeffery Thomas as First Alternate, and Karl Seckel as Second Alternate to the Santiago Aqueduct Commission (SAC), for submission to SAC. Said RESOLUTION NO. 2062 was adopted by the following roll call vote:

AYES: Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, & Tamaribuchi
NOES: None
ABSENT: Director Thomas
ABSTAIN: None

PRESENTATION/DISCUSSION/INFORMATION ITEMS

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Director Barbre highlighted the MET Finance & Insurance Committee activities noting that the two-year budget process will begin in January and that preliminary reports indicate a modest rate increase (approximately 3%).

Director Dick highlighted the MET Engineering & Operations Committee activities, noting that MET is in the process of re-roofing the Eagle Rock structures.

Director McKenney advised that he had no new information to add, as Directors Barbre and Dick highlighted the key issues happening at MET.

METROPOLITAN'S PROPOSED BIENNIAL BUDGET SCHEDULE FOR FISCAL YEARS 2018/19 AND 2019/20

Associate General Manager, Harvey De La Torre, advised that MET has begun their two-year budget process, which covers fiscal years 2018/19 and 2019/20, and is set to adopt both budgets (as well as the corresponding rates and charges) in late spring. Mr. De La Torre then reviewed the budget and rates, and objectives, MET's financial policies, the key budget drivers, and the schedule for reviewing and adopting the budget and rates. It was noted that staff has invited Mr. Gary Breau (MET Chief Financial Officer) to attend the March 7, 2018 Workshop Board meeting to present the draft biennial budget.

Following discussion regarding MET's PAYGO fund, the Board received and filed the report.

WATER SUPPLY CONDITIONS UPDATE

Water Resources Analyst Kevin Hostert provided an update on the Water Supply Conditions as of December 2017, noting that precipitation levels are below average. His presentation also included information regarding Colorado River supplies, MET storage levels, Orange County conditions, accumulated precipitation throughout the state, and the current Table "A" State Water Project allocation of 15%.

The Board received and filed the report.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues

- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

Following The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

Following discussion regarding MET's Prestressed Concrete Cylinder Pipes Rehabilitation Program (PCCP), as well as the status of equalization on the Colorado River -- adding additional water to Lake Mead, (staff was asked to notify the Board as to the status), the Board received and filed the report as presented.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:23 a.m.

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
January 17, 2018**

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

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick (absent)
Joan Finnegan (absent)
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Melissa Baum-Haley, Sr. Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Efficiency
Kelly Hubbard, WEROC Programs Manager

ALSO PRESENT

Larry McKenney
Linda Ackerman
Jim Atkinson
Jim Fisler
John Kennedy
Dennis Erdman
Rick Erkeneff
Al Nederhood
Brooke Jones

MWDOC/MET Director
MWDOC/MET Director
Mesa Water
Mesa Water
Orange County Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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

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

No items were distributed.

EMPLOYEE SERVICE AWARDS

President Barbre provided a service award to Melissa Baum-Haley for five-years of service to the District.

President Barbre also acknowledged Director Osborne for his two-year service as President of the Board, with a gift and letter from the Board.

CONSENT CALENDAR

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

Upon MOTION by Director Tamaribuchi, seconded by Director Thomas, and carried (5-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Osborne, Yoo Schneider, Thomas, and Tamaribuchi all voted in favor.

MINUTES

The following minutes were approved.

December 6, 2017 Workshop Board Meeting
December 20, 2017 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: December 4, 2017
Administration & Finance Committee Meeting: December 13, 2017
Public Affairs & Legislation Committee Meeting: December 18, 2017
Executive Committee Meeting: December 21, 2017

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of December 31, 2017
MWDOC Disbursement Registers (December/January)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of November 30, 2017

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending November 30, 2017

ACWA DC CONFERENCE – FEBRUARY 27-MARCH 1, 2018

The Board approved an additional attendee (Board) to the ACWA DC Conference.

END CONSENT CALENDAR

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JANUARY 2018

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

General Manager Hunter highlighted the upcoming budget process and the Elected Officials Forum to be held April 5, 2018 at 6:00 pm.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

a. BOARD OF DIRECTORS

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

Director Yoo Schneider reported on her attendance at the following meetings: the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the Workshop Board and Regular Board meetings, a meeting with Director Thomas, and a meeting with staff. She advised she would be attending the Laguna Woods City Council meeting later in the day.

Director Thomas advised that he attended the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Board meeting, the OC Water Summit planning meeting, and a meeting with Director Yoo Schneider.

Director Tamaribuchi noted he attended all regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings), as well as the Workshop and Regular Board meetings, the WACO meeting and the OCBC Infrastructure Committee meeting

Director Osborne noted his attendance at the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the Workshop and Regular Board meetings, and the WACO meeting.

Director Barbre reported on attending the following meetings: the Planning & Operations, Public Affairs & Legislation, and Executive Committee meetings, a meeting with Gary Breaux, a meeting with La Habra Mayor Shaw, the MET Board and Committee meetings, the La Habra City Council meeting, a legislative trip to Washington, DC, a meeting with Brad Hiltcher, and a meeting with Brenda Burman.

Although Director Dick was absent from the meeting, he submitted a written report on meetings attended. These meetings were: the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the Workshop Board meeting, the MET Caucus, the WACO Planning and WACO meetings, the MET Board and Committee meetings, the Urban Water Institute planning meetings, and the Garden Grove Chamber of Commerce Legislative meeting.

B. REQUESTS FOR FUTURE AGENDA TOPICS

No new items were requested.

ADJOURNMENT

There being no further business to come before the Board, President Barbre adjourned the meeting at 8:40 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS COMMITTEE
January 2, 2018 – 8:30 am to 9:40 am
MWDOC Conference Room 101

P&O Committee:

Director Larry Dick
Director Sat Tamaribuchi (absent)
Director Yoo Schneider

Staff:

Rob Hunter, Karl Seckel, Harvey De La Torre,
Katie Davanaugh, Matt Conway, Chris Lingad,
Charles Busslinger, Kevin Hostert,
Francisco Soto

Also Present:

Director Wayne Osborne
Director Brett Barbre
Director Joan Finnegan
Larry McKenney, MWDOC MET Director
Steve LaMar, Irvine Ranch Water District
Paul Weghorst, Irvine Ranch Water District
John Kennedy, Orange County Water District
Adam Hutchinson, Irvine Ranch Water District
Mike Markus, Irvine Ranch Water District
Doug Reinhart, Irvine Ranch Water District

Director Dick called the meeting to order at 8:30 a.m. In the absence of Director Tamaribuchi, Director Barbre sat on the Committee.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

Director Dick congratulated Director Barbre on his appointment as the 2018 MWDOC Board President and Director Finnegan as Vice President.

DISCUSSION ITEM

**RELIABILITY STUDY STATUS UPDATE AND DRAFT REVIEW OF SYSTEM
(EMERGENCY) RELIABILITY WORKING ANALYSIS FOR SOUTH ORANGE
COUNTY (SOC)**

Mr. Seckel provided a comprehensive update of the Emergency Water System Reliability to South Orange County, as outlined in the staff report, which included an overview of supply and system reliability, emergency gap analysis with a review of potential earthquake locations, assumption modeling data, as well as variable recovery needs for south county agencies. Additionally, Mr. Seckel noted that some potential projects being evaluated for **supply** reliability may not necessarily be available during emergency situations. A couple of the potential projects include groundwater, the Poseidon Project, Doheny Desalination and South Orange County interconnection expansion, among others. Also reviewed was the basis of cost estimates which reflect a host of different assumptions. It was noted that all costs should be considered conceptual at this time. Next steps include continued dialogue with member agencies and others implicated, continue participation in emergency and other storage discussions with orange County Water District and south Orange County agencies, continued work with the supply reliability update. An updated report will be provided to the Board in spring 2018.

STATUS OF ORANGE COUNTY'S CYCLIC IN-LIEU PROGRAM

It was noted that this program was implemented to replenish local groundwater storage that was depleted during the recent drought to optimize the storage of excess supplies available to Metropolitan Water District and the program has been successful through November 2017. Due to extremely dry weather through December 2017, Metropolitan Water District has suspended the program. It is anticipated that the program will be discontinued if January delivers a below average snow and rainfall.

STATUS REPORTS

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

The informational reports were received and filed.

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:40 a.m.

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

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

January 13, 2018 – 8:30 a.m. to 8:47 a.m.

MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan
Director Larry Dick

Staff:

Robert Hunter, Hilary Chumpitazi, Karl Seckel,
Cathy Harris, Katie Davanaugh, Damon Micalizzi,
Joe Berg, Harvey DeLaTorre

Also Present:

Director Wayne Osborne
Director Sat Tamaribuchi
Director Megan Yoo Schneider
Marwan Shalifa, Mesa Water District
MWDOC MET Director Linda Ackerman

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

PUBLIC COMMENTS

Director Thomas noted the devastation in Montecito, CA, due to recent rain storm and the resulting mud slides. It was noted that MWDOC has been engaged in attempting relief efforts in setting up water trailers, but mud slides have made accessibility nearly impossible at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

It was noted that the PARS statement was made available in paper form, although it was posted to the website well in advance of 72 hours prior to the meeting.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – December 2017
- b. Disbursement Approval Report for the month of January 2018
- c. Disbursement Ratification Report for the month of December 2017
- d. GM Approved Disbursement Report for the month of December 2017
- e. Water Use Efficiency Projects Cash Flow – December 31, 2017
- f. Consolidated Summary of Cash and Investment – November 2017
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the Treasurer's Report for approval at the January 17, 2018

Board meeting. Directors Thomas, Finnegan and Dick all voted in favor.

FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period ending November, 2017

Upon MOTION by Director Finnegan, seconded by Director Thomas and carried (3-0), the Committee recommended the Financial Report for approval at the January 17, 2018 Board meeting. Directors Thomas, Finnegan and Dick all voted in favor.

ACTION ITEMS

ACWA DC CONFERENCE – FEBRUARY 27-March 1, 2018

Mr. Hunter reported that this item has been brought to the Committee because only two Directors were previously budgeted and it appears that three would like to attend.

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the attendance at the ACWA DC Conference for approval at the January 17, 2018 Board meeting. Directors Thomas, Finnegan and Dick all voted in favor.

It was noted that the conference is anticipated to be well attended.

DISCUSSION ITEM

FY 2018-19 BUDGET

Mr. Hunter noted that the Orange County Water District did respond to MWDOC's budget notification letter that was provided to member agencies in November, requesting input into the upcoming budget process. Discussions will continue with member agencies throughout the budget process.

INFORMATION ITEMS

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

The reports were received and filed.

OTHER ITEMS

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

Mr. Hunter reported that accounting staff will be sending out 1099s for individuals that participated in landscape rebate programs in 2017.

Mrs. Chumpitazi reported that the District will be soliciting an RFP for banking services, due to the recent increase in banking fees.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 8:47 a.m.

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

Jointly with the
PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

January 15, 2018 - 8:30 a.m. to 9:45 a.m.

MWDOC Conference Room 101

Committee:

Director Dick, Chairman
Director Jeff Thomas
Director Sat Tamaribuchi

Staff:

Robert Hunter, Karl Seckel,
Pat Meszaros, Harvey De La Torre,
Director Megan Yoo Schneider,
Damon Micalizzi, Melissa Baum-Haley,
Joe Berg, Bryce Roberto, Kevin Hostert,
Heather Baez, Tiffany Baca, Bryce Roberto

Also Present:

Wayne Osborne, MWDOC Director
Megan Yoo Schneider, MWDOC Director
Larry McKenney, MWDOC MET Director
Linda Ackerman, MWDOC MET Director
Dick Ackerman, Ackerman Consulting
Steve Lamar, Irvine Ranch Water District
Syrus Devers, BBK
John Lewis, Lewis Consulting
Sherri Seitz, ETWD
Tony Solorzano, Discovery Cube
Kevin Perkins, HashtagPinpoint Corp.
Liz Mendelson-Goossen, San Diego County

Water Authority

Chairman Dick called the meeting to order at 8:30 a.m.

PUBLIC PARTICIPATION

No items were presented.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

DISCUSSION ITEMS**LEGISLATIVE ACTIVITIES****a. Federal Legislative Report (Barker)**

Mr. James Barker joined the meeting via teleconference and reported that passage of the Appropriations bills for FY2018 is number one on the agenda for Congress as the current funding authority expires on Friday, January 19, 2018. The main issue is that Republicans want to allocate more spending on defense and Democrats want to spend more on social issues. Mr. Barker discussed the additional issue, the Dreamers Issue, and the ongoing bipartisan efforts to fashion a permanent solution. The sticking point has been the desire by the Administration to receive some funding for a border wall in exchange for resolution for the Dreamers.

There was then discussion that WIFIA funding may be sought for the WaterFix project costs. If current WIFIA would not permit, there might be exploration done to amend the WIFIA law.

Mr. Barker stated that the Trump Administration intends to release more of its Infrastructure program soon (February) and it is unclear if "water infrastructure" will be included. One of the intricate parts of that plan will include WIFIA.

b. State Legislative Report (BBK)

Mr. Syrus Devers discussed the allegations of misconduct against Senator Tony Mendoza who is under pressure to resign. Senator Mendoza has refused asserting his innocence, however, he did agree under protest to take a leave for a month. The Democrats will have lost their supermajorities in both houses during Mendoza's absence.

Mr. Devers reported that there has been no change to the status of the two conservation bills, AB 1668/SB 606 (Friedman/Hertzberg/Skinner, and no amendments have been made public since the last PAL Committee meeting. A set of amendments was delivered to the authors the week before Christmas but as yet there has been no response from either office.

Lastly, Mr. Devers stated that Governor Brown will unveil his final budget on January 10, followed by his last State of the State address on January 25. He will provide budget highlights at next month's PAL Committee meeting.

c. County Legislative Report (Lewis)

Mr. Lewis reviewed the written Orange County report.

d. Legal and Regulatory Report (Ackerman)

The report was received and filed.

**SOUTHERN CALIFORNIA WATER ISSUES CONGRESSIONAL DELEGATION
BRIEFING LUNCHEON (DC)**

Director Barbre stated that the luncheon will be held again this year in the Gold Room in the Rayburn House Office Building on Wednesday, February 28, at noon. Ms. Baez reported that the invitations were hand delivered to all Congressional offices on January 11, 2018 and follow up calls have been placed to encourage attendance.

**CENTRAL BASIN MUNICIPAL WATER DISTRICT LEGISLATIVE
PROPOSAL ON METROPOLITAN BOARD GOVERNANCE**

Director Barbre stated that the purpose of this item is for the MWDOC Board to discuss CBMWD's alternative and optional methodology for appointing directors at MWD.

UPDATE ON 2018 OC WATER SUMMIT (JUNE 1, 2018)

The report was received and filed.

MWDOC.COM LAUNCH AND SOCIAL MEDIA UPDATE

Directors Yoo Schneider and Dick expressed their desire to receive an abbreviated report focusing on post metrics and engagement. Mr. Micalizzi stated that staff and the consultant will be happy to provide an abbreviated version in future.

EDUCATION PROGRAM UPDATE

The Board had a rather robust discussion on the school program with Director Barbre noting the low numbers for high school bookings. Ms. Baca assured the Board that high schools will start populating the calendar January-February. Mr. Leach noted that SMWD struggles with low high school classroom time as well and that it comes at a premium.

Director Tamaribuchi noted that he attended a high school class in El Toro Water District's service area and it was incredible. They brought a "roving scientist" in to moderate the discussion. It was a very impressive lesson as they even had a vote on the CA WaterFix.

Director Yoo Schneider clarified that the high school program involves two school visits and an expo. She noted that she was a little confused by the elementary graph and Mr. Solarzano clarified that the student targets are the actual number of students.

Discussion ensued on retaining intellectual properties with regard to the robust social media program promised by The Ecology Center and the promise of a social media program by Inside the Outdoors. The Board would like a full report on this at next month's PAL Committee meeting. Director Dick noted that as stewards of the public's trust, we must assure that we're getting what we pay for and that we don't lock ourselves in to proprietary ownership.

PUBLIC AFFAIRS ACTIVITIES REPORT

The report was received and filed.

OTHER ITEMS

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:45 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
January 18, 2018, 8:30 a.m. to 9:30 a.m.
Conference Room 102

Committee:

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

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Tamaribuchi
Director Yoo Schneider (via teleconference)

At 8:30 a.m., President Barbre called the meeting to order. Director Yoo Schneider attended the meeting via teleconference. All Brown Act posting requirements were complied with.

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

At the beginning of the meeting, Staff distributed the draft agendas for the upcoming month.

EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS

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

a. MWDOC/OCWD Joint Planning Committee

No new items were added to the agenda, however discussion was held regarding the Strand Ranch project and it was recommended that the Ad Hoc Committee on Basin Member Agency Relations meet with representatives from IRWD.

b. Planning & Operations Committee meeting

No new items were added to the agenda.

c. Workshop Board meeting

Discussion was held regarding whether to view MET's Year-In Review video and it was suggested staff confer with Director Dick to seek his approval. Noting a request from Central Basin Municipal Water District (CBMWD), the Committee added a presentation by CBMWD regarding their legislative proposal on MET Board Governance.

It was noted that Gary Breaux would be invited to the March meeting to present MET's two-year biennial budget and rates.

d. Administration & Finance Committee

No new items were added to the agenda.

e. Public Affairs & Legislation Committee

No new items were added to the agenda, however the Committee referenced the website and social media analytics and requested an Executive Summary or more clear explanation of the analytics be presented in the future.

f. Executive Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

Mr. Hunter advised that he would be meeting with the Grand Jury on January 23rd.

Director Tamaribuchi referenced his idea to hold a "career/job fair" (one-day event) in the upcoming year. He suggested MWDOC potentially partner with UCI and invite local college students (including junior colleges) and highlight various careers in the water industry. The Committee was supportive of the idea and suggested the cost be addressed during the budget process and the event itself be discussed by the Public Affairs & Legislation Committee.

It was noted that the Board would hold a Special meeting on February 10th (at the Westin, South Coast Plaza) to conduct the General Manager's performance evaluation.

President Barbre noted that Director Dick has an interest in serving on ACWA's Agriculture Committee; the Committee concurred with his participation.

MEMBER AGENCY RELATIONS

No new information was presented.

GENERAL MANAGER'S REPORTS

Mr. Hunter advised that he would be on vacation January 29 through February 6; the Committee suggested he email the Board this information.

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

The Committee reviewed and approved late business expense reports from Jeannie Bui and Tiffany Baca.

General Manager Hunter provided an update on vacancies in the Public Affairs Department.

A brief discussion regarding the Ad Hoc Committee on Desalination activities; it was noted that another meeting would be scheduled.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:30 a.m.

MEETING REPORT

JOINT PLANNING COMMITTEE WITH BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY and
ORANGE COUNTY WATER DISTRICT
January 24, 2018 - 8:30 a.m. – 9:47 a.m.
MWDOC Conference Room 101

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan C. Finnegan
Wayne Osborne
Megan Yoo Schneider
Satoru Tamaribuchi
Jeffery M. Thomas (absent)

OCWD DIRECTORS

Cathy Green
Phil Anthony (absent)
Roger Yoh (absent)
Dina Nguyen (absent)
Denis Bilodeau (absent)
Shawn Dewane (absent)
Vicente Sarmiento (absent)
James Vanderbilt (absent)
Bruce Whitaker (absent)
Steve Sheldon (absent)

MWDOC STAFF

Rob Hunter
Karl Seckel
Maribeth Goldsby
Harvey De La Torre
Melissa Baum-Haley
Damon Micalizzi
Kevin Hostert
Chris Lingad
Joe Berg

OCWD STAFF

Mike Markus
John Kennedy

ALSO PRESENT

Linda Ackerman
Peer Swan
Paul Weghorst
Paul Shoenberger
Don Froelich
Al Nederhood
Brooke Jones
Liz Mendelson-Goossens

MWDOC MET Director
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Moulton Niguel Water District
Yorba Linda Water District
Yorba Linda Water District
San Diego County Water Authority

MWDOC Director Barbre chaired the meeting.

PUBLIC COMMENTS

Director Al Nederhood (Yorba Linda Water District) referenced Moulton Niguel Water District's request to OCWD to store water in the basin, cautioning OCWD that because MNWD is not an OCWD member agency the issue could have serious ramifications. OCWD General Manager Mike Markus advised that the issue would be discussed at

OCWD's next Water Issues Committee meeting and an update would be provided at the next MWDOC/OCWD Joint Planning Committee meeting.

UPDATE ON CALIFORNIA WATERFIX ACTIVITIES

MWDOC Associate General Manager Harvey De La Torre provided an update on the California WaterFix advising that negotiations have turned towards a staged approach involving the construction of one tunnel to begin the process, and eventually phasing in the second tunnel. Discussion ensued regarding the water volume change (from 9,000 cfs to 6-7,000 cfs), the cost difference between the one and two tunnel approaches, and the potential dry-year yield. The Committee received and filed the report.

STATUS OF IMPORTED WATER SUPPLIES

MWDOC Water Resources Analyst Kevin Hostert provided an overview of MET's current storage levels, Northern California accumulated precipitation and snow pack levels (which are below average), as well as the Table "A" Allocation currently set at 15%.

The Committee received and filed the report.

UPDATE ON LRP FUNDING FOR GWRS

It was reported that the GWRS project has received approximately \$74.5 million in MET's LRP funding within the last ten years, representing approximately \$8.4 million per year.

The Committee received and filed the report.

UPDATE ON OCWD IMPORTED WATER PURCHASES

- a. Untreated**
- b. In-Lieu**

OCWD Executive Director of Engineering and Water Resources John Kennedy updated the Committee on OCWD imported water purchases, advising that through December 2017 OCWD received 65,000 acre-feet of In-Lieu water, and 42,737 acre-feet of untreated water (noting that OCWD budgeted to purchase 65,000 acre-feet of untreated water by the end of its fiscal year) to recharge the basin. Discussion ensued regarding the basin's projected accumulated overdraft (240,000 acre-feet) and how it may impact the integrity of the basin, with Mr. Kennedy advising that short-term overdrafts (1-3 years) have little impact on the basin.

The Committee received and filed the report.

CAPTURED SANTA ANA RIVER STORM FLOWS

No new information was presented.

**SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROJECT
(SARCCUP) UPDATE**

Mr. Adam Hutchinson (OCWD) provided information on the SARCCUP, noting that the Prop 84 grant provided \$100,000 toward the project. He reviewed the elements of the project (including habitat requirements, water use efficiency, and groundwater banking), as well as cost allocations, and benefits of the project. The Committee received and filed the report.

POSEIDON HUNTINGTON BEACH DESALINATION PROJECT UPDATE

No new information was presented.

NEXT COMMITTEE MEETING

Director Barbre advised that the meeting schedule for the balance of 2018 would be April 25, July 25, and October 24.

ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 9:47 a.m.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2018

WATER REVENUES

Date	From	Description	Amount
01/04/18	City of Westminster	November 2017 Water deliveries	343,333.77
01/05/18	City of San Clemente	November 2017 Water deliveries	517,163.01
01/08/18	El Toro Water District	November 2017 Water deliveries	362,113.13
01/08/18	Santa Margarita Water District	November 2017 Water deliveries	1,716,581.37
01/08/18	City of La Habra	November 2017 Water deliveries	5,897.85
01/09/18	Trabuco Canyon Water District	November 2017 Water deliveries	109,689.82
01/09/18	City of Garden Grove	November 2017 Water deliveries	867,363.28
01/11/18	Laguna Beach County Water District	November 2017 Water deliveries	74,838.73
01/11/18	City of Orange	November 2017 Water deliveries	581,906.98
01/12/18	East Orange County Water District	November 2017 Water deliveries	282,647.96
01/12/18	Orange County Water District	November 2017 Water deliveries	256,877.30
01/12/18	City of San Juan Capistrano	November 2017 Water deliveries	324,869.61
01/12/18	City of Brea	November 2017 Water deliveries	89,392.35
01/12/18	Irvine Ranch Water District	November 2017 Water deliveries	641,727.89
01/12/18	Moulton Niguel Water District	November 2017 Water deliveries	1,867,252.66
01/12/18	Yorba Linda Water District	November 2017 Water deliveries	422,389.62
01/12/18	Golden State Water Company	November 2017 Water deliveries	237,475.05
01/16/18	South Coast Water District	November 2017 Water deliveries	378,586.39
01/16/18	City of La Palma	November 2017 Water deliveries	4,152.47
01/26/18	City of Huntington Beach	December 2017 Water deliveries	354,488.87
01/29/18	City of Newport Beach	December 2017 Water deliveries	1,025,870.74
01/29/18	City of Buena Park	December 2017 Water deliveries	176,372.75

TOTAL REVENUES \$ 10,640,991.60

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2018

MISCELLANEOUS REVENUES

Date	From	Description	Amount
01/31/18	Paypal	ISDOC Registrations	608.96
01/31/18	Keith Lyon	February 2018 Retiree Health insurance	278.59
01/08/18	Cathy Harris	Movie tickets	221.00
01/11/18	Cathy Green	Movie tickets	85.00
01/24/18	Katie Davanaugh	Movie tickets	25.50
01/11/18	Santa Ana Police Department	CESA 2017 Conference reimbursement for Kelly Hubbard and Francisco Soto	2,230.82
01/11/18	Santa Ana Police Department	IAEM 2017 Conference reimbursement for Francisco Soto	985.00
01/08/18	South Coast Water District	Feb 2018 - Jan 2019 State Park Lease extension	27,783.00
01/24/18	ACWA	Duplicate registration refunded	575.00
01/09/18	Trabuco Canyon Water District	October 2017 Smartimer rebate program	75.00
01/16/18	Mesa Water	November 2017 Smartimer rebate program	130.22
01/18/18	City of Westminster	Oct-Nov 2017 Turf Removal rebate program	444.00
01/24/18	Irvine Ranch Water District	Oct-Nov 2017 Turf Removal rebate program	17,218.24
01/11/18	City of Orange	November 2017 Turf Removal rebate program	111.00
01/16/18	City of Fountain Valley	November 2017 Turf Removal rebate program	111.00
01/29/18	City of Newport Beach	November 2017 Turf Removal rebate program	111.00
01/12/18	City of San Clemente	November 2017 Smartimer and Turf Removal rebate program	2,027.22
01/16/18	Moulton Niguel Water District	November 2017 Smartimer and Turf Removal rebate program	14,842.29
01/11/18	El Toro Water District	November 2017 Rain Barrels rebate program	60.00
01/25/18	Bureau of Reclamation	Oct-Dec 2017 Spray to Drip Conversion Pilot project	5,407.70
01/31/18	Orange County Water District	August 2017 SAWPA Drought Response program	12,383.25
01/16/18	South Coast Water District	Water Loss Control technical assistance - WSO, Inc	9,000.00
01/19/18	City of Brea	Water Loss Control technical assistance - WSO, Inc	2,500.00

TOTAL MISCELLANEOUS REVENUES \$ 97,213.79

TOTAL REVENUES \$ 10,738,205.39

Robert J. Hunter, General Manager

Hilary Chumplitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1163	January 2018 Consulting on legal and regulatory matters	1,800.00
	*** Total ***	1,800.00
	Active Sales Technology	
9113	12/12/17 Training session for ACT! contact data base	350.00
	*** Total ***	350.00
	Aleshire & Wynder LLP	
44844	11/17/17-12/31/17 Legal services	40.00
45275	January 2018 Legal services	40.00
	*** Total ***	80.00
	ALTA FoodCraft	
51801538	1/19/18 Coffee & tea supplies	357.27
	*** Total ***	357.27
	Bangl Creative Inc.	
INV16014.3	Revisions to service area and regional maps for hallway display	400.00
	*** Total ***	400.00
	Best Best and Krieger LLP	
55401-DEC17	December 2017 Legal services	6,852.84
812513	December 2017 State legislative advocacy services	7,770.96
	*** Total ***	14,623.80
	Carl Markham Signs & Graphics	
17-231	Re-letter 4 name plaques for Directors Barbre and Finnegan	143.00
	*** Total ***	143.00
	Casco Contractors	
317048.1	2 Conference room doorways constructed with glass doors installed	11,259.51
	*** Total ***	11,259.51
	CDM Smith	
90036867	December 2017 Engineering services for O.C. Water Reliability Investigation	2,089.50
	*** Total ***	2,089.50
	Hunter T. Cook	
NOV2017-JAN2018	November 2017-January 2018 Retiree medical premium	1,505.52
	*** Total ***	1,505.52
	Davis Farr LLP	
3531	December 2017 Financial consulting services	2,332.00
	*** Total ***	2,332.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	HashtagPinpoint Corporation	
1139	January 2018 Social media consultation and services	9,500.00
	*** Total ***	9,500.00
	IDS Group	
17X114.00-1	11/30/17-1/26/18 Architectural, space planning, design and engineering services for MWDOC office area	4,156.00
	*** Total ***	4,156.00
	Independent Special Dist. of OC	
012518REG	1/25/18 Meeting registration for Directors Barbre and Finnegan	34.00
1/25/18PAYPAL	December 2017-January 2018 PayPal receipts for 1/25/18 meeting	608.96
2018	2018 Annual membership renewal	50.00
	*** Total ***	692.96
	Irvine Window Cleaning	
3166	2/2/18 Interior and exterior window cleaning	225.00
	*** Total ***	225.00
	Edward Jackson	
2018-00002	1/29/18 CPR/First Aid/AED Training for 23 staff members	1,380.00
	*** Total ***	1,380.00
	James C. Barker, P.C.	
105-0118	January 2018 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Jill Promotions	
10112	3 Table covers with new MWDOC logo for events	791.96
	*** Total ***	791.96
	Lawnscape Systems, Inc.	
392710	January 2018 Gardening service for atrium	295.00
	*** Total ***	295.00
	Lewis Consulting Group, LLC	
2018-106	January 2018 Consulting services	3,312.50
	*** Total ***	3,312.50
	Norco Delivery Services	
712220	12/28/17 Delivery charges for Board packets	169.36
	*** Total ***	169.36

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-01293902	1/8/18 Office supplies	269.28
I-01296241	1/11/18 Office supplies	156.34
I-01299568	1/16/18 Office supplies	113.34
I-01309355	1/31/18 Office supplies	63.98
I-01310754	Booklet envelopes	285.10
I-01310755	Letterhead	366.60
I-01313497	2/7/18 Office supplies	51.11
I-01314722	2/8/18 Office supplies	407.45
	*** Total ***	1,713.20
	Orange County Fast Print, Inc.	
55773	14,500 Business cards with new logo printed	937.43
55783	2,500 Business cards with new logo printed	161.63
	*** Total ***	1,099.06
	Orange County Water District	
18518	December 2017 50% share of WACO expense	217.50
18521	December 2017 Postage, shared office & maintenance expense	13,038.12
	*** Total ***	13,255.62
	Patricia Kennedy Inc.	
21672	February 2018 Plant maintenance	214.00
	*** Total ***	214.00
	Top Hat Productions	
93694	1/29/18 Lunch for CPR/First Aid/AED training	365.00
	*** Total ***	365.00
	U. S. HealthWorks Medical Group	
3249295-CA	12/20/17 Pre-employment exam	173.00
3263130-CA	1/26/18 Pre-employment exam	187.00
	*** Total ***	360.00
	USAFact, Inc.	
7113228	11/20/17 Pre-employment background check	35.06
8012712	1/19/18 Pre-employment background check	35.06
	*** Total ***	70.12
	Water Systems Optimization, Inc.	
1264	January 2018 Water Loss Control program	6,907.93
	*** Total ***	6,907.93
	Total Core Expenditures	<hr/> 87,448.31

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Choice Expenditures:		
	<i>Discovery Science Center</i>	
123117MWDOC	December 2017 Elementary school program	9,009.96
DSOC/IV/000675	January 2018 Elementary school program	29,543.58
	*** Total ***	38,553.54
	<i>Enterprise Information Sys Inc</i>	
MWDOC-22005	2018 Web hosting for California Sprinkler Adjustment Subscription System program	2,400.00
	*** Total ***	2,400.00
	<i>OCPC</i>	
146000	27,500 Ricki Raindrop books for elementary school program	7,490.78
	*** Total ***	7,490.78
	<i>Orange County Dept. of Education</i>	
94LI3033	Inside the Outdoors Campus Student programs for 2 high schools	8,486.00
	*** Total ***	8,486.00
	<i>Orange County Water District</i>	
18521	December 2017 Postage for Water Use Efficiency rebate programs	32.15
	*** Total ***	32.15
	<i>Top Hat Productions</i>	
93626	1/9/18 Lunch for Water Loss Control workgroup meeting	499.42
93705	1/25/18 Lunch for Water Use Efficiency Workgroup meeting	504.54
	*** Total ***	1,003.96
	<i>Total Choice Expenditures</i>	<hr/> 57,966.43
Other Funds Expenditures:		
	<i>EcoTech Services, Inc.</i>	
1075	12/26/17-1/25/18 Backyard area measurements for Turf Removal program	150.00
1076	12/26/17-1/25/18 One-on-One design assistance for Landscape Design program	7,650.00
	*** Total ***	7,800.00
	<i>Michael Baker International</i>	
1001062	December 2017 Orange County Regional Water & Wastewater Multijurisdictional Hazard Mitigation Plan update	4,957.00
1003986	January 2018 Orange County Regional Water & Wastewater Multijurisdictional Hazard Mitigation Plan update	7,872.65
	*** Total ***	12,829.65

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mission RCD</i>	
2411	December 2017 Field verifications for Water Use Efficiency rebate programs	15,184.96
2423	January 2018 Field verifications for Water Use Efficiency rebate programs	17,322.41
	*** Total ***	32,507.37
	<i>Raftelis Financial Consultants</i>	
OCCA1709-02	December 2017 Five year monitoring for Budget Based Tiered Rate grant	637.50
	*** Total ***	637.50
	<i>Water Systems Optimization, Inc.</i>	
1264	January 2018 Water Loss Control program	17,946.60
	*** Total ***	17,946.60
	<i>Total Other Funds Expenditures</i>	<hr/> 71,721.12
	<i>Total Expenditures</i>	<hr/> <hr/> 217,135.86

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
137579	1/9/18	SPECTB 0375210122017	Spectrum Business January 2018 Telephone and internet expense ***Total ***	 1,098.04 1,098.04
137580	1/9/18	VERIZO 9798664388	Verizon Wireless December 2017 4G Mobile broadband unlimited service ***Total ***	 114.03 114.03
137588	1/12/18	HOMED1 7785-DEC17	Home Depot Credit Services 2 Outdoor trash containers for atrium ***Total ***	 128.61 128.61
137590	1/12/18	IRONMO PRP1758	Iron Mountain January 2018 Archived document storage fees ***Total ***	 195.29 195.29
137596	1/12/18	SPECTB 0343564010118	Spectrum Business January 2018 Telephone expense for 3 analog fax lines ***Total ***	 106.28 106.28
ACH002961	1/12/18	ACKEEX 123117	Linda Ackerman December 2017 Business expense ***Total ***	 74.90 74.90
ACH002963	1/12/18	BARBRE 123117	Brett Barbre December 2017 Business expense ***Total ***	 71.66 71.66
ACH002964	1/12/18	BAUMHA 113017	Melissa Baum-Haley November 2017 Business expense ***Total ***	 153.10 153.10
ACH002965	1/12/18	BERGIO 122917	Joseph Berg December 2017 Business expense ***Total ***	 1,149.27 1,149.27
ACH002967	1/12/18	CHUMPI 122217	Hilary Chumpitazi December 2017 Business expense ***Total ***	 118.31 118.31
ACH002969	1/12/18	DELATO 121817	Harvey De La Torre December 2017 Business expense ***Total ***	 377.14 377.14

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH002970	1/12/18	DICKEK 123117	Larry Dick December 2017 Business expense ***Total ***	 174.46 174.46
ACH002973	1/12/18	FINNEG 123117	Joan Finnegan December 2017 Business expense ***Total ***	 99.43 99.43
ACH002974	1/12/18	HOSTER 123117	Kevin Hostert November-December 2017 Business expense ***Total ***	 97.78 97.78
ACH002975	1/12/18	HUNTER 123117	Robert J. Hunter December 2017 Business expense ***Total ***	 136.36 136.36
ACH002991	1/12/18	SCHNEI 123117	Megan Yoo Schneider December 2017 Business expense ***Total ***	 234.70 234.70
ACH002993	1/12/18	THOMAS 123117	Jeffery Thomas December 2017 Business expense ***Total ***	 1,091.69 1,091.69
EFT-180125	4/9/34	WAGEWO INV446415	Wageworks December 2017 Cafeteria plan administration ***Total ***	 181.25 181.25
137697	1/31/18	STAPLC 4362-JAN18	Staples Credit Plan One page labels for Board resolutions ***Total ***	 14.00 14.00
137698	1/31/18	USBANK 4140/5443-DEC17	U.S. Bank 11/22/17-12/22/17 Cal Card charges ***Total ***	 11,759.18 11,759.18
ACH002997	1/31/18	BACATI 120717A	Tiffany Baca September 2017 Business expense	 17.50
ACH002998	1/31/18	011118	December 2017-January 2018 Business expense ***Total ***	 111.88 129.38
ACH002999	1/31/18	BAEZHE 123117	Heather Baez December 2017 Business expense ***Total ***	 84.65 84.65
ACH003001	1/31/18	LINGAD 010318	Christopher S. Lingad November 2017-January 2018 Business expense ***Total ***	 51.07 51.07

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH003005	1/31/18	BUIJEA 123117	Jeannie Bui August-December 2017 Business expense ***Total ***	 95.65 95.65
Total Core Disbursements				17,736.23
Choice Disbursements:				
137698	1/31/18	USBANK 4140-DEC17A	U.S. Bank 11/22/17-12/22/17 Cal Card charges ***Total ***	 404.10 404.10
Total Choice Disbursements				404.10
Other Funds Disbursements:				
137577	1/9/18	ATTCALN 000010711170 000010711169	AT&T November-December 2017 WEROC N. EOC telephone expense November-December 2017 WEROC S. EOC telephone expense ***Total ***	 246.86 218.20 465.06
137578	1/9/18	ATTEOC 4492-NOV17 8200-NOV17 0532-DEC17	AT&T July-October 2017 WEROC S. EOC telephone expense July-October 2017 WEROC N. EOC telephone expense December 2017 WEROC N. EOC dedicated phone line ***Total ***	 1,781.47 1,653.49 69.62 3,504.58
137580	1/9/18	VERIZO 9798664388	Verizon Wireless December 2017 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
137581	1/12/18	ATTUVEOC 8599-JAN18	AT&T January 2018 WEROC N. EOC U-verse internet service ***Total ***	 60.00 60.00
137584	1/12/18	HUNTIN NOV2017	City of Huntington Beach November 2017 Credit for "In-Lieu" water purchases ***Total ***	 546,859.93 546,859.93
137593	1/12/18	NEWPOR NOV2017	City of Newport Beach November 2017 Credit for "In-Lieu" water purchases ***Total ***	 744,552.86 744,552.86

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137595	1/12/18	RWOSRP RTF3977	Recycled Water Program Incentive for Recycled Water On-Site Retrofit program - Seaway Collection HOA(Aliso Viejo) ***Total ***	 689.00 689.00
ACH002965	1/12/18	BERGJO 122917	Joseph Berg December 2017 Business expense ***Total ***	 4.50 4.50
ACH002979	1/12/18	MESAWA NOV2017	Mesa Water November 2017 Credit for Local Resources Program and "In-Lieu" water purchases ***Total ***	 324,622.40 324,622.40
ACH002992	1/12/18	SOTOFR 123117	Francisco Soto December 2017 Business expense ***Total ***	 15.63 15.63
		DRIPPR	Spray to Drip Program	
137601	1/24/18	S2D1-R-IRWD-10004	S. Levine	175.00
137602	1/24/18	S2D1-R-SM-10017	J. Anderson	175.00
137603	1/24/18	S2D1-R-SC-17778-11043	M. Heydenrych	538.57
137604	1/24/18	S2D1-R-FV-17846-13053	P. Trinh	175.00
137605	1/24/18	S2D1-R-IRWD-20992-13063	D. Eich	350.00
137606	1/24/18	S2D1-R-SM-21083-13079	M. Finlayson	350.00
137607	1/24/18	S2D1-R-LB-21161-13081	J. Park	175.00
137608	1/24/18	S2D1-R-SM-17622-13089	T. Knego ***Total ***	350.00 2,288.57
		TURFRP	Turf Removal Program	
137610	1/26/18	TR10-R-HB-7447-7408	S. Rattan	1,000.00
137611	1/26/18	TR11-R-IRWD-9116-9078	R. Guss	716.00
137612	1/26/18	TR10-C-MESA-13414-13365	Fainbarg III LP (Costa Mesa)	10,490.00
137613	1/26/18	TR11-R-SM-13549-13494	J. Gomez	1,089.00
137614	1/26/18	TR10-R-IRWD-13569-13514	C. Thornhill	1,012.00
137615	1/26/18	TR10-R-SM-17627-17575	M. Dmytrowicz	539.00
137616	1/26/18	TR10-R-FV-17630-17578	E. Nguyen	1,000.00
137617	1/26/18	TR10-R-MNT-17662-17614	A. Baez	268.00
137618	1/26/18	TR10-R-TC-17694-17647	R. Wedel	810.99
137619	1/26/18	TR10-R-MNT-17719-17669	M. Hutaff	2,314.00
137620	1/26/18	TR11-R-MNT-17757-17705	W. Dumler	684.00
137621	1/26/18	TR11-R-MESA-17765-17713	J. Taylor	1,550.00
137622	1/26/18	TR11-R-SC-17767-17715	R. Ruberti	4,000.00
137623	1/26/18	TR11-R-HB-17788-17733	K. Rose	1,801.00
137624	1/26/18	TR11-R-IRWD-17831-17742	A. Chong	2,250.00
137625	1/26/18	TR11-R-FV-17846-17757	P. Trinh	1,121.00
137626	1/26/18	TR11-R-IRWD-17848-17759	S. Guna	519.16
137627	1/26/18	TR11-R-TC-17850-17761	K. Dunn	1,000.00
137628	1/26/18	TR11-R-IRWD-17870-17778	B. McGinn	1,780.00

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137629	1/26/18	TR11-R-IRWD-17876-17785	M. Ziegler	970.00
137630	1/26/18	TR11-R-MNT-17877-17786	J. Harrison	1,390.00
137631	1/26/18	TR11-R-TUST-17884-17793	J. Lagrave	878.00
137632	1/26/18	TR11-R-SOCO-18896-18812	T. Rodarmel	641.00
137633	1/26/18	TR11-R-SC-17778-18830	M. Heydenrych	1,510.00
137634	1/26/18	TR11-R-O-5092-18833	K. Gericke	829.00
137635	1/26/18	TR11-R-IRWD-4776-20872	P. Verma	594.29
137636	1/26/18	TR11-R-MNT-20989-20904	C. Schulkin	1,554.00
137637	1/26/18	TR11-R-IRWD-21001-20915	S. Lee	600.00
137638	1/26/18	TR11-R-SM-21027-20939	W. Wyngaard	352.00
137639	1/26/18	TR11-R-MNT-21028-20940	L. Ross	964.00
137640	1/26/18	TR11-R-MESA-21029-20941	W. & M. Galen	266.00
137641	1/26/18	TR11-R-MNT-21032-20944	K. Panzl	636.00
137642	1/26/18	TR11-R-WEST-21043-20955	A. Flores	1,040.00
137643	1/26/18	TR11-R-IRWD-21047-20958	K. Andrews	2,000.00
137644	1/26/18	TR11-R-IRWD-21050-20963	E. Snodgrass	712.00
137645	1/26/18	TR11-R-MNT-21052-20964	R. Alessi	1,682.00
137646	1/26/18	TR11-R-ETWD-21069-20983	R. Uzzo	766.00
137647	1/26/18	TR11-R-MNT-21075-20991	K. Dyke	1,422.00
137648	1/26/18	TR11-R-IRWD-21086-21002	V. Della Torre	2,266.00
137649	1/26/18	TR11-R-O-21095-21011	L. Back	2,000.00
137650	1/26/18	TR11-R-SM-21100-21014	R. Tworek	989.00
137651	1/26/18	TR11-R-MNT-21124-21037	J. Ackerman	494.00
137652	1/26/18	TR11-R-SM-21125-21038	S. Yevilov	252.00
137653	1/26/18	TR11-R-SM-21127-21040	Z. Sweaney	304.00
137654	1/26/18	TR11-R-MESA-21131-21043	A. Budniewski	498.00
137655	1/26/18	TR11-R-IRWD-21136-21048	S. Ayvazi	1,260.00
137656	1/26/18	TR11-R-SM-21146-21060	A. Farber-Katz	1,081.00
137657	1/26/18	TR11-R-MNT-21147-21061	J. Yu	652.00
137658	1/26/18	TR11-R-MNT-21155-21068	J. Levine	1,044.00
137659	1/26/18	TR11-R-IRWD-21156-21069	C. Reid	492.02
137660	1/26/18	TR11-R-IRWD-21157-21070	H. Bui	328.00
137661	1/26/18	TR11-R-SM-21158-21071	C. Simpson	449.00
137662	1/26/18	TR11-R-MNT-21159-21072	E. Tsai	472.00
137663	1/26/18	TR11-R-IRWD-21162-21074	P. Richardson	986.00
137664	1/26/18	TR11-R-SM-21168-21081	L. Pewdo	661.00
137665	1/26/18	TR11-R-MESA-21172-21084	J. Shalaby	935.00
137666	1/26/18	TR11-R-MNT-21174-21086	M. Tatu	1,588.00
137667	1/26/18	TR11-R-SOCO-21177-21089	K. Cutchins	804.00
137668	1/26/18	TR11-R-IRWD-21179-21091	S. Harr	1,240.00
137669	1/26/18	TR11-R-MNT-21180-21092	H. White	2,436.00
137670	1/26/18	TR11-R-IRWD-22191-22104	K. Linville	1,184.00
137671	1/26/18	TR11-R-SM-22193-22107	J. Gemsch Jr.	422.00
137672	1/26/18	TR11-R-IRWD-22198-22111	G. Carter	944.00
137673	1/26/18	TR11-R-SM-21083-22114	M. Finlayson	414.00
137674	1/26/18	TR11-R-FV-22214-22130	S. Cogan	498.00
137675	1/26/18	TR11-R-MNT-22218-22134	C. Denison	764.00
137676	1/26/18	TR11-R-YLWD-22219-22135	B. Yin	604.00
137677	1/26/18	TR11-R-MNT-22228-22144	J. Brawley	864.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137678	1/26/18	TR11-R-HB-22232-22146	S. Saleh	478.00
137679	1/26/18	TR11-R-MNT-22237-22151	A. Roach	1,352.00
137680	1/26/18	TR11-R-MNT-22238-22152	P. Moore	2,358.00
137681	1/26/18	TR11-R-BREA-22241-22155	K. Huh	260.00
137682	1/26/18	TR11-R-MNT-22248-22161	J. Dyer	1,694.00
137683	1/26/18	TR11-R-SM-23249-23161	R. Sharga	1,348.00
137684	1/26/18	TR11-R-IRWD-22235-23174	H. Gordon	1,582.00
137685	1/26/18	TR11-R-SM-23269-23181	L. Yoo	460.00
137687	1/26/18	TR11-R-SM-23287-23195	D. Shah	821.00
137688	1/26/18	TR11-R-SM-23295-23205	D. Cavedoni	331.00
137689	1/26/18	TR11-R-IRWD-23274-23185A	S. Sharrock	606.00
137690	1/26/18	TR11-R-IRWD-17899-17814	H. Chian (Re-issue)	1,072.00
			***Total ***	92,037.46
137692	1/31/18	CATALI 0015178	Catalina Island Conservancy January 2018 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
137696	1/31/18	SANTI1 NOV2017	Santiago Aqueduct Commission November 2017 SAC Pipeline operation surcharge	3,360.00
			***Total ***	3,360.00
137698	1/31/18	USBANK 4140-DEC17A	U.S. Bank 11/22/17-12/22/17 Cal Card charges	1,658.58
			***Total ***	1,658.58
ACH003007	1/31/18	SANTAM NOV2017	Santa Margarita Water District November 2017 SCP Pipeline operation surcharge	22,432.21
			***Total ***	22,432.21
WIRE-180131	1/31/18	METWAT 9213	Metropolitan Water District November 2017 Water deliveries	8,071,810.88
			***Total ***	8,071,810.88
			Total Other Funds Disbursements	9,816,117.96
			Total Disbursements	9,834,258.29



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
<u>K. Seckel Card</u>		
11/22/17	100 Cinemark movie tickets for employee purchase	860.00
11/21/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for H. De La Torre	97.96
11/21/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for M. Baum-Haley	183.96
11/23/17	LinkedIn job posting for Public Affairs Assistant position	350.00
11/21/17	Lunch for Orange County Operational Area Agreement Bylaws meeting	96.76
11/23/17	11/22/17-8/3/18 Subscription for Acrobat Pro software - Refunded	(2,720.40)
11/27/17	National Water Research Institute workshop in Fountain Valley, CA on Dec. 5, 2017 - Registration for C. Lingad	30.00
11/28/17	LinkedIn job posting for Public Affairs Specialist position	350.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Registration for M. Baum-Haley	575.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Registration for H. Baez	575.00
11/28/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Airfare for Director Tamaribuchi	317.96
11/28/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Airfare for R. Hunter	317.96
11/28/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare for Director Barbre	190.97 ^[1]
11/29/17	Deposit for new logo sign located in reception area	310.00
11/29/17	ACWA Fall conference in Anaheim, CA from Nov. 28-Dec. 1, 2017 - Meal for H. Baez and M. Baum-Haley	48.95
11/29/17	1 year subscription to Storyblocks graphics and photo stock	149.00
12/04/17	California Chamber of Commerce annual membership renewal	469.00
12/01/17	Food for staff development lunch	150.92
12/04/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Airfare for R. Hunter	539.80 ^[2]
12/04/17	ACWA DC conference in Washington, DC from Feb. 27 - Mar. 1, 2018 Airfare for Director Barbre	228.39 ^[3]
12/05/17	Urban Water Institute Spring conference in Palm Springs, CA from Feb. 7-9, 2018 - Registration for Director Thomas	475.00
12/04/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Airfare for R. Hunter	309.50
12/05/17	Shutterstock Images on Demand for Public Affairs graphic designs	29.00
12/05/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Accommodations for R. Hunter	211.79

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
12/07/17	Urban Water Institute Spring conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations deposit for Director Thomas	182.41
12/01/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Accommodations for M. Baum-Haley	312.39
12/01/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Airfare change for H. De La Torre	130.00
12/07/17	California Council for Environmental and Economic Balance meeting in Monterey, CA on Dec. 7, 2017 - Airfare for R. Hunter	281.20
12/10/17	Computer components for server memory upgrade	720.00
12/07/17	Orange County Emergency Management Organization Holiday lunch in Anaheim, CA on Dec. 7, 2016	1,561.82 ⁴
12/11/17	UPS delivery charges for Board packets on Dec. 8, 2017	7.33
12/11/17	2 Year domain name for whentowater.org	40.34
12/11/17	Government Finance Officers Association Annual Generally Accepted Accounting Principles Update webinar on Jan. 18, 2018 - Registration for H. Chumpitazi	135.00
12/12/17	CalDesal Annual conference in Monterey, CA from Feb. 1-2, 2018 - Registration for K. Seckel	225.00
12/11/17	2 Year web hosting service for whentowater.org	363.76
12/12/17	Legislative activities in Washington, DC from Jan. 10-12, 2018 - Airfare for H. Baez	689.65
12/14/17	Lunch for Joint Public Affairs/Legislative meeting	400.00
12/15/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Unused accommodations deposit refund for Director Barbre	(66.22)
12/15/17	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 13-15, 2017 - Unused accommodations deposit refund for H. De La Torre	(200.00)
12/15/17	CalDesal Annual conference in Monterey, CA from Jan. 31-Feb. 2, 2018 - Accommodations deposit for K. Seckel & C. Busslinger	283.48
12/15/17	Food for staff development meeting	30.98
12/17/17	Monitors and stand for dual monitor desk set-up	435.27
12/15/17	Meeting directional sign with new logo	38.05
12/17/17	Shutterstock Images on Demand for Public Affairs graphic designs	29.00
12/18/17	Certified Landscape Irrigation Auditor certification for M. Conway	100.00
12/18/17	UPS delivery charges for Board packets on Dec. 8, 2017	53.23
12/21/17	Balance for new logo sign located in reception area	313.06
12/21/17	Lunch for Managers' meeting	642.73

Cal Card Statement Detail
Statement Date: December 22, 2017
Payment Date: January 31, 2018

Date	Description	Amount
12/21/17	Orange County Business Council Annual Advocacy trip in Sacramento, CA from Mar. 12-13, 2018 - Registration for Director Yoo Schneider	950.00
12/21/17	California Landscape Contractors Association Landscape Industry show in Ontario, CA from Jan. 31-Feb. 1, 2018 - Registration for M. Conway	90.00
	Total	\$ 11,895.00

- 1 Flight canceled, funds are available for future flight
- 2 Flight canceled, funds are available for future flight
- 3 Balance after available credit of 414.01 applied
- 4 Lunch attendees reimbursed MWDOC \$1,561.82

R. Hunter Card

11/22/17-12/22/17	Meals for R. Hunter's meetings	\$ 343.66
12/01/17	ACWA Fall conference in Anaheim, CA on Nov. 30, 2017 - Parking for R. Hunter	16.00
12/06/17	California Council for Environmental and Economic Balance meeting in Carmel, CA on Dec. 7, 2017 - Parking and transportation for R. Hunter	89.94
12/01/17	State Water Resource Control Board hearing in Sacramento, CA on Dec. 4, 2017 - Airfare for M. Baum-Haley	475.96
12/13/17	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 13-15, 2017 - Parking and transportation for R. Hunter	81.50
12/20/17	Staff holiday luncheon	919.80
	Total	\$ 1,926.86

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of January 2018

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
Total Core Disbursements				-
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				-

No items to report


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
 December 31, 2017

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

Brett R. Barbre
President

Joan C. Finnegan
Vice President

Larry D. Dick
Director

Wayne S. Osborne
Director

Megan Yoo Schneider
Director

Sat Tamaribuchi
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	\$3,156,569	20.78%
Grant & Project Cash Flow	1,500,000	9.88%
Election Expense	304,000	2.00%
Building Repair	350,407	2.31%
OPEB	209,006	1.38%
Total Designated Reserves	5,519,982	36.35%
General Fund	7,122,667	46.89%
Water Fund	1,366,571	9.00%
Conservation Fund	776,037	5.11%
Desalination Feasibility Study Fund	(145,165)	(0.96%)
WEROC Fund	519,915	3.42%
Trustee Activities	28,470	0.19%
Total	\$15,188,477	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.85%	\$129,742	\$129,742
Short-term investment			
• LAIF	52.89%	\$8,033,878	\$8,033,878
• OCIP	25.82%	3,921,054	3,921,054
Long-term investment			
• Corporate Bond	7.60%	1,153,803	1,146,525
• Certificates of Deposit	12.84%	1,950,000	1,947,560
Total	100.00%	\$15,188,477	\$15,178,759

The average number of days to maturity/call as of December 31, 2017 equaled 160 and the average yield to maturity is 1.362%. During the month, the District's average daily balance was \$24,839,093.85. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of December 2017.

The (\$9,718) difference between the book value and the market value on December 31, 2017 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


 Robert J. Hunter
 General Manager


 Hilary Chumpitazi
 Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary December 31, 2017

12/31/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,947,559.50	1,950,000.00	12.95	567	1.940
Corporate Bond	1,150,000.00	1,146,525.50	1,153,802.57	7.64	1,120	2.290
Local Agency Investment Funds	8,033,878.12	8,033,878.12	8,033,878.12	53.37	1	1.231
Orange County Investment Pool	3,921,054.30	3,921,054.30	3,921,054.30	26.04	1	1.070
Total Investments	15,054,932.42	15,049,017.42	15,058,734.99	100.00	160	1.362
Cash						
Cash	129,741.84	129,741.84	129,741.84		1	0.00
Total Cash and Investments	15,184,674.26	15,178,759.26	15,188,476.83		160	1.362

Total Earnings	Month Ending December	Fiscal Year to Date
Current Year	27,697.28	152,224.80
Average Daily Balance	24,839,093.85	
Effective Rate of Return	1.362%	

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. Per Resolution 2059 there are no compliance exceptions to report.


Robert J. Hunter, General Manager

2-6-18
Date


Hilary Chumipitani, Treasurer

2/6/2018
Date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
December 31, 2017

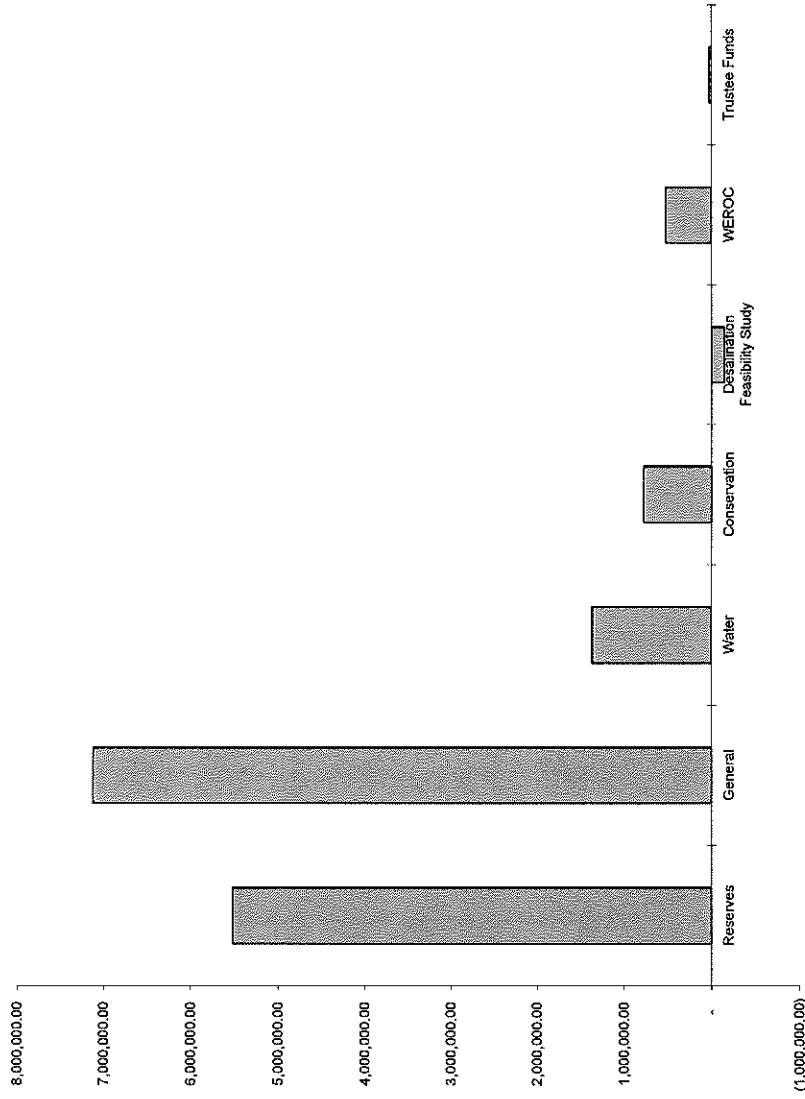
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,042.50	250,000.00	1.450	1.450	29	1/29/2018
Barclays Bank	06740KKY2	9/27/2017	250,000.00	247,757.50	250,000.00	2.250	2.250	1,731	9/27/2022
Capital One Bank	14042EEC9	9/2/2015	250,000.00	250,637.50	250,000.00	1.950	1.950	611	9/3/2019
Capital One Natl Assn	140420TY6	8/5/2015	250,000.00	250,055.00	250,000.00	1.700	1.700	218	8/6/2018
Comenity Capital Bank	20033AUX2	7/25/2017	200,000.00	198,422.00	200,000.00	2.000	2.000	1,293	7/16/2021
Discover Bank	2546712Y5	7/23/2014	250,000.00	250,025.00	250,000.00	1.600	1.600	204	7/23/2018
HSBC Bank	40434AK65	1/21/2016	250,000.00	250,017.50	250,000.00	1.550	2.534	21	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	250,602.50	250,000.00	2.050	2.050	576	7/30/2019
Sub Total			1,950,000.00	1,947,559.50	1,950,000.00	1.814	1.940	567	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	499,665.00	500,958.94	2.250	2.152	722	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	197,098.00	200,000.00	2.500	2.500	1,657	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,012.50	250,965.70	2.550	2.409	1,072	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	198,750.00	201,877.93	2.500	2.278	1,640	6/28/2022
Sub Total			1,150,000.00	1,146,525.50	1,153,802.57	2.402	2.290	1,120	
Total Investments			3,100,000.00	3,094,085.00	3,103,802.57	2.032	2.070	772	
Total Earnings									
Current Year		Month Ending December	Fiscal Year To Date						
		5,280.36	30,324.94						

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
December 31, 2017

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	8,033,878.12	8,033,878.12	8,033,878.12	1.231	1.231	1	N/A
Sub Total			8,033,878.12	8,033,878.12	8,033,878.12	1.231	1.231	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,921,054.30	3,921,054.30	3,921,054.30	1.070	1.070	1	N/A
Sub Total			3,921,054.30	3,921,054.30	3,921,054.30	1.070	1.070	1	
Total Investments			11,954,932.42	11,954,932.42	11,954,932.42	1.178	1.178		
Cash									
Bank of America Cash	CASH0547	7/1/2011	129,241.84	129,241.84	129,241.84	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			129,741.84	129,741.84	129,741.84	0.000	0.000	1	
Total Cash and Investments			12,084,674.26	12,084,674.26	12,084,674.26	1.178	1.178	1	
Total Earnings									
Current Year		Month Ending December	Fiscal Year To Date						
		22,416.92	121,899.86						

**Municipal Water District of Orange County
Cash and Investments at December 31, 2017**

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	\$ 3,156,569	20.78%
Grant & Project Cash Flow	1,500,000	9.88%
Election Expense	304,000	2.00%
Building Repair	350,407	2.31%
OPEB	209,006	1.38%
Total Designated Reserves	5,519,982	36.35%
General	7,122,667	46.89%
Water	1,366,571	9.00%
Conservation	776,037	5.11%
Desalination Feasibility Study	(145,165)	-0.96%
WEROC	519,915	3.42%
TOTAL MWDOC	\$ 15,160,007	99.81%
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 28,470	0.19%
TOTAL TRUSTEE ACTIVITIES	\$ 28,470	0.19%
TOTAL CASH & INVESTMENTS	\$ 15,188,477	100.00%



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Account Report for the Period**
12/1/2017 to 12/31/2017Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 12/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 12/31/2017
OPEB	\$2,058,415.18	\$0.00	\$20,640.77	\$485.07	\$0.00	\$0.00	\$2,078,570.88
Totals	\$2,058,415.18	\$0.00	\$20,640.77	\$485.07	\$0.00	\$0.00	\$2,078,570.88

Investment Selection**Moderate HighMark PLUS****Investment Objective**

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

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
1.00%	2.98%	13.52%	6.51%	7.57%	-	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.

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q4 2017

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

Flexible Investment Options

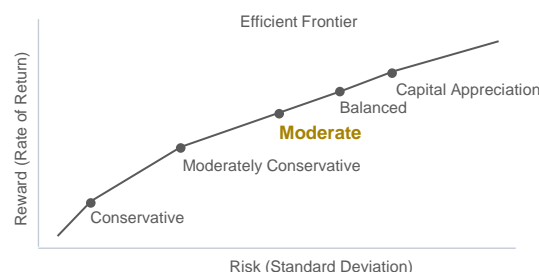
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

INVESTMENT OBJECTIVE

To provide 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.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus (Active)

Current Quarter*	2.97%
Blended Benchmark**	2.95%
Year To Date	13.19%
Blended Benchmark	11.65%
1 Year	13.19%
Blended Benchmark	11.65%
3 Year	6.46%
Blended Benchmark	6.20%
5 Year	7.42%
Blended Benchmark	7.69%
10 Year	5.45%
Blended Benchmark	5.56%

Index Plus (Passive)

Current Quarter*	2.86%
Blended Benchmark**	2.95%
Year To Date	11.59%
Blended Benchmark	11.65%
1 Year	11.59%
Blended Benchmark	11.65%
3 Year	5.98%
Blended Benchmark	6.20%
5 Year	7.26%
Blended Benchmark	7.69%
10 Year	5.51%
Blended Benchmark	5.56%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Gov't, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

ANNUAL RETURNS

HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%
2017	13.19%

Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%

PORTFOLIO FACTS

HighMark Plus (Active)

Inception Date	10/2004
No of Funds in Portfolio	19

Index Plus (Passive)

Inception Date	05/2006
No of Funds in Portfolio	13

HOLDINGS

HighMark Plus (Active)

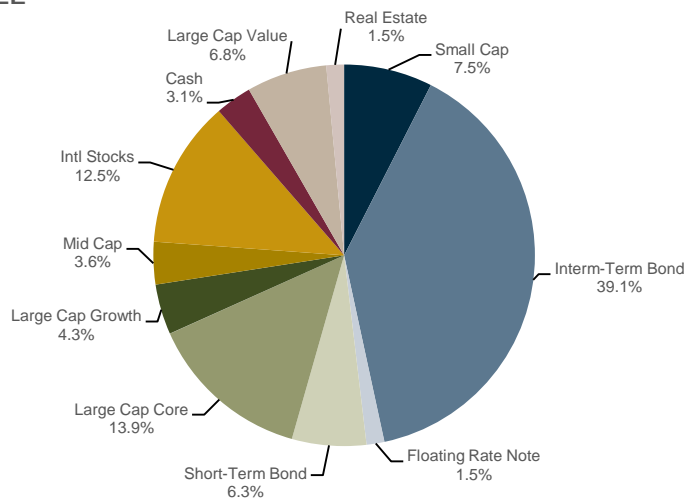
Columbia Contrarian Core Z
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation
T. Rowe Price Growth Stock
iShares Russell Mid-Cap ETF
Vanguard REIT ETF
Undiscovered Managers Behavioral Value
T. Rowe Price New Horizons
Nationwide Bailard International Equities
Dodge & Cox International Stock
MFS International Growth I
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return
Prudential Total Return
Nationwide Loomis Bond
Eaton Vance Floating Rate & High Income
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500/Value
iShares S&P 500/Growth
iShares Russell Mid-Cap ETF
Vanguard REIT ETF
iShares Russell 2000 Value
iShares Russell 2000 Growth
iShares MSCI EAFE
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
PowerShares Senior Loan
First American Government Obligations Z

Holdings are subject to change at the discretion of the investment manager.

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of December 31, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

HIGHMARK CAPITAL MANAGEMENT

350 California Street
Suite 1600
San Francisco, CA 94104
800-582-4734

www.highmarkcapital.com

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$14.0 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

Senior Portfolio Manager
Investment Experience: since 1994
HighMark Tenure: since 1997
Education: MBA, University of Southern California; BA, University of Southern California

Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager
Investment Experience: since 2004
HighMark Tenure: since 2014
Education: BA, Colgate University

J. Keith Stribling, CFA®

Senior Portfolio Manager
Investment Experience: since 1985
HighMark Tenure: since 1995
Education: BA, Stetson University

Christiane Tsuda

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2010
Education: BA, International Christian University, Tokyo

Anne Wimmer, CFA®

Senior Portfolio Manager
Investment Experience: since 1987
HighMark Tenure: since 2007
Education: BA, University of California, Santa Barbara

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 26
Average Tenure (Years): 13

Manager Review Group

Number of Members: 7
Average Years of Experience: 20
Average Tenure (Years): 7

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 1/31/18

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	TOTALS
Cash - Beginning Balance	\$ (72,844.08)	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	
REVENUES:													
BUREC					200,757.65		5,407.70						\$ 206,165.35
City of Brea													-
City of Buena Park		222.00		111.00		333.00							666.00
City of Fountain Valley	333.00	444.00	424.05	222.00		222.00	111.00						1,756.05
City of Fullerton													-
City of Garden Grove		888.00	222.00	444.00		222.00							1,776.00
City of Huntington Beach	264.00	379.00	427.19			9.86							1,080.05
City of La Habra		555.00		111.00									666.00
City of San Clemente	1,304.96	233.00	6,460.97	6,044.00	3,419.79		2,027.22						19,489.94
City of San Juan Capistrano													-
City of Tustin													-
City of Newport Beach	406.31	222.00			222.00		111.00						961.31
City of Orange	444.00	555.00	333.00		555.00	111.00	111.00						2,109.00
City of Westminster		888.00	333.00	444.00	444.00		444.00						2,553.00
County of Orange				1,096,511.49									1,096,511.49
Department of Water Resources		1,444.63	15,468.35	9,716.20		35,676.91	60.00						62,306.09
El Toro Water District	3,093.98	50.00	1,137.96	1,000.00	2,630.00	1,350.77							9,322.71
Golden State Water Company													-
Irvine Ranch Water District	38,717.96	129,174.28	12,348.45	184,823.79	37,097.77		17,218.24						419,380.49
Laguna Beach County Water District	85.00	90.00		110.00	30.00								315.00
Mesa Water District		500.00					130.22						630.22
Metropolitan Water District		25,735.53											25,735.53
Moulton Niguel Water District	37,634.08	3,800.00	14,408.25	38,738.51	27,516.79	31,071.51	14,842.29						168,011.43
Orange County Water District		5,510.86	776.06	32,475.75		85.00	12,383.25						51,145.92
Santa Margarita Water District	57.32	197.95		924.98									1,265.25
Serrano Water District													-
Trabuco Canyon Water District	201.00	39.00	219.99	400.00			75.00						934.99
Yorba Linda Water District													-
Miscellaneous Revenues													-
Miscellaneous				810.82									810.82
Interest Revenue	417.16												417.16
Total Revenues	82,968.77	170,928.25	52,559.27	1,372,887.54	272,673.00	69,082.05	52,920.92	-	-	-	-	-	\$ 2,074,009.80
EXPENDITURES:													
Budget Based Tiered Rates, Raftelis		59,356.00		7,271.08		1,893.75							66,520.83
DeLorenzo International		5,050.50				10,500.00	2,775.00						5,050.50
Ecotech	900.00	10,275.00	6,750.00	13,500.00	13,500.00								56,200.00
Golden State Water Company	80.00												80.00
City of Huntington Beach					46,172.00								46,172.00
Laguna Beach CWD	480.00				13,676.40								14,156.40
Metropolitan Water District	29,129.40		118,745.58	70,931.38	26,485.72	27,322.22	236,289.40						508,903.70
Mission RCD		17,627.75	33,812.14	17,041.96		17,525.35	14,817.40						100,824.60
Recycled Water On Site Retrofit program					9,997.00								9,997.00
Spill to Drip program			1,155.58	525.00	34,530.53	750.00	2,288.57						39,249.68
Turf Removal	60,861.15	96,782.85	63,442.87	135,566.22	64,427.68	97,458.78	90,965.46						609,505.01
Vulco, Inc			500.00										500.00
Western National Property Management	51,300.00												51,300.00
Miscellaneous Expenses													-
Interest Expense				292.98		2,936.02							292.98
Salary & Benefit	130.00		3,270.82										6,336.84
Total Expenditures	143,135.55	189,092.10	227,676.99	245,128.62	208,789.33	158,386.12	347,824.83	-	-	-	-	-	\$ 1,520,033.54
Cash - Ending Balance	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	\$ 481,132.18	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2017 THRU DECEMBER 31, 2017

**Municipal Water District of Orange County
Combined Balance Sheet
As of December 31, 2017**

<u>ASSETS</u>	Amount
Cash in Bank	129,741.84
Investments	15,058,734.99
Accounts Receivable	65,032,685.57
Accounts Receivable - Other	101,455.44
Accrued Interest Receivable	78,938.99
Prepays/Deposits	246,860.16
Leasehold Improvements	3,695,600.68
Furniture, Fixtures & Equipment	457,309.71
Less: Accum Depreciation	(2,794,073.34)
Net OPEB Asset	483,546.00
	<hr/>
TOTAL ASSETS	\$82,490,800.04
	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	65,257,530.13
Accounts Payable - Other	567.34
Accrued Salaries and Benefits Payable	405,586.35
Other Liabilities	117,176.76
Unearned Revenue	1,714,185.93
Total Liabilities	67,495,046.51
	<hr/>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	976,287.63
Total Restricted Fund Balances	976,287.63
	<hr/>
Unrestricted Fund Balances	
OPEB Related Asset Fund	483,546.00
	<hr/>
Designated Reserves	
General Operations	3,156,569.42
Grant & Project Cash Flow	1,500,000.00
Election Expense	304,000.00
Building Repair	350,407.45
OPEB	209,006.00
Total Designated Reserves	5,519,982.87
	<hr/>
GENERAL FUND	2,406,699.97
WEROC Capital	281,657.00
WEROC	144,717.31
Total Unrestricted Fund Balances	8,836,603.15
	<hr/>
Excess Revenue over Expenditures	
Operating Fund	5,439,845.43
Other Funds	(256,982.68)
Total Fund Balance	14,995,753.53
	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$82,490,800.04
	<hr/>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	7,435,834.00	7,435,834.00	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	468,565.00	468,565.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,904,399.00	7,904,399.00	100.00%	0.00	0.00
Interest Revenue	25,754.54	145,400.89	150,000.00	96.93%	0.00	4,599.11
Subtotal	25,754.54	8,049,799.89	8,054,399.00	99.94%	0.00	4,599.11
Choice Programs	0.00	1,094,256.07	1,176,618.00	93.00%	0.00	82,361.93
Miscellaneous Income	524.42	1,969.94	3,000.00	65.66%	0.00	1,030.06
School Contracts	5,255.12	42,524.56	70,000.00	60.75%	0.00	27,475.44
Transfer-In From Reserve	0.00	0.00	138,470.00	0.00%	0.00	138,470.00
Subtotal	5,779.54	1,138,750.57	1,388,088.00	82.04%	0.00	249,337.43
TOTAL REVENUES	31,534.08	9,188,550.46	9,442,487.00	97.31%	0.00	253,936.54

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	265,849.53	1,644,035.52	3,571,210.00	46.04%	0.00	1,927,174.48
Salaries & Wages - Grant Recovery	(2,296.27)	(4,699.45)	(23,279.00)	20.19%	0.00	(18,579.55)
Salaries & Wages - Recovery	0.00	(436.80)	0.00	0.00%	0.00	436.80
Directors' Compensation	17,819.55	105,503.05	243,197.00	43.38%	0.00	137,693.95
MWD Representation	8,202.65	59,398.50	138,969.00	42.74%	0.00	79,570.50
Employee Benefits	74,639.02	472,584.18	1,056,766.00	44.72%	0.00	584,181.82
Employee Benefits - Grant Recovery	(639.75)	(1,117.39)	0.00	0.00%	0.00	1,117.39
Employee Benefits - Recovery	0.00	(83.20)	0.00	0.00%	0.00	83.20
Director's Benefits	6,923.73	40,830.50	81,728.00	49.96%	0.00	40,897.50
Health Ins \$'s for Retirees	4,019.76	25,543.60	59,554.00	42.89%	0.00	34,010.40
Training Expense	420.00	914.00	10,000.00	9.14%	(100.00)	9,186.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	4,775.18	5,000.00	95.50%	0.00	224.82
Personnel Expenses	374,938.22	2,347,247.69	5,148,145.00	45.59%	(100.00)	2,800,997.31
Engineering Expense	5,123.43	71,598.27	360,000.00	19.89%	77,964.55	210,437.18
Legal Expense	6,892.84	87,886.66	250,000.00	35.15%	162,113.34	0.00
Audit Expense	0.00	19,000.00	40,000.00	47.50%	0.00	21,000.00
Professional Services	76,800.78	328,590.35	1,539,809.00	21.34%	494,404.71	716,813.94
Professional Fees	88,817.05	507,075.28	2,189,809.00	23.16%	734,482.60	948,251.12
Conference-Staff	1,630.00	9,373.46	38,945.00	24.07%	(1,540.00)	31,111.54
Conference-Directors	1,718.00	7,704.00	23,700.00	32.51%	(1,515.00)	17,511.00
Travel & Accom.-Staff	4,863.63	20,338.16	95,600.00	21.27%	(3,180.80)	78,442.64
Travel & Accom.-Directors	2,004.97	9,074.53	49,850.00	18.20%	(957.15)	41,732.62
Travel & Conference	10,216.60	46,490.15	208,095.00	22.34%	(7,192.95)	168,797.80
Membership/Sponsorship	9,441.75	124,395.35	142,102.00	87.54%	(938.00)	18,644.65
CDR Support	0.00	21,901.28	48,803.00	44.88%	21,901.29	5,000.43
Dues & Memberships	9,441.75	146,296.63	190,905.00	76.63%	20,963.29	23,645.08
Business Expense	499.96	2,787.45	5,200.00	53.60%	0.00	2,412.55
Maintenance Office	10,647.26	50,740.20	123,500.00	41.09%	71,799.80	960.00
Building Repair & Maintenance	879.18	15,353.74	11,000.00	139.58%	14,774.26	(19,128.00)
Storage Rental & Equipment Lease	195.29	1,169.79	8,400.00	13.93%	3,830.21	3,400.00
Office Supplies	1,589.54	8,960.37	35,580.00	25.18%	1,807.44	24,812.19
Postage/Mail Delivery	1,956.47	4,993.46	10,500.00	47.56%	2,477.00	3,029.54
Subscriptions & Books	261.32	784.90	1,500.00	52.33%	0.00	715.10
Reproduction Expense	825.17	4,949.57	27,275.00	18.15%	1,909.71	20,415.72
Maintenance-Computers	1,647.76	2,656.33	10,000.00	26.56%	106.51	7,237.16
Software Purchase	1,157.00	10,637.75	44,260.00	24.03%	0.00	33,622.25
Software Support	1,424.66	23,477.39	48,894.00	48.02%	0.00	25,416.61
Computers and Equipment	4,754.57	15,038.74	33,050.00	45.50%	0.00	18,011.26
Automotive Expense	1,360.48	8,463.68	16,400.00	51.61%	0.00	7,936.32
Toll Road Charges	54.79	411.88	1,000.00	41.19%	0.00	588.12
Insurance Expense	9,138.13	53,987.17	110,250.00	48.97%	0.00	56,262.83
Utilities - Telephone	1,406.70	8,164.99	21,300.00	38.33%	0.00	13,135.01
Bank Fees	1,086.22	5,305.19	11,000.00	48.23%	0.00	5,694.81
Miscellaneous Expense	13,027.56	43,067.15	119,650.00	35.99%	(1,925.63)	78,508.48
MWDOC's Contrb. To WEROC	14,934.75	371,265.50	460,874.00	80.56%	0.00	89,608.50
Depreciation Expense	794.40	4,766.43	0.00	0.00%	0.00	(4,766.43)
Other Expenses	67,641.21	636,981.68	1,099,633.00	57.93%	94,779.30	367,872.02
MWDOC's Building Expense	11,259.51	50,876.51	356,400.00	14.28%	30,702.00	274,821.49
Capital Acquisition	0.00	13,737.09	249,500.00	5.51%	400.00	235,362.91
TOTAL EXPENSES	562,314.34	3,748,705.03	9,442,487.00	39.70%	874,034.24	4,819,747.73
NET INCOME (LOSS)	(530,780.26)	5,439,845.43	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru December 2017

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	53,958,365.70	140,499,908.60	154,733,881.00	90.80%	14,233,972.40
Readiness to Serve Charge	863,419.18	5,180,515.08	10,397,278.00	49.83%	5,216,762.92
Capacity Charge CCF	295,400.00	1,772,400.00	3,544,800.00	50.00%	1,772,400.00
SCP/SAC Pipeline Surcharge	27,494.56	180,610.97	423,000.00	42.70%	242,389.03
Interest	<u>1,018.72</u>	<u>5,341.31</u>	<u>9,400.00</u>	<u>56.82%</u>	<u>4,058.69</u>
TOTAL WATER REVENUES	<u>55,145,698.16</u>	<u>147,638,775.96</u>	<u>169,108,359.00</u>	<u>87.30%</u>	<u>21,469,583.04</u>
<u>WATER PURCHASES</u>					
Water Sales	53,958,365.70	140,499,908.60	154,733,881.00	90.80%	14,233,972.40
Readiness to Serve Charge	863,419.18	5,180,515.08	10,397,278.00	49.83%	5,216,762.92
Capacity Charge CCF	295,400.00	1,772,400.00	3,544,800.00	50.00%	1,772,400.00
SCP/SAC Pipeline Surcharge	<u>27,494.56</u>	<u>180,610.97</u>	<u>423,000.00</u>	<u>42.70%</u>	<u>242,389.03</u>
TOTAL WATER PURCHASES	<u>55,144,679.44</u>	<u>147,633,434.65</u>	<u>169,098,959.00</u>	<u>87.31%</u>	<u>21,465,524.35</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u><u>1,018.72</u></u>	<u><u>5,341.31</u></u>	<u><u>9,400.00</u></u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru December 2017

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	56,964.44	257,371.00	22.13%
Expenses	54,970.44	257,371.00	21.36%
Excess of Revenues over Expenditures	1,994.00	0.00	
Member Agency Administered Passthru			
Revenues	0.00	7,200.00	0.00%
Expenses	0.00	7,200.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	14,859.51	95,000.00	15.64%
Expenses	14,859.51	95,000.00	15.64%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	172,082.85	340,000.00	50.61%
Expenses	172,097.00	340,000.00	50.62%
Excess of Revenues over Expenditures	(14.15)	0.00	
CII Rebate Program			
Revenues	188,870.00	345,000.00	54.74%
Expenses	188,870.00	345,000.00	54.74%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	160,550.29	2,552,302.00	6.29%
Expenses	521,079.31	2,552,302.00	20.42%
Excess of Revenues over Expenditures	(360,529.02)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	41,795.17	520,000.00	8.04%
Expenses	148,595.27	520,000.00	28.58%
Excess of Revenues over Expenditures	(106,800.10)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	62,722.00	0.00%
Expenses	9,387.00	62,722.00	14.97%
Excess of Revenues over Expenditures	(9,387.00)	0.00	
WUE Projects			
Revenues	635,122.26	4,179,595.00	15.20%
Expenses	1,109,858.53	4,179,595.00	26.55%
Excess of Revenues over Expenditures	(474,736.27)	0.00	
WEROC			
Revenues	554,197.32	640,933.00	86.47%
Expenses	192,427.62	640,933.00	30.02%
Excess of Revenues over Expenditures	361,769.70	0.00	



Memorandum

DATE: February 14, 2018

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

FROM: Robert Hunter

SUBJECT: Quarter ending December 2017 YTD Financials Actual versus Budget

The following reports are attached:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending December 2017 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	7,436	7,436	100.0%
Ground Water Customer Charge	469	469	100.0%
Subtotal	7,904	7,904	100.0%
Other Revenues:			
Interest income ⁽¹⁾	145	150	96.9%
Choice Programs	1,094	1,177	93.0%
School Contracts	43	70	60.7%
Other income	2	3	65.7%
Transfer in from Reserve ⁽²⁾	0	138	0.0%
Subtotal	1,284	1,538	83.5%
TOTAL REVENUES	9,189	9,443	97.3%
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	2,347	5,148	45.6%
Professional services ⁽³⁾	348	1,580	22.0%
Outside engineering ⁽⁴⁾	72	360	19.9%
Legal expense ⁽⁵⁾	88	250	35.2%
Travel & Conference ⁽⁶⁾	46	208	22.3%
Dues and memberships ⁽⁷⁾	146	191	76.6%
General & Admin expense	637	1,100	57.9%
Building repair & expense ⁽⁸⁾	51	356	14.3%
Capital acquisition (not including building repairs) ⁽⁹⁾	14	250	5.5%
TOTAL EXPENSES	3,749	9,442	39.7%
EXCESS OF REVENUES OVER EXPENSES	5,440		

RESERVE FUND

Beginning Balance	5,250
Oct 2017 - excess from FY 16-17 General Fund	270
Net OPEB Asset	484
TOTAL RESERVE FUND	6,004

- (1) Interest Income higher due to raising yields.
(2) Transfer in from Reserves is moved at year-end.
(3) Professional Services - Projects in process.
(4) Engineering projects in process.
(5) Legal expense uncludes unanticipated events.
(6) Travel & Conference scheduled throughout the fiscal year.
(7) Dues and memberships are primarily paid in the beginning of the year.
(8) Building repair & expense scheduled throughout the fiscal year.
(9) Capital acquisition being performed throughout the fiscal year.

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2017 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	7,435,834	7,435,834	100.00%
Ground Water Customer Charge	468,565	468,565	100.00%
Water Rate Revenues	7,904,399	7,904,399	100.00%
Choice Programs	1,094,256	1,176,618	93.00%
Interest Revenue	145,401	150,000	96.93%
Miscellaneous Income	1,970	3,000	65.66%
School Contracts	42,525	70,000	60.75%
Transfer in from Reserve	0	138,470	0.00%
Other Revenues	1,284,151	1,538,088	83.49%
TOTAL REVENUES	9,188,550	9,442,487	97.31%

OPERATING EXPENSES			
Salaries & Wages	1,644,036	3,571,210	46.04%
less Recovery's	(5,136)	(23,279)	22.06%
Directors' Compensation	105,503	243,197	43.38%
MWD Representation	59,399	138,969	42.74%
Employee Benefits	472,584	1,056,766	44.72%
less Recovery's	(1,201)	0	0.00%
Directors Benefits	40,831	81,728	49.96%
Health Insurances for Retirees	25,544	59,554	42.89%
Training Expense	914	10,000	9.14%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	4,775	5,000	0.00%
Personnel Expenses	2,347,248	5,148,145	45.59%
Engineering Expense	71,598	360,000	19.89%
Legal Expense	87,887	250,000	35.15%
Audit Expense	19,000	40,000	47.50%
Professional Services	328,590	1,539,809	21.34%
Professional Fees	507,075	2,189,809	23.16%
Conference-Staff	9,373	38,945	24.07%
Conference-Directors	7,704	23,700	32.51%
Travel & Accom.-Staff	20,338	95,600	21.27%
Travel & Accom.-Directors	9,075	49,850	18.20%
Travel & Conference	46,490	208,095	22.34%
Membership/Sponsorship	124,395	142,102	87.54%
CDR Support	21,901	48,803	44.88%
Dues & Memberships	146,297	190,905	76.63%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2017 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	2,787	5,200	53.60%
Maintenance Office	50,740	123,500	41.09%
Building Repair & Maintenance	15,354	11,000	139.58%
Storage Rental & Equipment Lease	1,170	8,400	13.93%
Office Supplies	8,960	35,580	25.18%
Postage/Mail Delivery	4,993	10,500	47.56%
Subscriptions & Books	785	1,500	52.33%
Reproduction Expense	4,950	27,275	18.15%
Maintenance-Computers	2,656	10,000	26.56%
Software Purchase	10,638	44,260	24.03%
Software Support	23,477	48,894	48.02%
Computers and Equipment	15,039	33,050	45.50%
Automotive Expense	8,464	16,400	51.61%
Toll Road Charges	412	1,000	41.19%
Insurance Expense	53,987	110,250	48.97%
Utilities - Telephone	8,165	21,300	38.33%
Bank Fees	5,305	11,000	48.23%
Miscellaneous Expense	43,067	119,650	35.99%
MWDOC's Contribution To WEROC	371,266	460,874	80.56%
Depreciation Expense	4,766	0	0.00%
MWDOC Building Expense	50,877	356,400	14.28%
Capital Acquisition	13,737	249,500	5.51%
Other Expenses	701,595	1,705,533	41.14%
TOTAL EXPENSES	3,748,705	9,442,487	39.70%
EXCESS OF REVENUES OVER EXPENSES	5,439,845	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending December 2017 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	140,499,909	154,733,881	(14,233,972)
Ready to Serve Charge	5,180,515	10,397,278	(5,216,763)
Capacity Charge Flat Rate	1,772,400	3,544,800	(1,772,400)
SCP/SAC Pipeline Surcharge	180,611	423,000	(242,389)
Interest	<u>5,341</u>	<u>9,400</u>	<u>(4,059)</u>
Total Water Revenues	<u>147,638,776</u>	<u>169,108,359</u>	<u>(21,469,583)</u>
<u>Water Purchases</u>			
Water Sales	140,499,909	154,733,881	(14,233,972)
Ready to Serve Charge	5,180,515	10,397,278	(5,216,763)
Capacity Charge	1,772,400	3,544,800	(1,772,400)
SCP/SAC Pipeline Surcharge	<u>180,611</u>	<u>423,000</u>	<u>(242,389)</u>
Total Water Purchases	<u>147,633,435</u>	<u>169,098,959</u>	<u>(21,465,524)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,341</u>	<u>9,400</u>	<u>(4,059)</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	554,197	640,933	(86,736)
Expenditures	192,428	640,933	(448,505)
Excess of Revenues over Expenditures	361,770	0	361,770

WUE Projects (details on next page)

Revenues	635,122	4,179,595	(3,544,473)
Expenditures	1,109,859	4,179,595	(3,069,736)
Excess of Revenues over Expenditures	(474,736)	0	(474,736)

Footnote:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<u>Spray to Drip Conversion</u>					
Revenues	56,964		257,371	22.13%	257,371
Expenditures	54,970		257,371	21.36%	257,371
Excess of Revenues over Expenditures	1,994	4%	0		

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Member Agency Administered Pass thru

Revenues	0		7,200	0.00%	7,200
Expenditures	0		7,200	0.00%	7,200
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance:

Budget Variance: Agency's due to start their programs later this fiscal year.

ULFT Rebate Program

Revenues	14,860		95,000	15.64%	95,000
Expenditures	14,860		95,000	15.64%	95,000
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: This tracks agency toilet programs, agencies slow to implement.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

HECW Rebate Program

Revenues	172,083		340,000	50.61%	340,000
Expenditures	172,097		340,000	50.62%	340,000
Excess of Revenues over Expenditures	(14)	0%	0		

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2017 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<u>CII Rebate Program</u>					
Revenues	188,870		345,000	54.74%	345,000
Expenditures	188,870		345,000	54.74%	345,000
Excess of Revenues over Expenditures	<u>0</u>	0%	<u>0</u>		<u></u>

Actual Variance:

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

<u>Turf Removal Program</u>					
Revenues	160,550		2,552,302	6.29%	2,552,302
Expenditures	521,079		2,552,302	20.42%	2,552,302
Excess of Revenues over Expenditures	<u>(360,529)</u>	-225%	<u>0</u>		<u></u>

Actual Variance: Payment to Program Participants ahead of Grant and Metropolitan reimbursements.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

<u>Comprehensive Landscape (CLWUE)</u>					
Revenues	41,795		520,000	8.04%	520,000
Expenditures	148,595		520,000	28.58%	520,000
Excess of Revenues over Expenditures	<u>(106,800)</u>	-256%	<u>0</u>		<u></u>

Actual Variance: Grant pre-funded program. Revenue will match expenses at year end closing.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

<u>CII, Large Landscape, Performance (OWOW)</u>					
Revenues	0		62,722	0.00%	62,722
Expenditures	9,387		62,722	14.97%	62,722
Excess of Revenues over Expenditures	<u>(9,387)</u>	0%	<u>0</u>		<u></u>

Actual Variance: Grant pre-funded program. Revenue will match expenses at year end closing.

Budget Variance: Actual numbers and percentages (%) represent 6 months of a 12 month program. As of now, on target.

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.



CONSENT CALENDAR ITEM

February 21, 2018

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Tiffany Baca

SUBJECT: 2017-18 Consumer Confidence Reports

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve entering into a contract with Stetson Engineers for preparation of the Consumer Confidence Reports (CCR) for 2017-18.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

The Municipal Water District of Orange County (MWDOC) has historically provided member agencies with the expertise of a technical consultant each year at no additional cost to the agencies. This service provided by MWDOC helps ensure project and cost efficiencies. The consultant is available to all interested member agencies, as well as to the cities of Anaheim, Fullerton, and Santa Ana (via a cost reimbursement agreement with MWDOC). The consultant helps the agencies in the compilation, review, and preparation of their water quality data tables, and the development of all required language.

For several years, Stetson Engineering has assembled the technical data used in Consumer Confidence Reports (CCRs) for MWDOC member agencies. In early 2017, a request for proposals (RFP) process was conducted, and the MWDOC Board once again awarded Stetson Engineering a contract to continue providing this service to the District.

Budgeted (Y/N): Y	Budgeted amount: 34,178.00	Core ____	Choice ____
Action item amount: NA		Line item: 32-7040	
Fiscal Impact (explain if unbudgeted):			

The 2017 contract included a four-year renewal option with the option by the consultant to adjust services and fees each year as necessary. Upon further investigation, the understanding with the consultant has always been that the adjustment would be no more than 5% each year. This percentage was not included in the 2017 contract, but has been written in to the 2018 contract with Stetson Engineering for clarification. Last year, MWDOC paid \$35,100 to Stetson Engineering for services rendered. With the 5% increase included this year, the cost to the District will be \$36,855.

Attached is the the MWDOC Standard Agreement for Consultant Services.

STANDARD AGREEMENT FOR CONSULTANT SERVICES

This **AGREEMENT** for consulting services dated 1/24/2018, which includes all exhibits and attachments hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, **STETSON ENGINEERS** hereinafter referred to as "**CONSULTANT**" for **CONSUMER CONFIDENCE REPORTS** hereinafter referred to as "**SERVICES**."¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**". The **PARTIES** agree as follows:

I **PURPOSE AND SCOPE OF WORK**

A. Consulting Work

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

B. Independent Contractor

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

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

any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

CONSULTANT represents and warrants that in the process of hiring **CONSULTANT's** employees who participate in the performance of **SERVICES**, **CONSULTANT** conducts such lawful screening of those employees (including, but not limited to, background checks and Megan's Law reviews) as are appropriate and standard for employees who provide **SERVICES** of the type contemplated by this Agreement.

C. **Changes in Scope of Work**

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

II **TERM**

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

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

A. **Budgeted Amount for SERVICES**

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

B. Fees

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

C. Notification Clause

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

Notices shall be made as follows:

Municipal Water District of Orange County
Contact Name: Robert Hunter
Title: General Manager
18700 Ward Street
Fountain Valley, CA 92708

Stetson Engineers, Inc.
Contact Name: Stephen Johnson
Title: Vice President
861 S. Village Oaks Drive, Suite 100
Covina, CA 91724

D. Billing and Payment

CONSULTANT's fees shall be billed by the 25th day of the month and paid by **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**.

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

E. **Billing Records**

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

IV **DOCUMENTS**

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

V **TERMINATION**

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

VI **INSURANCE REQUIREMENTS**

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

A. Workers' Compensation Insurance

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

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

B. Professional Liability Insurance

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

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

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily

injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to **DISTRICT**. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

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

D. Expiration of Coverage

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

INDEMNIFICATION

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

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

CONSULTANT shall immediately defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT**, and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers.

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

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

CONSULTANT's obligation to indemnify shall survive the termination or completion of this agreement for the full period of time allowed by law and shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VII **FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST**

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

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

VIII **PERMITS AND LICENSES**

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

IX **LABOR AND MATERIALS**

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

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

X **CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE**

A. Confidential Nature of Materials

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

B. No Disclosure of Confidential Materials

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

C. Protections to Ensure Control Over Materials

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

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

XI

OWNERSHIP OF DOCUMENTS AND DISPLAYS

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

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

CONSULTANT hereby assigns to **DISTRICT** or **DISTRICT's** designee, for no additional consideration, all **CONSULTANT's** intellectual property rights, including, but not limited to, copyrights, in all deliverables and other works prepared by the **CONSULTANT** under this agreement. **CONSULTANT** shall, and shall cause its employees and agents to, promptly sign and deliver any documents and take any actions that **DISTRICT** or **DISTRICT's** designee reasonably requests to establish and perfect the rights assigned to **DISTRICT** or its designee under this provision.

XII

EQUAL OPPORTUNITY

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

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

XIII INTEGRATION OF ALL OTHER AGREEMENTS

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

XIV ATTORNEYS' FEES

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

XV JURISDICTION AND VENUE SELECTION

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

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

APPROVED BY:

Date _____

CONSULTANT ACCEPTANCE:

Date _____

Robert Hunter, General Manager
Municipal Water District of Orange County
18700 Ward Street, P.O. Box 20895
Fountain Valley, CA 92708
(714) 963-3058

Stephen Johnson, President
Stetson Engineers, Inc.
861 S. Village Oaks Drive, Suite 100
Covina, CA 91724
(626) 967-6202

Internal Use Only:
Program No. _____
Line Item: _____
Funding Year: _____
Contract Amt.: _____
Purchase Order # _____

EXHIBIT "A"

ETHICS POLICY	§7100-§7111
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§7100 PURPOSE

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

§7101 RESPONSIBILITIES OF BOARD MEMBERS

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

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

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

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

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

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

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

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to: 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

§7104 GIFTS

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

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

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

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

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

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

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

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

§7106 USE OF CONFIDENTIAL INFORMATION

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

§7107 POLITICAL ACTIVITIES

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

§7108 IMPROPER ACTIVITIES

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

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

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

matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action.

Motion - 1/17/96;

§7110 VIOLATION OF POLICY -- DIRECTORS

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

§7111 PERIODIC REVIEW OF CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

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

Please note If using Consultant's proposal as Exhibit "B" please attach the proposal or or complete the standard Exhibit "B" Form below, BOTH Parties must verify that all sections of this form are FULLY ADDRESSED and the appropriate Exhibit is attached and labeled accordingly

EXHIBIT "B"

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

Company: Stetson Engineers, Inc. Name: Stephen Johnson Address: 861 S. Village Dr. Ste. 100, Covina Phone: (626) 967.6202 Tax I.D. # 94-2452155
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1. Term – Commencement: 1-24-2018 Termination: (per previous agreement, 1-year renewal option up to the year 2020)
2. Fees/Rates to be billed - \$36,855 for 2017-18 report; amount varies on participation from member agencies.
3. Budgeted Amount – Compensation is to be on a "time and material" basis, not to exceed \$36,855 for the 2017-18 report, with the option of adjusting services and fees no more than 5% per year for each subsequent year, up to the year 2020. **CONSULTANT's** fees shall be billed by the 25th day of the month and paid by **DISTRICT** on or before the 15th of the following month. Invoices shall reference the Purchase Order number from the **DISTRICT**

Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining work.
4. Scope of Work/Services – (Insert **SPECIFIC** description – do not list "refer to Exhibit ") **Preparation of technical data for mandated water-quality reports (consumer confidence reports) for participating member agencies.**
5. Consultant Representative: Stephen Johnson



CONSENT CALENDAR ITEM

February 21, 2018

TO: Administration and Finance Committee
(Directors Thomas, Dick and Finnegan)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez and Melissa Baum-Haley

SUBJECT: GRANT TRACKING AND ACQUISITION SERVICES

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to:

- Enter into a 3-year professional services contract with Soto Resources to provide grant tracking, writing (upon request) and acquisition. The award would be not to exceed \$20,000 in fiscal year 2017-2018, and not to exceed \$36,000 in fiscal year 2018-2019, and not to exceed \$36,000 in fiscal year 2019-2020.
- Total authorization of this contract is \$92,000 over three years.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

BACKGROUND

In 2017, the MWDOC Board received a suggestion from Chuck Gibson, Director at Santa Margarita Water for MWDOC to work collaboratively with its member agencies, as the lead agency in providing a firm with expertise in the area of obtaining grants and low-interest loans. Such grants/loans can include programs available as part of the Water Infrastructure Improvements for the Nation (WIIN) which passed on December 5, 2016.

Within WIIN there are several opportunities for agencies looking to obtain federal funds for local and regional infrastructure projects specifically:

Budgeted (Y/N): Y	Budgeted amount: \$20,000	Core X	Choice ____
Action item amount: None		Line item: 31-7040	
Fiscal Impact (explain if unbudgeted): Tasks 1 and 2 will be completed this fiscal year with limited work under Task 3, total not to exceed \$20,000. Future years' recommended at \$36,000 per year.			

- Water Resources Development Act (WRDA) of 2016 (Title I)
- Water and Waste Act of 2016 (Title II)
- Natural Resources (Title III)
- Water Infrastructure Finance and Innovation Act (WIFIA, Title IV)

In an effort to secure such funding, the Board directed staff to explore the annual costs of hiring an outside consultant/firm that specializes in grant funding and include \$20,000 in the FY 17/18 budget to commence this suggested service. After evaluating qualified firms, staff recommends the selection of Soto Resources with a service contract totaling \$92,000 over three years.

DETAILED REPORT

Firm Selection

To evaluate grant acquisition assistance service costs and identify qualified firms, staff solicited three competitive proposals from the following well-known and highly qualified grant administration and writing firms:

- California Consulting, LLC
- Landstedt Consulting
- Soto Resources

Pursuant to section 8000, Exhibit A of the MWDOC Administrative Code, contracts ranging from \$3,001-\$25,000 require competitive proposals on professional services contracts. The three proposals were review by Heather Baez, Melissa Baum-Haley, Joe Berg and Rob Hunter. (See Table 1)

The criteria used when reviewing the proposals followed section 8002, Exhibit A of the contracts manual:

- Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
- The consultant's familiarity with types of problems applicable to the project.
- Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
- The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
- The consultant's level of financial responsibility.
- The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.

- Types of guarantees or warranties offered by the consultant.
- Estimate of the range of proposed services and costs.

All three firms are highly qualified, and each firm's proposed scope and services was very similar. Based on the above criteria, the unanimous choice was Soto Resources.

Table 1				
Grant Acquisition Assistance Summary of Proposals				
	Core	Core	Core	Choice
	Task 1: Project Initiation – Kick-off Meeting, Compilation of Initial Projects List and Prioritization	Task 2: Grant Research and Funding Opportunities Report	Task 3: Monthly Grant Tracking, Reporting and Project Notification of Opportunities	Task 4: Grant Writing
California Consultants	\$2,375	\$6,660	\$2,850 / month	\$95 / Hour
Landstedt Consulting	\$13,200		\$3,000 / month	\$12,000 to \$22,000
Soto Resources	\$3,000	\$9,000	\$3,000 / month	\$5,000 to \$20,000

Grant Acquisition Assistance

Scope of Work

Task 1: Project Initiation (Kick-Off Meeting) - Core

- Verify team members and points of contact.
- Confirm project approach and process, includes establishing communication plan, schedule and other necessary items.
- Obtain information pertaining to MWDOC and its member agencies' grant needs.
- Identify potential funding opportunities for water projects. (Note: Only funding for water projects will be discussed.)

Task 2: Grant Research and Preliminary Report - Core

Research will be conducted to identify potential funding opportunities and to provide key information for planning upcoming opportunities, including funding program name and agency, key dates/deadlines, funding type (grant, loan or incentive), project eligibility requirements, funding available, and cost share required.

Task 3: Ongoing Grant Reporting, Go/No Go Evaluation, and Coordination - Core

Monitor local, state and federal grant funding and low-interest loan opportunities included in the Preliminary Grant Research Report and research new funding opportunities as they are identified.

Reporting

Ongoing reporting of funding opportunities will be accomplished via a two-pronged approach, as follows:

- Monthly (or periodic) reporting in a matrix format – A document summarizing the current and upcoming funding opportunities will be electronically provided to MWDOC. Key information will include: Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline.
- Funding Alert (as-needed basis)– When a funding opportunity is released with a short-term grant application due date, a high priority email summarizing the funding details (Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline) will be sent to MWDOC. MWDOC (or member agency) will be requested to respond within a few days if/with a Project for consideration.

Member Agency Outreach and Project Identification

Ongoing coordination and outreach to assist member agencies with funding program understanding. Member agencies would review the Preliminary Report and periodic funding updates, identify projects they believe are eligible, and ask for a Go/No-Go Evaluation.

Go/No-Go Evaluation

When requested by MWDOC or a member agency, advice on whether or not to proceed with a grant proposal. Review grant funding guidelines (state grants), proposal solicitation package (state grants), or funding opportunity announcement (federal grants) against assessment criteria. In addition, contact the funding agency to discuss the assessment criteria.

A go/no-go decision would be made based on the following assessment criteria:

- Project eligibility: *Does the project meet what the agency is looking to fund?*
- Maximum funding award amount: *Is the potential grant award a large enough portion of the overall project budget to be worthwhile?*
- Timeframe for completing the project: *Can the project realistically be completed by the deadline?*
- Cost/level of effort to prepare the grant proposal: *Is the potential grant amount worth the cost of preparing an application?*
- Proposal due date: *Do we have the required project information to complete the application in time?*
- Competitiveness: *How many grant awards are anticipated for the specified region?*

Upon a “go” decision to submit a funding application, this will be performed under separate contract as discussed under Task 4.

Coordination with Lobbyists and Attendance at Funding Workshops

A key component of securing grants and loans is coordination with lobbyists on upcoming funding legislation. The contractor will work closely with MWDOC and/or its member agencies' lobbyists to strategize funding opportunities for priority projects throughout service areas. In addition, attendance at Funding Agency public workshops is critical for establishing a solid relationship with funding program managers. As needed, the contractor will attend funding workshops to connect with funding program key personnel, discuss and promote project concepts, as well as obtain insight on funding priorities.

Attend meetings for grant related efforts including, but not limited to, Board Meetings, Committee Meetings, or other District events as requested.

Task 4: Grant/Funding Application Preparation and Submission - Choice

Full Application Preparation and Submission

When a decision is made to pursue a funding opportunity (as discussed in Task 3 above), the contractor will provide a proposal for MWDOC or its member agency to prepare and submit a grant (or loan) application. This includes review/ranking/evaluation criteria that are often included in the grant guidelines/solicitation/announcement and focus on the highest-weighted (most points) components of the grant. The work plan (scope), budget, and schedule will be reviewed to ensure these elements coincide with each other, as these components are the backbone of any project grant application.

Any work done by the contractor in Task 4 would be the expense of the agency applying for the grant as a choice function.

STAFF RECOMMENDATION

Staff proposes the selection of Soto Resources to commence work on Task 1 and Task 2 for fiscal year 2017/2018. Work on Task 3 would begin after Task 1 and Task 2 are completed, with total fiscal year expenditures not to exceed \$20,000 as budgeted. In addition, staff recommends Task 3 continue to be implemented during fiscal years 2018/2019 and 2019/2020 for a total not to exceed \$36,000 per fiscal year. An evaluation of program utilization will be completed during fiscal year 2019/2020. All work under Task 3 is covered under a \$3,000/month retainer fee (\$36,000/year). The contract will include a termination provision with 30 days' notice in the event the program is determined not to be of sufficient value.

MWDOC staff's recommendation is that member agencies who choose to access the contractor for Task 4 would pay for this using the Choice Program Framework.



CONSENT CALENDAR ITEM

February 21, 2018

TO: Board of Directors

FROM: **Planning & Operations Committee**
(Directors Osborne, Tamaribuchi, Yoo Schneider)

Robert Hunter
General Manager

Joe Berg
Director of Water Use Efficiency

SUBJECT: Technical Assistance for the Development of a Water Loss Control Shared Services Business Plan

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a Professional Services Agreement with Water Systems Optimization, Inc. to develop a Water Loss Control Shared Services Business Plan.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

For the past two years, staff has been implementing a Water Loss Control Program in partnership with member agencies and the Three-Cities. This Program includes a standing Water Loss Control Workgroup that meets bi-monthly, one-on-one technical assistance and distribution system leak detection from Water Systems Optimization, Inc. (WSO), and water sales/customer meter accuracy testing from Westerly Meters, Inc. (WMI) and McCall's Meters (MCM). The Water Loss Control Workgroup is a core-based service that all agencies participate in, and the one-on-one technical assistance and meter accuracy testing are choice-based services that individual agencies subscribe to.

To date, most agencies have completed two consecutive, annual Water Balances using the American Water Works Association water balance methodology. The results of this water

Budgeted (Y/N): Yes	Budgeted amount: \$100,000	Core <u> X </u>	Choice <u> </u>
Action item amount: \$50,000		Line item: Cost Center 35	
Fiscal Impact (explain if unbudgeted): Staff budgeted \$100,000 for the Leak Detection Equipment as a required match for the USBR grant. It is anticipated that no more than \$50,000 will be spent on equipment this fiscal year. Staff is proposing to utilize the balance (\$50,000) for consultant assistance to develop the Water Loss Control Shared Services Business Plan.			

balance work was presented to the Planning & Operations Committee on October 7, 2017. These results have also been presented to the California Department of Water Resources to better inform their water loss standards setting process for implementation of SB 555.

Many agencies are now progressing to Component Analysis to quantify volumes of Real Losses (or hidden losses) leaving the distribution systems that can be recovered. The Component Analysis will conclude with a customized Water Loss Control Plan for each agency. These will include recommendations for real loss reductions, such as active distribution system leak detection, system pressure management, and improved speed and quality of leak repairs. Recommendations will be based on an economic analysis intended to reduce real losses to an economic optimum volume.

In Fall of 2017, MWDOC was awarded a grant from the US Bureau of Reclamation (Bureau) to purchase leak detection equipment for use by retail water agencies. Staff is currently in the process of completing a Request for Quotes to obtain pricing, warranty, and training information from leak detection equipment manufacturers. Staff will return to the Board in April to request authorization for the equipment purchase.

Over the past year, staff has worked with member agencies to develop the Leak Detection Equipment Lending Library as envisioned in the Bureau grant. This included forming a Leak Detection Equipment Project Advisory Committee (PAC), discussions with the Water Loss Control Workgroup, and discussions with a few member agency managers. A key take away from these discussions was that if a field crew member does not use the leak detection equipment on a regular basis, their effectiveness in detecting leaks is marginal. What is needed is field crew who specialize in leak detection, uses the equipment on a routine basis, and has developed “an ear” for the sound of a leak. While the concept of a Leak Detection Lending Library was initially appealing to agencies, they began to express concern about available staff time and how proficient staff would be in using the equipment.

Staff still plans to purchase leak detection equipment; however, not in the quantities originally envisioned for the lending library. Rather, based on the input from member agencies, staff is seeking board authorization to explore developing a water loss control shared services business plan that includes water balance validation, distribution system leak detection, and sales meter accuracy testing.

DETAILED REPORT

Member agencies have expressed an interest for MWDOC to provide expanded Water Loss Control Shared Services. This would allow for a transition from our current use of consultants for these services to locally-based, technically-proficient MWDOC staff available to member agencies. It is envisioned that the types of shared services would include:

- Annual Water Balance Validation as required by SB 555
 - This service is currently being provided by WSO
 - MWDOC to provide as a Core activity
- Distribution System Leak Detection Services
 - This service is currently being provided by WSO
 - MWDOC to provide as a Choice activity
- Sales Meter Accuracy Testing Services
 - This service is currently being provided by WMI and MCM

- MWDOC to provide as a Choice activity

As a result of this shift in direction, member agencies have asked staff to develop a Water Loss Control Shared Services Business Plan (WLCSS Business Plan). This WLCSS Business Plan would be developed over the next year and presented to the Board for adoption no later than December 2018. If adopted, staff will then incorporate these shared services into the FY 19-20 budget process for implementation. The intent of the WLCSS Business Plan is to:

- Identify what shared services will be provided and the associated benefits
- How the shared services will be provided
- Staffing, equipment, office, and warehouse needs
- Annual cost and funding methods
- Evaluation of competition providing similar services
- Pros and cons of shared services versus use of consultants

Staff solicited a proposal from Water Systems Optimization, Inc. to assist with the development of the WLCSS Business Plan. WSO was selected due to their subject matter expertise, positive relationship with MWDOC and member agencies, and depth of knowledge of water loss among Orange County retail agencies. While developing these shared services would be in direct competition with some services provided by WSO, they recognize significant additional technical assistance opportunity exists to work with agencies throughout Orange County.

Over the next 11 months, MWDOC and WSO staff will work together to develop the WLCSS Business Plan. Internally, development of the WLCSS Business Plan will require an interdepartmental effort including senior management, water use efficiency, human resources, accounting, and information technology. During this time, we will keep the Board and member agencies apprised of our progress and solicit input along the way.

Nothing about this request represents an obligation for MWDOC to proceed with offering water loss control shared services. This request is limited to a detailed exploration of the cost and feasibility of offering water loss control shared services to member agencies.



CONSENT CALENDAR ITEM

February 21, 2018

TO: Planning & Operations Committee
(Directors Osborne, Tamaribuchi, Yoo Schneider)

FROM: Robert Hunter, General Manager

Staff Contact: Karl Seckel

**SUBJECT: ORANGE COUNTY RELIABILITY STUDY UPDATE BUDGET
AUGMENTATION TO CDM SMITH**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve a budget augmentation to CDM Smith in the amount of \$36,372 to complete the Water Reliability Study 2018 Update. Furthermore, staff recommends an additional contingency amount be included in the amount of \$8,000 for additional time, if required, for workshops, additional model runs, or meetings with agencies or groups of agencies beyond what has been estimated.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

CDM Smith and MWD OC staff have been working on the update to the Water Reliability study since the Board approved the additional services in February 2017. Primary elements of the update included more recent climate modeling for both the Colorado River and the State Water Project, updating the cost of local projects to be included in the analysis, and inclusion of assumptions for shortage sharing on the lower Colorado River system i.e. Drought Contingency Plan.

The timing of the work has been slowed because of reconciliation of various climate modeling efforts to ensure we are using the appropriate data. As included in all of our contracts as we near the completion of the majority of work, the cost to complete the effort was prepared by our consulting team. CDM Smith has prepared the attached request for additional work to complete the study in the amount of 36,372.

Budgeted (Y/N): Y	Budgeted amount: \$81,590	Core <u> X </u>	Choice <u> </u>
Action item amount: \$44,372	Line item: 21-7010		
Fiscal Impact (explain if unbudgeted):			

DETAILED REPORT

In February 2017, CDM Smith was authorized \$81,590 to update the O.C. Water Reliability Study. In the attached CDM Smith letter, under Table 1 – Proposed Project Budget (pg. 5), it indicates the total cost to complete the work is \$52,690. That requires an additional authorization of \$36,372, taking into account the amount of money still remaining in our agreement. Staff recommends approval of the additional authorization of \$36,372 which also includes an adjustment of the hourly rates for CDM which have been held constant since 2015. Furthermore, completing the study will require a number of meetings and workshops with the board and with our agencies. We have attempted to estimate the cost for this work; however, staff recommends an additional contingency authorization of about \$8,000 be included in case additional model runs or analyses are needed as we share the information with the Board and our agencies. The other variables contained within the upcoming work include meeting with MET staff to review overall assumptions and how we are proposing to handle the drought contingency plan allocations on the lower Colorado River. Finally, the California WaterFix appears to be headed for a single tunnel alternative. In order to complete the modeling, we will have to wait until the release of information from MET and DWR on the yield of the project under the various hydrologies. This will require our basic modeling to be updated. Estimates of the cost for this work have been included in the request.

The last item is the timing for completion of this work. It is dependent upon the meeting with MET and the review of input and comments from them and others, the release of the new cost and change configuration for the California WaterFix. Our hope is that the work can be completed by April or May this year.

Attachment – CDM Smith Scope and Budget Amendment for the 2018 Orange County Water Reliability Study Update, January 29, 2018



600 Wilshire Blvd, Suite 750
Los Angeles, CA 90017
tel: 213-457-2200

January 29, 2018

Karl Seckel, Assistant General Manager
Municipal Water District of Orange County
PO Box 20895, Fountain Valley, CA 92708

Subject: 2018 Orange County Water Reliability Study Update

Dear Karl:

As requested, CDM Smith has prepared a scope and budget amendment to complete the 2018 Orange County Water Reliability Study Update (2018 OC Study Update). The scope of work and budget presented here builds from the scope and budget amendment sent to you on February 27, 2017 (referred to as Change Order #2 2017).

Changed Conditions and Need for 2018 OC Study Update

Since the publication of the 2016 OC Study, several changed conditions have occurred that warrant an update to the study, referred to as the 2018 OC Study Update. These changed conditions are as follows:

- 1) **Newer climate models.** At the time of the 2016 OC Study, the older Coupled Model Intercomparison Project Phase 3 (CMIP3) global climate models (GCMs) were the only ones being used by water professionals to determine potential impacts to water supply reliability, even though more recent Phase 5 (CMIP5) GCMs were available. Most climate researchers and scientists believe that the CMIP5 modeling is superior to CMIP3 modeling in that it reflects additional atmospheric details other than just carbon emissions. In addition, these newer models are considerably higher in resolution making downscaling them to watershed regions more robust. Recently, the Bureau of Reclamation and National Center for Atmospheric Research have calibrated their hydrologic water models to be able to reflect the latest climate modeling included in the CMIP5.
- 2) **Colorado River water shortage declarations.** For the 2016 OC Study it was assumed that shortage declarations for water releases from Lake Mead to California and Metropolitan would occur when lake levels fell below 1,000 feet. Based on the planning scenarios used for that study, the probability of Lake Mead falling to that elevation was rare. Since then, the Bureau and Lower Colorado River Basin states have been working on a draft drought contingency plan (DCP) that would trigger shortage declarations starting at lake elevation of 1,045 feet. While this draft DCP has yet to be adopted, it is believed that something similar will most likely have to be implemented to manage lake levels from falling below 1,000 feet.



- 3) **Latest supply yield and cost numbers for water projects.** At the time of the 2016 OC Study, many of the Orange County projects and several of MET's water projects were still being evaluated in terms of supply yield and costs. Since then, more refined supply and cost numbers have been developed for Poseidon's Huntington Beach seawater desalination project, Doheny seawater desalination project, San Juan Basin Watershed project, and MET's regional recycled water recharge project (Carson project). This information will be incorporated into the project by project analyses.
- 4) **Changed configuration for California WaterFix.** Given the lack of support and funding from agriculture and tentative support for a smaller project from Santa Clara Valley Water District and others, a one-tunnel project option is being discussed by the remaining proponents of the California WaterFix. While the overall project capacity would be reduced under this changed configuration, MET would likely become a more significant funding partner and thus could receive a greater capacity from a one-tunnel project. The original two-tunnel solution would likely be retained from an environmental impact study perspective, but one-tunnel would be constructed first with the second tunnel being phased in implementation. MET is currently analyzing this changed condition from a supply and cost perspective. New costs and yields from MET will need to be incorporated into the modeling effort.

Change Order #2 2017 had the following scope:

- 1) Incorporating the latest climate modeling, using a select number of global climate models from CMIP5
- 2) Testing wet year yield benefits of new conceptual regional surface reservoir (similar to a second DVL)
- 3) Development of new planning scenarios, with focus on different combinations of MET project successes (i.e., WaterFix and/or Regional Recycled Recharge Project [sometimes referred to as "Carson Project"]) and climate change impacts

The budget for Change Order #2 2017 was \$81,590 which was authorized by the MWDOC Board. The status of completing Change Order #2 2017 is as follows:

- 1) New climate models from CMIP5 were compared to the previous set of climate models used for the 2016 OC Study, and analyzed in terms of emission scenarios and applicability for use for the 2018 OC Study Update. From the 97 CMIP5 climate models available, three were selected to be representative of moderate to significant in terms of impacts to imported and local water supplies. These climate models were then used by CDM Smith sub-contractor and climate change expert Dr. David Yates to determine impacts to State Water Project deliveries, Colorado River supply, and Santa Ana stormflows. This effort took considerably more effort than anticipated because CDM Smith wanted the results to be consistent with published studies by the US Bureau of Reclamation, which recently used CMIP5 climate models to update their basin studies in

California and Colorado River Basin states. In addition, a new method of determining potential Colorado River water shortages to California and MET was used, based on a draft DCP that was presented to MET's Board for input and consideration. To further validate these results, MWDOC wanted documentation of the climate change modeling and new assumptions regarding Colorado River allocations during droughts to be able to share/get input from MET staff prior to completion of the modeling work. Thus, CDM prepared a substantial Technical Memorandum that was not originally anticipated in the scope of work. A meeting with MET staff is being established at this time to review the basics of the modeling work.

- 2) The OC Reliability Model used for the 2016 OC Study was updated to incorporate the new climate models and Colorado River allocations, and was also updated to be able to test wet year yields from a new conceptual regional surface reservoir. The results of this effort will be documented in the final 2018 OC Study Update Executive Report.
- 3) New draft planning scenarios for the 2018 OC Study Update were developed for MWDOC's review. However, these were not finalized as certain parameters were still being discussed, such as assumptions regarding the need for additional emergency supply capacity in South Orange County. As this new information becomes available, staff will finalize the planning scenarios to be evaluated. These scenarios will be used to test the cost-effectiveness of various OC projects and documented in the final 2018 OC Study Update Executive Report.

The remaining project budget for Change Order #2 2017 is \$16,318.

Amended Scope of Work and Budget

To address the changed conditions described earlier and complete the 2018 OC Study Update, the following completion scope of work and budget has been prepared.

Task 1. Update OC Reliability Model

The OC Reliability Model will be updated to incorporate the latest assumptions regarding supply yields for OC water projects and MET regional projects, such as Poseidon's Huntington Beach seawater desalination, Doheny seawater desalination, San Juan Basin Watershed, MET's regional recycled water recharge, and others. This task would also include incorporation of new State Water Project deliveries under a one-tunnel WaterFix solution. This task would be dependent on MET providing MWDOC with simulations on the supply benefits of a one-tunnel WaterFix project to incorporate into the modeling work.

Task 2. Update Cost Spreadsheet Tool

To estimate present value costs for the planning period, a cost spreadsheet tool was developed by CDM Smith. This tool incorporates capital and O&M costs, with assumptions regarding financing and LRP funding, in order to derive a net present value for Orange County. Updated costs for OC water projects and MET imported water costs will be used for the 2018 OC Study Update.

Task 3. Finalize New Planning Scenarios

New planning scenarios, representing various combinations of assumptions for future climate, success or no success of MET initiatives such as California WaterFix and regional recycled water recharge project, and emergency supply capacity in South Orange County will be finalized, with input from a working group of OC water managers.

Task 4. Analyze Scenarios for Both Supply and System Reliability Benefits

Using the updated OC Reliability Model and Cost Spreadsheet Tool, supply reliability curves and net present value will be estimated for the planning scenarios, testing different OC projects such as Poseidon's Huntington Beach seawater desalination, Doheny desalination, OC Basin emergency supply project and combinations of those. The projects will be assessed in terms of supply and emergency benefits, where applicable. In addition, a new conceptual regional surface reservoir will be tested to determine its yield viability to capture additional wet-year water and cost-effectiveness for reducing shortages to OC.

Task 5. Project Meetings and OC Workgroup Meetings

A total of four project meetings, which could be in-person meetings or conference calls are provided in the budget augmentation. A meeting with MET will also be conducted to address a number of issues and solicit feedback on overall assumptions. Finally, three OC Workgroup meetings will be conducted to get input from OC water managers throughout this effort.

Task 6. Draft and Final Executive Report

A draft Executive Report will be prepared for MWDOC and OC water agency review. This will be in a similar format as the 2016 OC Study Executive Report. A final Executive Report will be prepared addressing all comments received from MWDOC and OC water agency managers.

Budget for Amended Scope of Work

As CDM Smith's billing rates have not changed since the beginning of this entire effort, starting in December of 2015, we are proposing a nominal increase in the billing rate for the three principals working on this project as shown below:

	Current <u>Billing Rate</u>	Proposed <u>Billing Rate</u>	Percent <u>Change</u>
Dan Rodrigo, Project Manager	\$250/hr	\$270/hr	6.0%
Lanaya Voelz, Principal-in-Charge	\$190/hr	\$200/hr	5.3%
Andrea Zimmer, Project Engineer	\$155/hr	\$165/hr	6.5%

These proposed billing rates, on aggregate, represent less than three years of average CPI from the start of 2015 to the end of 2017.

The proposed budget, based on the above-mentioned proposed billing rates, is shown by task in Table 1. The total proposed project budget is **\$52,690**. After subtracting the remaining project budget from Change Order #2 2017 of **\$16,318** results in a net project amendment of **\$36,372**.

Karl Seckel
January 29, 2018
Page 5

Table 1. Proposed Project Budget

	Labor Hours					Labor Costs	Other Costs*	Total Costs
	Rodrigo	Voelz	Zimmer	Admin	Total			
Task 1. Update OC Reliability Model	6	0	16	0	22	\$ 4,230	\$ -	\$ 4,230
Task 2. Update Cost Spreadsheet Tool	12	6	0	0	18	\$ 4,380	\$ -	\$ 4,380
Task 3. Finalize Planning Scenarios	8	0	8	0	16	\$ 3,440	\$ -	\$ 3,440
Task 4. Analyze Planning Scenarios and Assess Project Benefits	20	0	48	0	68	\$ 13,220	\$ -	\$ 13,220
Task 5. Project Meetings	24	8	24	7	63	\$ 12,725	\$ 200	\$ 12,925
Task 6. Draft and Final Executive Report	20	8	40	8	76	\$ 14,420	\$ 75	\$ 14,495
Total	90	22	136	15	263	\$ 52,415	\$ 275	\$ 52,690
<i>Billing Rates (\$/Hour)</i>						Less Remaining Budget		\$ 16,318
						Proposed Budget Amendment		\$ 36,372

The schedule to complete the work is dependent on setting of several meetings and getting modeling input from MET for the single tunnel alternative. Assuming the information will be available from MET in March, the work should be able to be completed in April or May.

Please feel free to contact me if you have any questions or need further information.

Sincerely,



Dan Rodrigo
Sr. Vice President and Project Manager
CDM Smith Inc.

cc: Lanaya Voelz



CONSENT CALENDAR ITEM

February 21, 2018

TO: Public Affairs and Legislation Committee
(Directors Dick, Tamaribuchi, and Thomas)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO WASHINGTON D.C. TO COVER FEDERAL ADVOCACY INITIATIVES

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the report.

COMMITTEE RECOMMENDATION

This is a receive and file report.

REPORT

DIRECTORS

For the second quarter (Oct.-Dec. 2017) of fiscal year 2017-2018, one trip was taken, and one trip was booked for travel in the third quarter.

The following is budgeted for fiscal year 2017/2018 for **directors**:

Washington D.C. Legislative Budget Travel - \$10,800, 6 trips

- Total cost for this quarter: \$3,111.81 (November trip – Directors Barbre & Yoo Schneider), \$592.40 (January trip)
- Year-to-date spent: \$1,139.11

Budgeted (Y/N): Y	Budgeted amount: Directors - \$10,800 Staff - \$10,800	Core X	Choice ____
Action item amount: None	Line item: 11-7155 12-7150		
Fiscal Impact (explain if unbudgeted):			

- Budget remaining: \$9,660.89

Projecting for the second quarter one trip is scheduled

- November 15-17 – Director Barbre

STAFF

For the second quarter (Oct.-Dec. 2017) of fiscal year 2017-2018, no trips were taken, and one trip was booked for travel in the third quarter.

The following is budgeted for fiscal year 2017/2018 for **staff**:

Washington D.C. Legislative Travel - \$10,800, 6 trips

- Total cost for this quarter: \$689.65
- Year-to-date spent: \$883.23
- Budget remaining: \$9,916.77

The focus of upcoming trips will be on the importance of the CA WaterFix (federal permits and funding), long term conservation and tax parity water rebate issues (turf removal program, et al), and visits to representative's offices to invite them to our February 2018 luncheon that is scheduled once again in the Gold Room in the Rayburn House Office Building.



CONSENT CALENDAR ITEM

February 21, 2018

TO: Public Affairs and Legislation Committee
(Directors Dick, Tamaribuchi and Thomas)

FROM: Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file the report.

COMMITTEE RECOMMENDATION

This is a receive and file report.

REPORT

DIRECTORS

For the second quarter (Oct.-Dec. 2017) of fiscal year 2017-2018, two trips were taken.

The following is budgeted for fiscal year 2017/2018 for **directors**:

Sacramento Legislative Budget Travel - \$4,600, 8 trips

- Total cost for this quarter: \$0
- Year-to-date spent: \$0
- Budget remaining: \$4,600

Projecting for the third quarter no trips are scheduled.

Budgeted (Y/N): Yes	Budgeted amount: \$4,600 – Directors \$10,500 – Staff	Core X	Choice ____
Action item amount: None	Line item: 11-7155 12-7150		
Fiscal Impact (explain if unbudgeted):			

STAFF

For the second quarter (Oct.-Dec. 2017) of fiscal year 2017-2018, two trips were taken.

The following is budgeted for fiscal year 2017/2018 for **staff**:

Sacramento Legislative Travel - \$10,500, 18 trips

- Total cost for this quarter: \$526.41
- Year-to-date spent: \$766.37
- Budget remaining: \$9,733.63

Projecting out for the third quarter, 5 trips have been taken/scheduled

- January 31/February 1 – Heather Baez
- January 31 –Joe Berg
- February 9 – Heather Baez
- February 20 – Joe Berg
- March 2- Heather Baez
- March 23 – Heather Baez

The focus of trips is “Making Conservation a California Way of Life” legislation, public goods charge, low income rate assistance implementation/water shutoffs, and State Water Resources Control Board meetings.



ACTION ITEM
February 21, 2018

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Hilary Chumpitazi

SUBJECT: PARS Post-Employment Benefits Trust Program

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Adopt the Resolution authorizing participation in the PARS Post-Employment Benefits Trust Program to be administered by Public Agency Retirement Services (PARS) and U.S. Bank, appointing the General Manager as the District's Plan Administrator, and authorizing the General Manager to execute the documents to implement the Program.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires that governmental employers that sponsor Defined Benefit plans (i.e., CalPERS) must recognize a net pension liability (unfunded accrued liability) on their balance sheet. This is the difference between the District's total pension liability (actuarial accrued liability) and actual plan assets. GASB 68 will become effective for fiscal years starting after June 15, 2014.

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

To address the GASB 68 net pension liability, the District's only prior option was to commit additional funds to CalPERS (in excess of its annual required contributions) to reduce its unfunded liability. However, a recent private letter ruling received by PARS from the IRS established that the District could create a separate trust to "pre-fund" its CalPERS unfunded liability. This would provide the District with an alternative to sending funds to CalPERS that will allow for greater local control over assets, investment by a professional fund management team selected and monitored by the District, with future excess contributions transferred to CalPERS at the District's discretion.

To date, over 118 public agencies have adopted this program through PARS including Yorba Linda Water District, Mesa Water District, South Coast Water District, Sweetwater Springs Water District and Three Valleys Municipal Water District.

Expected benefits offered by a separate retirement funding trust include:

- Contributions placed in an exclusive benefit trust could address the District's Net Pension Liability
- Investment flexibility with Section 115 Trust compared to restrictions on general fund investments (Govt. Code 53216)
- Increased risk diversification of plan assets through different asset management
- Investments can be tailored to the District's unique demographics
- Oversight and control of fund management selection, monitoring of performance and ability to replace fund management based on performance criteria
- Increased flexibility on use of trust assets (i.e., trust assets can be accessed at any time as long as the assets are used to fund the District's pension obligations and defray reasonable expenses associated therewith)
- Lower investment management and administrative expenses compared to CalPERS
- Potential for positive rating agency and investor consideration.

In an effort to help public agencies address and manage their GASB 68 liability, PARS has developed the PARS Post-Employment Benefits Trust Program. PARS has assembled leading professionals to provide the District with the necessary services required under one program to pre-fund pension and retiree health care liabilities through an IRS reviewed program. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program to receive the necessary economies of scale to keep administrative fees low and avoid any setup costs. The trust permits the District, under federal and state law, to invest in a more diversified array of investments to maximize investment returns long term and reduce the District's liability.

PARS has partnered with US Bank to serve as trustee and its sub-adviser HighMark Capital Management, Inc., to provide investment management services for the program.

See the following Resolution and draft Agreement for Administrative Services.

AGREEMENT FOR ADMINISTRATIVE SERVICES

This agreement ("Agreement") is made this ____ day of _____, 2018, between Phase II Systems, a corporation organized and existing under the laws of the State of California, doing business as Public Agency Retirement Services and PARS (hereinafter "PARS") and the [Agency Name] ("Agency").

WHEREAS, the Agency has adopted the PARS Public Agencies Post-Employment Benefits Trust for the purpose of pre-funding pension obligations and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services.

NOW THEREFORE, the parties agree:

1. **Services.** PARS will provide the services pertaining to the Plan as described in the exhibit attached hereto as "Exhibit 1A" ("Services") in a timely manner, subject to the further provisions of this Agreement.
2. **Fees for Services.** PARS will be compensated for performance of the Services as described in the exhibit attached hereto as "Exhibit 1B".
3. **Payment Terms.** Payment for the Services will be remitted directly from Plan assets unless the Agency chooses to make payment directly to PARS. In the event that the Agency chooses to make payment directly to PARS, it shall be the responsibility of the Agency to remit payment directly to PARS based upon an invoice prepared by PARS and delivered to the Agency. If payment is not received by PARS within thirty (30) days of the invoice delivery date, the balance due shall bear interest at the rate of 1.5% per month. If payment is not received from the Agency within sixty (60) days of the invoice delivery date, payment plus accrued interest will be remitted directly from Plan assets, unless PARS has previously received written communication disputing the subject invoice that is signed by a duly authorized representative of the Agency.
4. **Fees for Services Beyond Scope.** Fees for services beyond those specified in this Agreement will be billed to the Agency at the rates indicated in the PARS' standard fee schedule in effect at the time the services are provided and shall be payable as described in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with a detailed description of the services, terms, and applicable rates for such services. Such services, terms, and applicable rates shall be agreed upon in writing and executed by both parties.
5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the

Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non performance of Services to the extent such non performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.

6. **Records.** Throughout the duration of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
7. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency, subject to applicable law, and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
8. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
9. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors or omissions with respect to the performance of their respective duties hereunder.
10. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.

11. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
12. **Force Majeure.** When a party's nonperformance hereunder was beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
13. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
14. **Designees.** The Plan Administrator of the Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Body of the Agency, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
15. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: [Agency]; [Address]; [City, State, Zip]; Attention: [Plan Administrator]Notices shall be deemed given on the date received by the addressee.
16. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2018 and ending _____, 2021 ("Term"). This Agreement may be terminated at any time by giving thirty (30) days written notice to the other party of the intent to terminate. Absent a thirty (30) day written notice to the other party of the intent to terminate, this Agreement will continue unchanged for successive twelve month periods following the Term.
17. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
18. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or

provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.

19. **Attorneys Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement the prevailing party herein shall be entitled to receive its reasonable attorney's fees.
20. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
21. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
22. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.

AGENCY:

BY: _____

TITLE: _____

DATE: _____

PARS:

BY: _____

Tod Hammeras

TITLE: Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the [Agency Name] Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate Agency personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the Agency to the trustee of the PARS Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the Agency and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the Agency and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the Agency, unless directed by the Agency otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the Agency;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan Assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual Rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) Agency name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by PARS and Actuarial Provider.

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS the Municipal Water District of Orange County ("MWDOC") is currently participating in the Public Agencies Post-Retirement Health Care Plan Trust for the pre-funding of its retiree health benefits and other post-employment benefits other than pension benefits ("OPEB"); and

WHEREAS MWDOC desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation that will be held in trust for the exclusive purpose of making future contributions of MWDOC's required pension contributions and any employer contributions in excess of such required contributions at the discretion of MWDOC; and

WHEREAS PARS has made available the Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of pre-funding both pension obligations and/or OPEB obligations as specified in MWDOC's plans, policies and/or applicable collective bargaining agreements; and

WHEREAS MWDOC is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS MWDOC can manage the pre-funding of its pension and OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS MWDOC's adoption and operation of the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS MWDOC's funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS MWDOC reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Board of Directors of MWDOC hereby adopts the Public Agencies Post-Employment Benefits Trust, effective February 21, 2018; and
2. The Board of Directors of MWDOC hereby appoints the General Manager, or his/her successor or his/her designee as MWDOC's Plan Administrator for the Program; and
3. MWDOC's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of MWDOC and to take whatever additional actions are necessary to maintain MWDOC's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer MWDOC's Program; and
4. The Board of Directors of MWDOC, in accordance with Section 3.3 of the Public Agencies Post-Retirement Health Care Plan Trust adopted effective July 20, 2011, hereby authorizes the withdrawal from said trust and directs

the transfer of assets held in said trust to the OPEB Account established in the name of MWDOC under the Public Agencies Post-Employment Benefits Trust, adopted herewith.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF ORANGE

Maribeth Goldsby, the Secretary of the Board of Directors of the Municipal Water District of Orange County, hereby certifies that the above foregoing resolution was duly and regularly adopted by said District at a regular meeting thereof held on the _____, and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____, 2018.

Secretary of the Board



ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Dick, Tamaribuchi, and Thomas)

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 1876 (Frazier) - Sacramento-San Joaquin Delta: Delta Stewardship Council

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt an oppose position on AB 1876 (Frazier) and join the Metropolitan Water District of Southern California's (MET) coalition letter in opposition.

COMMITTEE RECOMMENDATION

The Committee will review this item on February 20, 2018 and make a recommendation to the Board.

BILL SUMMARY

AB 1876 would increase the membership of the Delta Stewardship Council (Council) from 7 members to 13 members, including 11 voting members and 2 nonvoting members.

BACKGROUND

In November 2009, the California Legislature enacted SBX7 1 (Delta Reform Act), one of the several bills that passed at this time related to water supply reliability, ecosystem health, and the Delta. The Act, effective on February 2, 2010, created the Delta Stewardship Council. The council is made up of seven members who provide a broad, statewide perspective and diverse expertise. In addition, they are advised by a 10-member board of nationally and internationally renowned scientists. The current council has two members

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

from the south part of the state, two members from the central valley, two members from the Delta region, and one from the northern part of the state.

ARGUMENTS IN SUPPORT

This measure adds four additional voting members to the Council all from the Delta region, creating a majority (6 of 11) of members from the Delta region. This increases their influence and voting weight which is beneficial to the residents of that region.

ARGUMENTS IN OPPOSITION

The current appointment format for the Council, as established by the Legislature in 2009, reflects the statewide interests of its actions. Two-thirds of Californians depend directly on water supplies from the Delta. Nearly 95 percent of all Californians get some or all of their water from the Delta watershed, which comes from rainfall and snowmelt in the upper watersheds and Sierra Nevada Mountains. The Delta is also the largest estuary in the western hemisphere, making it of international ecological importance.

The Council is tasked with developing and implementing a Delta Plan that seeks to coordinate the actions of dozens of local, state and federal agencies with decision-making authority over projects and programs in the Delta. Only one region, under existing law, has a guaranteed seat on this seven-member Council, that being the automatic appointment of the chair of the Delta Protection Commission. The State Assembly, State Senate and Governor also make appointments essential to achieving the Council's mission, which may include other representatives from the Delta region.

Altering the makeup of the Council so that it is dominated by in-Delta interests could create a potential bias against projects that have a statewide benefit or, in contrast, in support of proposed land development within the Delta, which was identified in the Delta Plan by the Council as among the threats to the region.

Finally, AB 1876 is contradictory to the intent of SBX7 1 which requires members to "possess diverse expertise and reflect a statewide perspective." Six members of an eleven member council, who are all from the same region, does not reflect a statewide perspective.

STAFF COMMENTS

AB 1876 is identical to AB 792 (Frazier – 2017) which was pulled by the author three separate times before its scheduled hearing. AB 792 was never heard in committee and cannot be heard again due to legislative deadlines not being met. It was reintroduced as AB 1876 on January 16, 2018. The MWDOC Board of Directors adopted an oppose position on AB 792 on April 19, 2017.

The Metropolitan Water District of Southern California organized a coalition letter for AB 792 which included MWDOC. They are planning to do the same for AB 1876.

DETAILED REPORT

The full text of AB 1876 is attached.

ASSEMBLY BILL

No. 1876

Introduced by Assembly Member Frazier

January 16, 2018

An act to amend Section 85200 of, and to add Sections 85061, 85066.5, and 85200.5 to, the Water Code, relating to the Sacramento-San Joaquin Delta.

LEGISLATIVE COUNSEL'S DIGEST

AB 1876, as introduced, Frazier. Sacramento-San Joaquin Delta: Delta Stewardship Council.

Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council, which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan.

This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified. By imposing new duties upon local officials to appoint new members to the council, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 85061 is added to the Water Code, to read:

85061. “Primary zone of the Delta” means the primary zone as defined in Section 29728 of the Public Resources Code.

SEC. 2. Section 85066.5 is added to the Water Code, to read:

85066.5. “Secondary zone of the Delta” means the secondary zone as defined in Section 29731 of the Public Resources Code.

SEC. 3. Section 85200 of the Water Code, as added by Section 98 of Chapter 26 of the Statutes of 2017, is amended to read:

85200. (a) The Delta Stewardship Council is hereby established as an independent agency of the state.

(b) The council shall consist of ~~seven voting members, of which four~~ *11 voting members and two nonvoting members, as follows:*

(1) *The 11 voting members shall be as follows:*

(A) *Four members shall be appointed by the Governor and confirmed by the Senate, one Senate.*

(B) *One member shall be appointed by the Senate Committee on Rules, one Rules.*

(C) *One member shall be appointed by the Speaker of the Assembly, and one Assembly.*

(D) *One member each shall be appointed by the municipal selection committees for the primary zone and the secondary zone of the Delta established in Section 85200.5.*

(E) *One member with expertise in Delta agricultural interests and one member with expertise in Delta small business interests, each with a primary residence in the Delta, shall be appointed by the Boards of Supervisors of the Counties of Contra Costa, Sacramento, San Joaquin, Solano, and Yolo. The boards of supervisors of those counties shall organize a selection committee for the purposes of this subparagraph. Nothing in this section shall prevent the selection committee from appointing members who meet the criteria for appointment under another provision of this subdivision.*

(F) *One member shall be the Chairperson of the Delta Protection Commission. Initial Commission.*

(2) *One Member of the Senate appointed by the Senate Committee on Rules and one Member of the Assembly appointed by the Speaker of the Assembly, both of whom represent areas*

1 *within the primary zone of the Delta, shall be ex officio members*
2 *without vote and shall participate in the activities of the*
3 *commission to the extent that the participation is not incompatible*
4 *with their respective positions as Members of the Legislature. For*
5 *purposes of this division, these Members of the Legislature shall*
6 *constitute a joint interim investigating committee on the subject*
7 *of this division, and, as that committee, shall have the powers and*
8 *duties imposed upon those committees by the Joint Rules of the*
9 *Senate and Assembly.*

10 (c) (1) *Except as provided in paragraph (2), initial*
11 *appointments to the council shall be made by July 1, 2010.*

12 (2) (A) *Initial appointments of the members appointed by*
13 *municipal selection committees shall be made by March 1, 2019.*

14 (B) *Initial appointments of the ex officio members described in*
15 *paragraph (2) of subdivision (b) shall be made by March 1, 2019.*

16 ~~(e)~~
17 (d) (1) (A) The initial terms of two of the four members
18 appointed by the Governor shall be four years.

19 (B) The initial terms of two of the four members appointed by
20 the Governor shall be six years.

21 (C) The initial terms of the members appointed by the Senate
22 Committee on Rules and the Speaker of the Assembly shall be
23 four years.

24 (D) *The initial terms of the members appointed by the municipal*
25 *selection committees for the primary zone or the secondary zone*
26 *of the Delta shall be four years.*

27 ~~(D)~~
28 (E) Upon the expiration of each term described in subparagraph
29 (A), (B), ~~or (C)~~, (C), or (D), the term of each succeeding member
30 shall be four years.

31 (2) The Chairperson of the Delta Protection Commission shall
32 serve as a member of the council for the period during which he
33 or she holds the position as commission chairperson.

34 ~~(d)~~
35 (e) Any vacancy shall be filled by the appointing authority
36 within 60 days. If the term of a council member expires, and no
37 successor is appointed within the allotted timeframe, the existing
38 member may serve up to 180 days beyond the expiration of his or
39 her term.

40 ~~(e)~~

1 (f) The council members shall select a chairperson from among
2 the members, who shall serve for not more than four years in that
3 capacity.

4 ~~(f)~~

5 (g) The council shall meet once a month in a public forum. At
6 least two meetings each year shall take place at a location within
7 the Delta.

8 ~~(g)~~

9 (h) This section becomes operative on January 1, 2019.

10 SEC. 4. Section 85200.5 is added to the Water Code, to read:

11 85200.5. (a) For the purposes of this section, the term
12 “unincorporated town” means the following:

13 (1) In the primary zone of the Delta, the communities of
14 Clarksburg, Courtland, Hood, Knightsen, Locke, Ryde, Terminous,
15 and Walnut Grove.

16 (2) In the secondary zone of the Delta, the communities of Bay
17 Point, Bethel Island, Bird’s Landing, Byron, Collinsville, Discovery
18 Bay, and Freeport.

19 (b) Municipal selection committees are hereby established for
20 the primary zone and the secondary zone of the Delta to appoint
21 members to the council.

22 (c) The municipal selection committees for the primary zone
23 and the secondary zone of the Delta shall consist of the following
24 members or their designees:

25 (1) The mayor or an elected member of the city council of each
26 city in the applicable zone, selected by a majority of that city
27 council.

28 (2) For each unincorporated town in the applicable zone, one
29 of the following:

30 (A) A member of the municipal advisory council of the
31 unincorporated town who is a resident of the town, selected by a
32 majority vote of the total membership of that municipal advisory
33 council.

34 (B) If no person is available for appointment under subparagraph
35 (A), a resident of the unincorporated town, selected by majority
36 vote of the total membership of the board of supervisors of the
37 applicable county.

38 (d) (1) Representatives of cities may only be nominated for
39 membership in the council from among the mayors or elected city
40 council members of those cities.

1 (2) Representatives of unincorporated towns may only be
2 nominated for membership in the council from among the members
3 of the municipal selection committee.

4 (e) A majority of the total membership of the municipal selection
5 committee shall constitute a quorum for the transaction of business.

6 (f) A majority vote of the total membership of a municipal
7 selection committee is required for the municipal selection
8 committee to take action. Each member of the municipal selection
9 committee shall have one vote.

10 SEC. 5. If the Commission on State Mandates determines that
11 this act contains costs mandated by the state, reimbursement to
12 local agencies and school districts for those costs shall be made
13 pursuant to Part 7 (commencing with Section 17500) of Division
14 4 of Title 2 of the Government Code.

O



ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Dick, Tamaribuchi and Thomas)

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: AB 2050 (Caballero) - Small System Water Authority Act of 2018

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt a support position on AB 2050 (Caballero).

COMMITTEE RECOMMENDATION

The Committee will review this item on February 20, 2018 and make a recommendation to the Board.

BILL SUMMARY

AB 2050 would create the Small System Water Authority Act of 2018, providing another tool to prevent chronically non-compliant water systems from serving contaminated water to Californians. AB 2050 proposes to merge non-compliant water systems into a larger and more robust public water system that can take advantage of improved economies of scale, streamlined managerial functions and enhanced financial capacity.

BACKGROUND

There are approximately 325 systems, serving approximately 200,000 residents, throughout the state that chronically serve contaminated water or cannot provide reliable water service due to unsound infrastructure and/or operations. The majority of these systems are very small and have small rate bases resulting in inefficient use of rate revenue. There is also

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

an inability of system owners, managers and operators to implement complex solutions, repair infrastructure, or secure external funding.

Non-compliant systems (Population)*	Number of Systems	Percent	
10,000 or greater	9	3%	
1,000 to 9,999	41	13%	
100 to 999	155	51%	} <i>84% of the non-compliant systems serve less than 1,000 people (~ 400 services)</i>
Under 100	<u>101</u>	33%	
Total =	306		

* SWRCB State Drinking Water Data Base, July 2017 database

ARGUMENTS IN SUPPORT

AB 2050 would allow multiple non-contiguous systems under one consolidated public entity creating a new independent special district formed at the county or sub-county level. It will provide enhanced internal and external financial capabilities that are currently unavailable to the current small systems.

AB 2050 provides an additional tool to help failing districts by reforming the service delivery and governance model. This should be a prerequisite to defining long-term supplemental funding needs. It is not a forced consolidation between unequal parties, but will help reduce the number of small systems.

ARGUMENTS IN OPPOSITION

None on file.

STAFF COMMENTS

AB 2050 was developed and is sponsored by Eastern Municipal Water District. California Municipal Utilities Association is co-sponsoring.

DETAILED REPORT

The full text of AB 2050 is attached.

ASSEMBLY BILL

No. 2050

Introduced by Assembly Member Caballero

February 6, 2018

An act to add Division 23 (commencing with Section 78000) to the Water Code, relating to small system water authorities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2050, as introduced, Caballero. Small System Water Authority Act of 2018.

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, as defined, consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the state board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified.

This bill would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill would define various terms and require a change in organization to be carried out as set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The bill would state the intent of the Legislature to enact legislation to protect public health that would require the board to provide notice to a water agency that is chronically providing contaminated drinking water, require the agency to develop a plan, as specified, and would subject to a merger with other agencies serving contaminated water an agency that is not able to develop a plan to correct the serving of contaminated water, the merger of which would create a small system water authority. The bill would state the intent of the Legislature to enact legislation that would subject a small system water authority to oversight by the appropriate local agency formation commission and the board's Division of Drinking Water, and that would require the Treasurer to create and submit to the Legislature an oversight report.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 23 (commencing with Section 78000)
2 is added to the Water Code, to read:

3
4 DIVISION 23. SMALL SYSTEM WATER AUTHORITY
5 ACT OF 2018
6

7 PART 1. SHORT TITLE
8

9 78000. This division shall be known, and may be cited as, the
10 Small System Water Authority Act of 2018.

11
12 PART 2. FINDINGS AND DECLARATIONS
13

14 78001. The Legislature finds and declares all of the following:

15 (a) As of November 2017, according to the state board, there
16 are 329 public water systems in the State of California that are

1 chronically serving contaminated water to their customers and are
2 operationally deficient in violation of public health regulations.

3 (b) The vast majority of those systems are small, only serving
4 a population of less than 10,000 people, with deficiencies that
5 range from natural contaminants, man-made contaminants, and
6 failing infrastructure. These systems are located throughout
7 California, with a greater percentage of these failing systems
8 primarily located in economically distressed or rural counties.

9 (c) These chronically out of compliance systems lack the
10 financial, managerial, and technical resources to adequately serve
11 their communities and face higher costs per customer to provide
12 adequate service because of their small size, rural location, and
13 aging infrastructure.

14 (d) There is an inefficient deployment of existing local system
15 financial resources and potential funding shortfalls, largely due to
16 duplication of overhead and the inability to access state and other
17 funding streams necessary for modern water service.

18 (e) A new category of public water agency is needed to absorb
19 and consolidate failing small public water systems to provide
20 technical, managerial, and financial capabilities to ensure the
21 provision of safe, clean, affordable, and accessible water and local
22 governance.

23 (f) This act authorizes the creation of small system water
24 authorities that will have unique powers to absorb, improve, and
25 competently operate currently noncompliant public water systems
26 with either contiguous or noncontiguous boundaries.

27 (g) Existing public water systems, whether public agencies,
28 investor-owned utilities, or private mutual water companies, that
29 are currently providing adequate water service but that are located
30 in a county where an authority may be formed will have the option
31 of voluntarily consolidating with a new authority.

32 33 PART 3. DEFINITIONS 34

35 78010. Unless the context otherwise requires, the provisions
36 of this part govern the construction of this division.

37 78011. "Affected county" means any county in which the land
38 of a proposed authority is situated.

39 78012. "Authority" means a small system water authority
40 formed pursuant to this division.

1 78013. "Board" means the board of directors of an authority.

2 78014. "City" means any chartered or general law city.

3 78015. "Local agency formation commission" means a local
4 agency formation commission of the principal county in which
5 the proposed authority is located.

6 78016. "President" means the president of the board of directors
7 of an authority.

8 78017. "Principal county" means the county in which the
9 greater portion of the land of a proposed authority is situated.

10 78018. "Secretary" means the secretary of an authority.

11 78019. "State board" means the State Water Resources Control
12 Board.

13 78020. "Voter" means a voter as defined in Section 359 of the
14 Elections Code.

15

16 PART 4. WRITTEN NOTIFICATION TO CURE

17

18 78030. It is the intent of the Legislature to enact legislation to
19 protect public health that would do the following:

20 (a) Require the state board to provide notice to a water agency
21 that is chronically providing contaminated drinking water.

22 (b) Require a water agency provided notice to develop a plan
23 to stop serving contaminated water to its customers.

24 (c) Require a plan developed to stop serving contaminated water
25 to be reported to the state board by July 1, 2019.

26 (d) Subject to a merger with other agencies that are serving
27 contaminated water within the same county or an adjacent county
28 through the local agency formation commission process any water
29 agency not able to develop a plan to correct the serving of
30 contaminated water, thereby creating a larger public water agency
31 known as a small system water authority that will have an improved
32 economy of scale and that will, through the composition of its
33 governing board, be responsive to the needs of local residents.

34 (e) Subject a small system water authority to oversight by the
35 appropriate local agency formation commission and the state
36 board's Division of Drinking Water.

37 (f) Require the Treasurer to create and submit to the Legislature
38 an oversight report.

PART 5. CHANGES IN ORGANIZATION

78035. Provided that a change in organization is consistent with this division, a change in organization shall be carried out as set forth in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code).

O



ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Dick, Tamaribuchi, and Thomas)

Robert Hunter, General Manager

Staff Contact: Heather Baez

SUBJECT: SB 998 (Dodd) - Water Shutoffs: Urban and Community Water Systems

STAFF RECOMMENDATION

Staff recommends the Board of Directors vote to adopt an oppose unless amended position on SB 998 (Dodd).

COMMITTEE RECOMMENDATION

The Committee will review this item on February 20, 2018 and make a recommendation to the Board.

BILL SUMMARY

SB 998 would require urban and community water systems, as defined, to have a written policy on residential water service shutoffs. The bill would require urban and community water systems from shutting off residential water service for no less than 60 days when a water bill becomes delinquent, and to provide a specified notice to the delinquent customer.

The bill would require local health department assessment of any grave danger a water shutoff poses to a household, and would prohibit a shutoff under specified conditions.

ARGUMENTS IN SUPPORT

According to the author's office, the cost of water in California is rising at an alarming rate. Statewide, the cost has risen over 66% between 2007 and 2015. In Los Angeles the cost has risen 71% between 2010 and 2017, and during that same period the cost of water for San Franciscans has risen as much as 127%.

Rising water rates for low income ratepayers is resulting in higher delinquency rates on paying water bills, which, in turn, leads to an increasing number of water service shutoffs.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

Since water is a necessity for life many low income ratepayers face troubling tradeoffs in order to pay water bills. Establishing a statewide structure for helping low income ratepayers cope with increasing water rates will reduce difficult tradeoffs families will have to make and improve overall health and safety for many communities and households.

ARGUMENTS IN OPPOSITION

The author's office cites problems with aggressive policies on water service disconnection in other states as need for support, but fail to mention that California has had statutes on the books to protect low-income and other vulnerable customers since the 1980's. There is no evidence of wide-spread water disconnection or shutoff problems in this state.

SB 998 also fails to consider the impact to the disadvantaged water districts that SB 623 (Monning) argues are in critical need of support. These districts cannot withstand reductions to their ability to fund basic infrastructure needs, yet SB 998 would create classes of customers that would be entitled to water without making any payment for extended periods of time. Current law requires amortized payment plans for customers unable to pay their bill, which allows for a continued, albeit reduced, revenue stream. SB 998 would allow certain customers to forego any payment, regardless of income, if any one of the following are present in the house:

- A person 65 or older and receiving in-home care.
- An infant.
- A severely disabled child, as defined.

Any of these individuals may, in fact, live in disadvantaged homes, but the bill does not require a showing of financial need. This bill will exacerbate the problems faced by disadvantaged water districts and end up hurting many of the people the bill purports to help. The bill goes on to require extended delays in shutting off water service under several other circumstances that may or may not include inability to pay.

Finally, the bill allows for water service disconnection to be delayed indefinitely, in 90-day increments, if a local health department finds that disconnecting the water will cause "a grave threat to health and safety for the residents...." How could a health officer ever determine that shutting off water will not cause a threat to health and safety? Neither the standard, nor the procedure, is workable.

STAFF COMMENTS

SB 998 is a result of the State Water Resources Control Board's (Board) public workshops on the implementation of AB 401 (Dodd -2015). Many members of the public expressed the need for a low income rate assistance program and shared stories of their water being turned off as a result of not being able to pay their water bill. Water shutoffs then became a central focus and common theme at the public workshops. Senator Dodd introduced SB 998 as the implementation of AB 401 has been tabled for at least one year while the Legislature focuses on SB 623 (Monning).

DETAILED REPORT

The full text of SB 998 is attached.

Introduced by Senator Dodd

February 5, 2018

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, and to amend Sections 777, 779, 779.1, 780, 10009, 10010, 10010.1, 12822, 12823, 12823.1, 16481, 16482, and 16482.1 of the Public Utilities Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 998, as introduced, Dodd. Water shutoffs: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on residential service shutoff available in English, Spanish, or any other language spoken by at least 5% of the people residing in its service area. The bill would require the policy to include certain components and be available on the system's

Internet Web site and be provided annually to customers in writing. The bill would make a violation of these provisions punishable by a civil penalty issued by the board or the commission, as appropriate, in an amount not to exceed \$500 for each day in which the violation occurs. The bill would eliminate existing notice and other requirements relating to the termination of residential service for commission-regulated urban and community water systems and instead would apply the provisions of this bill to those systems. This bill would prohibit an urban and community water system from shutting off residential service until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on residential service shutoff no less than 3 business days before shutoff, as prescribed. The bill would prohibit an urban and community water system from shutting off residential service until the system notifies the local health department and the local health department assesses that a shutoff at the residence would not pose a grave threat to the health and safety of the residents, except as provided. By imposing new duties on local health departments, this bill would impose a state-mandated local program.

This bill would prohibit residential service from being shut off under specified circumstances. The bill would require an urban and community water system that shuts off residential service to provide the customer with information on how to restore service and petition for a waiver of reconnection fees. The bill would require an urban and community water system to waive reconnection fees and offer a reduction or waiver of interest charges on delinquent bills for a residential customer with a demonstrated household income below 200% of the federal poverty line and would limit the amount of a reconnection of service fee imposed on any other residential customer. The bill would require an urban and community water system to report the number of annual shutoffs for inability to pay on its Internet Web site. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2019, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2019.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares as follows:

(a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.

(b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.

(c) Water service shutoffs threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.

(d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternate payment schedules, and demonstrate medical need and severe economic hardship.

(e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.

SEC. 2. Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. WATER SHUTOFFS

116900. For the purposes of this chapter, the following definitions apply:

(a) "Board" means the State Water Resources Control Board.

(b) "Infant" means a person less than 12 months of age.

(c) "Public water system" has the same meaning as Section 116275.

1 (d) “Residential service” means water service to a residential
2 connection that includes, but is not limited to, single-family
3 residences, multifamily residences, mobile home parks, or
4 farmwork housing, regardless of how the urban and community
5 water system classifies the connection for the purpose of imposing
6 rates and charges.

7 (e) “Severely disabled” mean a person with the inability to
8 independently perform basic maintenance functions such as
9 cleaning and eating.

10 (f) “Severe economic hardship” means any of the following:

11 (1) The incarceration of the main income earner in the
12 household.

13 (2) The deportation of the main income earner in the household.

14 (3) The death of the main income earner in the household.

15 (g) “Urban and community water system” means a public water
16 system that supplies water to more than 200 service connections.

17 (h) “Urban water supplier” has the same meaning as Section
18 10617 of the Water Code.

19 116902. (a) An urban water supplier not regulated by the
20 Public Utilities Commission shall comply with this chapter on and
21 after February 1, 2019. The urban water supplier shall adopt rules
22 to comply with this chapter.

23 (b) An urban and community water system regulated by the
24 Public Utilities Commission shall comply with this chapter on and
25 after February 1, 2019. The urban and community water system
26 regulated by the Public Utilities Commission shall file advice
27 letters with the commission to conform with this chapter.

28 (c) An urban and community water system not described in
29 subdivision (a) or (b) shall comply with this chapter on and after
30 April 1, 2019. The urban and community water system shall adopt
31 rules to comply with this chapter.

32 116904. (a) An urban and community water system shall have
33 a written policy on residential service shutoff available in English,
34 Spanish, and any other language spoken by at least 5 percent of
35 the people residing in its service area. The policy shall include all
36 of the following:

37 (1) A plan for deferred or reduced payments.

38 (2) Alternate payment schedules.

39 (3) A formal mechanism for a customer to contest or appeal a
40 bill.

1 (4) A telephone number for a customer to contact to discuss
2 options for averting a shutoff.

3 (b) The policy shall be available on the urban and community
4 water system's Internet Web site, if an Internet Web site exists,
5 and be provided annually to customers in writing.

6 (c) A violation of this section shall be punishable by a civil
7 penalty, issued by the board or the Public Utilities Commission,
8 as appropriate, in an amount not to exceed five hundred dollars
9 (\$500) for each day in which the violation occurs. All moneys
10 collected shall be deposited in the General Fund.

11 116906. (a) (1) An urban and community water system shall
12 not shut off residential service until a payment by a customer has
13 been delinquent for at least 60 days. No less than three business
14 days before shutoff, an urban and community water system shall
15 contact the customer named on the account and provide the
16 customer with the urban and community water system's policy on
17 residential service shutoff. An urban and community water system
18 shall offer to discuss options to avert a shutoff, including, but not
19 limited to, alternate payment schedules, deferred payments,
20 minimum payments, and petition for bill review and appeal.

21 (2) If the urban and community water system is unable to contact
22 the customer named on the account, an urban and community water
23 system shall not shut off residential service until the urban and
24 community water system contacts any adult occupying the
25 residence and provides them with the urban and community water
26 system's policy on residential service shutoffs and offers to discuss
27 options as described in paragraph (1).

28 (3) If the urban and community water system is unable to make
29 contact with the customer or an adult occupying the residence, the
30 urban and community water system shall visit the residence and
31 leave, in a conspicuous place, a notice of imminent shutoff and
32 the urban and community water system's policy for residential
33 service shutoff.

34 (b) (1) Except as provided in paragraph (2), an urban and
35 community water system shall not shut off residential service until
36 the urban and community water system notifies the local health
37 department and the local health department assesses that a shutoff
38 at the residence would not pose a grave threat to the health and
39 safety of the residents.

(2) An assessment by the local health department for residential service to a single-family residence shall be conducted only on the request of a resident. If a resident of a single-family residence requests an assessment by the local health department to determine whether a shutoff poses a grave threat to health and safety for the residents, an urban and community water system shall not shut off residential service to a single-family residence until the local health department has made an assessment and determines that shutting off the water would not pose a grave threat to the health and safety of the residents.

(3) If the local health department determines pursuant to an assessment conducted in accordance with this subdivision that shutting off the water would pose a grave threat to health and safety for the residents, the urban and community water system shall not shut off residential service and the urban and community water system may ask the local health department for a subsequent health and safety assessment after 90 days.

(c) If an adult at the residence requests an appeal of the water bill, the urban and community water system shall not shut off residential service while the appeal is pending.

(d) If a customer demonstrates that his or her household has experienced a severe economic hardship within the last year, an urban and community water system shall not shut off residential service for 180 days following the customer's demonstration.

116908. An urban and community water system shall not shutoff residential service under any of the following circumstances:

(a) If any of the following apply to the residential service customer or a member of the customer's household who occupies the residence:

(1) He or she is 65 years of age or older and receiving in-home care.

(2) He or she is undergoing hospice care.

(3) He or she is suffering from a life-threatening medical condition that a licensed physician, person licensed pursuant to the Osteopathic Initiative Act, or a nurse practitioner certifies will worsen if residential service is shutoff.

(b) An infant is present in the household.

(c) A severely disabled child is present in the household.

1 116910. An urban and community water system that shuts off
2 residential service shall provide the customer with information on
3 how to restore residential service and petition for a waiver of
4 reconnection fees pursuant to Section 116912.

5 116912. (a) For a residential customer with a demonstrated
6 household income below 200 percent of the federal poverty line,
7 an urban and community water system shall waive reconnection
8 fees and offer a reduction or waiver of interest charges on
9 delinquent bills.

10 (b) For a residential customer not described in subdivision (a),
11 an urban and community water system shall set a reconnection of
12 service fee for reconnection during normal operating hours at
13 twenty dollars (\$20) or less, with an annual adjustment for changes
14 in the Consumer Price Index beginning January 1, 2020. For the
15 reconnection of residential service during nonoperational hours,
16 an urban and community water system shall set a reconnection of
17 service fee at one hundred dollars (\$100) or less, with an annual
18 adjustment for changes in the Consumer Price Index.

19 116914. An urban and community water system shall report
20 the number of annual shutoffs for inability to pay on the urban and
21 community water system's Internet Web site, if an Internet Web
22 site exists.

23 116916. The Attorney General shall have authority to bring an
24 action in state court to restrain by temporary or permanent
25 injunction the use of any method, act, or practice declared in this
26 chapter to be unlawful.

27 SEC. 3. Section 777 of the Public Utilities Code is amended
28 to read:

29 777. (a) This section applies if there is a landlord-tenant
30 relationship between the residential occupants and the owner,
31 manager, or operator of the dwelling.

32 (b) If an electrical, gas, heat, or water corporation furnishes
33 individually metered residential service to residential occupants
34 of a detached single-family dwelling, a multiunit residential
35 structure, mobilehome park, or permanent residential structure in
36 a labor camp, as defined in Section 17008 of the Health and Safety
37 Code, and the owner, manager, or operator of the dwelling,
38 structure, or park is the customer of record, the corporation shall
39 make every good faith effort to inform the residential occupants,
40 by means of written notice, when the account is in arrears, that

1 service will be terminated at least 10 days prior to termination.
2 The written notice shall further inform the residential occupants
3 that they have the right to become customers, to whom the service
4 will then be billed, without being required to pay any amount which
5 may be due on the delinquent account. The notice shall be in
6 English and in the languages listed in Section 1632 of the Civil
7 Code.

8 (c) The corporation is not required to make service available to
9 the residential occupants unless each residential occupant agrees
10 to the terms and conditions of service and meets the requirements
11 of law and the corporation's rules and tariffs. However, if one or
12 more of the residential occupants are willing and able to assume
13 responsibility for the subsequent charges to the account to the
14 satisfaction of the corporation, or if there is a physical means,
15 legally available to the corporation, of selectively terminating
16 service to those residential occupants who have not met the
17 requirements of the corporation's rules and tariffs, the corporation
18 shall make service available to those residential occupants who
19 have met those requirements.

20 (d) If prior service for a period of time is a condition for
21 establishing credit with the corporation, residence and proof of
22 prompt payment of rent or other credit obligation acceptable to
23 the corporation for that period of time is a satisfactory equivalent.

24 (e) Any residential occupant who becomes a customer of the
25 corporation pursuant to this section whose periodic payments, such
26 as rental payments, include charges for residential electrical, gas,
27 heat, or water service, where those charges are not separately
28 stated, may deduct from the periodic payment each payment period
29 all reasonable charges paid to the corporation for those services
30 during the preceding payment period.

31 (f) In the case of a detached single-family dwelling, the
32 corporation may do any of the following:

33 (1) Give notice of termination at least seven days prior to the
34 proposed termination, notwithstanding the notice period specified
35 in subdivision (a).

36 (2) In order for the amount due on the delinquent account to be
37 waived, require an occupant who becomes a customer to verify
38 that the delinquent account customer of record is or was the
39 landlord, manager, or agent of the dwelling. Verification may
40 include, but is not limited to, a lease or rental agreement, rent

1 receipts, a government document indicating that the occupant is
2 renting the property, or information disclosed pursuant to Section
3 1962 of the Civil Code.

4 *(g) This section does not apply to water service by a water*
5 *corporation that is an urban and community water system as*
6 *defined by Section 116900 of the Health and Safety Code.*

7 ~~(g)~~

8 *(h) This section shall become operative on July 1, 2010.*

9 SEC. 4. Section 779 of the Public Utilities Code is amended
10 to read:

11 779. (a) No electrical, gas, heat, or water corporation may
12 terminate residential service for nonpayment of a delinquent
13 account unless the corporation first gives notice of the delinquency
14 and impending termination, as provided in Section 779.1.

15 (b) No electrical, gas, heat, or water corporation may terminate
16 residential service for nonpayment in any of the following
17 situations:

18 (1) During the pendency of an investigation by the corporation
19 of a customer or subscriber dispute or complaint.

20 (2) When a customer has been granted an extension of the period
21 for payment of a bill.

22 (3) On the certification of a licensed physician and surgeon that
23 to do so will be life threatening to the customer and the customer
24 is financially unable to pay for service within the normal payment
25 period and is willing to enter into an amortization agreement with
26 the corporation pursuant to subdivision (e) with respect to all
27 charges that the customer is unable to pay prior to delinquency.

28 (c) Any residential customer who has initiated a complaint or
29 requested an investigation within five days of receiving the
30 disputed bill, or who has, before termination of service, made a
31 request for extension of the payment period of a bill asserted to
32 be beyond the means of the customer to pay in full within the
33 normal period for payment, shall be given an opportunity for
34 review of the complaint, investigation, or request by a review
35 manager of the corporation. The review shall include consideration
36 of whether the customer shall be permitted to amortize any unpaid
37 balance of the delinquent account over a reasonable period of time,
38 not to exceed 12 months. No termination of service shall be
39 effected for any customer complying with an amortization

1 agreement, if the customer also keeps the account current as
2 charges accrue in each subsequent billing period.

3 (d) Any customer whose complaint or request for an
4 investigation pursuant to subdivision (c) has resulted in an adverse
5 determination by the corporation may appeal the determination to
6 the commission. Any subsequent appeal of the dispute or complaint
7 to the commission is not subject to this section.

8 (e) Any customer meeting the requirements of paragraph (3) of
9 subdivision (b) shall, upon request, be permitted to amortize, over
10 a period not to exceed 12 months, the unpaid balance of any bill
11 asserted to be beyond the means of the customer to pay within the
12 normal period for payment.

13 (f) *This section does not apply to water service by a water*
14 *corporation that is an urban and community water system as*
15 *defined by Section 116900 of the Health and Safety Code.*

16 SEC. 5. Section 779.1 of the Public Utilities Code is amended
17 to read:

18 779.1. (a) Every electrical, gas, heat, or water corporation shall
19 allow every residential customer at least 19 days from the date of
20 mailing its bill for services, postage prepaid, for payment of the
21 charges demanded. No corporation subject to this section may
22 terminate residential service for nonpayment of a delinquent
23 account unless the corporation first gives notice of the delinquency
24 and impending termination, at least 10 days prior to the proposed
25 termination, by means of a notice mailed, postage prepaid, to the
26 customer to whom the service is billed, not earlier than 19 days
27 from the date of mailing the corporation's bill for services, and
28 the 10-day period shall not commence until five days after the
29 mailing of the notice.

30 (b) Every corporation shall make a reasonable attempt to contact
31 an adult person residing at the premises of the customer by
32 telephone or personal contact at least 24 hours prior to any
33 termination of service, except that, whenever telephone or personal
34 contact cannot be accomplished, the corporation shall give, either
35 by mail or in person, a notice of termination of service at least 48
36 hours prior to termination.

37 (c) Every corporation shall make available to its residential
38 customers who are 65 years of age or older, or who are dependent
39 adults as defined in ~~paragraph (1) of subdivision (b) of Section~~
40 ~~15610~~ *Section 15610.23* of the Welfare and Institutions Code, a

1 third-party notification service, whereby the corporation will
2 attempt to notify a person designated by the customer to receive
3 notification when the customer's account is past due and subject
4 to termination. The notification shall include information on what
5 is required to prevent termination of service. The residential
6 customer shall make a request for third-party notification on a
7 form provided by the corporation, and shall include the written
8 consent of the designated third party. The third-party notification
9 does not obligate the third party to pay the overdue charges, nor
10 shall it prevent or delay termination of service.

11 (d) Every notice of termination of service pursuant to
12 subdivision (a) or (b) shall include all of the following information:

13 (1) The name and address of the customer whose account is
14 delinquent.

15 (2) The amount of the delinquency.

16 (3) The date by which payment or arrangements for payment
17 is required in order to avoid termination.

18 (4) The procedure by which the customer may initiate a
19 complaint or request an investigation concerning service or charges.

20 (5) The procedure by which the customer may request
21 amortization of the unpaid charges.

22 (6) The procedure for the customer to obtain information on the
23 availability of financial assistance, including private, local, state,
24 or federal sources, if applicable.

25 (7) The telephone number of a representative of the corporation
26 who can provide additional information or institute arrangements
27 for payment.

28 (8) The telephone number of the commission to which inquiries
29 by the customer may be directed.

30 All written notices shall be in a clear and legible format.

31 (e) Any residential customer whose complaint or request for an
32 investigation has resulted in an adverse determination by the
33 corporation may appeal the determination to the commission. Any
34 subsequent appeal of the dispute or complaint to the commission
35 is not subject to this section.

36 (f) If a residential customer fails to comply with an amortization
37 agreement, the corporation shall not terminate service without
38 giving notice to the customer at least 48 hours prior to termination
39 of the conditions the customer is required to meet to avoid

1 termination, but this notice does not entitle the customer to further
2 investigation by the corporation.

3 (g) No termination of service may be effected without
4 compliance with this section. Any service wrongfully terminated
5 shall be restored without charge for the restoration of service, and
6 a notation thereof shall be mailed to the customer at his or her
7 billing address.

8 *(h) This section does not apply to water service by a water*
9 *corporation that is an urban and community water system as*
10 *defined by Section 116900 of the Health and Safety Code.*

11 SEC. 6. Section 780 of the Public Utilities Code is amended
12 to read:

13 780. (a) No electrical, gas, heat, or water corporation shall,
14 by reason of delinquency in the payment of its charges, terminate
15 service on any Saturday, Sunday, legal holiday, or at any time
16 during which the business offices of the corporation are not open
17 to the public.

18 *(b) This section does not apply to water service by a water*
19 *corporation that is an urban and community water system as*
20 *defined by Section 116900 of the Health and Safety Code.*

21 SEC. 7. Section 10009 of the Public Utilities Code is amended
22 to read:

23 10009. (a) This section applies if there is a landlord-tenant
24 relationship between the residential occupants and the owner,
25 manager, or operator of the dwelling.

26 (b) If a public utility furnishes individually metered residential
27 light, heat, water, or power to residential occupants in a detached
28 single-family dwelling, a multiunit residential structure,
29 mobilehome park, or a permanent residential structure in a labor
30 camp, as defined in Section 17008 of the Health and Safety Code,
31 and the owner, manager, or operator of the dwelling, structure, or
32 park is the customer of record, the public utility shall make every
33 good faith effort to inform the residential occupants, by means of
34 written notice, when the account is in arrears, that service will be
35 terminated in 10 days. The written notice shall further inform the
36 residential occupants that they have the right to become customers
37 of the public utility without being required to pay the amount due
38 on the delinquent account. The notice shall be in English and in
39 the languages listed in Section 1632 of the Civil Code.

(c) The public utility is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service, and meets the requirements of law and the public utility's rules. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the public utility, or if there is a physical means, legally available to the public utility, of selectively terminating service to those residential occupants who have not met the requirements of the public utility's rules, the public utility shall make service available to the residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the public utility, residence and proof of prompt payment of rent or other obligation acceptable to the public utility for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the public utility pursuant to this section whose periodic payments, such as rental payments, include charges for residential light, heat, water, or power, where these charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the public utility for those services during the preceding payment period.

(f) *This section does not apply to water service by a public utility that is an urban and community water system as defined by Section 116900 of the Health and Safety Code.*

SEC. 8. Section 10010 of the Public Utilities Code is amended to read:

10010. (a) No public utility furnishing light, water, power, or heat may terminate residential service for nonpayment of a delinquent account unless the public utility first gives notice of the delinquency and impending termination, as provided in Section 10010.1.

(b) No public utility shall terminate residential service for nonpayment in any of the following situations:

(1) During the pendency of an investigation by the public utility of a customer dispute or complaint.

(2) When a customer has been granted an extension of the period for payment of a bill.

1 (3) On the certification of a licensed physician and surgeon that
2 to do so will be life threatening to the customer and the customer
3 is financially unable to pay for service within the normal payment
4 period and is willing to enter into an amortization agreement with
5 the public utility pursuant to subdivision (e) with respect to all
6 charges that the customer is unable to pay prior to delinquency.

7 (c) Any residential customer who has initiated a complaint or
8 requested an investigation within five days of receiving the
9 disputed bill, or who has, within 13 days of mailing of the notice
10 required by subdivision (a), made a request for extension of the
11 payment period of a bill asserted to be beyond the means of the
12 customer to pay in full during the normal period for payment, shall
13 be given an opportunity for review of the complaint, investigation,
14 or request by a review manager of the public utility. The review
15 shall include consideration of whether the customer shall be
16 permitted to amortize the unpaid balance of the account over a
17 reasonable period of time, not to exceed 12 months. No termination
18 of service shall be effected for any customer complying with the
19 amortization agreement, if the customer also keeps the account
20 current as charges accrue in each subsequent billing period.

21 (d) Any customer whose complaint or request for an
22 investigation pursuant to subdivision (c) has resulted in an adverse
23 determination by the public utility may appeal the determination
24 to the governing body of the municipal corporation. Any
25 subsequent appeal of the dispute or complaint to the governing
26 body is not subject to this section.

27 (e) Any customer meeting the requirements of paragraph (3) of
28 subdivision (b) shall, upon request, be permitted to amortize, over
29 a period not to exceed 12 months, the unpaid balance of any bill
30 asserted to be beyond the means of the customer to pay within the
31 normal period for payment.

32 (f) *This section does not apply to water service by a public utility*
33 *that is an urban and community water system as defined by Section*
34 *116900 of the Health and Safety Code.*

35 SEC. 9. Section 10010.1 of the Public Utilities Code is
36 amended to read:

37 10010.1. (a) No public utility furnishing light, heat, water, or
38 power may terminate residential service on account of nonpayment
39 of a delinquent account unless the public utility first gives notice
40 of the delinquency and impending termination, at least 10 days

1 prior to the proposed termination, by means of a notice mailed,
2 postage prepaid, to the customer to whom the service is billed, not
3 earlier than 19 days from the date of mailing the public utility's
4 bill for services, and the 10-day period shall not commence until
5 five days after the mailing of the notice.

6 (b) Every public utility shall make a reasonable attempt to
7 contact an adult person residing at the premises of the customer
8 by telephone or personal contact, at least 24 hours prior to any
9 termination of service, except that, whenever telephone or personal
10 contact cannot be accomplished, the public utility shall give, by
11 mail, in person, or by posting in a conspicuous location at the
12 premises, a notice of termination of service, at least 48 hours prior
13 to termination.

14 (c) Every public utility shall make available to its residential
15 customers who are 65 years of age or older, or who are dependent
16 adults as defined in ~~paragraph (1) of subdivision (b) of Section~~
17 ~~15610~~ *Section 15610.23* of the Welfare and Institutions Code, a
18 third-party notification service, whereby the public utility will
19 attempt to notify a person designated by the customer to receive
20 notification when the customer's account is past due and subject
21 to termination. The notification shall include information on what
22 is required to prevent termination of service. The residential
23 customer shall make a request for third-party notification on a
24 form provided by the public utility, and shall include the written
25 consent of the designated third party. The third-party notification
26 does not obligate the third party to pay the overdue charges, nor
27 shall it prevent or delay termination of service.

28 (d) Every notice of termination of service pursuant to
29 subdivision (a) shall include all of the following information:

30 (1) The name and address of the customer whose account is
31 delinquent.

32 (2) The amount of the delinquency.

33 (3) The date by which payment or arrangements for payment
34 is required in order to avoid termination.

35 (4) The procedure by which the customer may initiate a
36 complaint or request an investigation concerning service or charges,
37 except that, if the bill for service contains a description of that
38 procedure, the notice pursuant to subdivision (a) is not required
39 to contain that information.

1 (5) The procedure by which the customer may request
2 amortization of the unpaid charges.

3 (6) The procedure for the customer to obtain information on the
4 availability of financial assistance, including private, local, state,
5 or federal sources, if applicable.

6 (7) The telephone number of a representative of the public utility
7 who can provide additional information or institute arrangements
8 for payment.

9 Every notice of termination of service pursuant to subdivision
10 (b) shall include the items of information in paragraphs (1), (2),
11 (3), (6), and (7).

12 All written notices shall be in a clear and legible format.

13 (e) If a residential customer fails to comply with an amortization
14 agreement, the public utility shall not terminate service without
15 giving notice to the customer at least 48 hours prior to termination
16 of the conditions the customer is required to meet to avoid
17 termination, but the notice does not entitle the customer to further
18 investigation by the public utility.

19 (f) No termination of service may be effected without
20 compliance with this section. Any service wrongfully terminated
21 shall be restored without charge for the restoration of service, and
22 a notation thereof shall be mailed to the customer at his or her
23 billing address.

24 (g) *This section does not apply to water service by a public*
25 *utility that is an urban and community water system as defined by*
26 *Section 116900 of the Health and Safety Code.*

27 SEC. 10. Section 12822 of the Public Utilities Code is amended
28 to read:

29 12822. (a) This section applies if there is a landlord-tenant
30 relationship between the residential occupants and the owner,
31 manager, or operator of the dwelling.

32 (b) If a district furnishes individually metered residential light,
33 heat, water, or power to residential occupants in a detached
34 single-family dwelling, multiunit residential structure, mobilehome
35 park, or permanent residential structure in a labor camp, as defined
36 in Section 17008 of the Health and Safety Code, and the owner,
37 manager, or operator of the dwelling, structure, or park is the
38 customer of record of the service, the district shall make every
39 good faith effort to inform the residential occupants, by means of
40 written notice, when the account is in arrears, that service will be

1 terminated in 10 days. The written notice shall further inform the
2 residential occupants that they have the right to become customers
3 of the district without being required to pay the amount due on the
4 delinquent account. The notice shall be in English and in the
5 languages listed in Section 1632 of the Civil Code.

6 (c) The district is not required to make service available to the
7 residential occupants unless each residential occupant agrees to
8 the terms and conditions of service, and meets the requirements
9 of the district's rules. However, if one or more of the residential
10 occupants are willing and able to assume responsibility for the
11 subsequent charges to the account to the satisfaction of the district,
12 or if there is a physical means, legally available to the district, of
13 selectively terminating service to those residential occupants who
14 have not met the requirements of the district's rules, the district
15 shall make service available to the residential occupants who have
16 met those requirements.

17 (d) If prior service for a period of time is a condition for
18 establishing credit with the district, residence and proof of prompt
19 payment of rent or other credit obligation acceptable to the district
20 for that period of time is a satisfactory equivalent.

21 (e) Any residential occupant who becomes a customer of the
22 district pursuant to this section whose periodic payments, such as
23 rental payments, include charges for residential light, heat, water,
24 or power, where these charges are not separately stated, may deduct
25 from the periodic payment each payment period all reasonable
26 charges paid to the district for those services during the preceding
27 payment period.

28 (f) *This section does not apply to water service by a district that*
29 *is an urban and community water system as defined by Section*
30 *116900 of the Health and Safety Code.*

31 SEC. 11. Section 12823 of the Public Utilities Code is amended
32 to read:

33 12823. (a) No district furnishing its inhabitants with light,
34 water, power, or heat may terminate residential service for
35 nonpayment of a delinquent account unless the district first gives
36 notice of the delinquency and impending termination, as provided
37 in Section 12823.

38 (b) No district shall terminate residential service for nonpayment
39 in any of the following situations:

1 (1) During the pendency of an investigation by the district of a
2 customer dispute or complaint.

3 (2) When a customer has been granted an extension of the period
4 for payment of a bill.

5 (3) On the certification of a licensed physician and surgeon that
6 to do so will be life threatening to the customer and the customer
7 is financially unable to pay for service within the normal payment
8 period and is willing to enter into an amortization agreement with
9 the district pursuant to subdivision (e) with respect to all charges
10 that the customer is unable to pay prior to delinquency.

11 (c) Any residential customer who has initiated a complaint or
12 requested an investigation within five days of receiving the
13 disputed bill, or who has, within 13 days of mailing of the notice
14 required by subdivision (a), made a request for extension of the
15 payment period of a bill asserted to be beyond the means of the
16 customer to pay in full during the normal period for payment, shall
17 be given an opportunity for review of the complaint, investigation,
18 or request by a review manager of the district. The review shall
19 include consideration of whether the customer shall be permitted
20 to amortize the unpaid balance of the account over a reasonable
21 period of time, not to exceed 12 months. No termination of service
22 shall be effected for any customer complying with an amortization
23 agreement, if the customer also keeps the account current as
24 charges accrue in each subsequent billing period.

25 (d) Any customer whose complaint or request for an
26 investigation pursuant to subdivision (c) has resulted in an adverse
27 determination by the district may appeal the determination to the
28 board. Any subsequent appeal of the dispute or complaint to the
29 board is not subject to this section.

30 (e) Any customer meeting the requirements of paragraph (3) of
31 subdivision (b) shall, upon request, be permitted to amortize, over
32 a period not to exceed 12 months, the unpaid balance of any bill
33 asserted to be beyond the means of the customer to pay within the
34 normal period for payment.

35 (f) *This section does not apply to water service by a district that*
36 *is an urban and community water system as defined by Section*
37 *116900 of the Health and Safety Code.*

38 SEC. 12. Section 12823.1 of the Public Utilities Code is
39 amended to read:

1 12823.1. (a) No district furnishing light, heat, water, or power
2 may terminate residential service on account of nonpayment of a
3 delinquent account unless the district first gives notice of the
4 delinquency and impending termination, at least 10 days prior to
5 the proposed termination, by means of a notice mailed, postage
6 prepaid, to the customer to whom the service is billed not earlier
7 than 19 days from the date of mailing the district's bill for services,
8 and the 10-day period shall not commence until five days after the
9 mailing of the notice.

10 (b) Every district shall make a reasonable attempt to contact an
11 adult person residing at the premises of the customer by telephone
12 or personal contact, at least 24 hours prior to any termination of
13 service, except that, whenever telephone or personal contact cannot
14 be accomplished, the district shall give, by mail, in person, or by
15 posting in a conspicuous location at the premises, a notice of
16 termination of service, at least 48 hours prior to termination.

17 (c) Every district shall make available to its residential customers
18 who are 65 years of age or older, or who are dependent adults as
19 defined in ~~paragraph (1) of subdivision (b) of Section 15610~~
20 *Section 15610.23* of the Welfare and Institutions Code, a third-party
21 notification service, whereby the district will attempt to notify a
22 person designated by the customer to receive notification when
23 the customer's account is past due and subject to termination. The
24 notification shall include information on what is required to prevent
25 termination of service. The residential customer shall make a
26 request for third-party notification on a form provided by the
27 district, and shall include the written consent of the designated
28 third party. The third-party notification does not obligate the third
29 party to pay the overdue charges, nor shall it prevent or delay
30 termination of service.

31 (d) Every notice of termination of service pursuant to
32 subdivision (a) shall include all of the following information:

33 (1) The name and address of the customer whose account is
34 delinquent.

35 (2) The amount of the delinquency.

36 (3) The date by which payment or arrangements for payment
37 is required in order to avoid termination.

38 (4) The procedure by which the customer may initiate a
39 complaint or request an investigation concerning service or charges,
40 except that, if the bill for service contains a description of that

1 procedure, the notice pursuant to subdivision (a) is not required
2 to contain that information.

3 (5) The procedure by which the customer may request
4 amortization of the unpaid charges.

5 (6) The procedure for the customer to obtain information on the
6 availability of financial assistance, including private, local, state,
7 or federal sources, if applicable.

8 (7) The telephone number of a representative of the district who
9 can provide additional information or institute arrangements for
10 payment.

11 Every notice of termination of service pursuant to subdivision
12 (b) shall include the items of information in paragraphs (1), (2),
13 (3), (6), and (7).

14 All written notices shall be in a clear and legible format.

15 (e) If a residential customer fails to comply with an amortization
16 agreement, the district shall not terminate service without giving
17 notice to the customer at least 48 hours prior to termination of the
18 conditions the customer is required to meet to avoid termination,
19 but the notice does not entitle the customer to further investigation
20 by the district.

21 (f) No termination of service may be effected without
22 compliance with this section. Any service wrongfully terminated
23 shall be restored without charge for the restoration of service, and
24 a notation thereof shall be mailed to the customer at his or her
25 billing address.

26 (g) *This section does not apply to water service by a district*
27 *that is an urban and community water system as defined by Section*
28 *116900 of the Health and Safety Code.*

29 SEC. 13. Section 16481 of the Public Utilities Code is amended
30 to read:

31 16481. (a) This section applies if there is a landlord-tenant
32 relationship between the residential occupants and the owner,
33 manager, or operator of the dwelling.

34 (b) If a district furnishes individually metered residential light,
35 heat, water, or power to residential occupants in a detached
36 single-family dwelling, multiunit residential structure, mobilehome
37 park, or permanent residential structure in a labor camp, as defined
38 in Section 17008 of the Health and Safety Code, and the owner,
39 manager, or operator is the customer of record, the district shall
40 make every good faith effort to inform the residential occupants,

1 by means of written notice, when the account is in arrears, that
2 service will be terminated in 10 days. The written notice shall
3 further inform the residential occupants that they have the right to
4 become customers of the district without being required to pay the
5 amount due on the delinquent account. The notice shall be in
6 English and in the languages listed in Section 1632 of the Civil
7 Code.

8 (c) The district is not required to make service available to the
9 residential occupants unless each residential occupant agrees to
10 the terms and conditions of service, and meets the requirements
11 of the district's rules. However, if one or more of the residential
12 occupants are willing and able to assume responsibility for the
13 subsequent charges to the account to the satisfaction of the district,
14 or if there is a physical means, legally available to the district, of
15 selectively terminating service to those residential occupants who
16 have not met the requirements of the district's rules, the district
17 shall make service available to the residential occupants who have
18 met those requirements.

19 (d) If prior service for a period of time is a condition for
20 establishing credit with the district, residence and proof of prompt
21 payment of rent or other credit obligation acceptable to the district
22 for that period of time is a satisfactory equivalent.

23 (e) Any residential occupant who becomes a customer of the
24 district pursuant to this section whose periodic payments, such as
25 rental payments, include charges for residential light, heat, water,
26 or power, where these charges are not separately stated, may deduct
27 from the periodic payment each payment period all reasonable
28 charges paid to the district for those services during the preceding
29 payment period.

30 (f) *This section does not apply to water service by a district that*
31 *is an urban and community water system as defined by Section*
32 *116900 of the Health and Safety Code.*

33 SEC. 14. Section 16482 of the Public Utilities Code is amended
34 to read:

35 16482. (a) No district furnishing its inhabitants with light,
36 water, power, heat, or means for the disposition of garbage, sewage,
37 or refuse matter may terminate residential service for nonpayment
38 of a delinquent account unless the district first gives notice of the
39 delinquency and impending termination, as provided in Section
40 16482.1.

(b) No district shall terminate residential service for nonpayment in any of the following situations:

(1) During the pendency of an investigation by the district of a customer dispute or complaint.

(2) When a customer has been granted an extension of the period for payment of a bill.

(3) On the certification of a licensed physician and surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the district pursuant to subdivision (e) with respect to all charges that the customer is unable to pay prior to delinquency.

(c) Any residential customer who has initiated a complaint or requested an investigation within five days of receiving the contested bill, or who has, within 13 days of mailing of the notice required by subdivision (a), made a request for extension of the payment period of a bill asserted to be beyond the means of the customer to pay in full during the normal period for payment, shall be given an opportunity for review of the complaint, investigation, or request by a review manager of the district. The review shall include consideration of whether the customer shall be permitted to amortize the unpaid balance of the account over a reasonable period of time, not to exceed 12 months. No termination of service shall be effected for any customer complying with an amortization agreement if the customer also keeps the account current as charges accrue in each subsequent billing period.

(d) Any customer whose complaint or request for an investigation pursuant to subdivision (c) has resulted in an adverse determination by the district may appeal the determination to the board. Any subsequent appeal of the dispute or complaint to the board is not subject to this section.

(e) Any customer meeting the requirements of paragraph (3) of subdivision (b) shall, upon request, be permitted to amortize, over a period not to exceed 12 months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period for payment.

(f) *This section does not apply to water service by a district that is an urban and community water system as defined by Section 116900 of the Health and Safety Code.*

1 SEC. 15. Section 16482.1 of the Public Utilities Code is
2 amended to read:

3 16482.1. (a) No district furnishing light, heat, water, or power,
4 or means for the disposition of garbage, sewage, or refuse matter,
5 may terminate residential service on account of nonpayment of a
6 delinquent account unless the district first gives notice of the
7 delinquency and impending termination, at least 10 days prior to
8 the proposed termination, by means of a notice mailed, postage
9 prepaid, to the customer to whom the service is billed, not earlier
10 than 19 days from the date of mailing the district's bill for services,
11 and the 10-day period shall not commence until five days after the
12 mailing of the notice.

13 (b) Every district shall make a reasonable, good faith effort to
14 contact an adult person residing at the premises of the customer
15 by telephone or personal contact, at least 48 hours prior to any
16 termination of service, except that, whenever telephone or personal
17 contact cannot be accomplished, the district shall give, by mail,
18 in person, or by posting in a conspicuous location at the premises,
19 a notice of termination of service, at least 48 hours prior to
20 termination.

21 (c) Every district shall make available to its residential customers
22 who are 65 years of age or older, or who are dependent adults as
23 defined in ~~paragraph (1) of subdivision (b) of Section 15610~~
24 *Section 15610.23* of the Welfare and Institutions Code, a third-party
25 notification service, whereby the district will attempt to notify a
26 person designated by the customer to receive notification when
27 the customer's account is past due and subject to termination. The
28 notification shall include information on what is required to prevent
29 termination of service. The residential customer shall make a
30 request for third-party notification on a form provided by the
31 district, and shall include the written consent of the designated
32 third party. The third-party notification does not obligate the third
33 party to pay the overdue charges, nor shall it prevent or delay
34 termination of service.

35 (d) Every notice of termination of service pursuant to
36 subdivision (a) shall include all of the following information:

37 (1) The name and address of the customer whose account is
38 delinquent.

39 (2) The amount of the delinquency.

1 (3) The date by which payment or arrangements for payment
2 is required in order to avoid termination.

3 (4) The procedure by which the customer may initiate a
4 complaint or request an investigation concerning service or charges,
5 except that, if the bill for service contains a description of that
6 procedure, the notice pursuant to subdivision (a) is not required
7 to contain that information.

8 (5) The procedure by which the customer may request
9 amortization of the unpaid charges.

10 (6) The procedure for the customer to obtain information on the
11 availability of financial assistance, including private, local, state,
12 or federal sources, if applicable.

13 (7) The telephone number of a representative of the district who
14 can provide additional information or institute arrangements for
15 payment.

16 Every notice of termination of service pursuant to subdivision
17 (b) shall include the items of information in paragraphs (1), (2),
18 (3), (6), and (7).

19 All written notices shall be in a clear and legible format.

20 (e) If a residential customer fails to comply with an amortization
21 agreement, the district shall not terminate service without giving
22 notice to the customer at least 48 hours prior to termination of the
23 conditions the customer is required to meet to avoid termination,
24 but this notice does not entitle the customer to further investigation
25 by the district.

26 (f) No termination of service may be effected without
27 compliance with this section. Any service wrongfully terminated
28 shall be restored without charge for the restoration of the service,
29 and a notation thereof shall be mailed to the customer at his or her
30 billing address.

31 (g) *This section does not apply to water service by a district*
32 *that is an urban and community water system as defined by Section*
33 *116900 of the Health and Safety Code.*

34 SEC. 16. If the Commission on State Mandates determines
35 that this act contains costs mandated by the state, reimbursement
36 to local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

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ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: **Public Affairs and Legislation Committee**
(Directors Dick, Tamaribuchi, and Thomas)

Robert Hunter
General Manager

Staff Contact: Damon Micalizzi

**SUBJECT: BOARD RESOLUTIONS HONORING CONGRESSMAN ED ROYCE AND
CONGRESSMAN DARRELL ISSA**

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve recognizing Congressman Ed Royce and Congressman Darrell Issa with honorary resolutions and direct staff to prepare the resolutions for presentation at the upcoming Washington D.C. luncheon.

COMMITTEE RECOMMENDATION

The Committee will review this item on February 20, 2018 and make a recommendation to the Board.

REPORT

In January, Congressman Ed Royce and Congressman Darrell Issa both announced they would not seek re-election and will retire from the United States House of Representatives. Both Congressman Royce and Congressman Issa have been good friends and supporters of the Municipal Water District of Orange County, Orange County Water Projects and a myriad of water reliability efforts. As a token of our thanks for their years of service and their continued support, staff is drafting honorary resolutions recognizing their contributions and support. The resolutions will be completed in time to present to Congressmen at our annual Washington D.C. luncheon in conjunction with the Association of California Water Agencies Conference on February 28, 2018.

Budgeted (Y/N): Y	Budgeted amount: \$2,000	Core X	Choice __
Action item amount: \$300.00	Line item: 32-7040		
Fiscal Impact (explain if unbudgeted):			

CONGRESSMAN ED ROYCE
*Municipal Water District of Orange
County*

**A RESOLUTION OF THE BOARD OF DIRECTORS
ACKNOWLEDGING HIS RETIREMENT AND YEARS OF SERVICE**

WHEREAS, Congressman Ed Royce has honorably represented Orange County for the past 26 years in the course of his tenure as Representative of 39th Congressional District of California; and

WHEREAS, during this time, Congressman Royce has actively engaged with the drinking water community to address regional water reliability needs; and

WHEREAS, Congressman Royce advocated for federal investment in water infrastructure and emerging technology as a means to ensure continued water reliability, economic prosperity, and quality of life; and

WHEREAS, Congressman Royce was a champion for victims of violent crime while serving 10 years as California State Senator prior to his election to the US Congress; and

WHEREAS, Congressman Royce served with distinction as Chairman of the House Foreign Affairs Committee, and with significant renown on the House Financial Services Committee, and,

WHEREAS, Congressman Royce has been a strong supporter of water reliability efforts, including the development of the Doheny Desalination Project in Dana Point and the expansion of the Municipal Water District of Orange County's Smart Irrigation Controller program; and

WHEREAS, Congressman Royce chose to retire from the United States House of Representatives after twenty six years of faithful service; and

WHEREAS, Congressman Royce has been a friend to the water community and has lead with great commitment and resolve to ensure southern California's water reliability investments for today and for future generations.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County extends its deepest appreciation and sincere gratitude to Congressman Ed Royce for his years of service to Orange County, as well as his commitment to regional water reliability, and for his friendship.

CONGRESSMAN DARRELL ISSA
*Municipal Water District of Orange
County*

**A RESOLUTION OF THE BOARD OF DIRECTORS
ACKNOWLEDGING HIS RETIREMENT AND YEARS OF SERVICE**

WHEREAS, Congressman Darrell Issa has represented portions of Orange County for the past 18 years in the course of his tenure as Representative of the 49th Congressional District of California; and,

WHEREAS, during this time, Congressman Issa has actively engaged with the drinking water community to address regional water reliability needs; and

WHEREAS, Congressman Issa advocated for federal investment in water infrastructure and emerging technology as a means to ensure continued water reliability, economic prosperity, and quality of life; and

WHEREAS, Congressman Issa served with distinction as Chairman of the House Oversight and Government Reform Committee, and in various capacities on the House Judiciary and Foreign Affairs Committees; and

WHEREAS, Congressman Issa has been a strong supporter of water reliability efforts, including the development of the Doheny Desalination Project in Dana Point and the expansion of the Municipal Water District of Orange County's Smart Irrigation Controller program; and

WHEREAS, Congressman Issa chose to retire from the United States House of Representatives after eighteen years of faithful service; and

WHEREAS, Congressman Issa has been a friend to the water community and has lead with great commitment and resolve to ensure southern California's water reliability investments for today and for future generations.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Water District of Orange County extends its deepest appreciation and sincere gratitude to Congressman Darrell Issa for his years of service to Orange County, as well as his commitment to regional water reliability, and for his friendship.



ACTION ITEM
February 21, 2018

TO: Board of Directors

FROM: Robert J. Hunter, General Manager

SUBJECT: ACWA DC CONFERENCE – FEBRUARY 27-MARCH 1, 2018

STAFF RECOMMENDATION

It is recommended that the Board of Directors approve an additional attendee (staff) to the ACWA DC Conference.

COMMITTEE RECOMMENDATION

This item was not presented to a Committee.

DETAILED REPORT

The FY 2017-18 Budget allows for two (2) staff members to attend the ACWA DC Conference, however, I am suggesting three (3) staff members attend. As a result, and because the Administrative Code (Section 2301 Authorization to Travel) requires board approval for out of state travel, staff is requesting Board approval for the additional staff member to attend the conference in DC.

A similar item was presented and approved by the Board in January, which covers the attendance of a third Board member.

Staff believes there are sufficient funds in the travel budget to cover the three staff members to the conference.

Budgeted (Y/N): Yes*	Budgeted amount: \$9435	Core ____	Choice ____
Action item amount: *\$3000 (approximately per person)	Line item:		
Fiscal Impact (explain if unbudgeted):			

GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES FEBRUARY 2018

Managers' Meeting	<p>MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on January 18, 2017. In attendance were Mike Grisso (Buena Park); Dennis Cafferty (ETWD); Mike Dunbar (EBSD); Mark Sprague (Fountain Valley); Cel Pasillas (Garden Grove); Paul Cook and Paul Weghorst (IRWD); Renae Hinchey (LBCWD); Paul Shoenberger (Mesa Water); Drew Atwater and Matt Collings (MNWD); Steffen Catron and Casey Parks (Newport Beach); John Kennedy and Adam Hutchinson (OCWD); Dan Ferons (SMWD); David Spitz (Seal Beach); Andy Brunhart (SCWD); Hector Ruiz (TCWD); Art Valenzuela (Tustin); Steve Conklin (YLWD); and Karl Seckel; Harvey De La Torre; Charles Busslinger; Melissa Baum-Haley; Kevin Hostert; Chris Lingad; Heather Baez; Damon Micalizzi and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> 1. MWDOC Budget Process Update 2. MET Budget Process Schedule 3. O.C. Reliability Update 4. EMWD – Governance Service Delivery 5. CBMWD – MET Board Governance <p>The next meeting is scheduled for Thursday, February 22.</p>
CalDesal Conference	<p>In Monterey, Charles attended the February 1–2 CalDesal Conference. Presentations included an overview of implementation challenges of the California Ocean Plan amendments related to ocean water desalination which require “the best available site, design, technology, and mitigation measures feasible ... to minimize the intake and mortality of <u>all forms</u> of marine life”. Additionally, expert panels discussed recent work looking into alternative energy sources; particularly solar power, to reduce energy costs. There were also a series of presentations on salinity control efforts in the Colorado River Basin, and the Salton Sea.</p>
Poseidon Resources	<p>On February 9 in Loma Linda, Karl attended the Santa Ana Regional Water Quality Control Board meeting. SAWQCB staff provided an overview of the required analyses that must be considered for the permit renewal for desalination facilities pursuant to Water Code section 13142.5(b) and the Ocean Plan. The SAWQCB will next consider renewal of the Poseidon permit for the project in the first half of 2018. Finally, the CA Coastal Commission will then consider approval of a Coastal Development Permit.</p>

MET ITEMS CRITICAL TO ORANGE COUNTY

MET's Water Supply Conditions

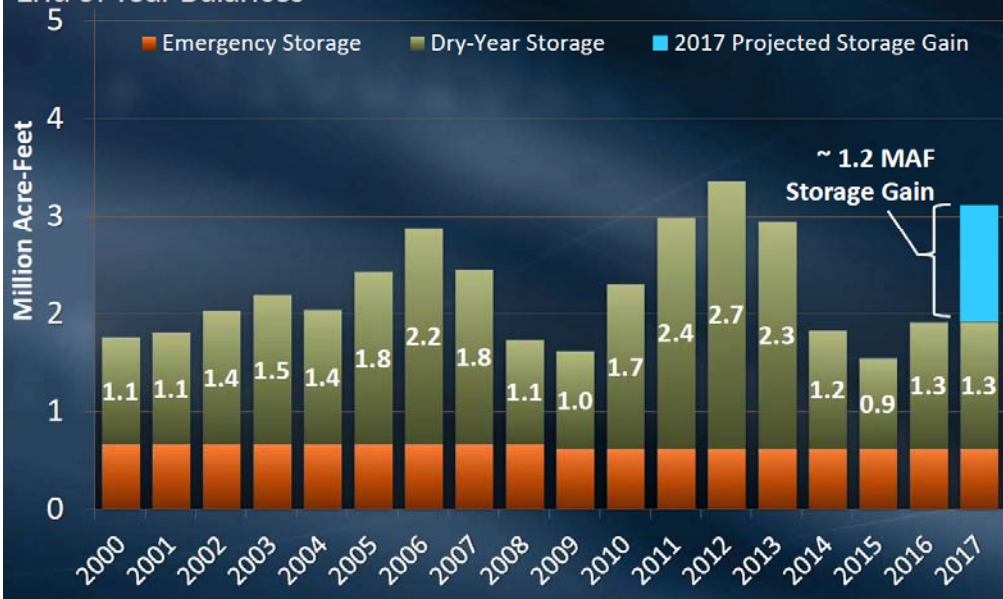
2018 Water Supply Balance

With the Department of Water Resources (DWR) setting the State Water Project (SWP) "Table A" allocation at 85%, MET will have approximately 0.382 million acre-feet (MAF) in SWP deliveries this water year. In addition, on the Colorado River system, MET estimates a total delivery of 960 TAF.

Assuming no changes to supplies, MET is projecting that demands will exceed supply levels in CY 2018. With a current projected demand trend of 1.6 MAF, MET is expected to pull 0.25 MAF from their dry-year supplies to meet demands. This will result in the total dry-year storage to decrease from 2.5 MAF to 2.2 MAF by the end of 2018.

Metropolitan is Forecasting an Increase in Storage Reserves this Year

End of Year Balances



MET's Water Supply Conditions (Continued)	<p>Locally, we have been increasing our groundwater storage through Met's In-Lieu program. The purpose of this one-time program is to store additional imported water locally that would have otherwise been lost if no action was taken. For December 2017, MWDOC (along with the Three Cities, Anaheim, Fullerton and Santa Ana) have requested that MET certify 11,720 AF of imported treated deliveries as In-Lieu. In-Lieu deliveries for January 2018 are estimated to be around 7,000 AF to 11,000 AF. Due to significant below average hydrologic conditions throughout the state, the In Lieu program was suspended on February 1, 2018.</p>
MET's Finance and Rate Issues	<p><u>MET Financial Report</u></p> <p>Water transactions (sales) through December were 78.4 thousand acre-feet (TAF) lower than budgeted and 120.1 TAF lower than the 5-year average. In comparison to both the budget and prior year actual sales, the continued cumulative low water transactions can be attributed to decreased untreated water sales; as illustrated below. However, December yielded a dramatic increase in comparison to last year as a result of purchased In-Lieu water. Therefore, although sales through December 2017 are still \$36.2 million lower than the budget, they are \$16.9 million greater than December 2016.</p> <div data-bbox="565 873 1333 1898"> <p>Cumulative Water Transactions⁽¹⁾ (AF in thousands)</p> <p>Legend: Actual to Date 2017-18 (orange line with diamonds), 5-Year Average (green line with squares), Budget 2017-18 (blue line with circles). 5-year average = 1,782 budget = 1,700</p> <p>Water transactions through December were 78.4 TAF lower than budget and 120.1 TAF lower than the 5-year average.</p> <p>Monthly Water Transactions⁽¹⁾ (AF in thousands)</p> <p>Legend: Actual FY17-18 (orange line with diamonds), Budget FY16-18 (green line with squares), Actual FY16-17 (blue line with circles).</p> <p>⁽¹⁾ Includes Water Sales, Exchanges, and Wheeling</p> </div>

Colorado River Issues	<p><u>Commissioner Burman Addresses CRWUA</u></p> <p>Brenda Burman was confirmed as the Commissioner for the U.S. Bureau of Reclamation (Reclamation) on November 17, 2017. Commissioner Burman addressed the Colorado River Water Users Association annual conference in Las Vegas December 15 and described Reclamation's priorities for the Colorado River basin in 2018. In her remarks, Commissioner Burman noted that the Drought Contingency Plan will be the top priority for the upcoming year and that Reclamation is looking for the states to complete their work during that time.</p> <p>In describing the importance of finalizing work on the Drought Contingency Plan during the upcoming year, the Commissioner noted that the 2007 Shortage Guidelines (Guidelines), alone, are no longer enough to protect the system from the reservoir storage declines and worsening hydrology that have occurred since adoption of the Guidelines and pointed to Reclamation's modeling showing that implementation of both the Lower Basin Drought Contingency Plan and the Upper Basin Drought Contingency Plan together would provide important protection of the reservoirs and power production. The Commissioner urged the states to resolve any outstanding intrastate issues and to reach final agreement on the drought contingency plans.</p> <p><u>Metropolitan Submits a Modified Water Order to Reclamation</u></p> <p>During December, Metropolitan submitted a Request for Revision to Approved Diversions for Calendar Year 2017 to Reclamation seeking approval to divert a total 685,000 acre-feet. Reclamation had approved the diversion of up to 632,676 acre feet of water earlier in 2017. MET submitted the modified order to:</p> <ul style="list-style-type: none"> • Enable MET to divert and store Imperial Irrigation District's (IID) Excess and Additional Excess Intentionally Created Surplus (ICS), consistent with MET and IID's storage agreement; • Include unused Coachella Canal Lining Project mitigation water that Reclamation had not included in its initial approved water order and exchange it with San Diego County Water Authority; and • Allow MET to divert water not needed by Coachella Valley Water District consistent with the 1989 Approval Agreement. <p>Earlier this year, MET received approval to store up to 390,000 acre-feet of ICS in Lake Mead.</p>
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Colorado River Issues (Continued)	<p><u>San Luis Rey Indian Water Rights Settlement Act Update</u></p> <p>During 2017, the last necessary conditions for satisfaction of Section 104 of the San Luis Rey Indian Water Rights Settlement Act occurred. This settlement resolved a long-standing water rights dispute among the United States and the La Jolla, Pala, Pauma, Rincon, and San Pasqual Bands of Mission Indians, the San Luis Rey River Indian Water Authority (Indian Water Authority), the City of Escondido, and Vista Irrigation District (collectively, the “Settlement Parties”).</p> <p>Under a 2003 agreement among MET, the U.S., and the Settlement Parties, Reclamation has been making available to MET 16,000 acre-feet of water annually, as a result of the All-American Canal and Coachella Canal Lining Projects. In return, MET had been placing funds into trust for the Indian Report Water Authority until the requirements of Section 104 of the San Luis Rey Indian Water Rights Settlement Act had been satisfied. As a result of the final requirements being satisfied, MET has disbursed the funds it had been holding in trust to the Indian Water Authority. Going forward, the United States will continue to deliver 16,000 acre-feet of water per year to Metropolitan for exchange of an equal amount of MET water at the terminus of MET’s distribution system in San Diego County for conveyance by San Diego County Water Authority to the Settlement Parties.</p> <p><u>Minute 319 Water Exchange Completed</u></p> <p>Reclamation sent notice on December 14, 2017 that the United States International Boundary and Water Commission received notification from Mexico that Mexico has provided the United States a total quantity of 124,000 acre-feet in satisfaction of Section III.1 of Minute 319. Pursuant to Minute 319 and the implementing agreements, a portion of this conserved water is converted into Binational ICS. Binational ICS is water that was conserved in Mexico, and the conservation was paid for by MET, IID, Central Arizona Project and Southern Nevada Water Authority (Local Funding Agencies). Each of the Local Funding Agencies will be credited with the amount of Binational ICS agreed to in the Interim Operating Agreement and Contributed Funds Agreements of 2012. MET’s contributions as a Local Funding Agency entitled it to 47,500 acre-feet of Binational ICS, which will be shared equally with IID pursuant to the terms of a 2013 agreement between MET and IID regarding Binational ICS generated under Minute 319.</p>
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Bay Delta/State Water Project Issues	<p><u>California WaterFix</u></p> <p>In anticipation of announcements by the State Department of Water Resources regarding the next steps for the implementation of California WaterFix, Metropolitan's Bay Delta Initiatives Manager Steve Arakawa outlined the following schedule for Metropolitan's committee and board presentations and actions in the coming months.</p> <p>February 12 - MET Water Planning and Stewardship Committee</p> <ul style="list-style-type: none"> • State's direction on moving forward • Other information updates <p>February 27 - MET Special Committee on Bay Delta</p> <ul style="list-style-type: none"> • Cost/benefit analysis • Water transfer agreements • Relationship to Met's Integrated Resources Plan • Outline upcoming Board action <p>March 13 - MET Board Meeting</p> <ul style="list-style-type: none"> • Consider action based on project adjustments <ul style="list-style-type: none"> ○ Met's adjusted share ○ Water transfer agreements ○ Gap funding <p>The parameters and cost assumptions the MET Board adopted in October 2017 are below:</p> <div data-bbox="386 1014 1412 1770"> <p>Parameters Presented to Board (Oct 2017)</p> <table> <tr> <td>Project</td><td>9,000 cfs</td></tr> <tr> <td>Total cost of project w/ mitigation</td><td>\$16.7 billion</td></tr> <tr> <td>Operation cost</td><td>\$64.4 million/year</td></tr> <tr> <td>Metropolitan's share of cost</td><td>25.9% of total</td></tr> <tr> <td>Metropolitan's cost impacts</td><td> Base Case 4% Interest \$122 per AF = \$207M / 1.7 Million AF 6% Interest Case \$157 per AF = \$268M / 1.7 Million AF 8% Interest Case \$196 per AF = \$334M / 1.7 Million AF </td></tr> <tr> <td>Marginal cost</td><td> \$613 per AF (South Delta Pumps) \$840 per AF (Delivered/Treated) </td></tr> <tr> <td>Household cost</td><td> Base Case \$1.90 = (\$207M x .70) / 6.2 Million / 12 6% Interest Case \$2.50 = (\$268M x .70) / 6.2 Million / 12 8% Interest Case \$3.10 = (\$334M x .70) / 6.2 Million / 12 </td></tr> </table> </div>	Project	9,000 cfs	Total cost of project w/ mitigation	\$16.7 billion	Operation cost	\$64.4 million/year	Metropolitan's share of cost	25.9% of total	Metropolitan's cost impacts	Base Case 4% Interest \$122 per AF = \$207M / 1.7 Million AF 6% Interest Case \$157 per AF = \$268M / 1.7 Million AF 8% Interest Case \$196 per AF = \$334M / 1.7 Million AF	Marginal cost	\$613 per AF (South Delta Pumps) \$840 per AF (Delivered/Treated)	Household cost	Base Case \$1.90 = (\$207M x .70) / 6.2 Million / 12 6% Interest Case \$2.50 = (\$268M x .70) / 6.2 Million / 12 8% Interest Case \$3.10 = (\$334M x .70) / 6.2 Million / 12
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**Bay
Delta/
State
Water
Project
Issues
(Cont'd)**

Parameters Presented to Board (Oct 2017)

Total Avg Delivery Capability with/without CA WaterFix

- | | |
|------------------------------|--------------------------------------|
| ▪ Existing conditions | 4.7 ¹ |
| ▪ Future without CA WaterFix | 3.5 ² to 3.9 ³ |
| ▪ Future with CA WaterFix | 4.7 ⁴ to 5.3 ⁵ |

Water quality constituent improvements/benefits

- | | |
|----------------------------|--------|
| ▪ Electrical Conductivity | 18-22% |
| ▪ Total Dissolved Solids | 17-22% |
| ▪ Bromide | 31-34% |
| ▪ Dissolved Organic Carbon | 2-11% |
| ▪ Nitrate | 5-27% |

Water transfers (Northern intake capability w/50% exceedance)

- | | |
|-----------|---------|
| ▪ Without | 0.2 MAF |
| ▪ With | 1.1 MAF |

¹ California WaterFix EIR/EIS No Action Alternative, existing conditions with 2025 climate change impacts

² 2015 Delivery Capability Report Existing Conveyance High Outflow scenario

³ 2015 Delivery Capability Report Existing Conveyance Low Outflow scenario

⁴ California WaterFix EIR/EIS Alternative 4A-H4, initial operating criteria lower range

⁵ California WaterFix EIR/EIS Alternative 4A-H3, initial operating criteria upper range

Upcoming Board Consideration

Board Action (October 2017)

- Authorize participation in the construction, consistent with its 25.9 percent share of overall project costs;
 - Adaptive Management Program
 - Construction JPA Formation
 - Financing JPA Formation
- Participate in the Financing JPA including authorization to purchase and issue bonds, consistent with Metropolitan's share of 25.9 percent share

Board Action (Future Consideration)

- Metropolitan's adjusted share
- Water transfer agreements
- Gap funding

Bay Delta/ State Water Project Issues (Cont'd)	<p><u>State Water Resources Control Board</u></p> <p>The California WaterFix Petition proceedings before the State Water Resources Control Board (SWRCB) are ongoing. Part 2 of the hearings will address the effects of the proposed project on fish and wildlife, including consideration of appropriate Delta flow criteria. Opening briefs for Part 2 were submitted to the SWRCB on November 30, 2017, and Part 2 of the California WaterFix hearing will commence February 5, 2018. MET staff is reviewing testimony and preparing for the hearing.</p> <p><u>Science Activities</u></p> <p>MET staff continued participation in the Collaborative Science and Adaptive Management Program, including participation on the Collaborative Adaptive Management Team. December meetings focused on Delta smelt issues. MET staff participated in the Delta Smelt Scoping Team process to develop a decision support tool for the Delta Smelt Resiliency Strategy, and develop management questions that would guide development of a long-term monitoring program to inform management actions for Delta smelt. DWR is planning to implement two Delta Smelt Resiliency Strategy actions in 2018 – the Suisun Marsh Salinity Control Gate action and the North Delta food web action. These actions are hypothesized to improve habitat conditions and provide greater access to food resources. MET staff is providing input to the monitoring plan for the Suisun Marsh Salinity Gates action and to the comprehensive U.S. Bureau of Reclamation Directed Outflow Project for 2018, which will include monitoring of Delta smelt habitat factors throughout the spring to fall 2018 period.</p> <p>Bay-Delta Initiatives MET staff person, Corey Phillis, published a paper in the peer-reviewed journal, Biological Conservation, identifying important and overlooked juvenile habitats of winter-run Chinook salmon. The study was a collaboration with scientists from NOAA Fisheries, UC Davis, and Lawrence Livermore National Laboratory. The publication was featured in an article in the Sacramento Bee, including quotes from Corey and his coauthors.</p> <p>On December 6, the California Department of Fish and Wildlife announced the selection of 39 projects to receive funding from its Water Quality, Supply and Infrastructure Improvement Act of 2014 (Proposition 1) Restoration Grant Programs. Seven projects were awarded funding in the scientific studies category. MET staff assisted in the development and/or offered budgeted financial support for three of seven selected projects. These three projects are focused on the effects that pesticides have on juvenile salmonids that rear on floodplains; juvenile salmon distribution, abundance, and growth in restored Delta marsh habitats; and the impacts that export operations have on juvenile salmon survival, entrainment, and predation mortality.</p>
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Bay Delta/ State Water Project Issues (Cont'd)	<p><u>Delta Flood Emergency Management Plan</u></p> <p>DWR is currently testing a revised Emergency Response Tool (ERT) model that has been disaggregated so that various channel closure, pathway or other response scenarios can be simulated independent of the full Delta regional analysis. Testing has been conducted with the California Civil Air Patrol to characterize emergency conditions on the ground, and simulate response scenarios using ERT modeling capabilities.</p> <p>Sheet pile with up to 120 feet installed length, consisting of large pipe pile and intermediate sheet pile between the pipe segments, is expected to be delivered to the Stockton stockpile site by the second quarter 2018. This piling would be capable of closing the deepest levee breaches and would be a redundant measure to rock closures in emergency conditions. With the pile delivery, stockpiles for purposes of emergency response should be almost complete. DWR plans to stockpile additional rock, bringing the total to more than 400,000 tons or enough to close three major breaches. In addition to stockpiled materials, the stockpile sites include four loading and offloading sites for rock, sheet pile, and other materials.</p>
ENGINEERING & PLANNING	
Doheny Ocean Desalination Project	<p>Department of Water Resources (DWR) released the draft funding awards for the fourth round of Proposition 1 Desalination Grants (Water Desalination Grant Program). 8 projects out of 30 proposals are recommended for funding to receive a total of \$34.4 million of available funds. Doheny is listed as one of three projects to receive the maximum of \$10 million each for construction funding. A public workshop will be held at MET on February 5 from 1:00 to 4:00 pm to receive public comments.</p> <p>DWR also announced it will begin a continuous application process that will be conducted under the same guidelines as Round 4. Applications will be reviewed and qualified projects will be awarded on a first ready, first served basis until all grant funds are exhausted. (If all recommended projects receive funding there will be \$43 million remaining in the Program for construction type projects and approximately \$15.5 million for feasibility, design and research type projects.)</p> <p>GHD is developing a Scope of Work for a 3rd party legal firm to assist with Design-Build-Operate (DBO) contract development. A Request For Proposals (RFP) for 3rd party legal firms is anticipated to be released in early February 2018.</p> <p>Two workshops on the Administrative Draft Environmental Impact Report (ADEIR) are planned for February 2018 (dates pending). The release of the draft EIR for public comments is anticipated in March 2018.</p>

Orange County Reliability Study	CDM-Smith submitted a technical memo draft for staff input on January 8 which follows-up on the 2016 study climate modeling assumptions. The update discusses modeling assumptions based on more recently available information; use of updated Colorado River assumptions, and updated State Water Project assumptions for the reliability study update. A conference call with MET staff has been scheduled for March 5 to discuss Colorado River shortage assumptions. Once the modeling is completed under the updated assumptions, project evaluations for supply and system improvements will be completed. A final report is expected in the Spring 2018.
South Orange County Emergency Service Program	<p>Karl and Charles met with IRWD staff on January 22 for a follow up meeting to discuss the technical details of a possible renewal/ extension of the South Orange County Emergency Services Program.</p> <p>The current Emergency Services Program Agreement is in effect through 2029. The agreement defines minimum monthly flow rate 'reservations' through IRWD's system for South Orange County agencies in the event of a planned or emergency short term outage. The agreement acknowledges IRWD has a diminishing ability to deliver water to South Orange County over time as IRWD's service area is built out; with 0 flow available in the months of July through September beginning in 2020.</p> <p>A scope of work is being developed to study the ability/constraints of IRWD's system to move water through their system to South Orange County agencies into the future. Once proposals have been received, a recommendation to award a study contract will be brought to the Board for consideration.</p>
Scheduled Shutdowns: Upper Feeder & Lake Mathews Forebay	<p>The January 6—19 shutdown of the Upper Feeder has been completed and the pipeline has been returned to service. A new flexible expansion joint was installed for the Upper Feeder Santa Ana River Bridge to provide increased seismic resilience.</p> <p>A pre-planning meeting was held at MWDOC on January 25 for a scheduled February 12 – 18 shutdown of the Lake Mathews Forebay to refurbish the Outlet Tower and replace a primary valve at WR-19. The shutdown affects the Santiago Lateral (A-08, OC-13, and OC-33) and the Lower Feeder (OC-36 as well Western MWD WR-19). The WR-19 valve has been removed and installation of a newly fabricated valve is currently in progress.</p>
San Juan Basin Authority	The February 13 SJBA Board meeting included a short workshop on the mission and future of the Authority. County Public Works staff presented an overview of the most recent reorganization of the OC Public Works department. Attendees were asked to provide input on whether or not the Authority should take a more active role in South Orange County regarding water resources, and ecosystem health; and whether the Authority should expand its jurisdictional boundaries. Results of attendee input will be presented at the next meeting.

EMERGENCY PREPAREDNESS

Coordination with WEROC Member Agencies	<p>Ongoing: WEROC, with Michal Baker as the lead consultant, is facilitating 19 agencies through the process of updating the O.C. Water and Wastewater Multi-Jurisdictional Hazard Mitigation Plan. Update: Francisco Soto has been working with each agency to ensure that assignments between meetings are completed on time and the project stays on schedule. The next meeting is scheduled to take place in February.</p> <p>Kelly Hubbard provided a presentation on WEROC to the Orange County Sanitation District Safety Committee. The presentation provided a brief overview of WEROC programs and disaster coordination.</p> <p>Kelly provided a presentation on the WEROC program and its draft budget considerations to the OC MET Managers. Anaheim, Santa Ana and Fullerton are 3 of the funding partners for WEROC. Additional funding agencies are Orange County Water District, South Orange County Wastewater Authority, Orange County Sanitation District, and MWDOC.</p>
Training and Programs	<p>Kelly provided new staff from the last 6 months with training on the MWDOC Continuity of Operations Plan (COOP). This includes safety concepts such as evacuation, preparedness, and restoration of business operations.</p> <p>Kelly provided a training on how to do hazard analysis charts and how to make them a useful tool for ongoing emergency preparedness and planning to the American Red Cross Disaster Preparedness Academy.</p> <p>Francisco attended the CA Office of Emer. Serv. EOC Section Specific - Management Training on January 17. CalOES revised all EOC Section specific trainings and are providing their training materials to participants to use, which provided Francisco a great refresher, as well as new materials for WEROC staff.</p> <p>Kelly provided 2 sessions of Standardized Emergency Management System (SEMS), National Incident Management System (NIMS) and Incident Command System (ICS) Combined Training for WEROC agencies and staff. This is required training for grant compliance and several sessions a year are offered.</p> <p>Kelly provided a presentation to the City of Laguna Beach Community Emergency Response Team (CERT) as part of their annual awards program. She spoke about her experience in Vegas and lessons for individuals on preparedness.</p> <p>Kelly provided training for the WEROC EOC Staff and Member Agency staff on fulfilling the role of Logistics in the EOC during a disaster.</p>

Coordination with the County	<p>Kelly attended the January Orange County Emergency Management Organization (OCEMO) meeting and Exercise Design meeting that took place at the County EOC. County Emergency Management Bureau staff provided a presentation on the Operational Area EOC, expectations of local government and general capabilities.</p> <p>Ongoing: WEROC staff participated in the OA Agreement Revision Working Group. Francisco attended the OA Agreement meeting which primarily reviewed the Powers and Duties of the OA Positions section which will be discussed in further detail at the next meeting.</p>
Coordination with Outside Agencies	<p>Kelly has provided some coordination support to water and wastewater utilities impacted by the Montecito Mudflows. This was excellent practice with some lessons learned on the resource management process. Shexc is working on capturing those lessons in the WEROC plans and documents.</p>
<h2>WATER USE EFFICIENCY</h2>	
MET Water Use Efficiency Workgroup	<p>On January 18, Joe Berg attended Met's Water Use Efficiency Workgroup meeting. Approximately 30 member agencies participated in the meeting. Agenda items included:</p> <ul style="list-style-type: none"> • MET Board Presentation for January to Conservation and Local Resources Committee • MET Presentation at the January Member Agency Managers Meeting on Conservation <ul style="list-style-type: none"> ○ Proposed Modifications to Water Efficiency Programs • NatureScape Turf to Native Garden Program • External Affairs and Outreach Update • Metropolitan Updates <ul style="list-style-type: none"> ○ EGIA Platform • Member Agency Updates • Future Meeting Items <p>The next Workgroup meeting is scheduled for February 15, 2018 at MET<</p>
Metropolitan Program Refinements Committee	<p>On January 25, Joe participated in the sixth meeting of MET's Program Refinements Committee. MET staff began the meeting by summarizing the proposed changes to the Conservation Credits Program. These changes will be presented to MET's Conservation and Local Resources Committee on February 13 as information and to the Local Resources Committee on March 12 for adoption. If adopted, changes would become effective beginning next fiscal year.</p>

Partnership Opportunities with Saddleback College	On January 22, Joe met with Morgan Barrows, PhD., Chair of the Environmental Studies Department at Saddleback College, and Director Fred Adjarian from El Toro Water District. Dr. Barrows and Director Adjarian are evaluating the development of a water resources research organization that would cater to the water community.
CalWEP Finance & Governance Committee	In Sacramento, on January 23, Joe chaired the California Water Efficiency Partnership Finance & Governance Committee meeting. This was a general business/administrative committee meeting that included discussions on Quarter 4 Financials, 2017 Financial Review, Membership Dues Billing, the 2018-2020 Strategic Plan, and the Alliance for Water Efficiency chapter membership. The next meeting of the Finance & Governance Committee will be in April 2018.
(CLCA) Landscape Industry Show	On January 31 to February 1, Matthew Conway attended the Landscape Industry Show hosted by the California Landscape Contractors Association (CLCA) at the Ontario Convention Center. More than 70 exhibitors were in attendance, and the show also offered over a dozen seminars for attendees to learn about a variety of topics and issues facing the landscape industry today.
Orange County Water Use Efficiency Coordinators Workgroup	<p>On February 1, Joe, Rachel Waite, Steve Hedges, Beth Fahl, and Damon Micalizzi hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting at MWDOC where 18 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • MWDOC Updates • Agency Roundtable/Problem Solving • Public Affairs Update • State Water Resources Control Board Update • Integrated Regional Water Management Plan Call for Projects • Moulton Niguel Water District NatureScape Program • MET Update <ul style="list-style-type: none"> ○ Proposed Modifications to Water Efficiency Programs ○ MET Board Update – January ○ EGIA Platform ○ Innovative Conservation Program (ICP) Release • Dipper Well Study Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ Spray to Drip Program Control Group Discussion ○ Orange County Qualified Water Efficient Landscaper Training (OC-QWEL) • CalWEP Update • Future Agenda Items <p>The next meeting is scheduled for March 1, 2018 at MWDOC</p>

AWWA CalNV	On February 13, Joe participated in the California Water Audit Validator Certification Committee of the Cal-Nevada Section of AWWA. This committee is developing the Water Audit Validator Certification Program that will be used to train water audit validators, as required in SB 555. The training will begin in Spring 2018 so that validators will be available to validate water balances prior to the October 1, 2018 water balance submittal deadline.
PUBLIC/GOVERNMENT AFFAIRS	
Member Agency Relations	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Attended a Metropolitan PIO working group meeting • Began the annual CCRs process with Stetson Engineering, OCWD, and MWDOC member agencies. <ul style="list-style-type: none"> ○ Met with OCWD and Stetson Engineering to begin planning the CCR kick-off meeting with MWDOC member agencies ○ Held a CCR kick-off meeting with participating agencies • Provided the City of Westminster contact information for the Wyland Foundation regarding the annual Mayors Challenge competition. • Resent the official MWDOC logo to Metropolitan external affairs department and requested an update to a newly released video produced by Met
Education	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Assisted the City of Anaheim with information regarding their upcoming high school program expo • Updated Mwdoc.com news and event calendar with elementary and high school visit and expo dates. Notified MWDOC member agency PAW group and MWDOC Board of calendar accessibility. • Provided a MWDOC WaterFix video to ITO to use as a teachers resource for the high school program • Provided information to Moulton Niguel WD regarding their upcoming high school and elementary school visits • Participated in the Quarterly Metropolitan Education Coordinators Meeting

Media Relations	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Posted to the MWDOC website blog post “No Need to Panic After a Slow Start to a ‘Wet Season.’ Distributed an announcement of the post via social media. • Participated in several meetings to discuss strategy with the social media Consultant. Continuing to fine tune the MWDOC social strategies and best practices guidelines. • Working with Rob Starr, NBC News Radio KCAA 1050 AM, 102.3 FM & 106.5 FM regarding opportunities to appear on his radio show, “The Water Zone.” • Worked with our website developer and social media contractors to prepare open graphs which tie specific images from our web pages to unique urls.
Special Projects	<p>Public Affairs staff:</p> <ul style="list-style-type: none"> • Participated in website admin training with the web developer for the new MWDOC website • Conducted staff training for MWDOC employees who will have access to make updates to the MWDOC website • Are currently working on itineraries, trip logistics, guest and Director requirements for the following inspection trips: <ul style="list-style-type: none"> ◦ February 23-24, 2017, Director Ackerman, SWP • Bryce staffed a CRA/Hoover inspection trip with Director Barbre on January 26-28, 2017 • Along with Heather Baez, met with Heather Stratman with ACC-OC to discuss the Water 101 booklet and next steps • Received a draft design and project presentation from students at Saddleback College regarding the 2017 Wyland Mayors Challenge Pocket Park award. Met with Wyland Foundation, City of Laguna Beach and member agency representatives to review the draft design and discuss next steps. • Met with WUE staff to discuss upcoming Qualified Water Efficient Landscape (QWEL) training materials • Updated several pages on the MWDOC website <p>Heather staffed the ISDOC Executive Committee meeting and sent out an updated invitation for the Quarterly Luncheon announcing the speaker.</p> <p>Heather staffed the WACO Planning meeting and invited/coordinated one of the February guest speakers, Fred Simon from the FBI's Infraguard Program.</p> <p>Heather secured a backup speaker for the ISDOC Quarterly Luncheon after the scheduled speaker, MET's Kathy Cole, became ill.</p>

Special Projects (Continued)	<p>Heather worked with Christina Hernandez, MWDOC's database coordinator to update the ISDOC Directory for 2018. That will be sent out to members later in February when all invoices have been received for ISDOC.</p> <p>Heather sent out the 2018 annual dues invoices, sent reminder email for the Quarterly Luncheon, and staffed the luncheon on the day of the event.</p> <p>She staffed the February WACO meeting on cybersecurity.</p>
Legislative Affairs	<p>Heather and Director Barbre travelled to Washington D.C. and met with the following people:</p> <ul style="list-style-type: none"> • Congressman Lou Correa • Rachel Gentile, Office of Congressman Alan Lowenthal • Kate Randall, Office of Congresswoman Mimi Walters • Ian Foley, Office of Congressman Ken Calvert • Blair Rotert, Office of Congressman Ed Royce • Bryson Wong, staff for the House Sub-Committee on Water, Power and Oceans • Andrew Eisenberger, Office of Congressman Dana Rohrabacher <p>Topics of discussion included the status of the California WaterFix and the importance of the project, the potential return of earmarks, the federal budget, President Trump's (then) proposed infrastructure bill, and our upcoming Congressional Briefing Luncheon on Feb. 28.</p> <p>Director Barbre and Heather met with MET DC advocate, Brad Hiltcher, along with the advocates for EMWD, IEUA and WMWD to coordinate efforts for the February 28 luncheon.</p> <p>Heather sent out reminders to the MWDOC member agencies about the January 22 deadline to submit pages for the Southern California Water Issues Congressional Briefing Book, and then coordinated with staff at IEUA who is coordinating and compiling the book.</p> <p>Heather participated in CSDA's Legislative Committee.</p> <p>Heather monitored the CalDesal Legislative conference call.</p> <p>Heather and Joe attended a meeting in Governor Brown's office on the conservation legislation, AB 1668 (Friedman) and SB 606 (Hertzberg/Skinner).</p> <p>Heather met with legislative staff for Assembly Member Quirk-Silva, and Assembly Member Rubio.</p>

Legislative Affairs (Continued)	<p>Heather met with budget staff to discuss the language in SB 623 (Monning) being put into a Budget Trailer Bill.</p> <p>Heather participated in the MET Member Agency Legislative Coordinators conference call.</p> <p>In Sacramento, Heather attended the ACWA State Legislative Committee meeting.</p> <p>Heather volunteered for and then participated in ACWA's SB 998 (Dodd) Working Group.</p>
Water Summit	<p>MWDOC's and OCWD's Public Affairs staffs met with Summit Chairs to finalize theme artwork and receive additional input for the program.</p>

pat meszaros
2/15/18

INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

- Brett R. Barbre
- Larry D. Dick
- Wayne Osborne
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider