

REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
AND ANNUAL MEETING OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
WATER FACILITIES CORPORATION
18700 Ward Street, Board Room, Fountain Valley, California
September 18, 2019, 8:30 a.m.

AGENDA

MOMENT OF SILENCE

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 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 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

MWDOC WATER FACILITIES CORPORATION AGENDA ITEMS

WFC-1 FINANCIAL REPORT

- a. Annual Filing of Tax Compliance Reports.

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

WFC-2 REORGANIZATION OF MWDOC WFC BOARD OFFICERS

Recommendation: Consider reorganizing the MWDOC WFC Board officers

ADJOURNMENT -- END MWDOC WFC AGENDA

MWDOC AGENDA

NEXT RESOLUTION NO. 2089

CONSENT CALENDAR (Items 1 to 7)

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

1. MINUTES

- a. August 7, 2019 Workshop Board Meeting
- b. August 21, 2019 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: August 5, 2019
- b. Administration & Finance Committee Meeting: August 14, 2019
- c. Public Affairs & Legislation Committee Meeting: August 12, 2019
- d. Executive Committee Meeting: August 22, 2019

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of August 31, 2019
- b. MWDOC Disbursement Registers (August/September)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of July 31, 2019
- 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 July 31, 2019

Recommendation: Receive and file as presented.

5. AMENDMENT NO. 8 TO THE SANTIAGO AQUEDUCT COMMISSION (SAC) JOINT POWERS AGREEMENT (JPA)

Recommendation: Authorize the Board President to execute Amendment No. 8 to the SAC JPA, as presented.

6. ADDITIONAL AUTHORIZATION FOR RAFTELIS TO COMPLETE THE DWR GRANT MONITORING REPORT FOR THE BUDGET BASED TIERED RATE (BBTR) GRANT STUDY

Recommendation: Authorize the General Manager to increase the cost authorization towards completion of the BBTR DWR Grant Monitoring Study from \$41,721, by \$17,707, to a total cost of \$59,428. Staff also requests an additional contingency of \$4,000 if needed, under staff's authority, in the event additional complications occur.

7. AUTHORIZE FY 19-20 CHOICE PROGRAMS BUDGET REVISIONS

Recommendation: Approve the Choice Programs budget revisions.

End Consent Calendar

ACTION ITEMS

8-1 APPROVAL OF REVISED PERSONNEL MANUAL

Recommendation: Approve changes and additions to the Personnel Manual as presented.

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

9. GENERAL MANAGER'S REPORT, SEPTEMBER 2019 (ORAL AND WRITTEN)

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

10. 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.

CLOSED SESSION ITEMS

11. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: General Manager
Government Code Section 54957

12. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

ADJOURNMENT

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



Item No. WFC-1

WFC ACTION ITEM

September 18, 2019

TO: Board of Directors, MWDOC Water Facilities Corporation

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

SUBJECT: 2019 Annual Filing of Tax Compliance Reports for the MWDOC Water Facilities Corporation

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

SUMMARY

To maintain the Water Facilities Corporation ("Corporation") as an active entity, the following tax compliance reports will be filed on behalf of the Corporation for FY 2018-19, upon review of the Administration & Finance Committee, and concurrence by the Corporation Board of Directors:

- ePostcard of Organization Exempt from Income Tax (IRS Form 990-N). This is allowed since the corporations gross receipts are less than \$50,000.
- ePostcard of California Exempt Organization Annual Information Return (CA Form 199-N). This is allowed since the corporations gross receipts are less than \$50,000.
- Annual Registration Renewal Fee Report to Attorney General of California (CA Form RRF-1)
- The Corporation Board of Directors approved filing these reports for FY 2017-18 on September 19, 2018.

Attachments

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

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



Confirmation

[Home](#) | [Security Profile](#) | [Logout](#)

Your Form 990-N(e-Postcard) has been submitted to the IRS

- **Organization Name:** MUNICIPAL WATER DISTRICT OF ORANGE COUNTY WALTER FACILITIES CORP
- **EIN:** 953500739
- **Tax Year:** 2018
- **Tax Year Start Date:** 07-01-2018
- **Tax Year End Date:** 06-30-2019
- **Submission ID:** 10065520192333128666
- **Filing Status Date:** 08-21-2019
- **Filing Status:** Pending

Note: Print a copy of this filing for your records. Once you leave this page, you will not be able to do so.

MANAGE FORM 990-N SUBMISSIONS



Session expires in 19:50

199N e-Postcard - Confirmation

Print this page for your records. The Confirmation Number below is proof that you successfully filed your e-Postcard.

We received your FTB 199N California e-Postcard on August 21, 2019 10:33 AM.

Confirmation Number:
084438623307

Entity Information

Entity ID:
0844386

Entity Name:
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY WATER FACILITIES CORPORATION

Account Period Beginning:
JULY 01, 2018

Account Period Ending:
JUNE 30, 2019

This is not your entity's first year in business.

Your entity has not terminated or gone out of business.

Your entity has not changed the account period.

Gross Receipts:
\$0

This is not an amended return.

An IRS Form 1023/1024 is not pending.

Date IRS Form 1023/1024 Filed:
N/A

FEIN:
953500739

Doing Business As:

Website Address:
MWDOC.COM

Entity's Mailing Address

PO BOX 20895
FOUNTAIN VALLEY, CA 92728

Principal Officer's Information

Name: HILARY CHUMPITAZI
PO BOX 20895
FOUNTAIN VALLEY, CA 92728

Contact Information

Name: JEFF STALVEY
Phone: 714.592.5022

[Print](#)

[Log Out](#)

After we process your 199N e-Postcard, you may receive a bill if the three year gross receipt average is greater than the amount allowed for filing a 199N e-Postcard.

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MAIL TO:

Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
(916) 210-6400

WEB SITE ADDRESS:

www.ag.ca.gov/charities/

ANNUAL REGISTRATION RENEWAL FEE REPORT TO ATTORNEY GENERAL OF CALIFORNIA

Section 12586 and 12587, California Government Code
11 Cal. Code Regs. section 301-307, 311, and 312

Failure to submit this report annually no later than the 15th day of the 5th month after the end of the organization's accounting period may result in the loss of tax exemption and the assessment of a minimum tax of \$800, plus interest, and/or fines or filing penalties as defined in Government Code section 12586.1. IRS extensions will be honored.



State Charity Registration Number <u>34561</u> <hr/> Municipal Water District of Orange County-Water Facilities Corporation Name of Organization <hr/> 18700 Ward Street Address (Number and Street) <hr/> Fountain Valley, Ca 92708 City or Town, State and ZIP Code	Check if: <input type="checkbox"/> Change of address <input type="checkbox"/> Amended report <hr/> Corporate or Organization No. <u>D-0844386</u> <hr/> Federal Employer I.D. No. <u>95-3500739</u>
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ANNUAL REGISTRATION RENEWAL FEE SCHEDULE (11 Cal. Code Regs. sections 301-307, 311, and 312)
Make Check Payable to Attorney General's Registry of Charitable Trusts

Gross Annual Revenue	Fee	Gross Annual Revenue	Fee	Gross Annual Revenue	Fee
Less than \$25,000	0	Between \$100,001 and \$250,000	\$50	Between \$1,000,001 and \$10 million	\$150
Between \$25,000 and \$100,000	\$25	Between \$250,001 and \$1 million	\$75	Between \$10,000,001 and \$50 million	\$225
				Greater than \$50 million	\$300

PART A - ACTIVITIES

For your most recent full accounting period (beginning 07 / 01 / 2018 ending 06 / 30 / 2019) list:

Gross annual revenue \$ 0 Total assets \$ 0

PART B - STATEMENTS REGARDING ORGANIZATION DURING THE PERIOD OF THIS REPORT

Note: If you answer "yes" to any of the questions below, you must attach a separate page providing an explanation and details for each "yes" response. Please review RRF-1 instructions for information required.

	Yes	No
1. During this reporting period, were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest?		X
2. During this reporting period, were there any theft, embezzlement, diversion or misuse of the organization's charitable property or funds?		X
3. During this reporting period, did non-program expenditures exceed 50% of gross revenue?		X
4. During this reporting period, were any organization funds used to pay any penalty, fine or judgment? If you filed a Form 4720 with the Internal Revenue Service, attach a copy.		X
5. During this reporting period, were the services of a commercial fundraiser or fundraising counsel for charitable purposes used? If "yes," provide an attachment listing the name, address, and telephone number of the service provider.		X
6. During this reporting period, did the organization receive any governmental funding? If so, provide an attachment listing the name of the agency, mailing address, contact person, and telephone number.		X
7. During this reporting period, did the organization hold a raffle for charitable purposes? If "yes," provide an attachment indicating the number of raffles and the date(s) they occurred.		X
8. Does the organization conduct a vehicle donation program? If "yes," provide an attachment indicating whether the program is operated by the charity or whether the organization contracts with a commercial fundraiser for charitable purposes.		X
9. Did your organization have prepared an audited financial statement in accordance with generally accepted accounting principles for this reporting period?		X

Organization's area code and telephone number (714) 593 - 5022

Organization's e-mail address jstalvey@mwdoc.com

I declare under penalty of perjury that I have examined this report, including accompanying documents, and to the best of my knowledge and belief, the content is true, correct and complete.

 Signature of authorized officer	Jeffrey Stalvey Printed Name	Deputy Treasurer Title	8/21/2019 Date
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Item No. WFC-2

WFC ACTION ITEM

September 18, 2019

TO: Board of Directors, MWDOC Water Facilities Corporation

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

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee concurred with staff.

SUMMARY

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

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

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

Currently Megan Yoo Schneider serves as President and Director Sat Tamaribuchi serves as Vice President of the MWDOC Water Facilities Corporation.

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

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

August 7, 2019

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. Fullerton MET Director Adan Ortega led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan
Bob McVicker
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
Kevin Hostert, Water Resources Analyst
Chris Lingad, Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Eff. Programs

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman (absent)

OTHERS PRESENT

Adan Ortega
Kathryn Freshley
Mark Monin
Jose Vergara
Mike Dunbar
Steve LaMar
Doug Reinhart
Paul Cook
Don Froelich
Kelly Rowe
Mike Markus
John Kennedy
Rick Erkeneff
Bill Green
Rick Shintaku
Brooke Jones
Ed Means
Liz Mendelson-Goossens
John Bednarski

MET Director, Fullerton
El Toro Water District
El Toro Water District
El Toro Water District
Emerald Bay Service District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Orange County Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Means Consulting
San Diego County Water Authority
Metropolitan Water District of So. Calif.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No public comments were received.

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 presented.

EMPLOYEE ACKNOWLEDGEMENT

General Manager Hunter announced to the Board and audience members that Director of Emergency Services, Kelly Hubbard, would be leaving the District for employment with the County of Santa Barbara. Mr. Hunter commended her for her years of service to WEROC.

ACTION ITEM**AUTHORIZE ATTENDANCE AT THE URBAN WATER INSTITUTE CONFERENCE
AUGUST 14-16, 2019 IN SAN DIEGO**

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0), the Board authorized attendance by an additional Director(s) at the Urban Water Institute Conference to be held August 14-16, 2019 in San Diego. Directors Barbre, Dick, Finnegan, McVicker, Yoo Schneider, Tamaribuchi and Thomas voted in favor.

PRESENTATION/DISCUSSION/INFORMATION ITEMS**PRESENTATION BY METROPOLITAN STAFF REGARDING REGIONAL
RECYCLING WATER PROGRAM**

Mr. John Bednarski (Metropolitan staff) provided an overview of MET's Regional Recycled Water Program implementation and delivery alignment. His presentation included information regarding the program background, approach, elements, letter of intent, and environmental review process. Mr. Bednarski also provided an in-depth review of the three implementation options (traditional, accelerated construction, and accelerated water delivery), including benefits, risks, and budget ranges associated with each.

Considerable discussion followed, with specific emphasis on costs, who retains liability for sewer flows and disposal, water quality standards, and the capacity of the plant (150 mgd).

The Board received and filed the information presented and thanked Mr. Bednarski for the presentation.

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

Director McKenney highlighted the Finance & Insurance Committee activities, and the Governor's Resiliency Initiative.

Director Dick highlighted a recent event he attended with MET Chair, Gloria Gray (in Fresno).

IRWD Director Doug Reinhart inquired about the status of the stranded asset issue, with the MET Directors advising that they are monitoring the issue.

DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE

No additional information was discussed; the Board received and filed the staff 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

The information was received and filed.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding July MET Board Meetings
- b. Review items of significance for the upcoming MET Board and Committee Agendas

The information was received and filed.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:00 a.m.

Maribeth Goldsby
Board Secretary

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
August 21, 2019**

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 Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan (absent)
Bob McVicker
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
Damon Micalizzi, Dir. of Public Affairs
Heather Baez, Governmental Affairs Manager
Cathy Harris, Director of HR & Administration
Hilary Chumpitazi, Accounting Manager
Chris Lingad, Water Resources
Tiffany Baca, Public Affairs Manager
Sarah Wilson, Public Affairs Specialist

ALSO PRESENT

Doug Reinhart
Jim Atkinson
Kelly Rowe
Mike Markus
John Kennedy
Chuck Gibson
Dennis Erdman
Rick Erkeneff
Bill Green
Rick Shintaku
Brooke Jones
Mat Forester
Dawn Curtis
Yarib Dheming
Laer Pearce

Irvine Ranch Water District
Mesa Water District
Orange County Water District
Orange County Water District
Orange County Water District
Orange County Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Boy Scouts of America
OCDE/Inside the Outdoors
OCWD/Inside the Outdoors
Laer Pearce & Associates

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.

Mr. Mat Forester (Boy Scouts) presented the Board with a Certificate of Appreciation, specifically for Director McVicker, for participation in his troop's Summer Day Camp.

Mr. Laer Pearce provided an update on SB 307, and thanked the Board for adopting an oppose position.

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.

PRESENTATION – RECOGNITION FOR VOICE FOR THE PLANET ORANGE COUNTY STUDENT WINNERS

Public Affairs Specialist Sarah Wilson presented awards to students who participated in the Voice for the Planet video contest; each winning video (from various categories) was shown to the Board.

EMPLOYEE SERVICE AWARD

General Manager Hunter presented an award to Tiffany Baca for 10 years of service to the District.

INTRODUCTION

Director of Water Use Efficiency Joe Berg, introduced new employees, Kevin Kelly and Jason Thorsell (Water Loss Control Program employees) to 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.

Director Barbre noted that typographical errors were corrected in the June 3 and 5 Board meeting minutes, as well as the July 10 Administration & Finance Committee meeting.

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (6-0), the Board approved the Consent Calendar (as revised) items as follows. Directors Barbre, Dick, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Finnegan was absent.

MINUTES

The following minutes were approved.

July 3, 2019 Workshop Board Meeting
July 17, 2019 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: July 1, 2019
Administration & Finance Committee Meeting: July 10, 2019
Public Affairs & Legislation Committee Meeting: July 15, 2019
Executive Committee Meeting: July 18, 2019
MWDOC/OCWD Joint Planning Committee Meeting: July 24, 2019

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of July 31, 2019
MWDOC Disbursement Registers (July/August)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of June 30, 2019

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Unaudited Draft Combined Financial Statements and Budget Comparative for the period ending June 30, 2019

Quarterly Budget Review (deferred to the FY 2018-19 Audited Annual Financials)

APPROVE \$5,000 INCREASE TO ROSENBERG + ASSOCIATES SOLE SOURCE CONTRACT

The Board approved a \$5,000 increase to the sole source contract with Rosenberg + Associates (from \$25,000 to \$30,000) for Construction Management services relating to the Computer Room Air Conditioner Replacement Project.

TRAVEL TO WASHINGTON, D.C. TO COVER FEDERAL ADVOCACY ISSUES

The Board reviewed and ratified the travel expenses as reported.

TRAVEL TO SACRAMENTO TO COVER STATE ADVOCACY ISSUES

The Board reviewed and ratified the travel expenses as reported.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE
CONSIDERATION FORMS FOR 2020/21**

The Board authorized the requests to serve on various ACWA Committees for the 2020-21 term, and direct staff to submit the completed Committee Consideration Forms by the September 30, 2019 deadline.

**AUTHORIZE THE GENERAL MANAGER TO ENTER INTO METROPOLITAN
AGREEMENTS FOR CYCLIC IN-LIEU DELIVERIES**

The Board authorized the General Manager to enter into agreements for Cyclic In-Lieu treated deliveries into the existing MWDOC Cyclic Account, as adopted by the Metropolitan Board on April 10, 2019. The four agreements are with Metropolitan Water District, as well as the cities of Anaheim, Fullerton, and Santa Ana.

VEHICLE PURCHASE FOR WATER LOSS CONTROL STAFF

The Board authorized the General Manager to purchase the Chevrolet Silverado 2500, and Dodge Ram ProMaster City Tradesman vehicles for a combined cost of \$75,407.

**AUTHORIZATION FOR STAFF TO ATTEND PUBLIC RELATIONS SOCIETY OF
AMERICA INTERNATIONAL CONFERENCE OCTOBER 20-22, 2019**

The Board authorized staff attendance at the Public Relations Society of America's (PRSA) International Conference, October 20-22, 2019 in San Diego.

- END CONSENT CALENDAR -**ACTION CALENDAR****ADOPTION OF THE ORANGE COUNTY REGIONAL WATER AND WASTEWATER
MULTI-HAZARD MITIGATION PLAN FOR 2019**

Upon MOTION by Director Yoo Schneider, seconded by Director Thomas, and carried (6-0), the Board adopted RESOLUTION NO. 2088 approving and adopting the Orange County Regional Water and Wastewater Hazard Mitigation Plan. Said RESOLUTION NO. 2088 was adopted by the following roll call vote:

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

RECOMMENDATION FOR SPONSORSHIP OF MAVEN'S NOTEBOOK

Upon MOTION by Director McVicker, seconded by Director Yoo Schneider, and carried (6-0), the Board authorized a sponsorship of Maven's Notebook at a cost of \$2500. Directors Barbre, Dick, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Finnegan was absent.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 ELECTION

SMWD Director Chuck Gibson advised that he would like to continue his role on the Region 10 Board and asked for the Board's support.

President Barbre advised that the Administration & Finance Committee recommended the Board cast the ballot for individual board candidates (from Orange County), rather than the recommended slate of candidates; he clarified that votes would have to be cast 3 from Orange County and 2 from San Diego. He stated his preference for voting for those individuals who personally address the Board requesting support.

Director Yoo Schneider stated her preference for the Nominating Committee's recommended slate of candidates.

Upon MOTION by Director Dick, seconded by McVicker, and carried (5-0), the Board authorized President Barbre, or his designee, to cast the District's ballot for the ACWA Region 10 Board of Directors (at his discretion). Directors Barbre, Dick, McVicker, Tamaribuchi, and Thomas and voted in favor; Director Yoo Schneider abstained and Director Finnegan was absent.

Director Barbre announced that he would be voting for DeAna Verbeke, Cathy Green, Jim Atkinson, Betty Evans, Charles Gibson, Shauna Lorance, and Mark Monin.

COST-SHARE AGREEMENT WITH MET ON UTAH STATE METER ACCURACY TESTING OF SERVICE CONNECTION OC-70

Assistant General Manager Karl Seckel advised that the Planning & Operations Committee requested this item be presented to the Board and that the Committee recommended entering into an Agreement with MET to conduct testing on the accuracy of service connection OC-70 (using the services of Utah State Water Research Laboratory). Mr. Seckel then provided an overview of the costs, noting that per MET's Administrative Code, the cost of the MET testing is paid by MET if the meter accuracy exceeds 2%, and would be paid by MWDOC if the accuracy is within 2%.

Discussion regarding the accuracy of the meters, the distance between the pumps and meter, and the potential need for a larger study.

Upon MOTION by Director Yoo Scheider, which was seconded by Director Thomas, and carried (6-0), the Board authorized the General Manager to enter into a Cost-Share Agreement with MET in accordance with MET's Administrative Code to test the accuracy of service connection OC-70 using the services of Utah State Water Research Laboratory (Utah State). The estimated cost of the Utah State testing is about \$50,000. MWDOC has recommended additional testing of the

meters EOCWD recently used in their field testing and this work is estimated at about \$15,000 (MET would not participate in these costs). Per MET's Administrative Code, the cost of the MET testing is paid by MET if the meter accuracy exceeds 2% and would be paid by MWDOC if the accuracy is within 2%. MWDOC would be responsible for the cost of testing the meters used by EOCWD for field testing. All in, MWDOC's potential costs would range between \$15,000 on the low end up to \$65,000 on the high end. The costs are estimated at this time and need to be backed up by proposals from Utah State and work with the company EOCWD used in their testing to get access to the field meters. Directors Barbre, Dick, McVicker, Yoo Schneider, Tamaribuchi, and Thomas and voted in favor; Director Finnegan was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, AUGUST 2019

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

Mr. Hunter announced that MWDOC would host a Water Policy Dinner on September 5, 2019, and the Delta Stewardship Council meeting on September 26, 2019. It was noted that a Community Leaders Briefing (hosted by Congressman Lou Correa) on August 29, 2019.

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 advised that she attended the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the MWDOC/OCWD Joint Planning Committee meeting, the Workshop and Regular Board meetings, the Community Leaders Water Briefing with Congressman Harley Rouda, the California Council on Environmental & Economic Balance Summer Issues Seminar, the California Environmental Dialogue (CED) meeting, the WACO meeting, a meeting with representatives from Newport Beach (and tour of their facilities), the South Orange County Watershed Management Authority meeting, a meeting with Toni Iseman (Laguna Beach), the San Juan Basin Authority meeting, the Urban Water Institute Conference, and the San Clemente City Council meeting.

Director Thomas noted his attendance at the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the MWDOC/OCWD Joint Planning Committee meeting, and the Workshop and Regular Board meetings, and OC Water Summit planning meeting, the Urban Water Institute Conference, and the MET Board/Committee meeting(s).

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the MWDOC/OCWD Joint Planning Committee meeting and the Workshop and Regular Board meetings), Community Leaders Briefing with Congressman Rouda, the CCEEB Summer Issues Seminar, the CED meeting, the WACO meeting, and the Urban Water Institute Conference.

Director McVicker advised that he attended all of MWDOC's regularly scheduled meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the MWDOC/OCWD Joint Planning Committee meeting, and the Workshop and Regular Board meetings). He also attended the Community Leaders Briefing with Congressman Rouda, and ACWA Region 10 program, the WACO meeting, the Urban Water Institute Conference, the MET Water Planning & Stewardship Committee meeting (via web), and he presented a certificate to the Bolsa Chica Conservancy for the MWDOC Girl Scouts Patch Program.

Director Dick reported he attended all of MWDOC's regularly scheduled meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the MWDOC/OCWD Joint Planning Committee meeting, and the Workshop and Regular Board meetings), as well as the OC Association of Realtors event, a meeting with Greg Mills (Serrano), an agricultural trip/tour in Fresno with MET Chairwoman Gloria Gray, the Region 10 event, a meeting with Feedy Mares, a meeting with Scott Maloni, the ISDOC Executive Committee meeting, a meeting with Jeff Kightlinger, the Garden Grove Chamber of Commerce meeting, and the Urban Water Institute Conference.

Director Barbre advised that he submitted a written report to Secretary Goldsby. He noted that the written report included the following meetings in his capacity as MET Director: the OC Water Association lunch, a meeting with Jeff Kightlinger, the MET Committee day (late), the MWDOC/OCWD/YLWD Joint Committee meeting, a meeting with Jenn Lowe regarding the ACCOC MET tour, a meeting with Brea City Councilman Steve Vargas, a meeting with Darcy Burke, a meeting with Tustin Councilman Doc Bernstein, and the MET Board meeting. In his capacity as MWDOC Director he attended the following meetings: Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the MWDOC/OCWD Joint Planning Committee meeting, and the Workshop and Regular Board meetings, the OC Water Summit Planning meeting, a meeting with Feedy Mares, the WACO meeting, and he participated in a conference call with MWDOC auditors.

b. REQUESTS FOR FUTURE AGENDA TOPICS

Director Dick commented that he enjoyed viewing the student videos at the beginning of the meeting, suggesting the District share those more often.

President Barbre referenced a discussion held at the Administration & Finance Committee meeting regarding Expense Reporting, noting that although the Committee did not recommend any changes to the form, he would like to revisit the issue at the October Committee meeting; he distributed a spreadsheet outlining actual v. reported expenses for fiscal year 2018-19.

CLOSED SESSION ITEM

At 9:34 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session, for a conference with Legal Counsel on the following matter:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

RECONVENE

The Board reconvened at 10:06 a.m., and Legal Counsel Byrne announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Barbre adjourned the meeting at 10:07 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

August 5, 2019 – 8:30 a.m. to 11:46 a.m.

Conference Room 101

P&O Committee:

Director Megan Yoo Schneider
Director Sat Tamaribuchi
Director Larry Dick

Staff:

Rob Hunter, Karl Seckel, Joe Berg,
Kelly Hubbard, Harvey De La Torre,
Katie Davanaugh, Damon Micalizzi,
Heather Baez, Charles Busslinger, Kevin Hostert,
Melissa Baum-Haley, Chris Lingad

Also Present:

Director Joan Finnegan
Director Jeff Thomas
Director Brett Barbre
Director Bob McVicker
Joe Byrne, BBK, District legal counsel
Paul Weghorst, Irvine Ranch Water District
Kevin Burton, Irvine Ranch Water District
Doug Reinhart, Irvine Ranch Water District
Saundra Jacobs, Santa Margarita Water District
Larry McKenney, WMDOC Met Director
Jose Vergara, El Tor Water District
Jim Atkinson, Mesa Water District

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

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were presented.

PRESENTATION

PRESENTATION ON PUBLIC SAFETY POWER SHUT OFF (PSPS)

Kelly Hubbard provided a presentation on the California Public Utilities Commission's (PUC) position on Public Safety Power shutoffs during fire emergencies due to the devastating fires that occurred in 2017 and 2018. The presentation included information on the conditions under which power shut-offs may occur, concerns that arise with shut-offs and the impact to the water community.

Ms. Hubbard noted that WEROC member agencies prepared and submitted a letter to the PUC addressing concerns of water agencies, requesting that water and waste water agencies be apprised of shutoffs immediately, perhaps through the reverse notification process. The County of Orange is involved in the process and is aware of the concerns. Locally, Orange County agencies are working closely in the notification process.

Ms. Hubbard noted that MWDOC a training event will be held on August 6, 2019 to provide training and instruction of the 15 water trailers that were recently awarded to several Orange County member agencies through an Urban Area Security Initiative grant (Homeland Security). MWDOC recently received a generator and trailer which is anticipated to be delivered to the District within the week.

ACTION ITEMS

AMENDMENT NO. 8 TO THE SANTIAGO AQUEDUCT COMMISSION (SAC) JOINT POWERS AGREEMENT (JPA)

Mr. Seckel noted that Irvine Ranch Water District, East Orange County Water District and MWDOC will be meeting on August 15, 2019 to review details of the Amendment #8 to the Santiago Aqueduct Commission Joint Powers which deals with working out the hydraulic and water quality issues and agreeing on the previously approved capacity swaps.

Upon motion by Director Dick, seconded by Director Tamaribuchi and carried (3-0), this item was referred to the September Planning & Operations Committee and Board meetings pending outcome of the August 15th meeting. (Directors Dick, Tamaribuchi and Yoo Schneider voted in favor)

ADOPTION OF THE ORANGE COUNTY REGIONAL WATER AND WASTEWATER MULTI-HAZARD MITIGATION PLAN FOR 2019

Ms. Hubbard reviewed the staff report on the updated Orange County Regional Water and Wastewater Multi-jurisdictional Hazard Mitigation Plan which was last approved in 2012. Mr. Hunter noted the significant amount of work involved in updating the plan.

Upon motion by Director Dick, seconded by Director Tamaribuchi, and carried (3-0), the Committee recommended the Board approve the Adoption of the Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan at the August 21, 2019 Board meeting. Directors Dick, Tamaribuchi and Yoo Schneider voted in favor.

APPROVE \$5,000 INCREASE TO ROSENBERG & ASSOCIATES SOLE SOURCE

Upon motion by Director Tamaribuchi, seconded by Director Yoo Schneider, and carried (3-0), The Committee recommended the Board approve the \$5,000 Increase to Rosenberg & Associates for Construction Management for the District's Computer Room Air Conditioning Replacement at the August 21, 2019 regular Board meeting. Directors Dick, Tamaribuchi and Yoo Schneider voted in favor.

DISCUSSION ITEM**POTENTIAL MWDOC AND MWDOC MEMBER AGENCY ACTIONS WITH
RESPECT TO SMALL CHRONICALLY NON-COMPLIANT WATER SYSTEMS IN
THE STATE**

The staff report was reviewed which indicated that staff was tasked with evaluating what could be done to help move the State Water Resources Control Board (SWRCB) away from a water tax for small, chronically non-compliant water systems. It was noted that the issues are very complex. A recent ACWA Region 10 meeting identified and discussed a variety of the complexities, which were outlined in the staff report. It was noted that staff is in the process of discussing a variety of options with a number of consultants as well as the State Water Resources Control Board. A few of the suggested efforts were also outlined and reviewed in the staff report.

The consensus of the Committee, following discussion, was that this matter is under the jurisdiction of the State Water Resources Control Board. Additionally, ACWA's Advisory Committee may be able to be more effective, by providing a united and collaborative message to the SWRCB. MWDOC will not expend funds at this time to complete a study, but rather, provide input to the SWRCB on what MWDOC has done within Orange County with similar circumstances. Staff will work out the details of the analysis and report findings at a future Planning & Operations Committee meeting prior to making any financial commitment.

INFORMATION ITEMS**PROPOSED 2020 DIEMER WTP SHUTDOWN**

Mr. Seckel reported that East Orange County Water District as well as Yorba Linda Water District have had meetings with MWDOC to work out the details.

Director Barbre requested an update from staff on the Central Pool Augmentation operations and how that might impact such a shutdown.

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

**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**

Mr. Seckel noted that East Orange County Water District is in the process of trying to rectify a meter error with Metropolitan Water District that has been going on possibly since the 1980's.

CLOSED SESSION ITEM

At 11:00 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session following a brief, 10-minute break, for a conference with Legal Counsel on the following matter:

ANTICIPATED LITIGATION

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

RECONVENE

The Board reconvened in open session at 11:45 a.m., and President Barbre announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 11:46 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
August 14, 2019 – 8:30 a.m. to 11:49 a.m.
Conference Room 101

A&F Committee:

Director Jeff Thomas
Director Joan Finnegan
Director Bob McVicker

Staff:

Rob Hunter, Karl Seckel, Joe Berg,
Katie Davanaugh, Harvey DeLaTorre,
Hilary Chumpitazi, Cathy Harris,
Maribeth Goldsby, Melissa Baum-Haley,
Damon Micalizzi, Kevin Hostert

Also Present:

Director Megan Yoo Schneider
Director Sat Tamaribuchi
Director Brett Barbre
Director Larry Dick
MWDOC MET Director Linda Ackerman
MWDOC MET Director Larry McKenney
Dick Ackerman
Mark Monin, El Toro Water District
Marwan Khalifa, Mesa Water
Joseph Ortiz, MWDOC legal counsel, BBK
Keith Stribling, HighMark Capital
Angela Tang, HighMark Capital
Neely Shahbakhti, El Toro Water District

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

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

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

No items were distributed.

The agenda was reorganized.

PERSONNEL MANUAL (Discussion Item)

Ms. Harris noted that the Personnel Manual was returned to the Committee following comments and suggested revisions from the July meeting.

Director Thomas initiated discussion and responded to comments from the July Administration & Finance Committee, as follows:

Selection of Employees - Oath of Allegiance – The Committee noted that no changes to the existing policy would be required.

Code of Conduct – Firearms or Weapons - The Committee noted that no changes to the existing policy would be required and it was noted that in case of an emergency situation, the police should be called.

Civility Policy and Applicability of Personnel Manual to Directors– Lengthy discussion was held on the need for such a policy, whether and how the policy may be interpreted as it pertains to Directors and the potential for additional liability to the District. Directors Barbre and Thomas noted opposition to the addition of the civility policy with Director Barbre noting that the Board is self-regulating. Director McVicker expressed support for adding the policy. Director Yoo Schneider expressed support for adding a civility policy, as it pertains to all individuals treating co-workers professionally and respectfully. Mr. Hunter clarified that this policy was distinct and separate from the harassment policy and that it is separate from the grievance process which would provide employees a more appropriate avenue for dealing with civility issues that are not necessarily harassment based. Director Thomas indicated that he would be in support of a civility policy for employees however not Directors as they are governed by the law. Director Tamaribuchi expressed support for the addition of a civility policy as a means to resolve issues other than through the harassment process. Director Finnegan indicated that she did not have a preference.

It was noted that the topic of a civility policy was brought up due to training provided to all staff earlier this year entitled *The Respectful Workplace (Civility and Harassment Avoidance)*. Joe Ortiz noted that the policy provides guidance to employees on how to address a situation where an employee does not believe they are being treated with dignity or respect and does provide a separate process for dealing with civility issues, rather than through the harassment process. It was noted that creating a separate manual for Board members could be an option.

Complaint and Grievance Procedures –discussion was held regarding Grievance Procedure steps. The Committee discussed Step 4 of the Procedures and suggested it be revised to state that grievances against a Director or the GM should be made directly to either the Executive Committee or full Board of Directors.

The Committee (by a vote of 2-1; with Director Thomas opposed) recommended leaving the Civility Policy in the document.

Upon direction from the Committee, the Personnel Manual will be returned in September following additional review and revisions from staff and legal counsel.

PRESENTATION**OPEB PRE-FUNDING TRUST PROGRAM AND PENSION RATE STABILIZATION PROGRAM CLIENT REVIEW**

Angela Tang, Client Services Coordinator from Public Agency Retirement Services (PARS), provided a presentation of the OPEB Trust program and client review, as presented in the staff report. Keith Stribling then reviewed the pension strategy, contributions, disbursements, performance of the plan, the economy and actuarial results. The staff report and information from PARS and Highmark was received and filed.

The conversation turned to recent payroll fraud that occurred against the District and Director Barbre, and discussion was held on preventative measures to implement so that it did not occur again.

PROPOSED BOARD CONSENT CALENDAR ITEMS**TREASURER'S REPORT**

- a. Revenue/Cash Receipt Report – July 2019
- b. Disbursement Approval Report for the month of August 2019
- c. Disbursement Ratification Report for the month of July 2019
- d. GM Approved Disbursement Report for the month of July 2019
- e. Water Use Efficiency Projects Cash Flow – July 31, 2019
- f. Consolidated Summary of Cash and Investment – June 2019
- g. OPEB and Pension Trust Fund monthly statement

Following review of the Treasurer's Report, upon MOTION by Director Finnegan, seconded by Director McVicker and carried (3-0), the Committee recommended the Treasurer's Report for approval at the August 21, 2019 Board meeting. Directors Finnegan, Thomas, and McVicker voted in favor.

FINANCIAL REPORT

- a. Draft Combined Financial Statements and Budget Comparative for the Period ending June 30, 2019
- b. Quarterly Budget Review (deferred to FY 2018-19 Audited Annual Financials)

Following review of the Financial Report, upon MOTION by Director Finnegan, seconded by Director McVicker and carried (3-0), the Committee recommended the Financial Report for approval at the August 21, 2019 Board meeting. Directors Finnegan, Thomas, and McVicker voted in favor.

DISCUSSION ITEMS (continued)**DISCUSSION RE POLICY RE PRESIDENT CASTING VOTES TO AGENCIES ON BEHALF OF DISTRICT**

Discussion was held on the proper protocol for the President of the Board casting votes on behalf of the Board. Views among the Committee and Board members present were varied with some expressing desire for directed votes following a full Board discussion, and some

believing that allowing the President to vote within his/her discretion would be more politically sensitive. Following considerable discussion, the Committee recommended that each election would be presented to the Board for determination on whether "directed" or "discretionary" votes would be recommended. The Committee also requested that in cases such as the LAFCO election (where authorization to vote is required before the slate of candidates is published), the item would return to the full Board for discussion once the slate of candidates is released -- prior to the President casting his/her vote.

DISCUSSION REGARDING DIRECTOR BARBRE'S REQUEST TO ADD SECTIONS TO ADMINISTRATIVE CODE RE MEMBERSHIPS AND SELF CERTIFICATION OF NO CONFLICT OF INTEREST

Director Barbre requested that District staff and Board not participate in memberships or conferences which exclude or discriminate against protected classes, and recommended adding sections to the Administrative Code to codify. Additionally, he presented proposed language which would prohibit personal business or financial interest/gain by Directors and suggested it be added to the Administrative Code. Discussion was held on both topics.

Following discussion, it was determined that all memberships and conferences are reviewed and approved prior to attendance and therefore a formal policy was not necessary.

Pertaining to the Self-Certification/No Conflict of Interest language, it was also determined that participation in meetings, conferences, associations, workshops, etc. are only approved if they are of benefit to the District and therefore having a policy was not necessary. Director Barbre pointed out that the Ethics section of the Admin Code prohibits such activities.

DISCUSSION REGARDING CALIFORNIA COUNCIL FOR ENVIRONMENTAL AND ECONOMIC BALANCE (CCEEB) MEETING ATTENDANCE

Director McVicker requested information on an upcoming CCEEB conference as one of the topics to be presented is climate change. Mr. Hunter advised that CCEEB limits attendance to 2 members from MWDOC and historically, the District has sent 1 Director and 1 staff member to each event. Director Barbre expressed interest in attending the December 2-3 conference.

DISCUSSION RE COMPLETION OF BUSINESS EXPENSE REPORTS

Discussion was held on the preparation of Director expense reports, noting that the District does pay for airline and/or hotel expenses that are advanced on behalf of the Directors which are typically not itemized on the monthly business expense forms. It was noted that all charges advanced by the District are clearly listed on the monthly credit card report exhibited in the A&F Committee packet as well as the semi-annual Directors' Activity Report.

Director Barbre suggested that District-advanced funds should also be included on the expense reports and following discussion, it was determined that no changes to the expense forms were needed at this time.

ACTION ITEMS**AUTHORIZE THE GENERAL MANAGER TO ENTER INTO METROPOLITAN AGREEMENTS FOR CYCLIC IN-LIEU DELIVERIES**

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the Board authorize the General Manager to enter into Metropolitan agreements for cyclic in-lieu deliveries at the August 21, 2019 Board meeting. Directors Finnegan, Thomas, and McVicker voted in favor.

It was noted that legal counsel's name was misspelled within the Agreement; staff will make the correction.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2020/2021

Committee reviewed the ACWA Committee consideration forms and Director Yoo Schneider requested her name be added for submission on the Water Quality Committee; Director McVicker asked that his ranking change (putting Water Management as his 3rd choice).

Upon MOTION by Director Finnegan, seconded by Director McVicker and carried (3-0), the Committee recommended the slate of candidates reviewed (including the above additions) be presented to Board of Directors for approval, and for the Board to direct staff to submit the forms by the deadline of September 30. This item will be presented to the Board on August 21, 2019. Directors Finnegan, Thomas, and McVicker voted in favor.

ACWA REGION 10 ELECTION

Mark Monin requested the Board consider supporting his candidacy.

Upon MOTION by Director McVicker, seconded by Director Finnegan and carried (3-0), the Committee recommended the Board of Directors authorize President Barbre, or his designee, to cast the District's ballot for individual candidates (rather than the Nominating Committee's recommended slate of candidates) for the ACWA Region 10 Board of Directors. The Board suggested votes be cast for Orange County representatives only (Jim Atkinson, Charles Gibson, Cathy Green, George Murdoch and Mark Monin). Directors Finnegan, Thomas, and McVicker voted in favor.

VEHICLE PURCHASE FOR WATER LOSS CONTROL STAFF

The Committee held discussion on where the vehicles would be stored at night, with Mr. Hunter responding that the vehicles will currently be parked in the parking lot. Discussion was held on other over-night parking options which may be considered at a future date.

Upon MOTION by Director Finnegan, seconded by Director McVicker and carried (3-0), the Committee recommended the Board of Directors authorize the General Manager to purchase the Chevy Silverado 2500 and the Dodge Ram Pro-Master City Tradesman vehicle for the Water Loss Control Program at a cost of \$75,407 at the August 21, 2019 Board meeting. Directors Finnegan, Thomas, and McVicker voted in favor.

AUTHORIZATION FOR STAFF TO ATTEND PUBLIC RELATIONS SOCIETY OF AMERICA INTERNATIONAL CONFERENCE OCTOBER 20-22, 2019

Upon MOTION by Director Thomas, seconded by Director Finnegan and carried (3-0), the Committee recommended the Board of Directors authorize attendance at the Public Relations Society of America International Conference (October 20-22, 2019) at the August 21, 2019 Board meeting. Directors Finnegan, Thomas, and McVicker voted in favor.

INFORMATION ITEMS**SEMI-ANNUAL OVERTIME REPORT****DIRECTORS ACTIVITIES REPORT****DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

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

The informational items were received and filed.

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

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 11:49 a.m.

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

Jointly with the

PUBLIC AFFAIRS AND LEGISLATION COMMITTEE

August 12, 2019 – 8:30 a.m. to 9:23 a.m.

MWDOC Conference Room 101

Committee:

Director Dick, Chairman
Director Thomas
Director McVicker

Staff: R. Hunter, K. Seckel, H. De La
Torre, H. Baez, D. Micalizzi, B. Roberto,
M. Baum-Haley, T. Baca, S. Wilson, T.
Dubuque

Also Present:

Brett Barbre, MWDOC Director
Sat Tamaribuchi, MWDOC Director
Megan Yoo Schneider, MWDOC Director
Larry McKenney, MWDOC MET Director
Linda Ackerman, MWDOC MET Director
Syrus Devers, BB&K (via teleconference)
John Lewis, Lewis Consulting
Jim Barker, (via teleconference)
Dick Ackerman, Ackerman Consulting
Jim Atkinson, Mesa Water
Tony Solorzano, Discovery Cube
Kay Havens – El Toro Water District
Sherry Seitz – El Toro Water District
Chuck Gibson – Santa Margarita WD
Jim Leach – Santa Margarita WD
Charley Wilson – Santa Margarita WD
Pasquale Talarico – Yorba Linda WD

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

PUBLIC PARTICIPATION

No public comments 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.

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

Mr. James Barker highlighted the passing of a two-year budget spending agreement where water programs are expected to fund at a 3%-4% increase. He went on to discuss Perfluorooctanoic acid (PFAS) and stated that National water groups are in the process of working on a formal position on the issue.

State Legislative Report (BBK)

Mr. Syrus Devers discussed AB402 (Quirk), stating there have been two more meetings discussing opposition to this bill. He said that the concern is not with the contents of the bill but with the proposal of how the state water fund will be used. It appears to be a "silent tax" and an amendment is being requested.

County Legislative Report (Lewis)

Mr. John Lewis reviewed his report. He touched on the key findings of the County Homeless Report.

Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman reviewed his report and shared that Stanford is working on technology to produce energy using freshwater and saltwater. This technology would be used for coastal treatment plants that use a large supply of electricity and have a supply of both fresh and salt water.

b. MWDOC Legislative Matrix

The Legislative Matrix was received and filed.

ACTION ITEM**TRAVEL TO WASHINGTON DC TO COVER FEDERAL ADVOCACY ISSUES**

Upon MOTION by Director Thomas, seconded by Director McVicker and carried (3-0), the Committee recommended the Board review the travel expenses and ratify as reported. Directors Dick, McVicker and Thomas voted in favor. This item will be presented to the Board on August 21, 2019.

TRAVEL TO SACRAMENTO TO COVER STATE ADVOCACY ISSUES

Upon MOTION by Director Thomas, seconded by Director McVicker and carried (3-0), the Committee recommended the Board review the travel expenses and ratify as reported. Directors Dick, McVicker and Thomas voted in favor. This item will be presented to the Board on August 21, 2019.

RECOMMENDATION FOR SPONSORSHIP OF MAVEN'S NOTEBOOK

Public Affairs Manager Tiffany Baca stated that Maven's Notebook is an online resource providing a daily publication that offers unbiased reporting on California water supply and demand, legislation and policy, infrastructure, storage and archived information. Maven's Notebook relies on public support to fund its reporting.

Staff is recommending a Gold level sponsorship of \$2500. Public Affairs Manager Tiffany Baca shared a few of the benefits of this level of sponsorship: weekly newsletters, unlimited access to Maven's California Water Library and access to the online calendar of water-focused events throughout the state. MWDOC would also receive logo recognition on mavensnotebook.com, where MWDOC's logo will link directly to www.mwdoc.com and will be accessible to nearly 15,000 monthly visitors.

Director Linda Ackerman expressed that while Maven's Notebook is a very valuable resource, it frustrates her that she is unable to view complete articles included on the website without signing up for newspaper subscriptions. Director Dick stated that it would be better to start at the Bronze level sponsorship and move up from there.

Upon MOTION by Director McVicker, seconded by Director Thomas, and carried (2-1), the Committee recommended the Board authorize a Gold level sponsorship of Maven's Notebook at a cost of \$2500. Directors McVicker and Thomas voted in favor and Director Dick opposed. This item will be presented to the Board on August 21, 2019.

INFORMATION ITEM**MWDOC'S HOSTING OF DELTA STEWARDSHIP MEETING ON SEPTEMBER 26, 2019**

The Committee received and filed the report.

UPDATE REGARDING LOCAL AGENCY FORMATION COMMISSION (LAFCO) MUNICIPAL SERVICE REVIEWS

The Committee received and filed the report.

WATER POLICY FORUM & DINNER ON SEPTEMBER 5, 2019

The Committee received and filed the report.

INSPECTION TRIP SCHEDULE 2019-2020

The Committee received and filed the report.

EDUCATION PROGRAMS UPDATE

The Committee received and filed the report.

PUBLIC AFFAIRS ACTIVITIES REPORT

The Committee received and filed the report.

OTHER ITEMS

No items presented.

ADJOURNMENT

There being no further business brought before the Committee, Director Dick adjourned the meeting at 9:23 a.m.

MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
jointly with the
EXECUTIVE COMMITTEE
August 22, 2019, 8:30 a.m. to 9:52 a.m.
Conference Room 102

Committee:

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

Staff:

R. Hunter, M. Goldsby

Also Present:

Director Thomas
Director McVicker
Director Tamaribuchi
Director Yoo Schneider

At 8:30 a.m., President Barbre called the meeting to order. In the absence of Directors Dick and Finnegan, Director Thomas served on the Committee.

PUBLIC PARTICIPATION

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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 Meeting

No new items were added to the agenda.

b. Planning & Operations Committee Meeting

No new items were added to the agenda.

c. Workshop Board Meeting

No new items were added to the agenda, however the Committee discussed the Governor's Resiliency Initiative and Mr. Hunter advised that comment letters to the Initiative were due September 1, 2019 (prior to the Workshop meeting). He asked whether the District should prepare a comment letter and the Committee asked that a draft letter be prepared and sent to the Board.

It was noted that the Water Supply Report was not included as it is the end of the water year; Director Barbre suggested that since storage is full, it would be prudent to emphasize the need for additional storage.

Discussion was also held regarding the Delta Stewardship Council meeting; Director Barbre asked that Lucy Dunn be invited.

d. Administration & Finance Committee meeting

Per Director Barbre's request at the August 21, 2019 Board meeting, the Committee recommended a discussion regarding the Business Expense Report forms be added to the agenda.

Mr. Hunter advised that nominations for ACWA President/Vice President were due by September 3rd; no MWDOC Board members requested they be nominated so the item was not agendized.

e. Public Affairs & Legislation Committee

No new items were added.

f. Executive Committee

No new items were added to the agenda.

DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE

General Manager Hunter highlighted the upcoming Community Leaders Briefing with Congressman Correa (8/29), the Water Policy Dinner (9/5), the Delta Stewardship Council meeting (9/26), and the Ad Hoc Committee on Desalination meeting (8/28). Director Yoo Schneider was invited to attend the Ad Hoc Committee meeting with the absence of Director Dick.

MEMBER AGENCY RELATIONS

Mr. Hunter then highlighted a very productive meeting held with IRWD regarding the Diemer shutdown, noting that IRWD assisted MWDOC with the OC-70 issue, as well as a productive discussion regarding PFAS (and treatment).

The Committee held further discussion regarding PFAS and its effect on OCWD operations.

It was also noted that MET received a request from Moulton Niguel Water District for presentations (by Brad Coffey) regarding the Delta Conveyance Facility, MET's emergency storage, and the 2020 IRP update. Following discussion, the Committee recommended MWDOC MET Director McKenney attend the MNWD meeting. The Committee also asked that staff inform MNWD that Mr. Coffey would be attending the Workshop Board meeting (9/4) and would be available to answer any questions they may have (in an effort to be respectful of MET staff time).

The Committee also held considerable discussion regarding the OC-70 metering issue.

GENERAL MANAGER'S REPORTS

General Manager Hunter provided an overview of the new layout for Conference Room 101 (when construction is complete).

REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES

The Committee reviewed and approved a late Business Expense form from Jeannie Bui.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:52 a.m.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
August 2019

WATER REVENUES

Date	From	Description	Amount
08/01/19	Trabuco Canyon Water District	June 2019 Water deliveries	15,781.55
08/02/19	City of San Clemente	June 2019 Water deliveries	648,294.38
08/02/19	City of Brea	June 2019 Water deliveries	15,997.65
08/05/19	Serrano Water District	June 2019 Water deliveries	12,449.22
08/05/19	City of La Habra	June 2019 Water deliveries	4,446.66
08/05/19	City of Fountain Valley	June 2019 Water deliveries	11,598.85
08/08/19	Laguna Beach County Water District	June 2019 Water deliveries	79,924.03
08/08/19	Mesa Water	June 2019 Water deliveries	455,999.57
08/12/19	City of Seal Beach	June 2019 Water deliveries	7,370.65
08/12/19	El Toro Water District	June 2019 Water deliveries	570,523.93
08/12/19	City of Buena Park	June 2019 Water deliveries	564,454.44
08/12/19	Santa Margarita Water District	June 2019 Water deliveries	973,650.65
08/14/19	City of San Juan Capistrano	June 2019 Water deliveries	510,318.48
08/14/19	City of Orange	June 2019 Water deliveries	479,317.82
08/15/19	East Orange County Water District	June 2019 Water deliveries	338,981.14
08/15/19	Orange County Water District	June 2019 Water deliveries	302,656.23
08/15/19	City of La Palma	June 2019 Water deliveries	4,010.86
08/15/19	Golden State Water Company	June 2019 Water deliveries	270,394.79
08/15/19	Irvine Ranch Water District	June 2019 Water deliveries	49,357.71
08/15/19	Yorba Linda Water District	June 2019 Water deliveries	459,854.57
08/15/19	Moulton Niguel Water District	June 2019 Water deliveries	2,062,608.46
08/23/19	City of Huntington Beach	July 2019 Water deliveries	878,449.38
08/26/19	City of Newport Beach	July 2019 Water deliveries	360,939.20
08/29/19	City of Fountain Valley	July 2019 Water deliveries	10,860.08
08/30/19	City of San Clemente	July 2019 Water deliveries	806,791.42

TOTAL REVENUES **\$ 9,895,031.72**

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
August 2019

MISCELLANEOUS REVENUES

Date	From	Description	Amount
08/26/19	Eastern Municipal Water District	9/5/19 Water Policy dinner registrations	850.00
08/29/19	Keith Lyon	September 2019 Retiree Health insurance	288.99
08/30/19	US Bank	Monthly interest	12.99
08/14/19	Janice Durant	Movie tickets	90.00
08/08/19	Kelly Hubbard	Ipad Buyout	449.69
08/02/19	Pat Meszaros	Reimbursement for returned check fee	14.00
08/23/19	Larry McKenney	Reimbursement for business expense paid by MET	492.90
08/27/19	Bureau of Reclamation	Refund of unspent Technical Assistance Research paid by MWDOC to Bureau of Reclamation	8,687.43
08/29/19	City of Buena Park	May 2019 Smartimer rebate program	100.00
08/19/19	Mesa Water	May-June 2019 Smartimer rebate program	306.45
08/16/19	City of San Clemente	June 2019 Smartimer rebate program	69.99
08/21/19	Trabuco Canyon Water District	June 2019 Smartimer rebate program	173.96
08/26/19	City of Buena Park	June 2019 Smartimer rebate program	50.00
08/14/19	Irvine Ranch Water District	June 2019 Turf Removal rebate program	762.00
08/29/19	City of La Habra	June 2019 Turf Removal rebate program	222.00
08/15/19	City of Orange	May 2019 Turf Removal and Spray to Drip rebate program	333.00
08/19/19	El Toro Water District	June 2019 Smartimer and Turf Removal rebate program	1,689.00
08/06/19	Moulton Niguel Water District	June 2019 Smartimer, Turf Removal & Spray to Drip rebate program	25,127.90
08/14/19	Irvine Ranch Water District	June 2019 Smartimer and Rotating Nozzle rebate program	1,729.65
08/01/19	Trabuco Canyon Water District	June 2019 So Cal Watersmart rebate program	100.00
08/02/19	City of San Clemente	June 2019 So Cal Watersmart rebate program	375.00
08/07/19	Irvine Ranch Water District	June 2019 So Cal Watersmart rebate program	13,255.00
08/19/19	El Toro Water District	June 2019 So Cal Watersmart rebate program	235.00
08/14/19	Irvine Ranch Water District	June 2019 Water Savings Incentive program	2,700.00
08/15/19	Department of Water Resources	Oct 2018-Mar 2019 Strategic Turfgrass Removal & Design Assistance program	30,204.36
08/02/19	Orange County Water District	FY 2019-2020 Ground Water Customer Charge	598,248.00
08/05/19	City of Santa Ana	Jan-Jun 2019 School Billing	30,592.77
08/09/19	City of Fullerton	Jan-Jun 2019 School Billing	7,196.61
08/02/19	City of Huntington Beach	FY 19-20 Annual Retail Service Connection charge	683,537.60
08/05/19	City of La Palma	FY 19-20 Annual Retail Service Connection charge	54,163.20
08/05/19	City of Seal Beach	FY 19-20 Annual Retail Service Connection charge	67,270.00
08/08/19	Mesa Water	FY 19-20 Annual Retail Service Connection charge	297,748.80
08/16/19	City of San Clemente	FY 19-20 Annual Retail Service Connection charge	216,826.40
08/19/19	Moulton Niguel Water District	FY 19-20 Annual Retail Service Connection charge	653,579.20
08/21/19	City of Orange	FY 19-20 Annual Retail Service Connection charge	408,890.00
08/22/19	City of Westminster	FY 19-20 Annual Retail Service Connection charge	253,431.20
08/26/19	City of Buena Park	FY 19-20 Annual Retail Service Connection charge	238,191.60
08/14/19	Irvine Ranch Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/16/19	City of Brea	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/19/19	City of Fountain Valley	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/19/19	City of San Juan Capistrano	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/19/19	El Toro Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/19/19	Serrano Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/21/19	Trabuco Canyon Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/23/19	City of Huntington Beach	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/23/19	East Orange County Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/26/19	City of Buena Park	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/26/19	City of Orange	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
August 2019

MISCELLANEOUS REVENUES

Date	From	Description	Amount
08/26/19	City of Seal Beach	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/26/19	Santa Margarita Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/30/19	City of Fullerton	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/30/19	City of Tustin	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/30/19	Yorba Linda Water District	AWIA Scope of Services Selection Phase 1 Crosswalk	15,205.00
08/02/19	City of Fullerton	WEROC Funding for FY 19-20	17,402.00
08/08/19	Orange County Water District	WEROC Funding for FY 19-20	114,490.00

TOTAL MISCELLANEOUS REVENUES **\$ 3,973,166.69**

TOTAL REVENUES \$ 13,868,198.41



Robert J. Hunter, General Manager



Hilary Chumbitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
1248	Richard C. Ackerman	
	August 2019 Consulting on legal and regulatory matters	1,475.00
	*** Total ***	1,475.00
1072813185	Adobe Systems Incorporated	
	26 Acrobat Pro and 6 Creative Cloud annual license renewals	9,507.36
	*** Total ***	9,507.36
51916538	Alta FoodCraft	
	8/20/19 Coffee & tea supplies	248.26
	*** Total ***	248.26
PRNO2	AVRAM Electric	
	August 2019 Progress billing for MWDOC Electrical System Rehabilitation project	16,910.00
	*** Total ***	16,910.00
1631	Awards & Trophies Co., Inc.	
	3 Name plates for new staff members and 5 name plate holders	88.11
	*** Total ***	88.11
856619 55401-JUL19	Best Best and Krieger LLP	
	July 2019 State legislative advocacy services	8,448.96
	July 2019 Legal services	24,149.95
	*** Total ***	32,598.91
1302069	Black & Veatch	
	Revisions and additional meetings for Local Water Quality Integration White Paper update	7,000.00
	4/22/19-8/2/19 Engineering services for OC Distribution System Water Supply Hydraulic Model Phase 1	20,274.57
1302354	*** Total ***	27,274.57
90080407	CDM Smith	
	6/30/19-7/27/19 Water Resource Planning services	5,215.00
	*** Total ***	5,215.00
JUL-SEP2019	Hunter T. Cook	
	July- September 2019 Retiree medical premium	1,536.00
	*** Total ***	1,536.00
449287773	Costco Wholesale	
	2019 Membership renewal	120.00
	*** Total ***	120.00
20195221	Dudek	
	6/29/19-7/26/19 Planning level reliability for South County Interconnection	5,702.50
	*** Total ***	5,702.50

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>ECS Imaging, Inc.</i>	
14385	10/1/19-9/30/20 Laserfiche annual support for document management	4,033.00
14409	1 Year subscription for WORM Backup Cloud storage for Laserfiche document management	820.00
	*** Total ***	4,853.00
	<i>Finley & Cook PLLC</i>	
SI0034604	10/1/19-9/30/20 Annual Navision software support	2,958.64
	*** Total ***	2,958.64
	<i>Fry's Electronics</i>	
007-22896321	8/20/19 Computer supplies	51.60
	*** Total ***	51.60
	<i>G/M Business Interiors</i>	
0254094-IN	Ergonomic quick stand workstation	909.99
	*** Total ***	909.99
	<i>Girl Scouts of Orange County</i>	
82819	STEM Consortium sponsorship	2,500.00
	*** Total ***	2,500.00
	<i>GovConnection, Inc.</i>	
56995109	3 Year maintenance for Backup Cloud storage	1,490.60
56998574	3 Year subscription for Backup Cloud storage	6,773.52
	*** Total ***	8,264.12
	<i>HashtagPinpoint Corporation</i>	
1202	August 2019 Social media consultation and services	7,917.00
	*** Total ***	7,917.00
	<i>Tim Hogan</i>	
5912	146,100 Fall bill inserts for 10 member agencies	3,722.46
	*** Total ***	3,722.46
	<i>Information Management Services, LLC</i>	
326626	8/13/19 Binding machine supplies	163.13
	*** Total ***	163.13
	<i>James C. Barker, P.C.</i>	
105-0819	August 2019 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<i>Karen's Custom Framing</i>	
3104	Custom framing for resolution for C. Wilson of Santa Margarita Water District	136.56
	*** Total ***	136.56

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Lawnscape Systems, Inc.</i>	
403670	8/14/19 Landscape maintenance for atrium	295.00
	*** Total ***	295.00
	<i>Lee & Associates Commercial</i>	
080919	May-June 2019 Services to examine re-location options and value of MWDOC building	1,500.00
	*** Total ***	1,500.00
	<i>Lewis Consulting Group</i>	
2019-145	August 2019 Consulting services	2,625.00
	*** Total ***	2,625.00
	<i>Christopher S. Lingad</i>	
081219	5/28/19-8/2/19 Education reimbursement	2,552.62
	*** Total ***	2,552.62
	<i>Edward G. Means III</i>	
MWDOC-1074	August 2019 Consulting on MET issues and guidance to Engineering staff	1,762.76
	*** Total ***	1,762.76
	<i>Michael Baker International, Inc.</i>	
1056257	4/29/19-7/31/19 OC Regional Water/Wastewater Multijurisdictional Hazardous Mitigation Plan Update	1,170.00
	*** Total ***	1,170.00
	<i>Multiplier Projects</i>	
595	Sponsorship for Maven's Notebook featuring California Water News	2,500.00
	*** Total ***	2,500.00
	<i>NDS</i>	
718938	8/12/19 Delivery charges for Board packets	18.50
718873	8/2/19 & 8/9/19 Delivery charges for Board packets	198.31
	*** Total ***	216.81
	<i>Office Solutions</i>	
I-01622640	Phone headset	217.49
I-01631728	8/30/19 Office supplies for WEROC	34.80
I-01632771	9/3/19 Office supplies	474.47
I-01633337	9/4/19 Office supplies	2.16
	*** Total ***	728.92
	<i>Orange County Fast Print, Inc.</i>	
58267	1,500 Business cards printed	161.63
	*** Total ***	161.63

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Orange County Water District	
20683	July 2019 50% share of WACO expense	246.93
20752	July 2019 Postage, shared office and maintenance expense	11,668.42
2019-01	2019 Health & Wellness Expo sponsorship	200.00
	*** Total ***	12,115.35
	Patricia Kennedy Inc.	
11035	September 2019 Plant maintenance	214.00
	*** Total ***	214.00
	Petty Cash	
JUL-AUG2019	July-August 2019 Petty Cash reimbursement	288.70
	*** Total ***	288.70
	Staples	
8055502586	8/24/19 Office supplies for WEROC	57.04
8055594339	8/31/19 Office supplies for WEROC	83.73
	*** Total ***	140.77
	Steven Enterprises, Inc.	
0419928-IN	1 Year Service agreement for HP DesignJet printer	522.50
0420167-IN	1 Ink cartridge and 3 print heads for HP DesignJet printer	418.98
	*** Total ***	941.48
	Top Hat Productions	
95421	8/22/19 Lunch for Public Affairs Workgroup meeting	596.40
	*** Total ***	596.40
	WageWorks, Inc.	
INV1596622	August 2019 Cafeteria plan administration	196.07
	*** Total ***	196.07
	Water Systems Optimization, Inc.	
1609	July 2019 Water Loss Control program	4,100.00
1610	August 2019 Water Loss Audit Validation Research	14,000.00
	*** Total ***	18,100.00
	Total Core Expenditures	<hr/> 186,257.72

Choice Expenditures:

	Jeep Chrysler Dodge of Ontario	
082719	Dodge Ram ProMaster City Tradesman van for Water Loss Control Shared Services	29,923.40
	*** Total ***	29,923.40

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Orange County Water District	
20752	July 2019 Postage for Water Use Efficiency rebate programs	12.90
	*** Total ***	12.90
	Riverside Chevrolet	
090319	Chevrolet Silverado 2500 truck for Water Loss Control Shared Services	46,595.15
	*** Total ***	46,595.15
	Top Hat Productions	
95354	8/1/19 Lunch for Water Use Efficiency Workgroup meeting	485.52
95454	9/5/19 Lunch for Water Use Efficiency Workgroup meeting	644.35
	*** Total ***	1,129.87
	W.W. Grainger, Inc.	
9275435692	8/27/19 Supplies for Water Loss Control Shared Services	143.42
9275435700	8/27/19 Supplies for Water Loss Control Shared Services	589.01
9275435718	8/27/19 Supplies for Water Loss Control Shared Services	52.56
9278341129	8/29/19 Supplies for Water Loss Control Shared Services	131.44
	*** Total ***	916.43
	Total Choice Expenditures	<hr/> 78,577.75
Other Funds Expenditures:		
	Mega Maids Cleaning Service	
10712	9/4/19 WEROC N. EOC cleaning services	85.00
	*** Total ***	85.00
	Michael Baker International, Inc.	
1056257	4/29/19-7/31/19 OC Regional Water/Wastewater Multijurisdictional Hazardous Mitigation Plan Update	2,450.00
	*** Total ***	2,450.00
	Orange County Fast Print, Inc.	
58267	500 Business cards printed	53.87
	*** Total ***	53.87
	Orange County Fire Protection	
312139	8/22/19 Fire extinguisher service for WEROC N. EOC	52.00
312336	8/28/19 Fire extinguisher service for WEROC S. EOC	52.00
	*** Total ***	104.00
	Petty Cash	
JUL-AUG2019	July-August 2019 Petty Cash reimbursement	4.50
	*** Total ***	4.50

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of September 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Water Systems Optimization, Inc.</i>	
1609	July 2019 Water Loss Control program	11,670.00
	*** Total ***	11,670.00
	<i>Lane M. Matsuno (Westerly Meter Service Co.)</i>	
1627	July 2019 Meter Accuracy Testing program for Mesa Water District	12,035.00
	*** Total ***	12,035.00
	<i>Total Other Funds Expenditures</i>	<hr/> 26,402.37
	<i>Total Expenditures</i>	<hr/> <hr/> 291,237.84

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of August 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
139048	8/7/19	SPECTB 0375210080119	Spectrum Business August 2019 Telephone and internet expense ***Total ***	1,099.18 1,099.18
139050	8/7/19	VERIZO 9834728165	Verizon Wireless July 2019 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
139061	8/15/19	IRONMO BWSD779	Iron Mountain August 2019 Archived document storage fees ***Total ***	258.26 258.26
139071	8/15/19	SCHUNK 080719	Janine Schunk August 2019 Business expense ***Total ***	221.45 221.45
139074	8/15/19	SPECTB 0343564081019	Spectrum Business August 2019 Telephone expense for 3 analog fax lines ***Total ***	108.15 108.15
ACH004152	8/15/19	ACKEEX 073119	Linda Ackerman July 2019 Business expense ***Total ***	97.44 97.44
ACH004155	8/15/19	BARBRE 073119	Brett Barbre July 2019 Business expense ***Total ***	207.64 207.64
ACH004163	8/15/19	DICKEX 073119	Larry Dick July 2019 Business expense ***Total ***	101.50 101.50
ACH004164	8/15/19	FINNEG 043019	Joan Finnegan April 2019 Business expense	54.55
ACH004165	8/15/19	063019	June 2019 Business expense	80.00
ACH004166	8/15/19	033119A	March 2019 Business expense	54.55
ACH004167	8/15/19	073119	July 2019 Business expense ***Total ***	67.48 256.58
ACH004168	8/15/19	HOSTER 073119	Kevin Hostert July 2019 Business expense ***Total ***	75.40 75.40

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of August 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH004169	8/15/19	HUNTER	Robert J. Hunter	
		072219	July 2019 Business expense	136.77
			***Total ***	136.77
ACH004183	8/15/19	MCVICK	Robert McVicker	
		073119	July 2019 Business expense	62.06
			***Total ***	62.06
ACH004185	8/15/19	SCHNEI	Megan Yoo Schneider	
		073119	July 2019 Business expense	609.53
			***Total ***	609.53
ACH004186	8/15/19	TAMARI	Satoru Tamaribuchi	
		073119	July 2019 Business expense	215.18
			***Total ***	215.18
ACH004187	8/15/19	THOMAS	Jeffery Thomas	
		073119	July 2019 Business expense	156.60
			***Total ***	156.60
139080	8/16/19	USBANK	U.S. Bank	
		0403/0640/5443-JUL19	6/24/19-7/22/19 Cal Card charges	18,167.51
			***Total ***	18,167.51
			(See attached sheet for details)	
139129	8/30/19	OFFICED	Office Depot, Inc.	
		354332121001	8/1/19 Office supplies	15.20
		354309003001	8/2/19 Office supplies	202.74
			***Total ***	217.94
ACH004191	8/30/19	BUIJEA	Jeannie Bui	
		053119	May 2019 Business expense	70.53
			***Total ***	70.53
Total Core Disbursements				22,175.75

Choice Disbursements:

ACH004156	8/15/19	BERGJO	Joseph Berg	
		073119	July 2019 Business expense	185.26
			***Total ***	185.26
139080	8/16/19	USBANK	U.S. Bank	
		0640-JUL19C	6/24/19-7/22/19 Cal Card charges	14.95
			***Total ***	14.95
			(See attached sheet for details)	

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of August 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139132	8/30/19	THORSE	Jason Thorsell	
		082719	August 2019 Business expense	183.18
			***Total ***	183.18
Total Choice Disbursements				383.39
Other Funds Disbursements:				
139050	8/7/19	VERIZO	Verizon Wireless	
		9834728165	July 2019 4G Mobile broadband unlimited service	76.02
			***Total ***	76.02
139052	8/15/19	ATTUVEOC	AT&T	
		1812-AUG19	August 2019 U-verse internet service for WEROC N.EOC	50.00
			***Total ***	50.00
139055	8/15/19	ATTCALN	AT&T	
		000013387056	July 2019 Telephone expense for WEROC N. EOC	106.95
		000013387055	July 2019 Telephone expense for WEROC N. & S. EOC	307.44
			***Total ***	414.39
139060	8/15/19	HARRISD	Daniel Harrison	
		073119	July 2019 Business expense	22.45
			***Total ***	22.45
139071	8/15/19	SCHUNK	Janine Schunk	
		073019	July 2019 Business expense	90.24
		080719	August 2019 Business expense	124.57
			***Total ***	214.81
139078	8/15/19	WSIP	Water Savings Incentive Program	
		WSP4372A	Orange County Fire Authority	5,382.00
			***Total ***	5,382.00
		TURFRP	Turf Removal Program	
139081	8/23/19	TR12-R-MNT-35334-35261	J. Arndt	3,606.00
139082	8/23/19	TR12-R-MNT-35302-35272	R. Sameth	2,685.00
139083	8/23/19	TR12-R-MESA-36359-35285	S. Given	3,000.00
139084	8/23/19	TR12-C-SC-38430-37349	Project 1050 LLC (San Clemente)	9,192.00
139085	8/23/19	TR12-R-TUST-38441-37358	D. Hok	2,346.00
139086	8/23/19	TR12-R-MNT-38456-37369	A. Cantarini	2,214.00
139087	8/23/19	TR12-R-MNT-38475-37388	K. Moussa	2,139.00
139088	8/23/19	TR12-R-MNT-38479-37391	C. Nazaryfar	1,031.48
139089	8/23/19	TR12-R-HB-38492-37398	S. Gregory	1,546.00
139090	8/23/19	TR12-R-MESA-38418-37408	J. Anderson	1,894.00
139091	8/23/19	TR12-R-MNT-38510-37415	A. Chinichian	756.00
139092	8/23/19	TR12-R-MNT-38517-37424	J. Vahradian	1,041.00

Municipal Water District of Orange County
Disbursement Ratification Report
For the month of August 2019

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139093	8/23/19	TR12-R-MNT-38524-37431	D. & B. Parker	438.00
139094	8/23/19	TR12-R-MNT-38527-37433	R. Flicker	1,344.00
139095	8/23/19	TR12-R-BP-38535-37439	P. Olson	3,844.00
139096	8/23/19	TR12-R-YLWD-38536-37440	T. Pizzarello	4,372.00
139097	8/23/19	TR12-R-MNT-38537-37441	D. Frisina	5,517.00
139098	8/23/19	TR12-R-MNT-38538-37442	K. Kinsfogel	528.00
139099	8/23/19	TR12-R-IRWD-38547-37449	J. Dodos	820.00
139100	8/23/19	TR12-R-MNT-38549-37451	T. Parrett	3,726.00
139101	8/23/19	TR12-R-SC-38552-37454	K. Britton	10,881.00
139102	8/23/19	TR12-R-MNT-38561-37464	A. Rush	2,034.00
139103	8/23/19	TR12-R-MNT-38575-37481	R. Kendziorski	1,455.00
139104	8/23/19	TR12-R-MNT-38576-37482	J. Hunt	447.00
139105	8/23/19	TR12-R-IRWD-38580-37486	L. Kreter	3,012.00
139106	8/23/19	TR12-R-MNT-38596-37501	F. Tela	4,488.00
139107	8/23/19	TR12-R-MNT-38599-37504	T. Hoelzer	2,316.00
139108	8/23/19	TR12-R-MNT-38615-37519	D. Gray	648.00
139109	8/23/19	TR12-R-MNT-38619-37525	D. Riddell	2,631.00
139110	8/23/19	TR12-R-MNT-38625-37531	B. Shaabani	3,177.00
139111	8/23/19	TR12-R-MNT-38635-37541	T. Lattin	822.00
139112	8/23/19	TR12-R-HB-38650-37556	M. Hicks	1,198.00
139113	8/23/19	TR12-R-MNT-38651-37557	M. Stevens	3,039.00
139114	8/23/19	TR12-R-MNT-38660-37568	N. Roach	1,119.00
139115	8/23/19	TR12-R-IRWD-38683-37585	T. Le	235.00
139116	8/23/19	TR12-R-MNT-38686-37586	A. Bryant	5,181.00
139117	8/23/19	TR12-R-MNT-38694-37593	A. Encineas	1,566.00
139118	8/23/19	TR12-R-MNT-38710-37609	J. Rachal	1,635.00
139119	8/23/19	TR12-R-MNT-38711-37612	T. Pham	1,029.00
139120	8/23/19	TR12-R-MNT-38712-37613	P. Kempik	765.00
139121	8/23/19	TR12-R-MNT-38722-37623	S. Samvatian	1,197.00
			***Total ***	100,914.48
		DRIPPR	Spray to Drip Program	
139122	8/26/19	S2D2-R-MESA-36359-17332	S. Given	317.88
139123	8/26/19	S2D2-R-IRWD-38580-17372	L. Kreter	533.80
139124	8/26/19	S2D2-R-SM-38597-17375	L. Bagdon	180.00
			***Total ***	1,031.68
		TURFRP	Turf Removal Program	
139125	8/26/19	TR12-ADJ-R-MESA-36359-	S. Given	480.00
			***Total ***	480.00
ACH004203	8/30/19	SANTAM JUN2019	Santa Margarita Water District June 2019 SCP Pipeline Operation surcharge	22,649.55
			***Total ***	22,649.55

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of August 2019**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
WIRE-190830	8/30/19	METWAT	Metropolitan Water District	
		9769	June 2019 Water deliveries	10,063,206.90
			Total	10,063,206.90
			Total Other Funds Disbursements	<u>10,194,442.28</u>
			Total Disbursements	<u><u>10,217,001.42</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: July 22, 2019
Payment Date: August 16, 2019

Date	Description	Amount
<u>Public Affairs Card</u>		
6/26/2019	Snacks for Public Affairs Workgroup meeting	13.98
6/27/2019	Lunch for Public Affairs Workgroup meeting speaker	57.02
6/28/2019	Snacks for Public Affairs Workgroup meeting	108.00
6/28/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for MWDOC's communications program	87.46
6/28/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for MWDOC's Girl Scouts program	87.46
6/28/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for MWDOC's branding	87.46
6/28/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for MWDOC's social media	87.46
7/2/2019	5 Storage bins for Public Affairs supplies	48.43
7/7/2019	7/8/19-7/8/20 Subscription for Canva Pro graphic design tool	119.40
7/12/2019	9/5/19 Water Policy dinner planning lunch for Public Affairs staff	78.34
7/19/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for Wyland public service announcement	154.65
7/19/2019	Public Relations Society of America - Orange County PROTOS Awards entry fee for MWDOC' s media kit	154.65
Total		<u>\$ 1,084.31</u>

Cal Card Charges
Statement Date: July 22, 2019
Payment Date: August 16, 2019

Date	Description	Amount
<u>K. Seckel Card</u>		
6/24/2019	Charger for portable electronic devices	80.46
6/24/2019	5/24/19-6/23/19 Web hosting service for MWDOC website	15.65
6/24/2019	California Council for Environmental and Economic Balance Summer Issues seminar in Squaw Valley, CA from Jul. 24-26, 2019 - Accommodation deposits for Director Yoo Schneider and R. Hunter	970.98
6/25/2019	Equifax verification service for new hire background check	41.95
6/25/2019	Lunch for MET Directors' meeting	78.68
6/25/2019	Association of California Cities - Orange County Summer reception in Irvine, CA on Jun. 27, 2019 - Registration for Director McVicker and H. Baez	70.00
6/25/2019	Urban Water Institute conference in San Diego, CA from Aug. 14-16, 2019 - Registration for M. Baum Haley	425.00
6/25/2019	4 Computer monitors	499.99
6/26/2019	FedEx delivery charges for Ackerman Consulting on Jun. 20, 2019	20.31
6/26/2019	2 Computer monitor arms	59.46
6/27/2019	Lunch for MET Managers' meeting	316.01
6/27/2019	Southern California Water Coalition Quarterly lunch in Carlsbad, CA on Jul. 19, 2019 - Registration for H. Baez and M. Baum Haley	150.00
6/27/2019	ACWA Region 10 program The Human Right to Water in Mission Viejo, CA on Jul. 30, 2019 - Registration for H. Baez	75.00
6/27/2019	Brown and Caldwell Water Jobs employment post for Senior Engineer position	200.00
6/28/2019	FedEx delivery charges for Dudek on Jun. 25, 2019	18.95
7/2/2019	FedEx delivery charges for Ackerman Consulting on Jun. 25, 2019	16.60
7/2/2019	7/1/19-7/31/19 E-mail service for California Sprinkler Adjustment Notification system	14.95
7/3/2019	Lunch for meeting with Black & Veatch and Hazen & Sawyer on Water Integration White Papers	265.37
7/4/2019	Supplies from Costco	679.77
7/7/2019	FedEx delivery charges for Dudek on Jul. 3, 2019	19.99
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for H. Baez	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for M. Baum Haley	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for H. De La Torre	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for D. Micalizzi	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for Director Yoo Schneider	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for K. Seckel	725.00
7/8/2019	UPS Delivery charges for Board packets on Jul. 3, 2019	53.58
7/9/2019	Business & Legal Resources Nix Incivility from Your Workplace online training for C. Harris	249.00

Cal Card Charges
Statement Date: July 22, 2019
Payment Date: August 16, 2019

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>K. Seckel Card</u> (Continued)		
7/10/2019	Wireless mouse	86.99
7/11/2019	ACWA Region 10 program The Human Right to Water in Mission Viejo, CA on Jul. 30, 2019 - Registration for K. Seckel	75.00
7/11/2019	American Red Cross First Aid, CPR and AED training services	1,361.50
7/12/2019	Food for staff development meeting	32.98
7/15/2019	UPS delivery charges for return to GovConnection on Jul. 1, 2019	8.55
7/16/2019	Fountain Valley construction permit for electrical panel upgrade	900.50
7/17/2019	FedEx delivery charges for Means Consulting on Jul. 12, 2019	23.77
7/17/2019	Toner cartridge	69.97
7/17/2019	WaterSmart Innovations Conference Las Vegas, NV from Oct. 2-3, 2019 - Airfare for R. Davis	146.59
7/18/2019	FedEx delivery charges for Means Consulting on Jul. 15, 2019	20.04
7/20/2019	The Water Dictionary reference book	55.50
	Total	<u>\$ 11,453.09</u>

Cal Card Charges
Statement Date: July 22, 2019
Payment Date: August 16, 2019

Date	Description	Amount
<u>R. Hunter Card</u>		
6/24/2019-7/22/19	Meals for R. Hunter's meetings	\$ 136.09
6/26/2019	California Council for Environmental and Economic Balance Summer Issues seminar in Squaw Valley, CA from Jul. 24-26, 2019 - Airfare for Director Yoo Schneider	34.98 1
6/26/2019	California Council for Environmental and Economic Balance Summer Issues seminar in Squaw Valley, CA from Jul. 24-26, 2019 - Airfare for R. Hunter	262.96
6/28/2019	Legislative activities in Sacramento, CA on Jul. 8, 2019 - Airfare for Director Yoo Schneider	539.96
6/28/2019	Legislative activities in Sacramento, CA on Jul. 8, 2019 - Airfare for R. Hunter	539.96
6/29/2019	California Council for Environmental and Economic Balance Summer Issues seminar in Squaw Valley, CA from Jul. 24-26, 2019 - Car rental for Director Yoo Schneider and R. Hunter	181.10
7/1/2019	Association of Metropolitan Water Agencies Executive Management conference in Newport, RI from Oct. 19-24, 2019 - Accommodations deposit for R. Hunter	293.67
7/3/2019	Orange County Water Association Industry Insight presentation in Irvine, CA on Jul. 17, 2019 - Registration for Director McKenney	45.00
7/3/2019	Urban Water Institute conference in San Diego, CA from Aug. 14-16, 2019 - Accommodations deposit for R. Hunter	236.67
7/3/2019	Urban Water Institute conference in San Diego, CA from Aug. 14-16, 2019 - Accommodations deposit for Director Tamaribuchi	236.67
7/8/2019	Legislative activities in Sacramento, CA on Jul. 8, 2019 - Transportation Director Yoo Schneider and R. Hunter	45.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for R. Hunter	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for Director Thomas	725.00
7/8/2019	ACWA Fall conference in San Diego, CA from Dec. 3-6, 2019 - Registration for Director Tamaribuchi	725.00
7/8/2019	Legislative activities in Sacramento, CA on Jul. 8, 2019 - Parking for R. Hunter	18.00
7/11/2019	Southern California Water Coalition Quarterly meeting in Carlsbad, CA on Jul. 19, 2019 - Registration for R. Hunter	75.00
7/11/2019	ACWA Region 10 program The Human Right to Water in Mission Viejo, CA on Jul. 30, 2019 - Registration for Director McVicker	75.00
7/11/2019	Orange County Water Association Industry Insight presentation in Irvine, CA on Jul. 17, 2019 - Registration for Director McVicker	30.00
7/15/2019	Orange County Water Association Industry Insight presentation in Irvine, CA on Jul. 17, 2019 - Registration for Director Barbre	30.00
7/16/2019	Urban Water Institute conference in San Diego, CA from Aug. 14-16, 2019 - Registration for Director Tamaribuchi	425.00

Cal Card Charges
Statement Date: July 22, 2019
Payment Date: August 16, 2019

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>R. Hunter Card</u> (Continued)		
7/17/2019	The Bond Buyer's California Public Finance conference in San Francisco, CA from Sep. 23-25, 2019 - Registration for Director Barbre	265.00
Total		<u>\$ 5,645.06</u>

[1] Credit from previous canceled flight applied to airfare

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of August 2019

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
139049	8/7/19	WESTIN M-HA5NH78	The Westin South Coast Plaza Event deposit for 9/5/19 Water Policy Dinner ***Total ***	5,000.00 5,000.00
WIRE-190822	8/22/19	PARS-USBANK 6746050100-2019	PARS FY 19-20 Unfunded pension liability contribution ***Total ***	207,000.00 207,000.00
Total Core Disbursements				<u>212,000.00</u>
Choice Disbursements:				
Total Choice Disbursements				<u>-</u>
Other Funds Disbursements:				
Total Other Funds Disbursements				<u>-</u>
Total Disbursements				<u><u>212,000.00</u></u>


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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



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

July 31, 2019

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

Bob McVicker, P.E., D.WRE
Director

Megan Yoo Schneider, P.E.
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	\$3,346,642	18.63%
Grant & Project Cash Flow	1,500,000	8.35%
Election Expense	608,000	3.38%
Building Repair	385,408	2.15%
OPEB	297,147	1.65%
Total Designated Reserves	6,137,197	34.16%
General Fund	8,790,222	48.94%
Water Fund	3,255,123	18.13%
Conservation Fund	(564,751)	(3.14%)
WERO Fund	315,171	1.75%
Trustee Activities	29,433	0.16%
Total	\$17,962,395	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	4.11%	\$737,934	\$737,934
Short-term investment			
• LAIF	56.27%	\$10,108,027	\$10,108,027
• OCIP	22.35%	4,014,547	4,014,547
Long-term investment			
• Corporate Bond	6.41%	1,151,887	1,149,476
• Certificates of Deposit	10.86%	1,950,000	1,966,500
Total	100.00%	\$17,962,395	\$17,976,484

The average number of days to maturity/call as of July 31, 2019 equaled 145 and the average yield to maturity is 2.356%. During the month, the District's average daily balance was \$19,976,914.54. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of July 2019.

The \$14,089 difference between the book value and the market value on July 31, 2019 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY


Portfolio Management - Portfolio Summary

July 31, 2019

7/31/2019	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,966,500.50	1,950,000.00	11.32	952	2.481
Corporate Bond	1,150,000.00	1,149,475.50	1,151,887.26	6.68	543	2.290
Local Agency Investment Funds	10,108,027.15	10,108,027.15	10,108,027.15	58.69	1	2.371
Orange County Investment Pool	4,014,547.35	4,014,547.35	4,014,547.35	23.31	1	2.276
Total Investments	17,222,574.50	17,238,550.50	17,224,461.76	100.00	145	2.356
Cash						
Cash	737,933.50	737,933.50	737,933.50		1	0.00
Total Cash and Investments	17,960,508.00	17,976,484.00	17,962,395.26		145	2.356

Total Earnings	Month Ending July	Fiscal Year to Date
Current Year	38,537.34	38,537.34
Average Daily Balance	19,976,914.54	
Effective Rate of Return	2.356%	

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


Date


Hilary Chumpitazi, Treasurer


Date

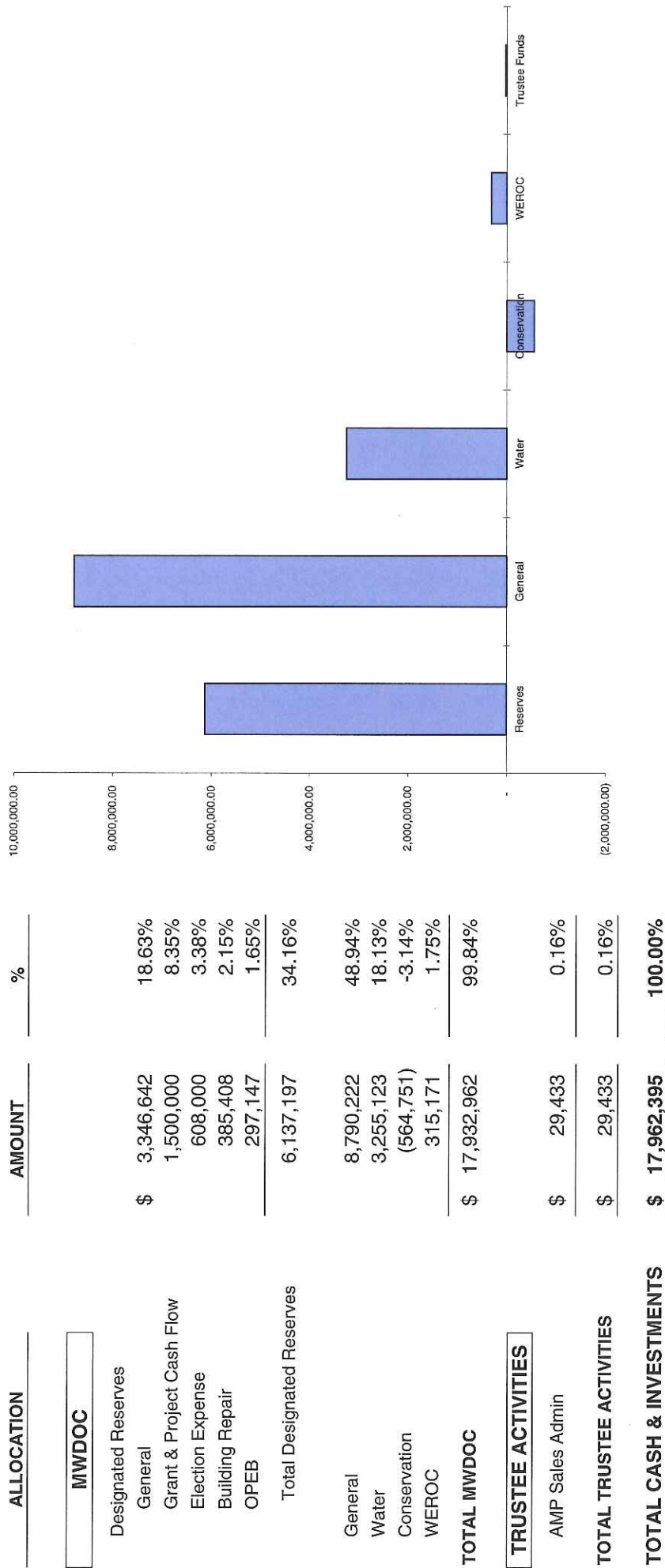
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
July 31, 2019

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									
Barclays Bank	06740KKY2	9/27/2017	250,000.00	250,632.50	250,000.00	2.250	2.250	1,154	9/27/2022
Capital One Bank	14042E6C9	9/2/2015	250,000.00	250,012.50	250,000.00	1.950	1.950	34	9/3/2019
Capital One NA	14042RMJ7	7/24/2019	250,000.00	247,320.00	250,000.00	2.200	2.200	1,820	7/24/2024
Citibank	17294XUN4	7/31/2019	250,000.00	249,250.00	250,000.00	2.200	2.200	366	7/31/2024
Comenity Capital	20033AUX2	7/25/2017	200,000.00	199,748.00	200,000.00	2.000	2.000	716	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	258,660.00	250,000.00	3.300	3.300	1,455	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	259,142.50	250,000.00	3.350	3.350	1,469	8/8/2023
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	251,735.00	250,000.00	2.500	2.500	551	2/1/2021
Sub Total			1,950,000.00	1,966,500.50	1,950,000.00	2.481	2.481	952	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	499,720.00	500,224.13	2.250	2.152	145	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	197,784.00	200,000.00	2.500	2.500	1,080	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	250,927.50	250,445.91	2.550	2.409	495	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	201,044.00	201,217.22	2.500	2.278	1,063	6/28/2022
Sub Total			1,150,000.00	1,149,475.50	1,151,887.26	2.402	2.290	543	
Total Investments			3,100,000.00	3,115,976.00	3,101,887.26	2.452	2.410	800	
Total Earnings									
Current Year			6,374.99		6,374.99				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
July 31, 2019

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	10,108,027.15	10,108,027.15	10,108,027.15	2.371	2.371	1	N/A
Sub Total			10,108,027.15	10,108,027.15	10,108,027.15	2.371	2.371	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	4,014,547.35	4,014,547.35	4,014,547.35	2.276	2.276	1	N/A
Sub Total			4,014,547.35	4,014,547.35	4,014,547.35	2.276	2.276	1	
Total Investments			14,122,574.50	14,122,574.50	14,122,574.50	2.344	2.344		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	737,433.50	737,433.50	737,433.50	0.000	0.000	1	N/A
Total Cash			737,933.50	737,933.50	737,933.50	0.000	0.000	1	
Total Cash and Investments			14,860,508.00	14,860,508.00	14,860,508.00	2.344	2.344	1	
Total Earnings									
Current Year			Month Ending July	Fiscal Year To Date					
			32,162.35	32,162.35					

**Municipal Water District of Orange County
Cash and Investments at July 31, 2019**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
7/1/2019 to 7/31/2019Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 7/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 7/31/2019
OPEB	\$2,212,236.86	\$0.00	\$11,409.61	\$460.89	\$0.00	\$0.00	\$2,223,185.58
PENSION	\$217,414.37	\$0.00	\$1,121.31	\$45.29	\$0.00	\$0.00	\$218,490.39
Totals	\$2,429,651.23	\$0.00	\$12,530.92	\$506.18	\$0.00	\$0.00	\$2,441,675.97

Investment Selection**Source**OPEB **Moderate HighMark PLUS**
PENSION **Moderate HighMark PLUS****Investment Objective****Source**

OPEB 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.

PENSION 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

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	0.52%	1.71%	5.81%	7.21%	5.77%	-	10/26/2011
PENSION	0.52%	1.71%	5.81%	-	-	-	7/31/2018

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 08/31/19

Cash - Beginning Balance	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	TOTALS
\$ (592,088.66)	\$ (564,751.37)	\$ (564,751.37)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$
REVENUES:													
BUREC													\$
City of Brea													-
City of Buena Park	111.00	150.00											-
City of Fountain Valley	111.00												261.00
City of Fullerton													111.00
City of Garden Grove													-
City of Huntington Beach													-
City of La Habra													-
City of San Clemente	515.00	222.00											222.00
City of San Juan Capistrano		444.99											959.99
City of Santa Ana													-
City of Tustin													-
City of Newport Beach													-
City of Orange		333.00											333.00
City of Westminster													-
County of Orange													-
Department of Water Resources		30,204.36											30,204.36
East Orange County Water District													-
El Toro Water District	2,614.00	1,924.00											4,538.00
Inline Ranch Water District	6,632.11	18,446.65											25,078.76
Laguna Beach County Water District													-
Mesa Water District		306.45											306.45
Metropolitan Water District	17,249.94	878.64											18,128.58
Moulton Niguel Water District	36,055.78	25,127.90											61,183.68
Orange County Water District													-
Santa Margarita Water District													-
Trabuco Canyon Water District	537.90	273.96											811.86
Yorba Linda Water District													-
Miscellaneous Revenues													
Miscellaneous													-
Interest Revenue													-
Total Revenues	63,826.73	78,311.95	-	-	-	-	-	-	-	-	-	-	\$ 142,138.68
EXPENDITURES:													
Budget Based Tiered Rates, Referrals													-
Droplet													-
IRWD													-
Golden State Water Company													-
City of Huntington Beach													-
Laguna Beach CWD													-
Metropolitan Water District													-
Mission RCD	6,476.15	8,985.40											15,461.55
Multi Family HET Direct													-
Pollard Water													-
Recycled Water On Site Retrofit program													-
South Coast Water District		1,031.68											1,031.68
Spray to Drip program													-
SMWD	25,029.55	101,394.48											126,424.03
Turf Removal		5,382.00											5,382.00
Water Savings Incentive Program													-
Miscellaneous Expenses													
Miscellaneous	1,720.00												1,720.00
Interest Expense	2,413.74												2,413.74
Salary & Benefit	850.00												850.00
Total Expenditures	36,489.44	116,793.56	-	-	-	-	-	-	-	-	-	-	\$ 153,283.00
Cash - Ending Balance	\$ (564,751.37)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	\$ (603,232.98)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2019 THRU JULY 31, 2019

**Municipal Water District of Orange County
Combined Balance Sheet
As of July 31, 2019**

<u>ASSETS</u>	Amount
Cash in Bank	737,933.50
Investments	17,224,461.76
Accounts Receivable	26,676,034.23
Accounts Receivable - Other	55,093.38
Accrued Interest Receivable	64,797.93
Prepays/Deposits	382,961.33
Leasehold Improvements	3,833,004.08
Furniture, Fixtures & Equipment	573,533.87
Less: Accum Depreciation	<u>(3,121,542.65)</u>
TOTAL ASSETS	<u>\$46,426,277.43</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	24,025,465.39
Accounts Payable - Other	78.88
Accrued Salaries and Benefits Payable	467,953.46
Other Liabilities	912,253.21
Unearned Revenue	<u>799,950.80</u>
Total Liabilities	<u>26,205,701.74</u>
 Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	<u>1,008,390.02</u>
Total Restricted Fund Balances	<u>1,008,390.02</u>
Designated Reserves	
General Operations	3,346,642.78
Grant & Project Cash Flow	1,500,000.00
Election Expense	608,000.00
Building Repair	385,407.45
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>6,137,197.23</u>
General Fund	4,241,519.51
General Fund Capital	525,009.00
WEROC Capital	194,608.00
WEROC	<u>171,213.63</u>
Total Unrestricted Fund Balances	<u>11,269,547.37</u>
Excess Revenue over Expenditures	
Operating Fund	7,735,474.85
Other Funds	<u>207,163.45</u>
Total Fund Balance	<u>20,220,575.69</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>46,426,277.43</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru July 2019

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	7,888,929.60	7,888,929.60	7,888,930.00	100.00%	0.00	0.40
Ground Water Customer Charge	598,248.00	598,248.00	598,248.00	100.00%	0.00	0.00
Water rate revenues	8,487,177.60	8,487,177.60	8,487,178.00	100.00%	0.00	0.40
Interest Revenue	37,605.21	37,605.21	580,000.00	6.48%	0.00	542,394.79
Subtotal	8,524,782.81	8,524,782.81	9,067,178.00	94.02%	0.00	542,395.19
Choice Programs	0.00	0.00	1,782,433.00	0.00%	0.00	1,782,433.00
Miscellaneous Income	3,224.04	3,224.04	3,000.00	107.47%	0.00	(224.04)
Revenue Other	1,088.00	1,088.00	0.00		0.00	(1,088.00)
Transfer-In From Reserve	0.00	0.00	(44,068.00)	0.00%	0.00	(44,068.00)
Subtotal	4,312.04	4,312.04	1,741,365.00	0.25%	0.00	1,737,052.96
TOTAL REVENUES	8,529,094.85	8,529,094.85	10,808,543.00	78.91%	0.00	2,279,448.15

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru July 2019

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	325,097.93	325,097.93	4,055,836.00	8.02%	0.00	3,730,738.07
Salaries & Wages - Grant Recovery	0.00	0.00	(5,500.00)	0.00%	0.00	(5,500.00)
Salaries & Wages - Recovery	(714.00)	(714.00)	0.00	0.00%	0.00	714.00
Director's Compensation	18,710.40	18,710.40	268,132.00	6.98%	0.00	249,421.60
MWD Representation	10,602.56	10,602.56	153,218.00	6.92%	0.00	142,615.44
Employee Benefits	88,689.48	88,689.48	1,263,176.00	7.02%	0.00	1,174,486.52
CalPers Unfunded Liability Contribution	0.00	0.00	207,000.00	0.00%	0.00	207,000.00
Employee Benefits - Recovery	(136.00)	(136.00)	0.00	0.00%	0.00	136.00
Director's Benefits	8,064.58	8,064.58	93,947.00	8.58%	0.00	85,882.42
Health Insurance for Retirees	4,416.24	4,416.24	70,287.00	6.28%	0.00	65,870.76
Training Expense	1,310.50	1,310.50	32,000.00	4.10%	18,000.00	12,689.50
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	456,041.69	456,041.69	6,148,096.00	7.42%	18,000.00	5,674,054.31
Engineering Expense	35,265.48	35,265.48	435,000.00	8.11%	190,893.73	208,840.79
Legal Expense	3,590.00	3,590.00	200,000.00	1.80%	196,410.00	0.00
Audit Expense	7,500.00	7,500.00	29,240.00	25.65%	12,267.00	9,473.00
Professional Services	54,298.17	54,298.17	1,672,407.00	3.25%	521,202.82	1,096,906.01
Professional Fees	100,653.65	100,653.65	2,336,647.00	4.31%	920,773.55	1,315,219.80
Conference-Staff	5,150.00	5,150.00	40,535.00	12.71%	0.00	35,385.00
Conference-Directors	3,045.00	3,045.00	28,440.00	10.71%	0.00	25,395.00
Travel & Accom.-Staff	2,096.39	2,096.39	89,131.00	2.35%	0.00	87,034.61
Travel & Accom.-Directors	1,710.43	1,710.43	46,625.00	3.67%	0.00	44,914.57
Travel & Conference	12,001.82	12,001.82	204,731.00	5.86%	0.00	192,729.18
Membership/Sponsorship	56,733.33	56,733.33	114,966.00	49.35%	0.00	58,232.67
CDR Support	12,538.95	12,538.95	50,156.00	25.00%	37,616.85	0.20
Dues & Memberships	69,272.28	69,272.28	165,122.00	41.95%	37,616.85	58,232.87
Business Expense	136.77	136.77	5,200.00	2.63%	0.00	5,063.23
Maintenance Office	11,172.43	11,172.43	138,527.00	8.07%	122,754.57	4,600.00
Building Repair & Maintenance	878.93	878.93	20,000.00	4.39%	9,121.07	10,000.00
Storage Rental & Equipment Lease	243.01	243.01	3,616.00	6.72%	2,372.99	1,000.00
Office Supplies	1,874.39	1,874.39	36,000.00	5.21%	3,088.31	31,037.30
Supplies - Water Loss Control	0.00	0.00	2,033.00	0.00%	0.00	2,033.00
Postage/Mail Delivery	313.29	313.29	9,400.00	3.33%	2,361.04	6,725.67
Subscriptions & Books	0.00	0.00	1,500.00	0.00%	0.00	1,500.00
Reproduction Expense	0.00	0.00	61,000.00	0.00%	4,500.00	56,500.00
Maintenance-Computers	(27.37)	(27.37)	8,000.00	-0.34%	2,000.00	6,027.37
Software Purchase	0.00	0.00	34,500.00	0.00%	0.00	34,500.00
Software Support	4,287.61	4,287.61	59,134.00	7.25%	2,400.00	52,446.39
Computers and Equipment	0.00	0.00	49,450.00	0.00%	13,147.92	36,302.08
Automotive Expense	1,402.58	1,402.58	19,300.00	7.27%	0.00	17,897.42
Vehicle Expense	0.00	0.00	13,160.00	0.00%	0.00	13,160.00
Toll Road Charges	82.95	82.95	2,400.00	3.46%	0.00	2,317.05
Insurance Expense	9,923.39	9,923.39	140,000.00	7.09%	0.00	130,076.61
Utilities - Telephone	1,941.22	1,941.22	25,773.00	7.53%	1,256.97	22,574.81
Bank Fees	102.33	102.33	1,200.00	8.53%	0.00	1,097.67
Miscellaneous Expense	2,472.19	2,472.19	108,100.00	2.29%	0.00	105,627.81
MWDOC's Contrb. to WEROC	19,081.50	19,081.50	273,367.00	6.98%	0.00	254,285.50
Depreciation Expense	3,482.30	3,482.30	0.00	0.00%	0.00	(3,482.30)
Other Expenses	57,367.52	57,367.52	1,011,660.00	5.67%	163,002.87	791,289.61
Building Expense	98,283.04	98,283.04	835,831.00	11.76%	274,034.14	463,513.82
Capital Acquisition	0.00	0.00	106,456.00	0.00%	0.00	106,456.00
TOTAL EXPENSES	793,620.00	793,620.00	10,808,543.00	7.34%	1,413,427.41	8,601,495.59
NET INCOME (LOSS)	7,735,474.85	7,735,474.85	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru July 2019

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	12,381,229.40	12,381,229.40	232,376,274.00	5.33%	219,995,044.60
Readiness to Serve Charge	838,872.80	838,872.80	10,071,282.00	8.33%	9,232,409.20
Capacity Charge CCF	299,996.67	299,996.67	3,615,440.00	8.30%	3,315,443.33
SCP/SAC Pipeline Surcharge	32,267.77	32,267.77	350,000.00	9.22%	317,732.23
Interest	<u>2,010.46</u>	<u>2,010.46</u>	<u>20,000.00</u>	<u>10.05%</u>	<u>17,989.54</u>
TOTAL WATER REVENUES	<u>13,554,377.10</u>	<u>13,554,377.10</u>	<u>246,432,996.00</u>	<u>5.50%</u>	<u>232,878,618.90</u>
<u>WATER PURCHASES</u>					
Water Sales	12,381,229.40	12,381,229.40	232,376,274.00	5.33%	219,995,044.60
Readiness to Serve Charge	838,872.80	838,872.80	10,071,282.00	8.33%	9,232,409.20
Capacity Charge CCF	299,996.67	299,996.67	3,615,440.00	8.30%	3,315,443.33
SCP/SAC Pipeline Surcharge	<u>32,267.77</u>	<u>32,267.77</u>	<u>350,000.00</u>	<u>9.22%</u>	<u>317,732.23</u>
TOTAL WATER PURCHASES	<u>13,552,366.64</u>	<u>13,552,366.64</u>	<u>246,412,996.00</u>	<u>5.50%</u>	<u>232,860,629.36</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>2,010.46</u>	<u>2,010.46</u>	<u>20,000.00</u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru July 2019

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	0.00	110,562.00	0.00%
Expenses	29.91	110,562.00	0.03%
Excess of Revenues over Expenditures	(29.91)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	616,000.00	0.00%
Expenses	0.00	616,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	1,210.00	27,500.00	4.40%
Expenses	1,210.00	27,500.00	4.40%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	7,197.45	300,000.00	2.40%
Expenses	7,190.00	300,000.00	2.40%
Excess of Revenues over Expenditures	7.45	0.00	
CII Rebate Program			
Revenues	0.00	305,000.00	0.00%
Expenses	0.00	305,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	18,343.55	835,776.00	2.19%
Expenses	28,155.04	835,776.00	3.37%
Excess of Revenues over Expenditures	(9,811.49)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	3,043.85	110,558.00	2.75%
Expenses	3,043.85	116,450.00	2.61%
Excess of Revenues over Expenditures	-	(5,892.00)	
Recycled Water Program			
Revenues	0.00	19,750.00	0.00%
Expenses	0.00	19,750.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WSIP - Industrial Program			
Revenues	0.00	45,000.00	0.00%
Expenses	0.00	45,000.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WUE Projects			
Revenues	29,794.85	2,370,146.00	1.26%
Expenses	39,628.80	2,376,038.00	1.67%
Excess of Revenues over Expenditures	(9,833.95)	(5,892.00)	
WEROC			
Revenues	248,059.50	652,564.00	38.01%
Expenses	23,429.32	624,478.00	3.75%
Excess of Revenues over Expenditures	224,630.18	28,086.00	



CONSENT CALENDAR ITEM

September 18, 2019

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Karl Seckel

SUBJECT: Amendment No. 8 to the Santiago Aqueduct Commission (SAC) Joint Powers Agreement (JPA)

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to execute Amendment No. 8 to the SAC JPA, as attached.

COMMITTEE RECOMMENDATION

9/4 Committee Recommendation: Committee concurred with staff recommendation, however recommended that the Board President be authorized to execute the Amendment (rather than the General Manager), because the Amendment calls for the President's signature).

It should be noted that this item was discussed at the MWDOC P&O Committee meeting in August and the Committee recommended the item be pushed over to the P&O Meeting in September to provide time to work out the following items between MWDOC, IRWD and EOCWD:

- (1) Working out the hydraulic and water quality issues associated with EOCWD's 10.0 cfs of capacity in Reach 1U of the Baker pipeline;

Budgeted (Y/N): n/a	Budgeted amount:	Core ✓	Choice __
Action item amount: n/a	Line item: MWDOC Staff time and Legal time		
Fiscal Impact (explain if unbudgeted):			

- (2) Agreeing that the capacity swaps implemented with previously approved Amendment No. 7 to the SAC JPA to align capacities with the Baker Water Treatment Plant do not infringe on EOCWD's capacity.
- (3) The 1961 JPA included a provision that the SAC shall have the right to comingle water so transmitted with other water transmitted in said aqueduct. This agreement allows water of other quality to be conveyed in the pipeline and EOCWD does not have the right to assert an impact on the quality of water they receive.
- (4) In the event EOCWD is not satisfied with what is decided in the above three issues, the decision will be brought back to the MWDOC Board for consideration.

On August 15, MWDOC staff met with staff from IRWD and EOCWD to discuss the above issues. Based on the discussions and information presented at the meeting, all three agencies were in agreement that MWDOC should proceed with the approval of Amendment #8 to the SAC JPA and that all issues had been adequately addressed and resolved.

MWDOC's Legal Counsel reported concurrence with the staff discussions from August 15.

SUMMARY FROM AUGUST 5 P&O COMMITTEE

EOCWD has raised questions regarding their ownership of capacity in Reach 1U of the Baker Pipeline, whether the capacity swaps completed for the Baker Water Treatment Plant infringed on their capacity, and whether the pump-in of Irvine Lake water into Reach 1U of the Baker Pipeline creates an issue for a potential future treatment plant they are considering at the end of Reach 1U. Staff has researched the various issues. They are complicated and involve agreements running back to 1961. Staff has requested input from Legal Counsel to research issues regarding EOCWD's 10.0 cfs of capacity that was assigned to them in 1962 by MWDOC out of MWDOC's capacity in the Santiago Aqueduct Pipeline (later renamed the Baker Pipeline). The issue of commingling water of multiple sources is also being reviewed by Legal Counsel. Staff from IRWD, EOCWD and MWDOC have a meeting coming up on August 15 to discuss these issues. Depending on the outcome of the meeting and whether the questions have been fully addressed to the satisfaction of EOCWD, this issue may be pushed over to a future date.

DETAILED REPORT FROM AUGUST 5 P&O COMMITTEE

Background Regarding SAC and the Baker Pipeline

MWDOC has a position on the SAC Commission representing EOCWD and other interests. SAC was formed as a JPA in 1961 primarily by ETWD and LAWD; MWDOC was included for the purposes of oversizing the pipeline as shown below for Reaches 1 through 5. Note that the original make-up of the Santiago Aqueduct Commission was 3 appointees of ETWD and 3 appointees of LAWD and none for MWDOC.

SECTION 3 - CAPACITY RIGHTS

The Orange County Municipal Water District shall acquire capacity rights in each reach of the Santiago Aqueduct as follows:

Reach I - Santiago Lateral to Peters Reservoir	35.5 c.f.s.
Reach II - Peters Reservoir to Little Joaquin Valley	23.0 c.f.s.
Reach III- Little Joaquin Valley to Rattlesnake Reservoir	22.0 c.f.s.
Reach IV - Rattlesnake Reservoir to West Boundary of Los Alisos Water District	13.5 c.f.s.
Reach V - West Boundary of Los Alisos Water District to Los Alisos Service Connection	7.5 c.f.s.

1961 JPA, Page 2

Following is a listing of the JPA Formation, Amendments thereto and related agreements relative to this write-up:

Agreements and Amendments Related to the SAC JPA	
Year	Agreement Topic
1961	SAC JPA formed
1962	MWDOC assigns 10.0 cfs of capacity to EOCWD
1970±	SAC agencies consider emergency storage in Irvine Lake
1974	Amendment #1 to the SAC JPA = Changes make-up of the Commission, Adds MWDOC
1978	Amendment #2 to the SAC JPA – Brings the Baker Pipeline into the AMP, Changes Make-up of the Commission, MWDOC represents EOCWD, Santiago CWD, County of Orange, TIC and Western
1978	Amendment #3 to the SAC JPA – Increases Capacity in Lower Reaches of the AMP
1981	Amendment #4 to the SAC JPA – Settles AMP Bid Issue
1986	Amendment #5 to the SAC JPA – Flexibility in MWDOC Commissioner Appointment
1999	Amendment #6 to the SAC JPA - Flexibility in Appointments of SAC Commissioners
2013	Baker O&M Agreement and Capacity Swaps in the Baker
2014	Amendment #7 to the SAC JPA – Baker Treatment Plant Capacity Swaps
2019	Amendment #8 to the SAC JPA – TIC Capacity to IRWD

In 1962 MWDOC “assigned and set over” 10.0 cfs of capacity to EOCWD (the previously executed JPA between MWDOC, ETWD and LAWD provided MWDOC the right to assign capacity and so ETWD and LAWD did not have to sign off). EOCWD’s acquisition of capacity did not include them acquiring a seat on the Commission. The Agreement between MWDOC and EOCWD was silent on any sort of representation on SAC, likely because MWDOC did not have any representation on the Commission at the time.

In 1974, the make-up of the Commission changed to 9 directors, 3 from ETWD, 3 from LAWD and 3 from MWDOC; MWDOC picked up a larger share of the overall cost, going from 48.5% to 56.35%. Staff is not clear on the logic behind this change and could not find a clear explanation regarding the change.

<u>EXHIBIT A</u>	
<u>AGENCY</u>	<u>PERCENTAGE</u>
El Toro Water District	22.20
Los Alisos Water District	21.45
Municipal Water District of Orange	<u>56.35</u>
	TOTAL: 100.00

1974 Amendment 1, Page 6

SAC Amendment #2 occurred in 1978 as a result of construction of the AMP (called the Diemer Intertie in the agreements). This involved downsizing the Baker Pipeline hydraulic capacity starting in Reaches 2U through 5U because agencies were transferring from the untreated Baker Pipeline to the treated AMP. Amendment #2 provided that the Baker Pipeline, including all rights of way, were leased to MWDOC because of the integration between the Baker and AMP. A new make-up of the Commission was called for consisting of 7 members as shown below; it was stated that MWDOC’s representation covered EOCWD, County of Orange, TIC and Western. This is the first time where representation of EOCWD was specifically identified.

El Toro Water District;
 Los Alisos Water District;
 Irvine Ranch Water District;
 Santa Margarita Water District;
 Santa Ana Mountains County Water
 District;
 Moulton-Niguel Water District; and
 Municipal Water District of Orange County.

Each member shall have one vote. It is understood that MWDOC will be representing its agency and East Orange, Santiago, the County of Orange, The Irvine Company, and Western. The new Commission shall take over the management and operation of the Aqueduct System on the date of its creation.

1978 Amendment 2, Page 23

By virtue of IRWD taking over Santiago County Water District and consolidating with LAWD, the Commission has been operating with a Commission of 6 members for some time now. Currently, MWDOC still represents EOCWD, TIC and the County of Orange. With the proposed Amendment No.8 which effectively drops TIC from having any ownership in the Baker Pipeline, MWDOC will only represent EOCWD and the County of Orange on a 6 person Commission.

EOCWD Concerns with the Capacity Swaps for the Baker Treatment Plant

EOCWD has raised an issue as to whether or not the capacity swaps completed to realign and adjust capacity in the Baker Pipeline reaches 1U through 5U for purposes of supplying water to the Baker Treatment Plant infringed on their 10.0 cfs of capacity in Reach 1U. Previously the SAC Commission and all parties to the JPA approved JPA Amendment No. 7 which included the realigned capacities. For purposes of readjusting capacities, a flow test was conducted on the Baker Pipeline and the Hazen Williams flow coefficient was agreed to be set at 140. The calculations were performed in such a way as to utilize as much capacity as could be achieved in reaches 2U through 5U to flow water to the Baker Treatment Plant without impacting capacity owners in Reach 1U. IRWD, who had excess water in Reach 1U, reduced capacity to allow more flow to be taken further south in the pipeline. The calculations were performed by "fixing" EOCWD's capacity at 10 cfs, TIC's capacity at 2.5 cfs and the County of Orange's 1.0 cfs in Reach 1U (these were the only agencies not participating in the Baker Treatment Plant). By inspection, one would conclude the three agencies ended up with the same capacity they previously had, and by way of other agencies taking less water in Reach 1U, the calculations increased the Hydraulic Grade Line (HGL) by 1 foot at the end of Reach 1U, thus providing slightly higher pressure than in the previous capacity allocations.

An argument can be made that by increasing the flow coefficient to 140 (reduces friction factor and increases the capacity of the pipeline slightly) also created more capacity in Reach 1U and EOCWD should/could have been given the opportunity to secure that

additional capacity. MWDOC was looking out for EOCWD and at the time was convinced that EOCWD's capacity was protected at 10.0 cfs and were under the belief that EOCWD was not really in the market for additional capacity - that was the underlying basis for the recommendation and approval by MWDOC of Amendment No. 7 in 2013. Assuming we went back to 2013 and EOCWD was provided an opportunity to secure capacity in Reach 1U, our calculations are that the extra capacity to EOCWD would have been about 0.3 cfs, and they would have had to "pay for the capacity" at a cost of about \$24,355 per cfs. However, potentially confounding this argument is a provision in the original SAC JPA which controlled the assignment of MWDOC capacity to others (this provision is how EOCWD originally acquired their capacity in Reach 1U, by assignment from MWDOC in 1962) that indicates that "all capacity in the Santiago Aqueduct (Baker Pipeline) in excess of that allocated to Orange County Municipal Water District shall be distributed between Los Alisos Water District and El Toro Water District at the downstream end of Reach V in proportion to their respective percentages of ownership in Reaches I through V, inclusively". Legal Counsel will have to review and make a determination as to whether this provision might still apply.

In staff's opinion, the questions for Legal Counsel are:

1. Should EOCWD at least have been offered the capacity increase of 0.3 cfs at the agreed upon unit cost for the 2013 Capacity Swaps?, or
2. Do the increases in capacity continue to accrue to the original forming members of SAC (one being ETWD and the other being LAWD which was subsequently consolidated into IRWD)?, or
3. Did the capacity swaps "reset" the ability to change capacity in the pipeline, since the capacity swaps were agreed upon and approved by all owners of capacity including MWDOC on behalf of EOCWD?

At a minimum, MWDOC's staff is comfortable that EOCWD's 10.0 cfs of capacity was protected and not infringed upon.

MWDOC and EOCWD have an upcoming August 15 meeting scheduled with IRWD staff to further discuss these issues. Staff has submitted the questions noted above to MWDOC's Legal Counsel. Because there are many agreements to sort through, Legal Counsel may not be ready to provide an opinion prior to the Board meeting. Other issues may also be brought up by way of the August 15 meeting.

There is one additional issue EOCWD is concerned about. They are investigating building a treatment plant at the end of Reach 1U. Irvine Lake water can be pumped into the Baker Pipeline at the end of Reach 1U just upstream of where EOCWD would take water should they decide to build a new treatment plant. The Irvine Lake water requires a higher level of treatment, which the Baker Treatment Plant was designed to treat. EOCWD is concerned that the cost of their treatment plant may be increased by having to potentially treat Baker water that is co-mingled MET water and Irvine Lake water, as opposed to simply treating MET water. The original SAC JPA governing MWDOC's capacity states "The Commission shall have the right to comingle water so transmitted with other water transmitted in said aqueduct, ..." In addition, there were a number of agreements dating back to 1970 that

involved the various SAC agencies working together to secure storage rights in Irvine Lake and to convey Irvine Lake water through the Irvine Lake Pipeline and introduce it into the Baker Pipeline at the end of Reach 1U. This would seem to indicate that alternative sources of water were always reserved to be conveyed in the Baker Pipeline. Interestingly, EOCWD considered, but did not participate in the 1970 agreements with respect to storage in Irvine Lake. Staff will request Legal Counsel to review this issue as well.

BOARD OPTIONS

Option #1

- It is recommended that the General Manager be authorized to execute Amendment no. 8 to the SAC JPA.

Fiscal Impact: No impact to MWDOC, other than time for staff and Legal Counsel.

Business Analysis: MWDOC sits on the SAC Commission and represents EOCWD. We want to be assured that EOCWD is comfortable prior to moving forward; the meeting held on August 15 confirmed this understanding.

Option #2

- Ultimately, staff does not feel there are any options to proceeding with some form of Amendment No. 8

Fiscal Impact: n/a

Business Analysis: n/a

STAFF RECOMMENDATION

Option # 1

Attached is the write up from SAC for Amendment #8 to the SAC JPA.

March 21, 2019

Prepared and

submitted by: K. Burton *KLB*

Approved by: Paul A. Cook *PA Cook*

SANTIAGO AQUEDUCT COMMISSION

AMENDMENT NO. 8 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

SUMMARY:

Irvine Ranch Water District (IRWD) and The Irvine Company have executed an agreement to transfer the Irvine Company's 2.5 cubic feet per second (cfs) capacity in Reach 1U of the Baker Pipeline to IRWD. Amendment No. 8 to the Santiago Aqueduct Commission (SAC) Joint Powers Agreement recognizes the transfer of capacity and the resulting allocation of costs of maintenance, capital repairs and capital improvements to the Baker Pipeline. Amendment No. 8 also updates the member and represented agencies of the Santiago Aqueduct Commission following IRWD's consolidation with former member agency Los Alisos Water District and IRWD's capacity transfer with The Irvine Company. Staff recommends that the member agencies of the Santiago Aqueduct Commission approve Amendment No. 8 to the Santiago Aqueduct Commission Joint Powers Agreement.

BACKGROUND:

IRWD and The Irvine Company have executed an *Assignment and Assumption Agreement (Transfer Agreement)* to transfer The Irvine Company's 2.5 cfs capacity in Reach 1U of the Baker Pipeline to IRWD. The Transfer Agreement is attached as Exhibit "A". The transfer of capacity rights and the resulting allocations of maintenance, capital repairs, and capital improvement costs became effective July 1, 2018.

The intent of Amendment No. 8 to the SAC Joint Powers Agreement is to memorialize the effect of the Transfer Agreement and acknowledge that each of the SAC member and represented agencies not participating in the Transfer Agreement will retain the same capacity rights identified in Amendment No. 7 to the SAC Joint Powers Agreement. Additionally, Amendment No. 8 updates the member and represented agencies of SAC following IRWD's consolidation with former member agency Los Alisos Water District and IRWD's capacity transfer with The Irvine Company. Amendment No. 8 is attached as Exhibit "B".

The capacity of each SAC member and represented agency in each reach of the Baker Pipeline is shown in Exhibit "A" of Amendment No. 8. The maintenance, capital repair and capital improvement cost shares for each member and represented agency in each reach, and for the Baker Pipeline as a whole, are shown in Exhibit "B" of Amendment No. 8. The capacities and allocation of costs of maintenance, capital repairs and capital improvements of the non-participating Transfer Agreement SAC member and the represented agencies remain unchanged from Amendment No. 7.

FISCAL IMPACTS:

Effective July 1, 2018 the allocation of costs for maintenance, capital repairs and capital improvements will be allocated between the participating member agencies and represented agencies as shown in Exhibit “B”.

ENVIRONMENTAL COMPLIANCE:

This activity is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15306 which provides exclusion for projects involving basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.

RECOMMENDATION:

That the Commission recommend that the member agencies approve Amendment No. 8 to the Santiago Aqueduct Commission Joint Powers Agreement.

LIST OF EXHIBITS:

- Exhibit “A” – Assignment and Assumption Agreement between Irvine Ranch Water District and The Irvine Company
- Exhibit “B” – Amendment No. 8 to the Santiago Aqueduct Commission Joint Powers Agreement

EXHIBIT "A"

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT ("**Agreement**") is dated July 1, 2018 (the "**Effective Date**") and is between **IRVINE RANCH WATER DISTRICT**, a California water district, organized under Division 13 of the California Water Code ("**IRWD**"), and The Irvine Company LLC, a Delaware limited liability company, as successor-in-interest to The Irvine Company, a Delaware corporation ("**TIC**"). IRWD and TIC are each a "**Party**" and together are the "**Parties.**"

On or about April 13, 1961, the Los Alisos Water District, the El Toro Water District, and the Orange County Municipal Water District entered into the Santiago Aqueduct Commission Joint Powers Agreement (the "**JPA**"). The JPA created the Santiago Aqueduct Commission ("**Commission**") to construct, maintain, repair and manage the Santiago Aqueduct ("**Aqueduct**"), which would transmit water to the parties to the JPA.

The JPA was amended seven times, by: Amendment to the JPA (on or about September 11, 1961); Amendment No. 2 to the JPA (on or about January 1, 1978) ("**Amendment 2**"); Amendment No. 3 to the JPA (on or about January 13, 1978) ("**Amendment 3**"); Amendment No. 4 to the JPA (on or about September 1, 1981) ("**Amendment 4**"); Amendment No. 5 to the JPA (on or about October 22, 1986); Amendment No. 6 to the JPA (on or about July 8, 1999); and Amendment No. 7 to the JPA (on or about June 19, 2014). These Amendments, along with all exhibits and attachments thereto, are collectively identified in this Agreement as the "**Amendments.**" TIC was not a signatory to the JPA nor any of the Amendments other than Amendment 3 and Amendment 4.

Amendment 2 added IRWD as a party and as a member of the Commission and TIC as a party to the JPA with respect to certain matters. That amendment, and various other leases and subleases issued pursuant to the Amendments, granted the Parties certain rights and obligations with respect to the construction, maintenance, operation of water lines to be constructed parallel to the Aqueduct to supply water to, among others, the Parties. Pursuant to the JPA Amendments, TIC possesses 2.5 cfs capacity in Reach 1U of the Aqueduct, also known as the Baker Pipeline.

The Parties intend by this Agreement to assign and transfer TIC's rights and obligations under the JPA, the Amendments, and any other leases or subleases related thereto, to IRWD for valuable consideration.

The Parties therefore agree as follows:

1. Assignment. In exchange for IRWD's payment to TIC of the sum of \$56,410.00 (the "**Transfer Fee**") concurrent with the delivery of this Agreement, TIC hereby assigns and transfers to IRWD all of TIC's right, title, interest and obligations under the JPA and the Amendments (collectively, the "**TIC Interest**") effective as of July 1, 2018. Upon assignment and transfer of the TIC Interest as set forth in this section, IRWD accepts from TIC all such TIC Interest, subject to the terms and conditions set forth in this Agreement.

2. Assumption. IRWD assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by TIC under the JPA and the Amendments.

3. Assignor Representations. TIC represents that, to TIC's knowledge, (a) TIC has not transferred or assigned any portion of the TIC Interest (including the 2.5 cfs capacity in Reach 1U as set forth in the Amendments), (b) TIC has not amended, modified or terminated the JPA or the Amendments except as set forth therein, and (c) TIC has not breached the JPA or the Amendments. As used herein, "to TIC's knowledge" shall mean and refer to the current knowledge of Peter Changala, who is the employee of TIC's affiliate (Irvine Management Company) who is most likely to know about the status of the TIC Interest.

4. As-Is; Where-Is. Except as otherwise set forth in Section 3 above, IRWD acknowledges and agrees that it is accepting the assignment and conveyance of the TIC Interest based solely upon IRWD's inspection and investigation of the same and all documents related thereto, or its opportunity to do so, and the TIC Interest is assigned in an "AS IS, WHERE IS" condition, without relying upon any representation or warranties, express, implied or statutory, of any kind. Notwithstanding anything to the contrary, TIC's aggregate liability in connection with this Agreement shall not exceed the amount of the Transfer Fee.

5. Successors and Assigns. This Agreement will be binding on and inure to the benefit of the Parties, their heirs, executors, administrators, successors in interest, and assigns.

6. Choice of Law and Venue. All matters relating to this Agreement are governed by the laws of the State of California, and venue for any action related to the Agreement shall be the Superior Court of Orange County.

7. Notice. Any notice will be deemed given by depositing it in the United States Mail, first class, return receipt requested, or by courier or overnight delivery service and addressed as follows:

If to IRWD:

Irvine Ranch Water District
16500 Sand Canyon Avenue
P.O. Box 5700
Irvine, CA 92619-7000
Attn: Paul A. Cook, General Manager

If to TIC:

The Irvine Company LLC
550 Newport Center Drive
Newport Beach, CA 92660
Attn: General Counsel

8. Amendment. Any amendment or modification of this Agreement must be written and properly executed by both Parties.

9. Interpretation. Each Party has participated in negotiating and drafting this Agreement, so if an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement.

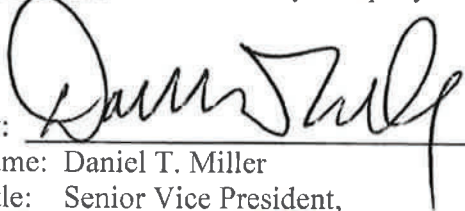
10. Further Assurances. The Parties shall take such actions, or execute, acknowledge and deliver, or obtain the execution, acknowledgment, and delivery of such instruments as are reasonably necessary, appropriate or desirable to give effect to the provisions of this Agreement.


11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding TIC's assignment and IRWD's assumption of all of the TIC Interest. This Agreement supersedes all prior or contemporaneous agreements, commitments, conditions, discussions, instruments, offers, promises and/or proposals between the Parties regarding TIC's assignment and IRWD's assumption of all of the TIC Interest, whether oral or written.

12. Authority. The Parties represent that the individuals executing this Agreement have the legal power, right and actual authority to bind that Party to the terms and conditions of this Agreement.

IRWD and TIC are signing this Agreement to be effective as of the Effective Date.

THE IRVINE COMPANY LLC,
a Delaware limited liability company

By: 
Name: Daniel T. Miller
Title: Senior Vice President,
Entitlement & Public Affairs

By: 
Name: Peter J. Changala
Title: Vice President, Ag Operations

IRVINE RANCH WATER DISTRICT

By: 
Paul A. Cook, General Manager

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: 
General Counsel

EXHIBIT "B"

AMENDMENT NO. 8 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

This Amendment No. 8 to the Santiago Aqueduct Commission Joint Powers Agreement (“**Amendment No. 8**”) is effective March 21, 2019, and is between the following six member agencies of the SANTIAGO AQUEDUCT COMMISSION (the “**Commission**”) created by a Joint Powers Agreement dated September 11, 1961 (as amended, the “**Joint Powers Agreement**”):

EL TORO WATER DISTRICT;
IRVINE RANCH WATER DISTRICT (“**IRWD**”) on its own behalf and as assignee of
The Irvine Company;
MOULTON NIGUEL WATER DISTRICT;
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (formerly known as Orange
County Municipal Water District) (“**MWDOC**”) on behalf of represented
agencies EAST ORANGE COUNTY WATER DISTRICT (“**EOCWD**”) and the
County of Orange (the “**County**”);
SANTA MARGARITA WATER DISTRICT; and
TRABUCO CANYON WATER DISTRICT (formerly known as Santa Ana Mountains
County Water District).

The member agencies are also sometimes referred to as the “**Parties**.” Together EOCWD and the County are the “**represented agencies**” but are not member agencies.

The Joint Powers Agreement has been previously amended by the following amendments: the first Amendment (December 20, 1974); Amendment No. 2 (January 13, 1978); Amendment No. 3 (November 1, 1978); Amendment No. 4 (September 1, 1981); Amendment No. 5 (October 22, 1986); Amendment No. 6 (July 8, 1999); and Amendment No. 7 (June 19, 2014).

The Joint Powers Agreement (as amended) establishes certain hydraulic grade lines and capacity rights for the member agencies and represented agencies in the various reaches of the Santiago Aqueduct, also known as the Baker Pipeline. The costs of maintenance, capital repairs and capital improvements to the Baker Pipeline are allocated to the member agencies and represented agencies in proportion to each party’s capacity rights in each reach as compared with the total capacity for each reach and in proportion to the length of each reach as compared with the entire length of the Baker Pipeline.

Capacity rights in the Baker Pipeline have been transferred among various member agencies and represented agencies, as previously reflected in the tables set forth in Amendment No. 7.

In 2018, IRWD and The Irvine Company executed an *Assignment and Assumption Agreement* (the “**Transfer Agreement**”) to transfer The Irvine Company’s capacity in the Baker

Pipeline to IRWD. The transfer of capacity rights and the resulting allocations of maintenance, capital repairs, and capital improvement costs became effective as of July 1, 2018. The Parties intend by this Amendment No. 8 to memorialize the effect of the Transfer Agreement and acknowledge that each of the Parties and represented agencies not participating in the Transfer Agreement will retain the same capacity rights identified in Amendment No. 7. The Parties also intend by this Amendment No. 8 to clarify the members of the Commission following IRWD's consolidation in 2010 with former member agency Los Alisos Water District.

Therefore, the Parties amend the Joint Powers Agreement as follows:

SECTION 1. Exhibit A to this Amendment No. 8 depicts the capacities and hydraulic grade lines in the Baker Pipeline resulting from the Transfer Agreement. Exhibit B to this Amendment No. 8 depicts the corresponding allocation of costs of maintenance, capital repairs, and capital improvements for each reach of the Baker Pipeline and the Baker Pipeline in its entirety. Both exhibits are incorporated by reference into the Joint Powers Agreement and shall amend and supersede in their entirety the capacities and hydraulic grade lines in the Baker Pipeline as well as the allocation of costs previously set forth in the Joint Powers Agreement.

SECTION 2. In order to reflect the consolidation of Los Alisos Water District with IRWD, and the transfer of The Irvine Company's capacity to IRWD, the first two paragraphs of Section 3 of the Joint Powers Agreement, as amended by Amendment No. 6, are amended to read as follows:

"The Commission shall consist of six (6) regular members, one (1) regular member to be selected by each of the following member agencies:

El Toro Water District;
Irvine Ranch Water District;
Moulton Niguel Water District;
Municipal Water District of Orange County;
Santa Margarita Water District; and
Trabuco Canyon Water District.

The Commission shall maintain and operate the Baker Pipeline. Each member agency shall have one vote. MWDOC shall represent itself, EOCWD and the County of Orange. Each member agency may appoint two alternate members, designated a first alternate member and a second alternate member, to the Commission."

SECTION 3. Except as modified by this Amendment No. 8, the Parties reaffirm the Joint Powers Agreement as amended by the prior seven amendments described above. The Parties shall execute this Amendment No. 8 in duplicate, each identical duplicate of which will be considered an original.

[Signatures appear on following pages.]

The Parties have executed this Amendment No. 8 on the dates set forth below.

DATED: _____

EL TORO WATER DISTRICT

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Redwine and Sherrill, LLP

By: _____
District Counsel

DATED: _____

IRVINE RANCH WATER DISTRICT

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: _____
District Counsel

DATED: _____

MOULTON NIGUEL WATER DISTRICT

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Best Best & Krieger LLP

By: _____
District Counsel

DATED: _____

MUNICIPAL WATER DISTRICT OF ORANGE
COUNTY

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Best Best & Krieger, LLP

By: _____
District Counsel

DATED: _____

SANTA MARGARITA WATER DISTRICT

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Best Best & Krieger, LLP

By: _____
District Counsel

DATED: _____

TRABUCO CANYON WATER DISTRICT

By: _____
President

By: _____
Secretary

APPROVED AS TO FORM:
Atkinson, Andelson, Loya, Ruud & Romo, LLP

By: _____
District Counsel

EXHIBIT A

SANTIAGO AQUEDUCT COMMISSION
BAKER PIPELINE
PIPELINE CAPACITIES

	Reach 1U	Reach 2U	Reach 3U	Reach 4U	Reach 5U
Length (LF)	9,400	10,425	7,950	28,500	6,070
HGL Elevation at End of Reach ¹	816	788	770	703	690
Agency	CFS	CFS	CFS	CFS	CFS
East Orange County Water District	10.00	-	-	-	-
County of Orange	1.00	1.06	1.06	1.06	-
Irvine Ranch Water District	49.00	14.59	10.54	10.54	10.50
Santa Margarita Water District	13.00	13.08	13.05	13.05	13.00
Trabuco Canyon Water District	8.00	8.05	8.03	8.03	8.00
El Toro Water District	5.00	5.00	5.00	5.00	5.00
Moulton Niguel Water District	13.00	13.00	13.00	13.00	13.00
Total Capacity	99.00	54.78	50.68	50.68	49.50

¹ Beginning HGL elevation of 832 at OC-33

Exhibit B

Pipeline Capacities
Maintenance, Capital Repair, and Capital Improvement Share, Total and By Reach

Length (LF)	Reach 1U 9,400		Reach 2U 10,425		Reach 3U 7,950		Reach 4U 28,500		Reach 5U 6,070		Total Pipeline 62,345	
	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%
East Orange County Water District	94,000	9.53%	-	-	-	-	-	-	-	-	94,000	2.58%
County of Orange	9,400	0.95%	11,051	2.33%	8,427	2.33%	30,210	2.33%	-	-	59,088	1.62%
Irvine Ranch Water District	460,600	49.84%	152,101	26.52%	83,793	20.73%	300,390	20.73%	63,735	21.22%	1,060,619	29.06%
Santa Margarita Water District	122,200	13.35%	136,359	23.65%	103,747	25.61%	371,925	25.61%	78,910	26.26%	813,141	22.28%
Trabuco Canyon Water District	75,200	8.15%	83,921	14.64%	63,839	15.81%	228,855	15.81%	48,560	16.16%	500,375	13.71%
El Toro Water District	47,000	5.05%	52,125	9.13%	39,750	9.87%	142,500	9.87%	30,350	10.10%	311,725	8.54%
Moulton Niguel Water District	122,200	13.13%	135,525	23.73%	103,350	25.65%	370,500	25.65%	78,910	26.26%	810,485	22.21%
Total	930,600	100%	571,082	100%	402,906	100%	1,444,380	100%	300,465	100%	3,649,433	100%



CONSENT CALENDAR ITEM

September 18, 2019

TO: Board of Directors

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

Robert Hunter, General Manager

Staff Contact: Karl Seckel

SUBJECT: Additional Authorization for Raftelis to Complete the DWR Grant Monitoring Report for the Budget Based Tiered Rate (BBTR) Grant Study

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to increase the cost authorization towards completion of the BBTR DWR Grant Monitoring Study from \$41,721, by \$17,707, to a total cost of \$59,428. Staff also requests an additional contingency of \$4,000 if needed, under staff's authority, in the event additional complications occur.

COMMITTEE RECOMMENDATION

Committee discussed the staff recommendation and recommended to the Board that the item be approved so staff and Raftelis could complete the 5-year grant monitoring effort to close out the grant. Staff noted that the additional authorization amounted to about 0.8% of the project expenditures after an eleven year project time-frame.

SUMMARY

Raftelis was hired by MWD OC to work with the three grant participants (ETWD, MNWD and EOCWD) to conduct a study to document the detailed water savings for each of the three

Budgeted (Y/N): No	Budgeted amount:	Core ✓	Choice ____
Action item amount: \$17,707 to \$21,707 for Raftelis; requires authorization of \$10,944 to \$14,944 from current year funds.		Line item: for Raftelis = 02-21-7010; MWDOC Staff time estimated at 20 hours = 02-21-6010	
Fiscal Impact (explain if unbudgeted): In 2017, there were sufficient funds to cover the Raftelis costs and MWDOC would retain a remaining amount of \$6,763. To cover the current recommendation, current year funds current year funds in the amount of \$10,944 to \$14,944 are required to cover the recommended action. In addition, there will be time commitments by MWDOC on the order of approximately 20 hours.			

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agencies from having implemented BBTR or having used BBTR to communicate water use efficiency savings with their consumers during the drought. The report is required by DWR as a condition of the grant to conduct 5-year follow-up monitoring and reporting.

Extra time was spent by Raftelis to work on the savings estimates under a large variety of options. The work was complicated by the nature of the 2012 to 2016 drought and confusion to a referenced “UC Riverside (UCR) methodology” which ultimately turned out to be two different methodologies for two different purposes. Raftelis hit the 80% of authorization from the August 2017 contract award and alerted MWDOC of the situation. Quite a bit of time has been spent in working with UCR, MNWD and MWDOC to understand the modeling issues and arrive at a recommendation. After much discussion and debate, staff recommends increasing the authorization for Raftelis and including a potential contingency depending on the sufficiency of the results (the work has not been completed and the required report has not yet been prepared – an additional 3 to 4 months will be required to complete the work and report).

DETAILED REPORT

In July 2008, DWR advertised for Grants to deal with Urban Drought Assistance. MWDOC was able to partner with a number of its agencies and utilized the assistance of Raftelis Financial Consultants to submit a grant application. MWDOC was awarded a \$685,000 grant to assist a number of its agencies to examine and implement budget based tiered rates. The project involved MWDOC assisting 13 of its agencies with various aspects of implementing budget based tiered rates (irrigable area mapping, rate study development, billing system modifications, outreach, etc). The original proposal made to DWR included total project costs for all agencies of \$2,390,695 and local costs of \$1,640,695 (71%). The difference was made up of DWR funds from the grant in the amount of \$685,000. The MWDOC Board authorized the General Manager to enter into an Agreement with DWR in November 2008 and various consultants.

The Final Grant Report documenting the project was completed and submitted to DWR in March 2015. The terms of the DWR Grant include five years of monitoring to document results following completion of the grant. The five-year follow-up is from 2012 through 2016. The monitoring is directed at the three agencies who proceeded to implement Budget Based Tiered Rates (BBTR) in some format. This includes:

- MNWD
- ETWD
- EOCWD

In May 2017, MWDOC called together the Grant Participants and Raftelis Financial Consultants to discuss various approaches to meet the monitoring requirements of the Grant. The three Participants concurred with the suggested evaluation procedure (which followed a study conducted by UC Riverside on the MNWD system) and indicated they could supply the necessary data to Raftelis. Raftelis put together a scope of work and proposal to conduct the work.

In August 2017, the MWDOC Board authorized consulting work in the amount of \$41,721 for Raftelis to complete the DWR Grant Monitoring Report for the Budget Based Tiered

Rate Grant Study. At that time, staff reported to the Board that funds brought into the Grant by MWDOC were sufficient to cover the costs of the work. Even with the additional work proposed, we believe the above statement is correct (staff brought in considerable funding to offset MWDOC's costs in the Grant). DWR paid a total of \$685,000 to MWDOC to disburse to ourselves and the participating agencies. MWDOC's portion of the funds received was \$165,430; in 2017, there were sufficient funds to cover MWDOC's expenses, including the Raftelis contract authorization in 2017 and MWDOC would have a remaining amount of \$6,763 remaining to be used to offset some of MWDOC's time for managing the grant contract.

The purpose of the 2017 study by Raftelis was to document the potential savings by ETWD, MNWD and EOCWD from having implemented Budget Based Tiered Rates (BBTR) between 2012 and 2016 or having used BBTR during that same timeframe to communicate with customers individually regarding how they were doing with water use efficiency efforts. Raftelis has continued working on the project, but ran into a number of issues, some communication based, some technical based, and some based on the historical nature and magnitude of the 2012 to 2016 drought (some documenting it as the worst drought in 1200 years). The following should be noted:

- Difficulties were encountered by all three participants in mining their prior data systems to pull out the data required by Raftelis. All three agencies had changed billing systems over time and records are not transferred into the new systems; to secure older data, required by Raftelis, multiple systems had to be accessed and the data compiled and sent to Raftelis. This process took the better part of a year.
- Essentially Raftelis went over budget due to unforeseen issues reproducing the results of the previous UCR study due to the significant drought that occurred in 2012 to 2016 timeframe. Extra modeling time was spent trying to figure out how much of the water reduction during that period was due to the messaging associated with the drought and media reports and how much was associated specifically with the adoption of water budget rates. Attempting to discern the difference was time consuming and required testing of savings under a number of options and in different consumption classes within each agency.
- There was some miscommunication/confusion associated with the actual regression methodology used by UCR as UCR had previously published two separate reports in an attempt to tease out different information for the MNWD service area. Eventually the methodology was clarified by the Professor at UCR, but in the interim, extra time was spent in the formulation of models that had to be re-calculated.
- Additional unforeseen time requirements occurred due to the very large datasets involved in the study and the time required to run the models, even on the fastest 64 GB-RAM Raftelis desktop - the run time was on the order of a number of hours for each run. Different regression techniques were developed in an attempt to specifically capture the saving associated with the water budgets, given the magnitude of the drought and other media messaging. This required considerable testing of parameters.

- In simplest terms, the study became more complicated and time consuming than anticipated because the methods that were agreed to be utilized in the study were complex, and the methods referenced in the UCR Research Paper were different from those used to document the MNWD savings in a previous study. It took significant time to figure out the differences between the models, which was further complicated by the long processing times needed to run the models.

BOARD OPTIONS

Option #1

- It is recommended that the General Manager be authorized to augment the cost authorization for Raftelis to complete the DWR Grant Monitoring Report for the Budget Based Tiered Rate (BBTR) Grant.

Fiscal Impact: Increases expenditures by \$17,707 to \$21,707. MWDOC had previously secured sufficient grant funds to cover the 2017 Raftelis authorization and had \$6,763 remaining. MWDOC will have to utilize current year funds in the amount of \$10,944 to \$14,944 to cover the recommended action. In addition, there will be time commitments by MWDOC on the order of approximately 20 hours.

Business Analysis: Our goal in this process is to have a technically unbiased and robust report on the savings estimates for the three agencies. The plan outlined by MWDOC and Raftelis will work towards these goals, but it is possible that the analysis may come out inconclusive at a significant level of confidence. The plan outlined is the best option we have.

Option #2

- Do not authorize the additional request.

Fiscal Impact: In this event, staff will have to develop a final report for DWR. It is possible, but not probable that DWR would request a refund of previously authorized grant funds. DWR could look negatively towards future requests by MWDOC as being unreliable. This is not a good outcome.

Business Analysis: MWDOC prides itself on producing high quality, unbiased and technically robust reports. Not authorizing the additional funds would not support the business analysis. Staff looked at the possibility of bringing in another consultant, but ruled out this option based on the learning curve and how much time has already been spent.

STAFF RECOMMENDATION

Option # 1



CONSENT CALENDAR ITEM

September 18, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **Authorize FY19-20 Choice Programs Budget Revisions**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Approve the Choice Programs budget revisions.

COMMITTEE RECOMMENDATION

Committee concurred with staff recommendation.

DETAILED REPORT

As Stated at the April 2019 board meeting, the final Choice Programs budget will be presented in September 2019. This is when all the agencies participation numbers are final which usually result in some budget changes. There are two Choice Programs, Water Use Efficiency and Public Affairs School Programs. The Choice Water Use Efficiency program remained unchanged from the budget approved in April 2019. The Public Affairs department received their final participation numbers from our member agencies in August 2019 for their Choice School Programs. The Choice High School program budget decreased from \$105,567 to \$60,000 and the Middle School budget decreased from \$188,032 to \$59,262. This was due to a strong initial interest in the programs that did not translate to commitments from the member agencies in their final budgets. The Choice Elementary School program budget increased from \$270,496 to \$305,651 due to increases from some member agencies. Additionally \$45,895, originally in the Choice High School program for the digital component, was taken out of the budget. The salaries and benefits were adjusted to align with the 3% administration fee promised to the agencies. The end result is a decrease in the School Programs budget of \$191,598 putting it equal to the FY18-19 budget numbers. The Core Budget remains unchanged from the April 2019.

Attachments:

Attached hereto is the MWDOC FY19-20 Revised Budget Summary

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



Annual Budget for Fiscal Year 2019-20

Revised Budget Summary

MWDOC's mission is:

To provide reliable, high-quality supplies from MWD and other sources to meet present and future needs, at an equitable and economical cost, and to promote water use efficiency for all of Orange County

Exhibit A7
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
FOR BUDGET REVISIONS

	FY 2019-2020 CHOICE APRIL BUDGET	FY 2019-2020 CHOICE REVISED BUDGET	FY 2019-2020 CORE APRIL BUDGET	FY 2019-2020 CORE REVISED BUDGET	FY 2019-2020 CNSLD APRIL BUDGET	FY 2019-2020 CNSLD REVISED BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 539,187	\$ 535,389	\$ 3,516,650	\$ 3,516,650	\$ 4,055,837	\$ 4,052,039
less for Recovery from Grants/Agencies	(5,500)	(5,500)	-	-	(5,500)	(5,500)
Employee Benefits	165,182	163,657	1,097,992	1,097,992	1,263,174	1,261,649
Director Compensation	-	-	268,133	268,133	268,133	268,133
Director Benefits	-	-	93,947	93,947	93,947	93,947
MWD Representation	-	-	153,218	153,218	153,218	153,218
CALPERS Unfunded Liability Contribution			207,000	207,000	207,000	207,000
Overhead Reimbursement	225,190	223,992	(225,190)	(223,992)	-	-
Health Insurance Coverage for Retirees	-	-	70,287	70,287	70,287	70,287
Audit Expense	-	-	29,240	29,240	29,240	29,240
Automotive & Toll Road Expenses	1,500	1,500	20,200	20,200	21,700	21,700
Vehicle Expense - Water Loss Control	13,160	13,160	-	-	13,160	13,160
Conference Expense - Staff	-	-	40,535	40,535	40,535	40,535
Conference Expense - Directors	-	-	28,440	28,440	28,440	28,440
Engineering Expense	-	-	435,000	435,000	435,000	435,000
Insurance Expense	-	-	140,000	140,000	140,000	140,000
Legal Expense - General	-	-	200,000	200,000	200,000	200,000
Maintenance Expense	-	-	138,527	138,527	138,527	138,527
Membership / Sponsorship	-	-	114,966	114,966	114,966	114,966
CDR Participation	-	-	50,156	50,156	50,156	50,156
Miscellaneous Expense	12,000	12,000	97,300	97,300	109,300	109,300
Postage / Mail Delivery	400	400	9,000	9,000	9,400	9,400
Professional Fees	751,962	566,885	920,445	920,445	1,672,407	1,487,330
Rents & Leases	-	-	3,616	3,616	3,616	3,616
Outside Printing, Subscription & Books	-	-	62,500	62,500	62,500	62,500
Office Supplies	-	-	36,000	36,000	36,000	36,000
Supplies - Water Loss Control	2,033	2,033	-	-	2,033	2,033
Building Repair & Maintenance	-	-	20,000	20,000	20,000	20,000
Computer Maintenance	-	-	8,000	8,000	8,000	8,000
Business Expense	-	-	5,200	5,200	5,200	5,200
Software Support & Expense	-	-	93,634	93,634	93,634	93,634
Computers and Equipment	3,700	3,700	45,750	45,750	49,450	49,450
Telecommunications Expense	1,440	1,440	24,333	24,333	25,773	25,773
Temporary Help Expense	-	-	5,000	5,000	5,000	5,000

(1)

(2)

Exhibit A7
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
FOR BUDGET REVISIONS

	FY 2019-2020 CHOICE APRIL BUDGET	FY 2019-2020 CHOICE REVISED BUDGET	FY 2019-2020 CORE APRIL BUDGET	FY 2019-2020 CORE REVISED BUDGET	FY 2019-2020 CNSLD APRIL BUDGET	FY 2019-2020 CNSLD REVISED BUDGET
Training Expense	2,000	2,000	30,000	30,000	32,000	32,000
Tuition Reimbursement	-	-	5,000	5,000	5,000	5,000
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff			89,131	89,131	89,131	89,131
Travel & Accommodations - Directors			46,625	46,625	46,625	46,625
MWDOC's Contribution to WEROC: Operations			228,978	228,978	228,978	228,978
and to WEROC Capital Improvements			44,389	44,389	44,389	44,389
Capital Acquisition (excluding building)	70,180	70,180	366,900	366,900	437,080	437,080
Capital Acquisition Carryover			(330,624)	(330,624)	(330,624)	(330,624)
NORMAL OPERATING EXPENSES	\$ 1,782,434	\$ 1,590,836	\$ 8,190,279	\$ 8,191,477	\$ 9,972,712	\$ 9,782,312
MWDOC's Building Expense			\$ 1,259,057	\$ 1,259,057	\$ 1,259,057	\$ 1,259,057
Building Expense Carryover			\$ (423,226)	\$ (423,226)	\$ (423,226)	\$ (423,226)
Contribution to Election Reserve			-	-	-	-
TOTAL EXPENSES	\$ 1,782,434	\$ 1,590,836	\$ 9,026,110	\$ 9,027,308	\$10,808,543	\$ 10,618,143
REVENUES:						
Retail Meter Charge			\$ 7,888,930	\$ 7,888,930	\$ 7,888,930	\$ 7,888,930
Ground Water Customer Charge			598,248	598,248	598,248	598,248
Interest Revenue			580,000	580,000	580,000	580,000
Miscellaneous Income			3,000	3,000	3,000	3,000
Choice Revenue	1,782,434	1,590,836			1,782,434	1,590,836
TOTAL REVENUES	\$ 1,782,434	\$ 1,590,836	\$ 9,070,178	\$ 9,070,178	\$10,852,612	\$ 10,661,014
EFFECT ON RESERVES:						
Reserves Contribution (Draw) to cover for Operating expenses for Operations			\$ 44,068	\$ 42,870	\$ 44,068	\$ 42,870
TOTAL CONTRIBUTION (DRAW) FROM RESERVES			\$ 44,068	\$ 42,870	\$ 44,068	\$ 42,870

- (1) Total FY2019-2020 Salaries & Wages includes \$59,876 for intern support
- (2) Total Benefits includes \$6,222 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.221% for Classic employees and 6.985% for PEPRAs employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2020.
- (3) FY2018-2019 Projected carryover is the amount budgeted less the amount of work projected to be completed in FY2018-2019.
FY2019-2020 Budgeted carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY2019-2020.
- (4) MWDOC FY2019-2020 designated reserve target is unfunded in the amount of \$234,469 with \$165,681 projected to be available for contribution to reserves from FY2018-2019 operations. Of this amount (\$165,681-\$234,469+\$91,864 (Net Contribution to election reserves, after a \$196,136 election expense, already included)) \$23,076 is available in excess of the fully funded reserve target.



ACTION ITEM
September 18, 2019

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

FROM: Robert J. Hunter, General Manager
Staff Contact: Cathy Harris, Director of Human Resources and Admin.

SUBJECT: APPROVAL OF REVISED PERSONNEL MANUAL

STAFF RECOMMENDATION

Staff recommends that the Administration & Finance Committee approve the changes and additions to the Personnel Manual and advance the item to the Board of Directors for action at the September 18, 2019 meeting (Option 1).

COMMITTEE RECOMMENDATION

Committee reviewed and recommended staff include a section regarding telecommuting and that employees are expected to perform work from the District office, unless authorized by the General Manager. The Committee also recommended the Personnel Manual be presented to the Board for further consideration and supported Option #1.

SUMMARY

This is the third month that the Administration & Finance (A&F) Committee will consider revisions and additions to the MWDOC Personnel Manual.

Proposed changes were discussed at the July 10, 2019 Administration & Finance (A&F) Committee meeting and the item was carried over for further discussion at the August 14, 2019 A&F meeting. MWDOC staff had requested that the Committee discuss the proposed revisions, agree on what revisions they recommend for final Board approval, and then carry the item over to the September A&F Committee meeting so that staff could incorporate Committee changes and reformat the document for clarity and ease of use. The attached revised Personnel Manual is the product of this process.

The primary changes from the August document include:

1. Substantial reorganization and section numbering
2. Integration and streamlining of the grievance procedure

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

3. Clarification of the grievance and disciplinary procedures and authority related to Staff, General Manager and Directors
4. Clarification of the applicability of benefits to Staff and Directors
5. Clarification of the Civility Policy
6. Expansion of the Introductory Section
7. Addition of a section listing potential corrective or disciplinary actions.

If the Committee and Board approve the revised Personnel Manual, Staff will bring to the A&F Committee in October a proposed revision to Chapter 7 of the Administrative Code to sync it with the approved provisions of the Personnel Manual. These proposed changes would primarily relate to the grievance process.

DETAILED REPORT

At the August A&F meeting the Committee thoroughly discussed the proposed revisions to the MWDOC Personnel Manual. Major points of discussions and conclusions included:

- a) Revisions should be made to clarify the coverage and applicability to Staff and Directors
- b) The document should be revised to state the Board of Directors retains full authority for corrective or disciplinary actions of Directors
- c) The Grievance Process needs to be clarified and integrated into one process
- d) Grievances against a Director or the GM should be made directly to either the Executive Committee or the full Board of Directors
- e) Any appeal of grievance decisions to the Board of Directors must complete the Grievance Process before appeal
- f) The Civility Policy should be included in the Personnel Manual

Staff has responded and a revised and reformatted version of the MWDOC Personnel Manual is attached. The major revisions include:

1. Substantial reorganization and section numbering
A major effort was made to increase the clarity and utility of the manual by regrouping and numbering sections into like topics and expanding the Introductory Section. The manual now contains five major sections:
 - Section 1000 – Introduction
 - Section 2000 - Rules & Definitions
 - Section 3000 – Benefits
 - Section 4000 – Policies, Protections & Process
 - Section 5000 - Behavior & Consequences
2. Integration and streamlining of the grievance procedure
The revised manual unifies the grievance procedure from different sections into one internal process. This process maintains the ability to resolve issues informally and the escalation into a more formal, written process. The appeal to the Board is the final step in the process, which must be completed sequentially. If the Personnel Manual is approved by the Board, changes to the Administrative Code will be required in the Ethics Section (Chapter 7) to align the Personnel Manual and Administrative Code. In particular, the reporting of grievances against a Director or the General Manager to the Executive Committee or the full Board instead of to the

President or the full Board. The Board could also decide to maximize flexibility and discretion by including all three options (President, Executive Committee or Full Board) in both the Personnel Manual and the Administrative Code. However, the procedure should align between the two documents.

3. Clarification of the grievance and disciplinary procedures and authority related to Staff, General Manager and Directors
The revised Personnel Manual clearly outlines the grievance and disciplinary processes for Staff, General Manager and Directors. It also explicitly states that the Board of Directors retains full authority for the grievance and disciplinary process related to Directors.
4. Clarification of the applicability of benefits to Staff and Directors
The Benefits Section first level subdivision is into Employee Benefits and Director Benefits. The Director Benefits section is then bifurcated into MWDOC Directors and MWDOC-MET Directors.
5. Clarification of the Civility Policy
The Civility Policy is included in this version of the Personnel Manual, has been slightly streamlined, and includes the input from legal counsel on the definition of incivility. The section was also modified to integrate with the unified grievance process.
6. Expansion of the Introductory Section
The Personnel Manual is an important document for Staff, the GM and the Directors. The Introductory Section was expanded to give a general oversight of the purpose and organization of the manual. This section also discusses the applicability to Staff and Directors as well as identifying the Administrative Code and Contracts Manual as the other components of the MWDOC administrative trilogy.
7. Addition of a section listing potential corrective or disciplinary actions
A new section was added that lists potential corrective or disciplinary actions applicable to Staff and the General Manager. Potential corrective actions for Directors are not included in the Personnel Manual but are listed in the Administrative Code. It is anticipated that if any modification to that list is desired by the Board that the Board would make those changes as part of the update of the Ethics Section of the Administrative Code.

BOARD OPTIONS

Option #1

- Approve revisions and additions to the Personnel Manual and advance the item to the Board of Directors for action at the September 18, 2019 Board meeting.

Option #2

- Identify additional modifications to the Personnel Manual for Staff to include in the item for consideration and discussion at the September 18, 2019 Board meeting.

Option #3

- Do not approve revisions to the Personnel Manual as recommended by staff and Legal Counsel. Advise staff as to further action.

STAFF RECOMMENDATION

Option # 1

AUGUST 14, 2019 A&F COMMITTEE MEETING MATERIAL

SUMMARY

The Personnel Manual revisions were discussed at the July 10, 2019 Administration & Finance (A&F) Committee meeting. The item was carried over for further discussion at the August 14, 2019 A&F meeting. MWDOC staff has requested that the Committee discuss the proposed revisions, agree on what revisions they recommend for final Board approval, and then carry the item over to the September A&F Committee meeting (September 11, 2019). Staff will use the month to incorporate any Committee changes, reformat the document for clarity and ease of use, and prepare training for the revised Personnel Manual. The intention would be to have staff training on the newly approved document shortly after approval by the Board.

The primary items discussed at the July A&F Committee meeting were:

1. Selection of Employees - Oath of Allegiance (5)
2. Code of Conduct – Firearms or Weapons (62)
3. Civility Policy (62-64)
4. Applicability of Personnel Manual to Directors
5. Complaint and Grievance Procedures

DETAILED REPORT

The July A&F Committee discussion focused on five main topics:

1. Selection of Employees - Oath of Allegiance (pg. 5)

A question was raised as to whether or not MWDOC was using the correct Oath of Allegiance pursuant to State law. MWDOC is using the correct form of the oath. This issue has been addressed in two previous memos from BB&K, portions of which are included below.

California Constitution Article 20, Section 3 states that “[m]embers of the Legislature, and all public officers and employees, executive, legislative, and judicial, except such inferior officers and employees as may be by law exempted, shall, before they enter upon the duties of their respective offices, take and subscribe the following oath or affirmation.” The oath states, in part, that the officer or employee will support and defend the federal and state constitution. “Public officer and employee” is defined in Article 20, Section 3 as including every officer and employee of the state, county, city, district, or authority. All MWDOC employees and Directors are required to take or sign the oath.

The full oath of office is set forth in Section 3, Article 20 of the California Constitution. The second paragraph of the oath was ruled as an invalid precondition to public employment by the California Supreme Court in 1967. (*Vogel v. County of Los Angeles* (1967) 68 Cal.2d 18.) Though the text of the second paragraph remains in current

publications of the California Constitution, the Supreme Court has held that the second paragraph is overly broad because it proscribes more than the specific intent to advocate overthrow of the government. The Supreme Court held that persons who join an organization but do not share in its unlawful activities pose no threat, and a law which applies to membership without the specific intent to further the illegal aims of the organization infringes rests on the doctrine of guilt by association, which is incompatible with the U.S. Constitution. Therefore, employees and Directors cannot be required to swear or affirm the second paragraph of Article 20, Section 3, and the oath should be limited to the first paragraph of Section 3, Article XX of the California Constitution, as reflected below and in the form attached to this memorandum:

“I, _____, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.”

In accordance with the 1967 California Supreme Court, MWDOC is using the correct form of the oath.

2. Code of Conduct – Firearms or Weapons (pg. 62)

The “Standards of Conduct” provisions of the MWDOC Personnel Manual originated in 2004 and includes a list of examples “to provide some guidance concerning unacceptable behavior”. The 2004 version included a prohibition on firearms, weapons and explosives and was shortened in 2014 to the current language: #27 - Possessing or bringing firearms or weapons onto District Property. There was a proposal in 2014 to explicitly state that firearms in private vehicles were prohibited but it was deemed an unnecessary modification and was not approved. No changes in weapons policy has been made since 2014.

MWDOC legal counsel has responded that they believe the current language does prohibit firearms and weapons in private vehicles in the district’s parking lot as part of “District Property”. The parking lot is defined as common property under the April 15, 1987 agreement and lease between MWDOC and OCWD. MWDOC was responsible for 27% of the parking lot construction and MWDOC is responsible for our allocated share of parking lot resurfacing maintenance. MWDOC has undivided, uncontrolled, shared use of the parking and landscape areas of the Common Facilities. As a comparison, OCWD’s equivalent policy specifically prohibits firearms and weapons on district property, in district vehicles and in private vehicles in district property.

3. Civility Policy (pgs. 62-64)

The Civility Policy is a new addition to Personnel Manual and is distinct from the discrimination and harassment sections of the manual (pgs. 7-10). The question was asked in committee as to whether the Civility Policy increased the district’s potential liability. Staff was directed to ask our attorneys. The response is that the Civility Policy does not increase and likely decreases the district’s potential liability.

4. Applicability of Personnel Manual to Directors

The question was asked in committee as to whether the Personnel Manual applied to MWDOC Directors. IRS has defined Directors as employees. The Personnel Manual does apply to Directors except where Directors are disqualified from a section (e.g., holiday time or paid sick leave) or where there is a specific, alternate provision for a Director (e.g., Civility Policy Complaint Procedure (provision e, pg. 64)).

5. Complaint and Grievance Procedures

There were a series of questions about complaint or grievance procedures raised at the committee meeting. If the Civility Policy is adopted, there will be four distinct areas where these procedures come into play. In the Personnel Manual there is an Internal Complaint Procedure under the Discrimination and Harassment Section (pg. 8), there is the Grievance Procedure Section (pg. 11), and there is the Civility Policy Complaint Procedure (pg. 63). In addition the Ethics Policy (Section 7000) of the MWDOC Administrative Code includes two sections dealing with investigation and consideration of appropriate actions for violation of policy by Staff and Staff Officers (7109) and Directors (7110). In some cases distinct procedures are required by statute and in all cases the provisions have been developed with district legal counsel. If the Civility Policy is recommended by the A&F Committee and the recommendation is to carry the Personnel Manual over to the September committee meeting, then it is recommended that Staff and Legal Counsel review these four procedures for possible consolidation.

BOARD OPTIONS

Option #1

- Approve revisions to the Personnel Manual and carry the item over for the September A&F Committee.

Option #2

- Do not approve revisions to the Personnel Manual as recommended by staff and Legal Counsel. Advise staff as to further action.

STAFF RECOMMENDATION

Option # 1

JULY 10, 2019 A&F COMMITTEE MEETING MATERIAL

SUMMARY

Proposed revisions to the Personnel Manual are being presented for review and consideration. The Personnel Manual is reviewed by the General Manager, Director of Human Resources and Legal Counsel and presented to the Administration and Finance Committee for review and consideration.

DETAILED REPORT

The following outlines the revisions made to the manual:

- **Page 4 & 5 Introduction**
 - Revised language to be consistent with website language.
 - Legal Counsel recommended new disclaimer language be added to the Introduction.
- **Page 4 Selection of Employees**
 - Legal Counsel revised language for clarity.
- **Page 5 Equal Opportunity Employment**
 - Legal Counsel updated section to expand list of protected categories.
- **Page 6 Reasonable Accommodation For Applicants with Disabilities**
 - Legal Counsel deleted section and combined with EOE section on page 5.
- **Page 7 Prohibitions Against Discrimination and Harassment**
 - Legal Counsel updated section to expand list of protected categories.
- **Page 9 Internal Complaint Procedure**
 - Added word for clarity.
- **Page 9 Penalties for Violation**
 - Legal Counsel deleted section since it is addressed under Corrective Action section.
- **Page 9 Corrective Action**
 - Legal Counsel added language.
- **Page 10 Confidential Nature of Medical Diagnoses**
 - Revised wording for clarity.
- **Page 11 The Interactive Process**
 - Deleted word
- **Page 14 Pre-Employment Testing**
 - Deleted language to be consistent with current practice. District positions do not require a Commercial Driver's license.
- **Page 14 Post-Accident Testing**
 - Legal Counsel revised language.
- **Page 14 Regular and Random Testing**

- Legal Counsel deleted section.
- **Page 14 & 15 Return to Duty Testing**
 - Legal Counsel added language for clarity.
- **Page 15 Compliance with State or Federal Law**
 - Revised wording for clarity.
- **Page 16 Drug and Alcohol Rehabilitation Programs**
 - Legal Counsel revised language.
- **Page 16 & 17 Regular Full-Time Employees**
 - Revised language for clarity.
- **Page 17 Temporary Employees**
 - Moved the language to Page 18.
- **Page 17 Limited-Term Employees**
 - Revised language for clarification.
- **Page 17 Interns**
 - Revised language for clarification.
- **Page 18 Added Paragraph**
 - Added paragraph from section under Temporary Employees and included language to be consistent with current practice.
- **Page 18 Workweeks**
 - Revised language to be consistent with current practice.
- **Page 18 Rest Periods and Lunch Periods**
 - Created separate headings for rest and lunch period. Added a sentence to lunch periods in compliance with Federal Labor Standards Act (FLSA).
- **Page 18 Record of Work Hours**
 - Revised language to comply with current District practice.
- **Page 19 Overtime**
 - Revised language for clarification.
- **Page 19 Payment Of Overtime In Event of Separation**
 - Added new heading for clarification and moved paragraph from Overtime to the new heading.
- **Page 19 & 20 Category I and II Non-Exempt and Exempt**
 - Deleted Category references and changed to Non-exempt and Exempt and added language to reflect current practice regarding overtime and Compensatory Time Off accruals.
- **Page 20 Make-Up Time**
 - Revise language for clarity.
- **Page 20 Absences From Work – Paid Sick Leave**
 - Changed title from General Paid Sick Leave to Paid Sick Leave.
 - Legal Counsel revised language requiring a request for leave and/or a medical certification for absences of five days or more and a doctor's release upon return to work.
 - Revised language for clarification.
- **Page 21 Maximum Accrual**

- Added language for clarification.
- **Page 21 Partial Day Absences**
 - Revised language to clarify partial day absences for Exempt and Non-Exempt employees.
- **Page 21 & 22 Mandatory Paid Sick Leave**
 - Legal Counsel revised language.
- **Page 22 Bereavement Leave**
 - Added word for clarity.
- **Page 23 Employee Benefits While on Disability Leave**
 - Add sentence for clarification on leave accruals.
- **Page 26 District Determination and Notification**
 - Word deleted.
- **Page 29-31 Pregnancy Disability Leave**
 - Revised position title.
 - Legal Counsel revised and added a more comprehensive policy.
- **Page 31 & 32 New Parent Leave**
 - Legal Counsel added New Parent Leave Section
- **Page 32 & 33 Benefit Accruals While On Paid Leave**
 - Added language to clarify that Military leave is an exception and can accrue benefits while on leave.
 - Added language referencing the applicable codes for compliance with Military Leave.
- **Page 33 Whistleblower Protections**
 - Revision to position title.
- **Page 34 Jury or Witness Duty Leave**
 - Added language for clarification on how time is to be allocated if Jury Duty extends beyond 30 days.
- **Page 35 Discretionary Executive Leave**
 - Added the word “Executive” to title and throughout policy for clarification as to who is eligible for the leave and consistent with the intent of the policy.
 - Added language for clarification.
 - Revised to calendar year to be consistent with current practice.
- **Page 35 & 36 Catastrophic Leave Program**
 - Added CTO to be consistent with reference throughout document.
- **Page 37 Performance Criteria And Definitions**
 - Deleted bullet five- not consistent with current rating form.
- **Page 37 & 38 Merit Increase Procedures**
 - Deleted extra letter in first sentence.
 - Revised word for consistency.
- **Page 38 Paydays**
 - Revised word.
- **Page 39 Payroll Deductions**

- Revised wording for clarity.
- **Page 39 Accrual Rate**
 - Added language for clarification.
 - Added language authorizing the General Manager to approve partial payout of accrued vacation amounts that reach the maximum accrual rate.
- **Page 40 Holidays**
 - Deleted sentence not applicable.
- **Page 40 Holidays Occurring on a Date Scheduled Off**
 - Revised to reflect current practice.
 - Added sentence clarifying how the floating holiday will be applied if not used within the calendar year.
- **Page 40 & 41 Worker's Compensation**
 - Added wording to title for clarification.
 - Made revisions to language for clarification.
- **Page 42 Medical Insurance**
 - Revised language for clarification.
- **Page 42 Medical and Elective Health and Welfare Coverage Upon Retirement**
 - This section moved to Page 46 before the Retirement Programs Section.
- **Page 44 Dental Insurance**
 - Added language for clarification.
- **Page 44 Vision Insurance**
 - Added language for clarification.
- **Page 46 Life Insurance**
 - Added language for clarification.
- **Page 46 Retiree Health and Welfare Benefits Upon Retirement**
 - Changed title for clarification
 - Deleted and added word for clarification.
 - Added language clarifying that in order to be eligible there shall be no lapse in service consistent with Joint Powers Insurance Authority (JPIA) guidelines.
- **Page 46 & 47 10 Years of Service**
 - Added language regarding Health Savings Accounts (HAS's) in compliance with JPIA policy.
 - Added language for clarification regarding Medicare eligibility in compliance with JPIA.
 - Added language clarifying what plans are eligible for reimbursement.
 - Added language regarding re-enrollment and open enrollment consistent with JPIA policy.
 - Added language clarifying the type of plans that qualify for the \$1,800 reimbursement.

- Added language stating the District will not reimburse retiree for late enrollment in Medicare Part B.
- **Page 48 & 49 25 Years of Service**
 - Added language regarding HSA's in compliance with JPIA policy.
 - Added language for clarification regarding Medicare eligibility in compliance with JPIA.
 - Added language regarding retirees and spouses in compliance with JPIA policy.
 - Revised language to be consistent with the 10 year policy on reimbursement requests and re-enrollment and annual open enrollment.
 - Added language per JPIA's request that the retiree policy is subject to their approval in addition to Board approval.
- **Page 49 Retirement Programs**
 - Added language stating type of plan.
 - Revised to identify eligible participants.
 - Deleted language for simplification purposes and referencing Plan Document.
- **Page 49-51 CalPERS**
 - Revised language to be consistent with current practice.
- **Page 51 Flexible Benefits Spending Plan/Health Savings Account (HSA)**
 - Revised language and added paragraph describing Health Savings Account benefit.
- **Page 52 Employee Assistance Program**
 - Revised last sentence.
- **Page 52 Service Awards**
 - Revised language to state if the compensation days are not used within the 12 month period they will be allocated to CTO or vacation accrual instead of cashed out.
- **Page 52 Employee/Team Excellence**
 - Revised title to include Team
 - Revise language to include teamwork
 - Revised word for clarity.
- **Page 52 to 57 Vehicle Policy**
 - Sections of this policy were deleted and reorganized for clarity.
 - Section was added on Use of District Vehicles in preparation for field staff.
 - Separate heading titled Auto Allowances was added and all appropriate sections were moved under this section.
- **Page 59 & 60 Uniforms/Tools –Field Personnel**
 - This section was added in preparation for field staff.
- **Page 60 Office Equipment**
 - Revised word.
 - Revised position title.

- **Page 60** **Passwords & Securities**
 - Revised language to comply with current practice.
- **Page 61** **Intellectual Property Rights**
 - Revised language to comply with current practice.
- **Page 62** **Standards of Conduct**
 - Revised word
- **Page 63 to 64** **Civility Policy**
 - Legal Counsel added new section.
- **Page 65** **At-Will Agreement**
 - Revision to District title.
- **Page 66 & 67** **Appendix A**
 - Revised with current District Exempt and Non-Exempt titles.
- **Pay Structure and Organizational Chart**
 - These sections were removed and a statement has been added at the end of the document stating the District pay structure and Organizational Chart can be found on the website.

BOARD OPTIONS

Option #1

- Approve the proposed revisions to the Personnel Manual.

Option #2

- Do not approve the proposed revisions to the Personnel Manual as recommended by staff and Legal Counsel.

STAFF RECOMMENDATION

Option #_1



PERSONNEL MANUAL

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1100 PURPOSE & MWDOC WORKPLACE GOALS

This Personnel Manual is intended to provide important information, guidance and insight into the work culture of MWDOC and the policies, benefits and behavioral expectations of the organization. It may not be your most exciting read of the year but the guidance is essential for you and MWDOC to improve and excel. And that is at the heart of MWDOC's workplace goals. In order to maximize value to Orange County, Southern California, our Staff and Directors, the workplace needs to support the professional growth and personal development of everyone in our organization. This requires the commitment of all involved and an emphasis on continuous improvement. It also requires that we respect each other and adhere to fundamental rules of behavior.

1200 PERSONNEL MANUAL ORGANIZATION

There is a very diverse set of information, policies and procedures in this manual. They have been organized into four main sections beyond this introductory piece.

- Rules & Definitions (Section 2000)
- Benefits (Section 3000)
- Policies, Protections & Process (Section 4000)
- Behavior & Consequences (Section 5000)

1300 EMPLOYEES AND DIRECTORS

Different portions of this manual apply to Employees, Directors, the General Manager and our associated partners including consultants, contractors and vendors. We have attempted to make the distinctions clear where they exist. For example, the benefits available to MWDOC Directors are distinctly different from those available to MWDOC Employees. In addition, the grievance and corrective action process is different for Employees, the General Manager and Directors. Specifically, grievances against the GM or a Director are made to the President of the Board, Executive Committee or the entire Board of Directors. The Board always retains the authority to discipline itself.

The MWDOC Board of Directors (Board of Directors, Board, Directors) and the MWDOC Metropolitan Water District Directors (MWDOC-MET Directors) are considered employees and therefore Director compensation is subject to Social Security taxation. Directors are eligible to participate in a qualifying public retirement system in accordance with IRS guidelines and are eligible for benefits in accordance with applicable statutes and District policies. In addition, Directors are subject to sections in the Personnel Manual related to conduct and decorum. In all other aspects, Directors shall be subject to the laws and regulations as applicable to such officials.

1400 ADMINISTRATIVE CODE & CONTRACTS MANUAL

The Personnel Manual is one of three documents that primarily establishes the rules for MWDOC personnel (outside of local, state, and federal law).

The Administrative Code is the codification of the organization and operation of MWDOC. At its most basic level, the Administrative Code identifies the Board of Directors as the policy setting body which also hires the General Manager. The General Manager is responsible for the Employees and operation of the organization. Particularly relevant to the Personnel Manual are the Administrative Code sections covering Ethics (Chapter 7). There is significant interplay between Ethics in the Administrative Code and some of the provisions in Sections 4000 and 5000 of the Personnel Manual (i.e., Section 5100 Standard of Conduct, Section 4102 Prohibition Against Discrimination and Harassment, Section 4200 Grievance Procedure, Section 5101 Corrective Actions).

The MWDOC Contracts Manual outlines specific policies and procedures the Board of Directors has adopted relative to contracts and procurements. Those policies and procedures are outlined in the Administrative Code (Sections 8000 through 8004).

1500 LEGAL DISCLAIMERS

This Personnel Manual describes policies as set by the Board of Directors of the Municipal Water District of Orange County. These policies supersede any preceding or contradictory policies except where expressly authorized by the Board. This Manual is not a guarantee, expressed or implied, of continued employment for any specific duration. These policies are intended to be in compliance with applicable law and should be interpreted as such.

MWDOC reserves the right to make changes to this Personnel Manual and to any employment policy, practice, work rule, or benefit, at any time without prior notice. Except as otherwise provided in this Personnel Manual, no one has the authority to make any promise or commitment contrary to what is in this Personnel Manual. Employees are responsible for knowing about and understanding those changes once they have been disseminated. MWDOC also reserves the right to interpret the provisions of this Manual. For this reason, employees should check with the Human Resources to obtain information regarding specific employment guidelines, practices, policies, or procedures.

In addition, this Personnel Manual is not intended to cover all possible situations that may arise in your employment relationship with MWDOC. This Personnel Manual is the property of MWDOC, and it is intended for the personal use and reference by employees of MWDOC.

This Personnel Manual is designed to help employees get acquainted with MWDOC. It describes some of the basic terms and conditions of employment with MWDOC.

Employees should sign the acknowledgement form at the back of this Personnel Manual, tear it out, and return it to Human Resources. This will provide MWDOC with a record that each employee has received this Personnel Manual.

1600 THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)

The Municipal Water District of Orange County (MWDOC) was formed by Orange County voters in 1951 under the Municipal Water District Act of 1911. Today, MWDOC is Metropolitan Water District of Southern California's (MET's) third largest member agency, providing and managing the imported water supplies used by over 2-million residents in Orange County.

The Municipal Water District of Orange County (MWDOC) is an independent public water agency that serves Orange County's regional imported water wholesaler. Our efforts focus on sound planning and appropriate investments in water supply development, water reliability, water resources management, and water use efficiency, public information, legislative advocacy, water education, and emergency preparedness. MWDOC's service area covers all of Orange County, with the exception of the cities of Anaheim, Fullerton and Santa Ana. We serve Orange County through 28 member agencies who in turn provide water to the public.

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

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

2000 RULES & DEFINITIONS

2100-2310

2100 EMPLOYMENT

The Municipal Water District of Orange County is an at-will employer and as such, employment with the District is without a specified term and may be terminated at the will of either the District or the employee, with or without cause and with or without prior notice to the other. Employees of the District are not entitled to due process procedures, hearings, or any so-called Skelly rights related to their employment. This policy of employment at-will can be changed only in a formal written contract signed by the employee and an authorized representative of the Board of Directors. No other representative of the District has any authority to make any agreement contrary to the foregoing.

2101 SELECTION OF EMPLOYEES

All persons considered for employment with the Municipal Water District of Orange County must be qualified to perform the duties of the position for which they are employed. Employees in certain classifications, after receiving a conditional offer of employment, will be required to complete a pre-employment job-related medical examination consistent with business necessity and, based on the safety sensitive nature of their job duties, a pre-employment drug screening before reporting for work. All employees shall be required to affirm Section 3, Article 20, first paragraph of the Oath of Allegiance pursuant to State law.

As required by law, all new employees must provide necessary documentation to prove identity and the right to work in the United States in accordance with federal and state laws. Failure to provide such documentation in a timely manner will result in disqualification from selection and is grounds for immediate termination.

2102 INTRODUCTORY PERIOD

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

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

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

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

2103 REGULAR FULL-TIME EMPLOYEES

An employee who has satisfactorily served the required six-month introductory period, who is regularly scheduled to work at least 32 hours per week in an established position on a regular basis is considered a regular full-time employee. Such employees are eligible for full benefits as provided herein; although, benefits as required by law shall be provided consistent with the requirements of the law.

Regular full-time employees who have worked less-than 40 hours per week (i.e. 32 to 39 hours per week) on a regular basis accrue paid leaves predicated on the number of hours worked and are eligible for holiday pay on a pro-rated basis, only if the holiday falls on a regularly scheduled workday.

No employee hired to work a 40-hour workweek can reduce their work schedule without written approval of the General Manager.

2104 REGULAR PART-TIME EMPLOYEES

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

2105 TEMPORARY EMPLOYEES

An employee serving in a position in which the requirements of the services performed are of a temporary nature shall be classified as a temporary employee for a period not to exceed twelve months. This classification includes, but is not limited to, personnel employed for seasonal peak workloads, emergency extra workloads, necessary vacation or leave of absence relief, or special investigative study workloads. Temporary employees are not eligible for any benefits other than those mandated by law.

2106 LIMITED-TERM EMPLOYEES

A limited-term employee is an individual who is temporarily employed by entering into an employment contract for a specified period of time as approved by the Board of Directors. Limited-term employees are eligible for benefits as provided for in the employment contract. All limited-term employment contracts and renewals require Board approval.

2107 INTERNS

The District's Internship Program is designed to meet specific limited-term organizational needs while providing meaningful training and work experience for college students pursuing academic studies. The District will recruit and hire interns based on authorized budget expenditures and a specific purpose, program and project in accordance with the District's strategic goals and objectives and in accordance with the intern policy guidelines. Interns may be employed for a period of up to six months after their graduation. Interns are not eligible for benefits except as required by law. An intern's pay rate is established based on the District's classification schedule and in accordance with their level in college. Upon completion of one year, interns may be eligible for a pay increase based on the recommendation of their supervisor or department head upon the discretionary approval of the General Manager. Interns are not eligible for merit increases on the same basis as regular full-time and part-time employees.

For employees that transition from Part-Time, Temporary, Limited-Term or Intern status to Full-Time, the actual date of hire to Full-Time status will be the anniversary date for computation of leave accruals. Benefits will go into effect in accordance with the policies of the Benefits Administrator.

2200 WORK HOURS, WORKWEEK AND OVERTIME

2201 WORKWEEK

The legal definition of a workweek, as defined pursuant to the Fair Labor Standards Act (FLSA) is any consecutive 168-hour (equivalent to 7 days) period. For purposes of defining the legal workweek, the official workweek for all employees on a standard schedule shall begin at 12:01 a.m. each Monday and end at Midnight the following Sunday.

For all employees working a 9/80 work schedule, their legal workweek shall begin exactly four hours into the 8-hour shift on the day of the week which constitutes their alternating regular day off. 9/80 employees should note that their timesheets will reflect the District's pay period and not the legal workweek for overtime calculations.

2202 REST PERIODS

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

2203 LUNCH PERIODS

Lunch periods are unpaid and shall be staggered to permit the office to remain open during the lunch period. Any employee who works for at least five (5) hours in a work day is required to take a thirty (30) minute lunch within the first five (5) hours of work, and employees who work more than ten (10) hours in one day are eligible for a second meal period. An employee who works less than six (6) total hours in a day may waive such unpaid meal period. All other employees must take a thirty (30) minute lunch break within the first five (5) hours of the workday. Meal periods shall be duty-free with no restrictions placed on such periods.

2204 RECORD OF WORK HOURS

All employees must record their time worked on a standard electronic time sheet for payroll purposes. Each employee is responsible for the daily recording of all time worked and reported as sick, vacation, etc., and allocate the hours to the appropriate time codes. Timesheets are to be submitted electronically by 10:00 a.m. every Monday, unless requested earlier. Employees are responsible for reviewing their time records and confirming that their paychecks accurately reflect the actual hours worked. Supervisors are also responsible for reviewing all time records submitted by subordinates. An employee must report time sheet or paycheck errors immediately in writing to the Human Resources. Any pay correction will be included in the pay period for the time period in which the correction occurred, unless otherwise stated at the time of the correction.

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

2205 OVERTIME

As a governmental agency, the District is obligated to be in compliance with the requirements of the federal Fair Labor Standards Act (FLSA), and it shall be applied to all employees as defined as Exempt and Non-Exempt (See Appendix "A"). The FLSA does not require overtime to be paid for hours worked over eight in a day. FLSA overtime is required only when the work actually performed exceeds 40 hours in the legal workweek – defined as a consecutive 168 hour period. For employees working a 9/80 work schedule, their workweek shall begin exactly four hours into their eight hour shift on the day of the week which constitutes their alternating regular day off. Contact Human Resources if you have questions regarding the calculation of overtime. Non-Exempt employees can accrue a maximum of 40 hours of compensatory time. Overtime must be approved by the Supervisor prior to working. However, all overtime hours in excess of the allowable maximum will be paid, regardless of prior approval.

For purposes of defining overtime, employees are identified by the following two categories:

2205.1 Non-exempt employee

Any employee may be directed to work in excess of the regular workday by the General Manager or their supervisor. The District will pay all Non-Exempt employees at the rate of one and a half times the regular rate of pay for all hours physically worked in excess of 40 in a workweek. Because paid leave hours (vacation, holiday, sick leave, bereavement leave, jury duty, etc.) do not constitute hours actually worked, they will not be included when assessing overall hours in a workweek in the overtime calculation. Non-exempt employees shall receive cash reimbursement or Compensatory Time Off (CTO) accrual. Maximum total accrued for any eligible employee shall not exceed forty hours.

2205.2 Exempt employee

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

Exempt employees shall not be subject to docking of pay for absences of less than a full day, except as provided by law. However, pursuant to District's sick leave policy, sick leave balances will be charged for absences greater than four hours in a work day.

2206 PAYMENT OF OVERTIME IN EVENT OF SEPARATION

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

2207 MAKE-UP TIME

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

2208 HOLIDAY TIME

An employee may be required to work on a holiday, if approved at the discretion of the General Manager. Any employee working on a District-recognized holiday will be compensated at the employee's hourly rate in addition to any holiday pay he or she may otherwise receive. See the District Holiday policy section.

2209 TELECOMMUTING

Employees are required to perform their job responsibilities at the District office unless their job duties require them to perform work at a location outside of the District office. An employee requesting to work from home or another location to perform their normal work duties must seek final approval from the General Manager.

2300 PAY PRACTICES

2301 PAYDAYS

District paydays will be every two calendar weeks. Paychecks will be inclusive of pay for all hours in the two preceding calendar weeks. In the event a payday falls on a holiday, the direct deposit or paycheck will be distributed on the day prior to the holiday.

2302 PAYROLL DEDUCTIONS

Payroll deductions are taken from the pay of all employees in compliance with all mandated state and federal laws based on employee's earnings, marital status, and number of exemptions claimed. Payroll deductions also include required pension and health and welfare benefits and employee voluntary contributions. Garnishments will be applied only as required by law. Employees hired after April 1, 1986 are required to contribute to Medicare and payroll deductions are made accordingly.

2303 COMPENSATION AND BENEFITS SURVEYS AND PAY STRUCTURE ADJUSTMENTS

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

Human Resources shall conduct a planned pay structure adjustment survey in November of each year of the direct labor market agencies to determine the percentage

adjustment to the Pay Structure ranges for the upcoming fiscal year to go into effect July 1.

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

2304 ANNUAL MERIT INCREASES

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

2305 MERIT GUIDELINES

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

2306 PERFORMANCE APPRAISAL

The purposes of the performance appraisal process is to provide employees with an understanding of personal goals, reasonable standards of performance and timely feedback to facilitate professional improvement. The emphasis is on growth and improvement with coaching to modify behavior instead of corrective or disciplinary actions. This is a two-way communication process between the employee and supervisor and a collaborative engagement based on past performance but focused on future actions. The performance appraisal can result in the development of Performance Improvement Plans.

Newly hired or promoted employees will be appraised at six months from date of hire or position. Thereafter, performance will be appraised annually during the months of June and July, consistent with the timing of the annual merit increase process. Managers will meet with employees during the year to review the performance appraisal and assess performance and progress. Communication should be frequent and frank.

2307 PERFORMANCE CRITERIA AND DEFINITIONS

Performance criteria should be tied to specific employee goals and serve to provide ongoing feedback throughout the fiscal year. While the District reserves the right to modify the performance criteria, an example criteria framework includes:

- 1 = Unsatisfactory. Performance is below job requirements and level expected and it appears the employee is either unwilling or unable to perform successfully.
- 2 = Needs Improvement. Performance meets some, but not all job requirements. Improvement is needed to meet requirements. Employee has potential for successful performance.
- 3 = Successful. Performance meets job requirements. Overall performance has been at the level expected for the position.
- 4 = Exceeds Expectations. Performance consistently meets and frequently exceeds some job requirements.

2308 MERIT INCREASE PROCEDURES

Merit increases become effective the first full pay period following July 1. Employees, with the exception of the General Manager, with a minimum of six full calendar months of employment with the District may be eligible for merit increase consideration. Merit increases, within the established salary ranges, are not automatic, but will be granted based, in part, upon employee performance and budgetary considerations, as determined by the General Manager.

Merit increases will be granted within the established Salary Range only. If an employee has reached the maximum rate of the Salary Range, the employee's salary shall be frozen (remain unchanged) until such time that the Board of Directors approves a salary range adjustment that would result in the employee's pay rate being less than the range maximum. In the event that the employee is paid at the maximum rate of the salary range any additional compensation that is paid would be at the General Manager's discretion to grant in the form of a lump sum performance payment in accordance with the merit increase guidelines.

2309 PROMOTIONS

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

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

2310 POSITION RECLASSIFICATION

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

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

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

3000 BENEFITS

3000 - 3706

3100 EMPLOYEE BENEFITS

3101 VACATION

In order to realize the full benefit and purpose of a vacation policy, employees are encouraged to take at least a portion of their annual earned vacation time off each year, in a block of time preferably five consecutive working days. The scheduling of an employee's vacation time or the extension of accrued vacation beyond the designated 12-month accrual period will be at the discretion of the General Manager based on the needs of the District.

3101.1 Accrual Rate

Regular full-time employees working 40 hours per week shall earn vacation time off with pay in accordance with the following schedule. Employees working less than 40 hours a week but more than 32 hours per week, shall accrue vacation on a prorated basis. Part-time employees who later convert to full-time employees will begin to accrue vacation time beginning on the date of their full-time status. No vacation credit will be earned during any pay period an employee is absent without pay. Regular full-time employees who are temporarily working part-time may accrue vacation leave on a prorated basis, at the District's discretion. When an approved holiday falls within a vacation period, an employee, on vacation shall be entitled to the holiday and will not be required to use vacation hours that day.

<u>Years of Service</u>	<u>Hours Earned Biweekly</u>	<u>Yearly Equivalent</u>
Beginning with 1 st Year	3.08	80 Hours
Beginning with 4 th Year	4.62	120 Hours
Beginning with 11 th Year	5.23	136 Hours
Beginning with 15 th Year	6.15	160 hours
Beginning with 20 th Year	6.46	168 hours

3101.2 Accrual Cap

Once an employee's vacation accrual reaches twice his or her yearly annual accrual rate, the employee shall cease being eligible to accrue further vacation until such time as the accrual drops back below that figure. The General Manager maintains discretion to approve the raising of the accrual cap or authorize partial payout of accrued amounts to reduce below the maximum accrual. Unused vacation will be paid out to an employee, or his or her designated beneficiary, at the time he or she separates from employment based on the individual's then-current rate of pay.

3102 HOLIDAYS

All eligible regular full-time employees are granted the following paid holidays (total of 11 days/88 hours). In order to be entitled to holiday pay, an employee must be eligible for full pay for the scheduled workday both before and after said paid holiday. The following dates are recognized District holidays:

New Year's Day	January 1
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving	4 th Thursday in November
Day after Thanksgiving	4 th Friday in November
Christmas Eve	December 24
Christmas Day	December 25
One Floating Holiday	Designated by the employee each year

The granting of holiday pay does not guarantee any employee the day off. The General Manager may elect to maintain a minimum staff on any holiday.

3103 HOLIDAYS OCCURRING ON A DATE SCHEDULED OFF

When a paid holiday falls on a Sunday, the following Monday shall be deemed the holiday. When a paid holiday falls on a Saturday, the preceding Friday shall be deemed the paid holiday. When a paid holiday falls on an employee's scheduled day off per the modified work week schedule, the employee will receive eight hours of CTO accrual in lieu of the following day off.

If the floating holiday is not used within the calendar year it will be credited to the employee's CTO or vacation accrual.

3104 EMPLOYEE ASSISTANCE PROGRAM (EAP)

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

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

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

Please contact Human Resources for additional information.

3105 EMPLOYEE RECOGNITION PROGRAMS

3105.1 Service Awards

The Service Award Program is designed to formally recognize all regular full and part-time employees for continuous years of dedicated service with the District. Employees will be formally recognized at completion of five-years of service and at five-year increments thereafter. Following completion of the required years of service, a certificate will be presented to the employee at the Board meeting during the employee's anniversary month.

At completion of five years, the employee will be granted one compensation day (8 hours) to be used within the following 12 months. At completion of ten years and every five years thereafter, the employee will be granted two compensation days (16 hours) to be used within the following 12 months. These compensation days will be allocated to CTO or vacation accrual if not used within the 12 month period.

3105.2 Employee/Team Excellence

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

Recipient/s will receive recognition at either a District Staff meeting or Regular Board Meeting by way of an Outstanding Performance Certificate and either a gift card or check up to a maximum of \$200 for individuals, and larger awards to departments or groups, as determined by the General Manager. Based upon the act or accomplishment, the General Manager may grant a special award of up to \$1,000. Award amounts over \$25 are taxable in accordance with IRS guidelines.

3200 LEAVE PROVISIONS

3201 PAID SICK LEAVE

Paid sick leave is granted as a benefit to eligible regular, full-time employees to be used for illness or injury. It is not to be used as vacation or an earned right to time off from work. Eligible employees are entitled to use this sick leave following completion of thirty days of employment. Employees on sick leave will be paid from their accumulated sick

leave hours. For absences of five working days or more, a request for leave and/or a medical certification, stating expected date of return, must be submitted to Human Resources. Upon return to work, a written doctor's release must be submitted to Human Resources. Sick leave may also be used to attend to the illness or injury, or due to medical and dental office appointments, of an employee's immediate family member. For purposes of this section, immediate family member shall mean the employee's spouse, child, parent, registered domestic partner or any family member with whom the employee resides, biological or foster children, stepchildren and stepparents, legal wards and guardians, children of domestic partners, siblings, parent-in-law, and grandparents.

3201.1 Method of Accrual

Regular, eligible full-time employees working 40 hours per week shall accrue 3.69 hours (equivalent to 96 hours per year) of sick leave with pay for each biweekly pay period of service. Eligible employees working less-than 40 hours per week shall accrue sick leave on a prorated basis. An employee on leave of absence without pay shall earn no sick leave during the absence without pay. Employees on a leave of absence and or temporarily working part-time due to a medical disability shall accrue sick leave on a prorated basis, based on the number of hours actually worked (see section under Disability for clarification of use while on disability leave). Employees are required to allocate the number of hours to sick time accordingly on their electronic time sheet.

3201.2 Maximum Accrual

A maximum of 488 hours of sick leave may be accumulated. Any non-exempt employee accumulating sick leave in excess of 488 hours will be cashed out for those excess sick leave hours on the first check of each September at the rate expressed in the chart below; thereafter, the employee's leave accrual will be reduced down to the 488 hour maximum. Exempt employees, on the other hand, will have their sick leave accrual capped at 488 hours, and will cease to be eligible for sick leave accrual until such time as their sick leave accrual drops back below 488 hours. Employees will not be paid for any accrued but unused sick leave upon termination of employment.

Hours of sick leave used in preceding 12
months excess from July 1 to June 30

Cash out of hours in of 488

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

3201.3 Partial Day Absence

Exempt employees shall be required to use sick leave to cover any absence of four hours or greater on a regular work day. Non-Exempt employees shall use sick leave to cover any absence in in one-half hour increments.

Upon request, the employee may utilize paid vacation time in lieu of sick leave, at the discretionary approval of the District.

3202 MANDATORY PAID SICK LEAVE

Employees who are not otherwise provided paid sick leave are entitled to sick leave as required by the Healthy Workplaces/Healthy Families Act of 2014 Paid Sick Leave. Any non-exempt employee not otherwise provided paid sick leave pursuant to the District's policy or practice shall be entitled to paid sick leave pursuant to this policy, as follows

An employee qualifies to accrue paid sick leave under this policy upon the start of the employee's employment. An employee shall be entitled to use any accrued and available paid sick leave as of the 90th day of employment. Eligible employees shall accrue paid sick leave at the rate of one hour for every 30 hours worked, not to exceed six days (48 hours). Once the employee accrues six days of sick leave, accrual will cease until the employee uses leave and brings his or her accrual balance below six days. Accrued but unused sick leave shall carry over year to year. Employees are not entitled to any pay out of sick leave accrual upon separation from employment; although if an employee is re-hired within a year, the previously accrued but unused sick leave will be reinstated.

Leave may be used for any purpose where sick leave is otherwise typically used at the District, including but not limited to the diagnosis, care, or treatment of an existing health condition of, or preventive care for the employee or the employee's family member. An employee who is a victim of domestic violence, sexual assault, or stalking, may also use this leave to: (1) attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child; (2) seek medical attention for injuries caused by domestic violence, sexual assault, or stalking; (3) obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking; (4) obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; or (5) participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable.

3203 BEREAVEMENT LEAVE

In the event of death of a member of an employee's immediate family (spouse, registered domestic partner, child, step-child, parent, step-parent, brother, sister, step-brother, step-sister, grandparent, grandchild, father-in-law, or mother-in-law, or any family member with whom the employee resides, foster children, legal wards and guardians, children of domestic partners), regular full-time employees are eligible to

take up to three days with pay in any one instance to arrange for or attend a funeral of a member of their immediate family. This benefit is effective immediately upon employment. Employees are to allocate the number of hours to Bereavement Leave accordingly on their electronic time sheet.

3204 SERIOUS FAMILY ILLNESS LEAVE

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

3205 JURY OR WITNESS DUTY LEAVE

Jury Duty is considered an excused absence. Any regular, full-time employee of the District who is called or required to serve as a trial juror or witness will be excused from work during the period of such service or while present in court as a result of such a call. Eligible full-time employees required to serve as jurors are granted jury duty leave with pay, less any fees paid to them by the court, except mileage up to a maximum period of thirty (30) working days. Employees serving on a jury exceeding the thirty (30) day period shall do so without pay. This benefit is effective immediately upon employment. An employee serving jury duty must obtain an attendance slip from the court and submit it to the accounting department in order to be eligible for pay for those hours. Employees are to allocate the number of hours to Jury Duty Leave accordingly on their electronic time sheet. Any employee relieved from jury duty after less than 3 hours shall report to work unless impracticable because of travel time. If the employee is unable to return to work, time will be taken as unpaid, or vacation or compensatory time.

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

3206 DISABILITY LEAVE

3206.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages

when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. Use of sick leave accruals may be coordinated with the SDI benefit to make up the difference between disability benefits and an employee's regular pay. In cases where there is not sufficient sick leave to make up the difference, an employee may elect to use vacation and/or compensatory time off to supplement the difference. The program is administered by the EDD, and employees should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3206.2 Long-Term Disability leave

Long term disability insurance (LTD) is an insurance policy that provides partial income replacement in the event that an employee is unable to work due to illness, injury, or accident for an extended period of time. All regular, full-time employees are eligible for long-term disability insurance per the terms of the insurance policy in force. See Human Resources for a complete outline of coverage, exclusions, and policy information. An employee receiving long-term disability benefits may elect to apply accrued earned leave time to make up the difference between disability benefits received and the employee's regular salary

3206.3 Employee Filing Requirements

It is the employee's responsibility to file for disability insurance benefits as soon as possible in order to eliminate undue delay in the receipt of their disability pay. See Human Resources on where to obtain the appropriate forms.

3206.4 Verification of Disability

Employees are required to provide Human Resources with a certification of disability from a licensed physician within fifteen days of the District's request for such certification. The employee may be asked to provide re-certifications as allowed by law.

3206.5 Employee Benefits While on Disability Leave

Employees on an authorized medical leave of absence without pay may continue disability, health, and life coverage for a period in which the leave is protected by law, during which time the employee will continue to pay his or her portion of the benefits premium. Where the leave is not protected by law, the employee may continue such coverage upon the District's approval for a period of no more than four months, during which time the employee will continue to pay his or her portion of the benefits premium.

The employee's failure to pay his or her portion of the benefit premium may subject the employee to loss of coverage. Upon return to work, the employee will become eligible to have coverage reinstated in accordance with the terms of agreement with the carriers then in effect.

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

3207 FAMILY/MEDICAL LEAVE OF ABSENCE (FMLA/CFRA) CALIFORNIA & FEDERAL FAMILY MEDICAL LEAVE

In accordance with the Federal Family and Medical Leave Act ("FMLA"), the FMLA's Service member leave provisions ("Service member FMLA"), and the California Family Rights Act ("CFRA"), the District has adopted the following Policy regarding the rights and responsibilities of employees absent for a family leave purpose. This Policy shall supersede the provisions of any District policy, practice, rule or procedure to the extent that such policy, practice, rule or procedure is in conflict or inconsistent with this Policy.

3207.1 Purpose of the Leave

In accordance with the CFRA, FMLA, Service member FMLA and this Policy, the District shall provide up to twelve (12) work weeks of CFRA or FMLA leave in a 12-month period to any "eligible employee" who requests leave for any of the following purposes:

- The birth or adoption of a child by the employee or placement of a child in foster care with the employee (all family leave taken for one of these purposes must be concluded within one year of the event);
- To care for a child, parent, spouse or registered domestic partner of the employee who has a serious health condition;
- For an employee's own serious health condition which makes the employee unable to perform the essential functions of the employee's position; or
- For the care of a covered family member's injuries or exigencies stemming from qualifying service in the Armed Forces as provided for under the Service member FMLA's provisions.

3207.2 Eligibility

Employees are eligible for family leave if, at the time leave commences, all of the following apply:

- The employee must have at least 12 months (not necessarily consecutive months) of service with the District;
- The employee must have worked at least 1,250 hours during the 12 months immediately prior to the period of FMLA, Service member FMLA or CFRA leave; and

- As of the date of the employee's leave request, the District employs at least 50 full- or part-time employees at the employee's worksite or within 75 road miles of the employee's worksite.

3207.3 Special Rules for Pregnancy Disability Leave

The right to take CFRA leave is separate and distinct from the right to take a pregnancy disability leave. In other words, leave taken by an employee disabled by pregnancy, childbirth or related medical conditions is not family leave under the CFRA, even though it may be FMLA leave.

In light of the above, the District may require that pregnancy disability and FMLA leave run concurrently (hereinafter "pregnancy disability/FMLA leave"), but CFRA leave can never run concurrently with a pregnancy disability leave. This means that, at the end of the employee's period(s) of pregnancy disability or pregnancy disability/FMLA leave, whichever occurs first, a CFRA eligible employee may take up to 12 workweeks of CFRA leave due to the birth of her child or for other family leave purposes.

Where an employee has exhausted her entitlement to pregnancy disability/FMLA leave prior to the birth of her child, and her health care provider certifies that continued leave is medically necessary, the District may, but is not required to, allow the employee to utilize CFRA leave prior to the birth of her child.

The maximum combined leave entitlement for pregnancy disability, FMLA and CFRA leave for the birth of a child is four months and 12 workweeks. This assumes that the employee has exhausted all four months of pregnancy disability leave; she exhausted her entitlement to up to 12 weeks of FMLA leave during the period of pregnancy disability leave; and the employee requested and was eligible for a 12 week CFRA leave following the birth of her child.

For more information regarding rights to pregnancy disability leave contact the Human Resources Department.

3207.4 Special Rules Regarding Employment of Spouses

Where CFRA and FMLA leave are running concurrently, and both the "husband and wife" are employed by the District, their combined entitlement to CFRA/FMLA leave for the birth or adoption of a child by the employees or placement of a child in foster care with the employees shall be limited to twelve (12) workweeks in a 12-month period between the husband and wife. Where CFRA leave is running separate and apart from FMLA leave (such as following a pregnancy disability/FMLA leave), and both "parents" are employed by the District, their combined entitlement to CFRA leave for the birth, adoption or foster care placement of their child shall be limited to twelve (12) workweeks in a twelve (12) month period between the two parents. This provision applies to the parents of the child, regardless of their marital status. The provisions above do not affect the employees' right to use any remaining CFRA or FMLA leave for any other qualifying purpose(s).

3207.5 Calculating the 12-month Period

For the purpose of this Policy, “12-month period” shall mean a 12-month period measured backward from the date employee first uses family leave. The District uses a “backward rolling” calculation.

3207.6 Notice Requirements

The employee, or a representative for the employee (e.g., spouse, adult family member, or other responsible party), must notify Human Resources, preferably in writing, as soon as it becomes apparent that the employee will be needing leave for a family leave purpose.

Employees must provide at least 30 calendar days advance notice before leave is to begin if the need for leave is foreseeable, or notice as soon as practicable under the circumstances.

The employee must consult with his or her supervisor regarding the need for a leave and must make a reasonable effort to schedule any planned medical treatment or supervision so as to minimize disruption of District operations. Actual scheduling is, however, subject to the approval of the patient’s health care provider.

Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until the employee complies with these provisions. However, the District shall not deny a leave, the need for which is an emergency or is otherwise unforeseeable, on the basis that the employee did not provide advance notice of the need for the leave.

Where leave is requested on the basis of a serious health condition affecting an employee’s family member, the District may require evidence of the family relationship.

3207.7 District Determination and Notification

It is up to the District to designate leave, paid or unpaid, as CFRA or CFRA/FMLA leave based on information provided by the employee or the employee’s representative.

In the event that the District determines that a leave of absence is for a FMLA/CFRA family leave purpose, the District shall, within two business days, if feasible, notify the employee in writing of its determination that the leave constitutes FMLA or CFRA leave.

Where CFRA leave is running separate and apart from FMLA leave (such as following a pregnancy disability/FMLA leave), the District shall respond to the leave request as soon as possible and, in any event, no later than 10 calendar days after receiving the request. Once given, approval of CFRA leave shall be deemed retroactive to the first day of the leave.

The District’s written notice to the employee shall, among other things:

- Specify the obligations of the employee while on family leave and explain the consequences of a failure to meet these obligations;

- Provide notice to the employee in the event that a period of paid leave is to be counted as family leave;
- Provide notice to the employee in the event that the District requires paid leave to be substituted for unpaid leave.

Where the employee fails to provide sufficient information until after the leave commenced, the District may make a preliminary determination that the employee's absence is for a family leave purpose, subject to later confirmation by medical certification.

If either the District or the employee designate an absence as family leave after the leave of absence has begun, such as when an employee advises the District during the leave of absence or after his/her return to work that the entire leave of absence or any part of it was for a family leave purpose, that portion of the leave period which was for a family leave purpose may be retroactively counted as family leave.

If the employee fails to advise the District that a leave of absence was for a family leave purpose either before, during or within two days after he/she returns to work, the employee will not be able to assert the protections of the family leave laws for the leave of absence.

Any dispute between the District and an employee as to whether paid leave qualifies as family leave should be resolved through discussions between the employee and Human Resources.

3207.8 Medical Certification

An employee's request for leave due to a serious health condition affecting the employee or the employee's child, parent or spouse must be supported by a medical certification issued by the health care provider of the individual requiring care.

For leave to care for the employee's child, parent, or spouse, this certification need not identify the serious health condition involved, but shall contain.

- The date, if known, on which the serious health condition commenced;
- The probable duration of the condition;
- An estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent or spouse; and
- A statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent or spouse.

For leave to care for the employee's own serious health condition, this certification need not, but may, at the employee's option, identify the serious health condition involved. It shall contain:

- The date, if known, on which the serious health condition commenced;
- The probable duration of the condition; and

- A statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of his or her position.

This type of medical certification is not required where leave is requested for the birth, adoption or placement of a child in foster care with the employee. (However, the District may request written verification of family relationship for the birth, adoption or placement of a child in foster care with the employee).

Medical certification must be provided within 15 calendar days of the District's request and generally prior to the commencement of a foreseeable leave of absence, unless it is not practicable to do so despite the employee's diligent, good faith efforts to do so.

With regard to leave due to the employee's own serious health condition:

- Where the District has reason to doubt the validity of the employee's medical certification, the District may require, at the District's expense, that the employee obtain a second medical opinion from a health care provider designated by the District and who is not regularly used by the District; and
- Where the second opinion differs from the first, the District may require that the employee obtain a third and binding medical opinion, again at the District's expense, from a health care provider designated or approved jointly by the District and the employee.

The District may require recertification only where additional leave is requested.

The District may also require certification at the time the employee seeks reinstatement from family leave due to the employee's own serious health condition that the employee is fit for duty and able to return to work.

3207.9 Minimum Period of Leave

Leave may be taken in one or more periods and does not have to cover a continuous period of time.

Where leave is taken due to the serious health condition of the employee or his/her parent, child or spouse, the minimum leave increment shall be the shortest period of time the District's payroll system uses to account for absences or use of leave.

Where CFRA leave is running separate and apart from FMLA leave (such as CFRA leave following pregnancy disability/FMLA leave), the minimum duration for leave taken in connection with the birth, adoption or foster care placement of a child is two weeks, except that the District shall grant a request for CFRA leave of less than two weeks on any two occasions during the one year period following the birth or placement of the child with the employee.

3207.10 Substitution of Leave

The District may require that sick leave be used to provide pay during any period of otherwise unpaid family leave due to the employee's own serious health condition. Sick leave may also be used in connection with family leave taken for other purposes in accordance with applicable District Policy (ies), California Labor Code section 233, and upon the mutual agreement of the District and the employee. The District may require that vacation and other accrued time off (other than sick leave and compensatory time off) be used for any family leave qualifying event other than pregnancy disability leave. Where pregnancy disability leave and FMLA leave are running concurrently, accrued vacation or compensatory time may be used at the employee's option. CFRA and FMLA leave may also run concurrently with a leave of absence covered by workers' compensation or temporary disability. Upon reinstatement, all employee benefits will be resumed without any new qualification period, physical examination or exclusion of preexisting conditions.

3207.11 Reinstatement

Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated to the same or a comparable position by the date agreed upon. If the reinstatement date differs from the District's and employee's original agreement, the employee will be reinstated to the same or a comparable position within two business days, where feasible, after the employee notifies the District of his or her readiness to return. The employee's use of family leave may not result in the loss of any employment benefit that the employee earned or was entitled to before going on family leave. Upon reinstatement, all employee benefits will be resumed without any new qualification period, physical examination or exclusion of preexisting conditions.

3207.12 Denial of Reinstatement

An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during family leave. For example, if an employee is laid off while on family leave, the District's responsibility to maintain group health plan benefits and reinstate the employee ceases at the time the employee is laid off.

The District may also deny reinstatement to:

- An employee who gives notice that he or she no longer desires to return to employment with the District;
- An employee who fails to provide certification that he or she is fit for duty and able to return to work after taking family leave based on the employee's own serious health condition; or
- A salaried "key employee" who is among the highest-paid 10% of employees employed within 75 road miles of the employee's worksite, if:
- It is necessary to prevent substantial grievous economic injury to the operations of the District,

- Notice is given to the employee at the time of the leave request that the District will grant the leave request, but that the District may deny reinstatement, and
- The employee is given a reasonable opportunity to return to employment after receiving such notice, but elects not to return, or
- After the leave expires, the employee requests reinstatement, and the District makes a determination at the time of the reinstatement request and notifies the employee of its determination that reinstatement would cause substantial grievous economic injury to the operations of the District.

3208 SERVICEMEMBER FAMILY & MEDICAL LEAVE

The federal Family and Medical Leave Act (FMLA) entitles eligible employees to take leave for a covered family member's service in the Armed Forces. This Policy supplements our FMLA Policy and provides general notice of employee rights to this leave. Except as stated below, such rights and obligations for Service member FMLA are governed by our existing FMLA Policy. Service member FMLA runs concurrent with other leave entitlements provided under federal, state and local law.

3208.1 Entitlement to Service member FMLA

Service member FMLA provides eligible employees unpaid leave for any one, or combination, of the following reasons:

- A 'Qualifying Exigency' arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan: or
- To care for a covered family member who has incurred an injury or illness while in the Armed Forces provided that such injury or illness renders the family member medically unfit to perform duties of the member's office, grade, rank or rating and is certified by the service member's health care provider.

3208.2 Duration of Service member FMLA

(1) When leave is due because of a 'Qualified Exigency' concerning the military duty of a family member: an eligible employee may take up to 12 workweeks of leave during any 12-month period. (2) When leave is to care for an injured or ill service member: an eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 workweeks in a single 12-month period. (3) Where spouses are both employed by the District, they may take up to, in aggregate, 26 workweeks of service member FMLA, provided that any portion of the aggregate leave that is not for care of a family service member does not exceed 12 workweeks.

3208.3 Notice of Intent to take Service member FMLA

In any case where it is foreseeable that an employee will need service member FMLA, that employee must provide notice of his or her intent to take leave as soon as reasonably possible and provide certification of either the 'qualified exigency' or family service member's need for care as soon as practicable.

3209 PREGNANCY DISABILITY LEAVE

Any employee who is disabled by pregnancy, childbirth, or related conditions may take a Pregnancy-Related Disability leave for the period of actual disability of up to four months, in addition to any family care or medical leave to which the employee may be entitled. Pregnancy-Related Disability Leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the District with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

3209.1 Substitution of Paid Leave for Pregnancy-Related Disability Leave

An employee taking Pregnancy-Related Disability Leave must substitute any available sick pay for her leave and may, at her option, substitute any accrued vacation time for her leave. The substitution of paid leave for Pregnancy-Related Disability Leave does not extend the total duration of the leave to which an employee is entitled.

3209.2 Leave's Effect on Benefits

During a Pregnancy-Related Disability Leave, the District will continue to pay for the employee's participation in the District's group health plans, to the same extent and under the same terms and conditions as would apply had the employee continued in employment continuously for the leave period.

Thus, the employee must continue to pay his or her share of the health plan premiums during the leave. If paid sick leave is substituted for any portion of the leave that is unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the District for the payment of such premiums.

The District may recover from the employee the premiums that the District paid to maintain coverage for the employee under the group health plan if the employee fails to return from leave after the period of leave has expired and the employee's failure to return is for a reason other than: (i) the employee is taking (i.e., has transitioned over to) leave under the California Family Rights Act, unless the employee chooses not to return after the CFRA leave, in which case the District can recover such premiums; (ii) the continuation, recurrence, or onset of a health condition that entitles the employee to Pregnancy-Related Disability Leave, unless the employee chooses not to return after the Pregnancy-Related Disability Leave, in which case the District can recover such premiums; (iii) non-pregnancy related medical conditions requiring further leave, unless the employee chooses not to return to work following the leave, in which case the

District can recover such premiums, or (iv) other circumstances beyond the employee's control.

It is the District's policy that, similar to other unpaid leaves, during any unpaid portion of a Pregnancy-Disability Leave, employees will accrue employment benefits, such as sick leave and vacation leave, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Employee benefits may be continued during the unpaid portion of the Pregnancy-Disability Leave according to the provisions of the District's various employee benefit plans.

3209.3 Return to Work Certification

Consistent with the District's practice for other employees returning from a disability leave for reasons other than pregnancy, the District requires that an employee returning from Pregnancy-Related Disability Leave provide a release to return to work from her healthcare provider stating she is able to resume her original job or duties.

3209.4 Leave's Effect on Reinstatement

Employees returning from Pregnancy-Related Disability Leave generally are entitled to be reinstated in the same position, subject to certain conditions, and consistent with applicable law.

3210 NEW PARENT LEAVE

Eligible employees who are not subject to both the federal FMLA and California CFRA may take new parent leave under California's New Parent Leave Act to bond with a new child within one year of the child's birth, adoption, or foster care placement, under the circumstances set forth below. Employees should direct any questions to Human Resources.

3210.1 Eligibility

To be eligible for New Parent Leave, employees must (1) have more than 12 months of service with the District during the 12-month period prior to the date on which the leave is to commence; (2) have at least 1,250 hours of service with the District during the previous 12-month period; and (3) work at a worksite in which the District employs at least 20 employees within 75 miles.

3210.2 Leave's Effect on Pay and Benefits

Leave under the New Parent Leave Act is unpaid, although employees are entitled to utilize accrued vacation pay, paid sick time, or other paid or unpaid time off negotiated with the District, during such leave. Also, employees may be eligible for Paid Family Leave wage replacement/insurance benefits administered as part of the California State Disability Insurance program during a New Parent Leave.

During New Parent Leaves, the District will continue to pay for employees' participation (if applicable) in the District's group health plan for the duration of the leave but not to

exceed 12 weeks over the course of a 12-month period, commencing on the date that the parental leave commenced, at the level and under the conditions that would have been provided if the employee had continued to work in his or her position for the duration of the leave. Thus, the employee must continue to pay his or her share of any group health plan premiums during the leave. If an employee has other voluntary plans and/or dependent medical insurance coverage, he/she also will be required to pay the regular contributions for those benefits while on leave.

The District may recover the premiums that it paid for maintaining coverage for the employee under any group health plans, if (1) the employee fails to return from leave after the expiration of the period of leave to which he/she is entitled, and (2) such failure to return is for a reason other than the continuation, recurrence, or onset of a serious health condition or other circumstances beyond the employee's control.

3210.3 Guaranteed Reinstatement

Eligible employees who take New Parent Leave should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law.

3210.4 Both Parents as Employees

If the District employs both parents who are entitled to New Parent Leave, the District is not required to grant leave in an amount beyond that available to one eligible parent.

3210.5 No Discrimination or Interference with Rights

The District will not discriminate in any way against, an individual because he or she exercised New Parent Leave rights or gave information or testimony as to the employee's or another person's New Parent Leave, and it will not interfere or limit in any way the exercise or attempted exercise of any such rights.

3211 BENEFIT ACCRUALS WHILE ON UNPAID LEAVE

Employees on family leave, pregnancy disability leave or any other leave, with the exception of Military Leave, do not accrue vacation, sick leave, or other seniority based benefits during any portion of the leave that is unpaid. Upon completion of family leave, pregnancy disability leave or any other leave, any entitlement to benefits shall be governed by the applicable leave policy. Benefit accruals while on Military Leave are provided in accordance with USERRA and the California Military and Veterans Code, Section 395, et seq.

3212 NO RETALIATION & WHISTLEBLOWER PROTECTIONS

3212.1 No Retaliation

The District's policy and state and federal laws forbid retaliation against employees because they have exercised their rights under law, protested any violation of law, or participated in any proceeding under law. The U.S. Department of Labor and the California Department of Fair Employment and Housing are authorized to investigate

and resolve complaints of any violation of the PDL, FMLA, CFRA, and other laws. Employees also have the right to bring a civil action for violations of the PDL, FMLA, CFRA, and other laws.

3212.2 Whistleblower Protections

The District is committed to operating in compliance with all applicable laws, rules and regulations, including those concerning accounting and auditing, and prohibits fraudulent practices by any of its Board of Directors, officers, employees, agents, or volunteers. This policy outlines a procedure for employees to report actions that an employee reasonably believes violate a law, or regulation or that constitutes fraudulent accounting or other practices. This policy applies to any matter which is related to District business and does not relate to private acts of an individual not connected to District business.

If an employee has a reasonable belief that an employee, District officer, or other District agent has engaged in any action that violates any applicable law or regulation, including those concerning accounting and auditing, or constitutes a fraudulent practice, the employee is expected to immediately report such information to the Director of Human Resources . If the employee does not feel comfortable reporting the information to the Director of Human Resources, he or she is expected to report the information to the General Manager. If the employee does not feel comfortable reporting the information to the General Manager, he or she is expected to report the conduct to the Board of Directors, either collectively or by relaying the information to any individual Director to be relayed to the Board. All reports should be submitted in writing to properly characterize the concerns.

The District will not retaliate against an employee in the terms and conditions of employment because that employee: (a) reports to a supervisor, to Human Resources, General Manager, the Board of Directors or to a federal, state or local agency what the employee believes in good faith to be a violation of the law; or (b) participates in good faith in any resulting investigation or proceeding, or (c) exercises his or her rights under any state or federal law(s) or regulation(s) to pursue a claim or take legal action to protect the employee's rights.

The District may take disciplinary action (up to and including termination) against an employee who in management's assessment has engaged in retaliatory conduct in violation of this policy. The District will not, with the intent to retaliate, take any action harmful to any employee who has provided to law enforcement personnel, or court, truthful information relating to the commission or possible commission by District or any of its employees of a violation of any applicable law or regulation. Supervisors will be trained on this policy and the District's prohibition against retaliation in accordance with this policy.

3213 MILITARY LEAVE

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

3213.1 Active Service

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

3213.2 Inactive Service

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

3214 PERSONAL LEAVE OF ABSENCE WITHOUT PAY

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

No sick or vacation leave will be accrued during any pay period an employee is absent without pay.

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

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

3215 UNAUTHORIZED ABSENCE

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

3216 DISCRETIONARY EXECUTIVE LEAVE

At the General Manager's discretion, the District may provide up to five days of paid executive leave to its executive management employees. This leave is meant for business-related purposes as a means of encouraging full-time management employees to participate in and attend meetings, activities, and events on behalf of the District, and to spend time outside of normal working hours otherwise in the service of the District. Paid executive leave is not considered vacation and is a privilege of paid time away from the work place. Employees eligible for paid executive leave are required to obtain approval from the General Manager or designee prior to the scheduled use of paid executive leave. The use of any paid executive leave must be recorded in the District's payroll records for each calendar year. Paid executive leave does not accrue or cash out upon termination.

3217 CATASTROPHIC LEAVE

The District has adopted a program that allows employees who have accrued vacation, CTO or sick leave hours the option to voluntarily donate hours to another employee who has exhausted his/her sick, vacation and CTO leaves, due to a non-work related catastrophic illness or injury to allow the employee to recover from their illness or injury. The calculation for the hours will be based on the number of hours donated times the donor's hourly rate divided by the recipient's hourly rate. The Program guidelines and forms can be obtained from Human Resources.

3218 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever an employee sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the employee shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq. and shall receive compensation for hours not worked while obtaining such medical care without loss of accrued leave hours. **Employees are required to immediately report a work-related injury/incident to their supervisor and Human Resources. The supervisor of the affected employee shall ensure that the report is made.**

Whenever, due to a work-related injury, an employee is compelled by direction of his or her physician to be absent from duty on account of such injury or disability, such employee will be placed on a Medical Leave of Absence under Workers' Compensation Leave. The employee will receive full compensation for the first three (3) calendar working days following the date of the injury without loss of accrued leave hours. Thereafter, the employee may elect to apply pro-rated sick leave first, vacation, or Compensatory Time Off (CTO), if sick leave is exhausted, to such absence to receive

compensation in an amount equal to the difference between the compensation to which he/she is entitled under Workers' Compensation Act and his or her regular pay, not to exceed the amount of accrued leave.

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

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

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

3219 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

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

- The employee shall submit to a fitness-for-duty assessment.
- Where there is an indication of continued physical or mental limitations, the employee and the District shall engage in the interactive process to determine whether reasonable accommodations to the limitations exist.
- If there is no permanent disability, no work restrictions, and the absence has not been longer than thirty days, the employee shall be returned to work.
- If there is no permanent disability, but temporary work restrictions, or there has been an absence of thirty days or more, a review of the employee's medical records from the Workers' Compensation case and RTW medical evaluation may be conducted. An employee shall be returned to work if the work restrictions are compatible with job demands or modified job demands, if available pursuant to reasonable accommodations.
- If there is a permanent disability, placement of the employee in the position last held by the employee will be considered following a RTW medical evaluation and complete assessment of potential reasonable accommodations.

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

3300 INSURANCE PROGRAMS

3301 MEDICAL INSURANCE

Group medical insurance is provided to eligible regular full-time District employees or where otherwise required by law (including the Affordable Care Act or the state paid sick leave laws). Coverage is also offered to spouses, dependents and registered domestic partners of eligible employees in accordance with the terms of the plan documents. The District pays a portion toward the monthly premiums based on employee and dependent status for medical coverage as approved by the Board and in accordance with the District Benefit Administrators policy guidelines. Employees are required to contribute toward their monthly medical insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3302 DENTAL INSURANCE

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

3303 VISION INSURANCE

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

Employees on an authorized medical leave of absence without pay may continue medical, dental, and vision coverage for the duration of any protected leave or, discretionary leave up to four months, with the District paying its share of the premiums and the employee paying their respective portions of the premiums. Thereafter,

coverage is terminated under the District's group plans unless continuation coverage is elected as explained below. Upon return to work, employees become eligible for re-enrollment in accordance with the benefit administrator's policy guidelines.

3304 FLEXIBLE BENEFITS SPENDING PLAN

The Flexible Benefits Spending Plan is a voluntary program and is available to all full-time employees. The plan allows eligible participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for employee contributions for District group health insurance premiums to be deducted from earnings on a pre-tax basis.

3305 HEALTH SAVINGS ACCOUNT (HSA)

A Health Savings Account (HSA) is available to employees who are enrolled in a Consumer Driven Health Plan (CDHP). An employee must be enrolled in a CDHP in order to participate in an HSA. Contributions to the HSA account are tax-free as long as the withdrawals from the account are used for eligible medical expenses. The District makes a contribution to eligible HSA accounts, as determined by the Board of Directors and in compliance with IRS guidelines. Contact Human Resources for additional Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

These benefits are available on the first of the month following 30 days of employment.

3306 LIFE INSURANCE

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

Employees on an authorized medical leave of absence without pay may continue basic and supplemental coverage for the period of any protected leave or, if discretionary leave up to four months, with the District paying its share of the premiums and the employee paying their respective share of the premiums for basic coverage only, based on the amounts approved by the Board and in accordance with the benefit's administrator's policy guidelines. Employees are responsible for paying 100% for supplemental life insurance coverage. Thereafter, coverage is terminated under the District's group plan unless individual coverage is elected. Upon return to work, such

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

3307 RETIREE MEDICAL BENEFITS

Retiree health and welfare benefits upon retirement (Applies to Regular Full-Time employees hired prior to July 1, 2012)

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

In order to be eligible for retiree medical benefits, there shall be no lapse in service. Employee must transfer directly from active status directly to retired status.

3307.1 10 Years of Service

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

- Retirees are not eligible for District paid dental and vision benefits.
- Retiree will have the option to continue participation in dental and vision coverage at their own cost in accordance with the Consolidated Omnibus Reconciliation Act (COBRA).
- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- The District does not make contributions to Health Savings Accounts (HSAs) on behalf of retirees.
- Once the retiree becomes Medicare eligible, coverage will cease for the retiree and any enrolled dependents. COBRA enrollment will be offered at that time.
- Upon becoming Medicare eligible, the retiree must enroll in Medicare in order to obtain reimbursement from the District. The District will not reimburse the retiree for any penalties associated with deferred enrollment in Medicare.
- District will reimburse the retiree, up to \$1,800 per calendar year, for a Medicare Advantage Plan, a supplemental Medigap insurance policy, Medicare Prescription Drug Insurance (Part D) or Medicare Part B coverage covering the retiree only.
- Reimbursement will be made to the retiree on a quarterly basis upon submission of proof of payment.
- In the event a spouse or registered domestic partner survives a retiree before the District-paid group coverage would normally end, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage or enrollment under another plan, or becoming eligible for Medicare.
- If retiree discontinues enrollment in a retiree medical care plan, re-enrollment is not permitted.
- Annual open enrollment is not offered to retirees.

3307.2 25 Years of Service

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

- The District shall pay health coverage premiums for retiree only or couples coverage on the same basis as active employees.
- The District does not make contributions to Health Savings Accounts (HSAs) on behalf of retirees.
- Retirees and spouses or registered domestic partners are eligible to participate in the District's Dental and Vision Insurance Plan as follows:
 - Dental
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly premium for retiree plus spouse or registered domestic partner.
 - Vision
 - Retiree Only Coverage: The District shall pay the monthly insurance premiums on the same basis as active employees.
 - Couples Coverage: The District shall pay 80% of the monthly insurance premiums.
 - Retirees and their spouses are required to enroll in Medicare parts A and B upon eligibility. This must occur when both criteria are met, Medicare eligible and retired. The District will not reimburse the retiree for any penalties associated with deferred enrollment in Medicare.
 - The District will reimburse for Medicare Part B for both retiree and his/her eligible spouse or registered domestic partner after submitting verification to the District of official enrollment in Medicare Part B. This results in a reduced premium cost to the District.
 - Reimbursement will be made to retiree on a quarterly basis upon submission of proof of payment
 - In the event a spouse or domestic partner survives a retiree, the District will continue paying the premium for the surviving spouse or registered domestic partner for retiree only coverage until the earliest to occur of the following: remarriage or enrollment in another group medical plan.
 - If a retiree discontinues enrollment in a retiree medical care plan, re-enrollment is not permitted.
 - Annual Open Enrollment is not offered to retirees.

Retiree Health and Welfare contribution amounts are established in accordance with benefit administrator's plan Guidelines then in effect and as approved by the MWDOC Board.

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

Any variance from these benefits and requirements requires approval by the MWDOC Board of Directors and is subject to approval by benefits administrator in compliance with its policy guidelines.

3308 CONTINUED MEDICAL, DENTAL AND VISION COVERAGE

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

3308.1 Qualifying Events

For the employee: Termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the employee ineligible for coverage. (2) For dependents: (a) Death of the employee; (b) Divorce or legal separation; (c) Loss of coverage due to the employee becoming entitled for Medicare, or (d) For a dependent child, ceasing to qualify as a dependent under the plan.

3308.2 Period of Coverage

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

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

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

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

3308.3 Cost of Coverage

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

3308.4 Notification of Election to Continue Coverage

Employees are required to notify Human Resources of a qualifying event for themselves or dependents. The District will then begin the appropriate notification procedure. The eligible COBRA participant must provide an election notice and premium payment to the District within 60 days of notification of their right to continue coverage.

3400 RETIREMENT PROGRAMS

3401 MEDICARE COVERAGE

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

3402 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

Effective March 3, 2003, this plan is no longer offered to District employees. The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

For details of the plan contact Human Resources.

3403 CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

3403.1 CalPERS Applicability

The District became a member of CalPERS effective March 3, 2003. In lieu of Social Security, the District offers to its eligible employees a retirement plan under (CalPERS). This policy is intended to comply with CalPERS regulations and the District's own CalPERS related Resolutions and should be interpreted accordingly. Where in contradiction, the CalPERS regulations and CalPERS interpretation of those regulations supersede.

3403.2 Persons Eligible

Regular full-time employees, and part-time employees reaching the minimum requirement of 1,000 hours in a fiscal year (July 1 to June 30).

3403.3 Waiting Period

Eligible from the first day of employment.

3403.4 Employee/Member Contribution

The maximum required employee/member contribution amount depends on the employee's hire date in accordance with Board approved policy and the Public Employee Pension Reform Act (PEPRA) as follows:

Per the Public Employees' Pension Reform act of 2012 (PEPRA), "classic members" currently employed in a reciprocal public agency are enrolled in a 2% at 55 CalPERS pension plan with a 7% employee contribution. "New members", either new to the public sector, or whose date of separation was more than 6 months before the start date with the District, are enrolled in a 2% at 62 CalPERS pension plan and fall under the Public Employees Pension Reform Act (PEPRA) with a required employee and employer contribution of approximately 50% of the "normal cost".

Employees working 1,000 or more hours during the plan year (July 1 to June 30) are eligible to participate.

Qualifying employees are eligible immediately upon hire by the District.

3403.5 Vesting Provisions

Participants become vested after completion of five years of public service, be it with the District or another public employer with reciprocity. Vesting means funds may be left on deposit for future retirement. Upon termination, an employee may withdraw their contributions or leave them with CalPERS. The employer contributions are only paid upon retirement.

3403.6 Benefits Provided

Employees are eligible to retire upon completing five years of service and having attained the appropriate age based on the retirement formula. Retirement date can be any date the employee chooses; however, the amount of the monthly allowance can be affected. CalPERS will calculate retirement benefits based on three factors, (1) years of service, (2) percentage factor determined by age at retirement, and (3) the final average monthly pay rate based on the CalPERS formula.

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

For additional information regarding CalPERS Options for the 2%@55 and 2%@62 Contracts, please see Human Resources or the calpers.org website.

3404 DEFERRED COMPENSATION PLAN (457 Plan)

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

3500 ADDITIONAL BENEFITS

3501 EDUCATION REIMBURSEMENT

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

Courses must be related to the employee's position, occupation, or advancement within the District as determined by the Supervisor, General Manager and Human Resources. This includes courses that are prerequisites for work-related courses and those that are required to obtain a degree in a work-related field. Eligible courses are those taken at an accredited institution.

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

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

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

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

Eligible expenses are tuition, parking, books, registration fees and laboratory/materials fees. The annual limit each year for educational expenses shall be based on the Cal State Fullerton adopted program fee schedule for undergraduate and graduate programs given the program which the employee is enrolled. Expenses for travel and

other incidental costs are not reimbursable. Written approval for reimbursement must be obtained from Human Resources, the employee's supervisor and the General Manager prior to or within 30 days of enrollment in the course.

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

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

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

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

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

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

3502 COMPUTER LOAN PROGRAM

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

3503 CELL PHONE ALLOWANCE

MWDOC has identified a business need for eligible employees to use cell phones for certain business communications while away from the office, for emergency operations and after-hours communications. To meet this business need, MWDOC will provide a cell phone allowance to eligible employees. The policy is intended to define eligibility requirements for assignments of a cell phone allowance based on business necessity, define allowance levels and amounts, terms for usage and responsibility, and accommodate changes and advances in mobile technology. As used in the policy, a cell phone is a smart phone capable of cellular phone calls and data communication. The policy does not cover tablets, such as iPads or surfaces or air cards. No further reimbursement for cell phone costs is available to employees who receive such an allowance. Contact Human Resources for Policy details.

3504 UNIFORMS/TOOLS – FIELD PERSONNEL

The District provides uniforms to employees who are required to wear uniforms as a condition of their employment. The uniforms are provided as a ready substitute for the personal attire employees would otherwise have to acquire and maintain.

- Employees are responsible for laundering the uniforms and are to maintain them so that they are clean, neat and professional when employees are representing the District.
- Employees are responsible for the safekeeping of all uniforms they are furnished.
- Non-District issued shirts, pants, shorts, hats, etc. are not permitted.
- Normal wear and tear is expected; however, abuse or loss of a garment may result in replacement cost to employees and/or may be subject to discipline.
- Upon termination, such furnished clothing and equipment provided to employees must be turned in to the District or the depreciated cost thereof will be deducted from employee's final paycheck or otherwise charged to employees.
- District issued uniforms, tools, equipment, etc. are only for District business related use and may not be used for personal use at any time.
- Employees will be reimbursed per fiscal year for one pair of shoes/boots of each type required based on job requirements. If employees spend less than the amount eligible for reimbursement for each type required, the remaining amount will not be carried forward or accumulated for reimbursement toward future purchases.
- If employees purchase shoes from a store designated by the District, they must first confirm that the shoes meet the job and safety requirements by reviewing with their immediate Supervisor. After obtaining approval from Supervisor, employee must complete a business expense report and submit for reimbursement.
- If for some reason the shoes are worn out due to working conditions before the fiscal year end, the District will consider a request for replacement on an exception basis.
- Employees may submit a request for reimbursement of expenses incurred for the purchase of tools necessary to perform the essential functions of the job duties as pre-approved by the immediate Supervisor.

3505 VEHICLE POLICY

Employees whose job duties require them to drive their own vehicle or are required to drive a District owned vehicle for District business will be required to follow the guidelines as outlined. The employee maintains a duty to notify the District of any license restriction or lapse of adequate insurance coverage. The District requires strict adherence to state and federal laws regarding the operation of motor vehicles. The District participates in a system that regularly checks state Department of Motor Vehicles (DMV) records of all employees who are required to drive as part of their job.

3505.1 Driver Responsibility

The District requires strict adherence to state and federal laws law regarding the operation of motor vehicles.

All employees are to possess and maintain a valid California driver's license, as well as automobile insurance.

It is the responsibility of all employees who drive vehicles on District business to practice safe and defensive driving and follow all traffic laws.

All employees who drive vehicles on District business are to attend, at District cost, a defensive driver training course every four years or more often if driving record so dictates.

Employees may not use cellular devices while driving, in accordance with the law. It is against the law to drive while reading, writing, or sending a text message.

Employees are responsible for any driving infractions or fines as a result of their driving. Seatbelts must be used by the driver and all passengers. Violation of these or any vehicle code or traffic law is grounds for discipline.

3506 USE OF DISTRICT VEHICLES

Employees that are required to operate a District vehicle to fulfill the responsibilities of their job must comply with all applicable state and federal laws, insurance requirements and District guidelines.

Employees involved in a vehicle accident while operating a District vehicle will report such accident to their immediate Supervisor and the Human Resources Department before leaving the scene of the accident. The District employee-driver is required to provide pertinent information to other non-District drivers involved in the accident.

Employees are forbidden to use District-owned vehicles for personal use at any time.

District vehicles are subject to remote monitoring. Remote monitoring is intended to provide the District with the ability to account for vehicles at all times. Remote monitoring includes, but is not limited to, the ability to monitor vehicle location, vehicle starts and stops and vehicle speed.

3507 MILEAGE REIMBURSEMENT

Employees may be reimbursed for mileage when using their private automobile while on official District business. Mileage will be reimbursed at the standard rate established by the IRS. Cost of gasoline or oil purchases, vehicle repairs or maintenance and vehicle insurance are incorporated into the mileage reimbursement rate. No employee who receives an automobile allowance shall receive mileage reimbursement. A business

expense report must be completed and submitted in a timely manner in order to be reimbursed for mileage. Mileage should ordinarily be computed between the employee's worksite and the destination. Reimbursable mileage is calculated based on the lesser amount of miles driven from home to event or office to event.

3508 AUTOMOBILE ALLOWANCES

The General Manager and Assistant General Manager receive an automobile allowance in an amount established by resolution of the Board of Directors. The payment of automobile allowance is subject to review during the Total Benchmark and Compensation Study or at the Board's discretion.

3508.1 Exceptions

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

3508.2 Implementation

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

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

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

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

1. Nature of Job Classification: Employee has specific job duties requiring the performance of official District business outside of regular working hours on a recurring basis and who meet the following criteria:
 - a) On-call availability;
 - b) Frequent attendance at conferences, seminars, meetings, and community affairs (after normal working hours);
 - c) Frequent participation in public affairs activities, such speaking engagements (after normal working hours);
 - d) Regular and frequent travel during working hours.
2. Nature of Work Activity: An automobile allowance may be offered to other management personnel for two-year renewable periods upon a review of the individual personnel requirements for an allowance based upon the criteria indicated in Section (1). This review shall be performed and documented by the Department Manager and approval of an assignment for automobile allowance shall be made only by the General Manager. The assignment shall be effective for a maximum period of two-years and shall be reviewed at that time to determine continued justification.

3508.3 Operating Rules for Automobile Allowance

1. Automobile allowance may only be provided to appropriate management positions as defined above.
2. An employee receiving an Automobile Allowance must provide a car which is in appropriate condition, well maintained, and capable of comfortably accommodating four adults.
3. Employees receiving an Automobile Allowance must maintain insurance to cover their normal private use of the vehicle (pursuant to Insurance Requirements outlined in this section).
4. The Automobile Allowance will be provided coinciding with the first pay period of the month following the month of use.
5. An employee receiving an Automobile Allowance is expected to use his or her personal automobile on all required District business.
6. An employee receiving an Automobile Allowance shall not be entitled to receive any additional remuneration for the cost of gasoline, repairs or maintenance on his/her vehicle. Mileage expense claims of any type are prohibited.

3508.4 Insurance requirements

Employees who are paid an automobile allowance or mileage reimbursement for use of privately-owned automobile for District business, shall possess and maintain insurance on such automobile with liability coverage acceptable to the District. Each employee shall provide private automobile insurance information, which shall be maintained by the Human Resources Department and shall be reviewed and updated annually. The record maintained shall contain the following current information: Name of employee, insurance company, policy number, description of coverage, and license number and expiration date.

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

3600 MWDOC DIRECTOR BENEFITS

3601 DISABILITY LEAVE

3601.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period) up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. The program is administered by the EDD, and Directors should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3602 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever a Director sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the Director shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq..

Directors are required to immediately report a work-related injury/incident to Human Resources. Human Resources shall ensure that the report is made.

This Program is administered by the Plan Administrator and Directors should seek clarification as to eligibility and scope of Worker's Compensation benefits. Administrator guidelines and rules supersede any statements made herein.

3603 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

The decision to return a Director to work or place a Director back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process.

The Director must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his or her job.

3604 MEDICAL INSURANCE

Group medical insurance is provided to eligible Directors or where otherwise required by law (including the Affordable Care Act or the state paid sick leave laws). Coverage is also offered to spouses, dependents and registered domestic partners of eligible Directors in accordance with the terms of the plan documents. The District pays a portion toward the monthly premiums based on Director and dependent status for medical coverage as approved by the Board and in accordance with the District Benefit Administrators policy guidelines. Directors are required to contribute toward their monthly medical insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3605 DENTAL INSURANCE

Group dental insurance is provided for Directors and their dependents by the District as specified in the dental insurance policies. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the District's Benefit Administrators policy guidelines. Directors are required to contribute a portion toward their monthly dental insurance premiums. This benefit goes into effect on the first day of the month following 30 days of service.

3606 VISION INSURANCE

Group vision insurance is provided for Directors and their dependents by the District as specified in the vision insurance policy. The District will pay a portion towards the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit goes into effect on the first day of the month following 30 days of service.

Directors on an authorized medical leave of absence without pay may continue medical, dental, and vision coverage for the duration of any protected leave or, discretionary leave up to four months, with the District paying its share of the premiums and the Directors paying their respective portions of the premiums. Thereafter, coverage is terminated under the District's group plans unless continuation coverage is elected as explained below. Upon return to work, Directors become eligible for re-enrollment in accordance with the benefit administrator's policy guidelines.

3607 FLEXIBLE BENEFITS SPENDING PLAN

The Flexible Benefits Spending Plan is a voluntary program and is available to Directors. The plan allows eligible participants the opportunity to defer a portion of their compensation to pay for certain health-related and dependent care expenses on a pre-tax basis. The plan also allows for Director contributions for District group health insurance premiums to be deducted from earnings on a pre-tax basis.

3608 HEALTH SAVINGS ACCOUNT (HSA)

A Health Savings Account (HSA) is available to Directors who are enrolled in a Consumer Driven Health Plan (CDHP). A Directors must be enrolled in a CDHP in order to participate in an HSA. Contributions to the HSA account are tax-free as long as the withdrawals from the account are used for eligible medical expenses. The District makes a contribution to eligible HSA accounts, as determined by the Board of Directors and in compliance with IRS guidelines. Contact Human Resources for additional Information about this plan together with enrollment forms. The plan is administered by an outside consultant.

These benefits are available on the first of the month following 30 days of employment.

3609 LIFE INSURANCE

Group life insurance, which may include death and dismemberment benefits, is provided to eligible Directors. The District will pay a portion toward the cost of the monthly premiums based on the amounts approved by the Board and in accordance with the benefit administrator's policy guidelines. This benefit becomes effective on the first day of the month following 30 days of service. The current coverage the maximum is up to \$25,000, subject to reductions. See benefit administrator's policy guidelines for details on benefits and restrictions.

Directors on an authorized medical leave of absence without pay may continue basic coverage for the period of any protected leave or, if discretionary leave up to four months, with the District paying its share of the premiums and the Director paying their respective share of the premiums for basic coverage only, based on the amounts approved by the Board and in accordance with the benefit's administrator's policy guidelines. Thereafter, coverage is terminated under the District's group plan unless individual coverage is elected. Upon return to work, such Directors become eligible for re-enrollment in accordance with the terms of agreement with the insurance carriers then in effect.

3610 CONTINUED MEDICAL, DENTAL AND VISION COVERAGE

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

3610.1 Qualifying Events

For the Director: Termination of employment (other than for gross misconduct) or reduction of hours worked so as to render the Director ineligible for coverage. (2) For dependents: (a) Death of the Director; (b) Divorce or legal separation; (c) Loss of coverage due to the Director becoming entitled for Medicare, or (d) For a dependent child, ceasing to qualify as a dependent under the plan.

3610.2 Period of Coverage

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

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

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

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

3610.3 Cost of Coverage

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

3610.4 Notification of Election to Continue Coverage

Directors are required to notify Human Resources of a qualifying event for themselves or dependents. The District will then begin the appropriate notification procedure. The eligible COBRA participant must provide an election notice and premium payment to the District within 60 days of notification of their right to continue coverage.

3611 MEDICARE COVERAGE

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

3612 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

Details of the plan are outlined in the Plan Document and Summary Plan Description. Contact Human Resources for additional information.

3613 DEFERRED COMPENSATION PLAN (457 Plan)

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

3614 COMPUTER LOAN PROGRAM

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

3700 MWDOC-MET DIRECTOR BENEFITS

3701 DISABILITY LEAVE

3701.1 Short-Term Disability Leave

The District participates in the State of California, Employment Development Department (EDD) Disability Insurance program. Workers who suffer a loss of wages when they are unable to work due to a non-work-related illness or injury, pregnancy or childbirth, may be eligible for disability insurance benefits. Generally, the program goes into effect on the eighth day of disability (since SDI requires a seven-day waiting period)

up to a maximum of 52 weeks (as determined by EDD) based on the requirements of the Plan. Visit <http://edd.ca.gov/> for complete program details, eligibility, weekly benefit amount, exclusions, etc.

The weekly and maximum benefit amounts are based on the wages paid during a specific 12-month base period, which is determined based on the date the claim begins. Use of sick leave accruals may be coordinated with the SDI benefit to make up the difference between disability benefits and an employee's regular pay. In cases where there is not sufficient sick leave to make up the difference, an employee may elect to use vacation and/or compensatory time off to supplement the difference. The program is administered by the EDD, and Directors should seek clarification as to eligibility and scope of benefits from the EDD. EDD guidelines and rulings supersede any statement made herein.

3702 WORKER'S COMPENSATION (WORK-RELATED ILLNESS OR INJURY)

Whenever a Director sustains an injury or disability arising out of, and in the course of, District employment and requires medical care, the Director shall obtain treatment according to the provisions of the California Labor Code, sections 4600 et seq.

Directors are required to immediately report a work-related injury/incident to Human Resources. Human Resources shall ensure that the report is made.

This Program is administered by the Plan Administrator and Directors should seek clarification as to eligibility and scope of Worker's Compensation benefits. Administrator guidelines and rules supersede any statements made herein.

3703 RETURN TO WORK (RTW) FROM INDUSTRIAL INJURY OR ILLNESS

The decision to return a Director to work or place a Director back on the job, with or without modified work, shall be made by the District, independent of any decision made in the Workers' Compensation process.

The Director must obtain a release to work or be properly discharged from the medical provider utilized by the District prior to returning to his or her job.

3704 MEDICARE COVERAGE

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

3705 DEFINED CONTRIBUTION PENSION PLAN (401A – MONEY PURCHASE PENSION PLAN)

The only eligible participants in this Plan are MWDOC Board of Directors, MWDOC/MET Board of Directors and the General Manager.

Details of the plan are outlined in the Plan Document and Summary Plan Description. Contact Human Resources for additional information.

3706 DEFERRED COMPENSATION PLAN (457 Plan)

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

4000 POLICIES, PROTECTIONS & PROCESSES

4000 - 4202

4100 EQUAL OPPORTUNITY EMPLOYMENT

It is the District's policy to provide equal employment opportunity for all applicants and employees. The District does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming practices), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, national origin, ancestry, citizenship, age (40 years and over), mental disability and physical disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by local, state, or federal laws.

Consistent with the law, the District also makes reasonable accommodations for disabled applicants and employees; for pregnant employees who request an accommodation [with the advice of their health care providers] for pregnancy, childbirth, or related medical conditions; for employees who are victims of domestic violence, sexual assault, or stalking; and for applicants and employees based on their religious beliefs and practices.

The District prohibits sexual harassment and the harassment of any individual on any of the other bases listed above. The District also prohibits retaliation against a person who reports or assists in reporting suspected violations of this policy, cooperates in investigations or proceedings arising from a violation of this policy, or engages in other activities protected under this policy.

This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously follow this policy. Any employee having any questions regarding this policy should discuss them with Human Resources.

4101 REASONABLE ACCOMMODATION OF DISABILITIES

The District complies with the Americans with Disabilities Act of 1990, the state Fair Employment and Housing Act, and all laws governing the treatment of employees with disabilities and the provision of protected medical leave when necessary. This policy protects any individual with a physical or mental impairment that limit major life activities - such as walking, seeing, hearing, speaking, communicating, and caring for themselves - provided the individual can perform the essential functions of the job safely and efficiently with or without reasonable accommodations. Depending on the particular employee's condition, this can include not only persons who traditionally have been regarded as disabled - such as those with impaired vision, hearing, or speech - but also those with "invisible" disabilities, such as AIDS or HIV-positive, cancer, or learning disabilities. These protections may apply if the individual currently suffers from a disability, or has a history or record of a disability, or is perceived by the employer to have a disability (even if that is not the case), or associates with persons with disabilities.

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

4101.1 Confidential Nature of Medical Diagnoses

Applicant or employee medical diagnoses and conditions are confidential, and the District prohibits any employee from attempting to require disclosure of such private information. Applicants or employees may be questioned only in the context of their ability to perform the essential functions of a particular job, and are not to be asked about specific diagnoses, medications, or if they are "disabled." Applicants or employees who indicate they have a physical or mental impairment that interferes with job performance will be directed to the interactive process and may be asked for medical certification of the purported limitation.

4101.2 The Interactive Process

The District is committed to making reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Applicants and employees who have disabilities or limitations affecting their ability to perform the essential functions of their job must inform the District of the issue and request an interactive process meeting to discuss possible accommodations. In many cases, the District will have no way of knowing whether an individual has a limitation unless he or she requests accommodation. Any applicant or employee who has physical or mental limitations that require an accommodation in order to participate in the application process or to perform the essential functions of the job should contact Human Resources and request such an accommodation. Human Resources shall engage the

applicant or employee interactively to determine what, if any, reasonable accommodations are available.

The law requires only reasonable accommodation, which does not result in an undue hardship to the District or a direct threat to health and safety, and the individual must be able to perform the essential functions of the position. Whether a certain accommodation meets these standards must be determined on a case-by-case basis, after consultation with the individual and consideration of all the particular facts and circumstances.

4102 PROHIBITION AGAINST DISCRIMINATION AND HARASSMENT

The District strictly prohibits and has “zero tolerance” for discrimination and harassment in any phase of the employment and will investigate and take action as appropriate, including but not limited to recruitment, testing, hiring, upgrading, promotion/demotion, transfer, layoff, termination, rates of pay, benefits, and selection for training. This includes sexual harassment (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race, color, religion, religious creed (including religious dress and religious grooming practices), sex, national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by federal, state, or local laws.

The District strongly disapproves of and will not tolerate harassment, discrimination, or retaliation against applicants, employees, interns, or volunteers by managers, supervisors, co-workers or third parties with whom employees come into contact, consistent with applicable law. Similarly, the District will not tolerate harassment, discrimination, or retaliation by its employees directed toward non-employees with whom the District’s employees have a business, service, or professional relationship (such as independent contractors, vendors, clients, volunteers, or interns).

4103 TYPES OF HARASSMENT

4103.1 Harassment includes, but is not limited to, the following:

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

Examples of Sexual Harassment: For the purpose of clarification, examples of what may constitute prohibited sexual harassment include, but are not limited to, the following:

- Making unsolicited sexual advances written, verbal, physical, or visual contact with sexual overtones. (Written examples: suggestive or obscene letters, notes, invitations. Verbal examples: derogatory comments, slurs, jokes, epithets. Physical examples: touching, assault blocking or impeding access, leering gestures, display of sexually suggestive objects or pictures, cartoons or posters.)
- Continuing to express sexual interest after being informed that the interest is unwelcome. (Reciprocal attraction is not considered sexual harassment.)

- Making reprisals, threats of reprisal, or implied threats of reprisal following a negative response. (For example, implying or actually withholding support for an appointment, promotion, or change of assignment; suggesting a poor performance report will be prepared; or suggesting probation will be failed.)
- Engaging in implicit or explicit coercive sexual behavior which is used to control, influence, or affect the career, salary, or work environment of another employee.
- Offering favors or employment benefits, such as promotions, favorable performance evaluations, favorable assigned duties or shifts, recommendations, reclassifications, etc., in exchange for sexual favors. (Similar conduct when applied to other protected classes including but not limited to race, color, creed, national origin, age, disability, medical condition, religion, sexual orientation, or marital status may constitute harassment and a violation of this policy. For example, racial jokes or degrading comments about age or ethnic background can constitute harassment under this policy). Accordingly, in order to avoid the risk of discipline, such acts should be avoided in all circumstances.

4103.2 Internal Complaint Procedure

Any applicant or employee who believes that he or she has been the victim of sexual or other prohibited discrimination or harassment by co-workers, supervisors, clients or customers, visitors, vendors, Board Members or others must immediately notify his or her supervisor, or depending on which individual the employee feels most comfortable contacting and the Director of Human Resources of the alleged conduct. In the event the complaint is against the Director of Human Resources, then the employee may report the incident to the General Manager or in the event the complaint is against the General Manager, the employee may report the incident to the Board President, Executive Committee or the full Board of Directors. Complaints will be investigated by Human Resources or, where appropriate, a designated neutral party, and the complainant will be advised of the general outcome of the investigation. In each case, the employee reporting the problem will receive an oral or written reply from management on the general results of the investigation and that remedial action has been taken, if any.

4103.3 Option to Report to Outside Administrative Agencies

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

The EEOC and DFEH are authorized to accept and investigate complaints of employment discrimination and to mediate settlements. These agencies have authority to issue accusations against employers, conduct formal hearings, and award

reinstatement, back pay, damages, and other affirmative relief. State and federal law also prohibit retaliation against employees because they have filed a complaint with the EEOC, DFEH, or other relevant agency for participating in an investigation, proceeding, or hearing with the agency, or opposing any practice made unlawful by federal or state law.

4103.4 Corrective Action

If any violation of this policy is found to have occurred, the District will take appropriate corrective action which may include discipline against the individual(s) involved. Violations of this policy will likely result in immediate termination. See Section 5101 for further discussion of corrective actions.

If an employee is not satisfied with the reply presented by the Director of Human Resources, they may file a grievance pursuant to the steps outlined in the Grievance Procedures, Section 4200.

4103.5 Cooperation

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

4103.6 Confidentiality

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

4103.7 No Retaliation

No employee will be subject to any form of retaliation for reporting any violation or participating in any investigation under this policy truthfully and in good faith. Employees who believe they have been retaliated against in violation of this policy should utilize the same complaint procedure described in Sections 4103.2 or 4200.

4103.8 Contractors, Consultants, Vendors, Customers and Other Third Parties

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

4104 CIVILITY POLICY

This procedure shall serve as the mechanism for ensuring that the Employees and Board members of the District are provided a healthy environment in which to work and are treated with respect and courtesy in the workplace. This procedure shall establish a process for addressing harmful conduct that is inconsistent with the legitimate business interests of the District.

4104.1 Definitions

Incivility means the harmful conduct of an employer or employee in the workplace that a reasonable person would find hostile and offensive considering the severity, nature and frequency of the conduct. Incivility generally is taken to mean a pervasive behavior or series of inappropriate events but in some circumstances, where the incivility is sufficiently severe and egregious, may be proved by a single act. Incivility includes, but is not limited to the following:

- Repeated infliction of verbal abuse such as the use of derogatory remarks, insults and epithets; or
- Targeting individuals or groups of individuals for negative attention by yelling, screaming, or public displays of temper; or
- Verbal or physical conduct that a reasonable person would find threatening, intimidating, demeaning, or humiliating; or
- The gratuitous sabotage or undermining of a person's work performance.

4104.2 Internal Complaint Procedure

Any employee or Board member who believes he/she has been subjected to incivility may notify his or her supervisor, or depending on which individual the employee feels most comfortable contacting and the Director of Human Resources of the alleged conduct. In the event the complaint is against the Director of Human Resources, then the employee may report the incident to the General Manager or in the event the complaint is against the General Manager, the employee may report the incident to the Board President, the Executive Committee or the full Board of Directors. Complaints will be investigated by Human Resources or, where appropriate, a designated neutral party, and the complainant will be advised of the general outcome of the investigation and the determination as to whether incivility occurred to the appropriate persons, including the complainant, the alleged perpetrator(s) and the department head. Employees are expected to report workplace incivility as soon as possible after the occurrence.

If it is demonstrated that the complainant acted maliciously in making the complaint, disciplinary action may be initiated.

4104.3 Corrective Action

If workplace incivility, or any other inappropriate behavior that violates this policy, is found to have occurred, the District will take prompt and effective remedial action against the perpetrator(s). The action will be commensurate with the severity of the

offense. Reasonable steps will be taken to protect the complainant from further harassment and any retaliation as a result of communicating the complaint. See Section 5101 for further discussion of corrective actions.

If an employee is not satisfied with the reply presented by the Director of Human Resources, they may file a grievance pursuant to the steps outlined in the Grievance Policy.

No person shall retaliate in any manner against an employee because such employee has made a complaint under this procedure that he/she has been subjected to incivility in the workplace or has been the victim of workplace incivility, or has testified, assisted, or participated in any manner in an investigation under this procedure.

4200 GRIEVANCE PROCEDURE

The grievance procedure provides a means for settling grievances or complaints that arise over the application of this manual as quickly as possible and at the lowest possible level of authority. Each step in the procedure must be completed before the next step may be taken. Failure to take the next step within the timeframes allotted herein will result in the conclusion that the prior step resolved the grievance and waiver of the right to continue the grievance. Grievance procedures are not used for contesting disciplinary actions or performance assessments, unless said actions are alleged to be pretextual.

A grievance must be filed within ten (10) calendar days of the occurrence of the event or within ten (10) calendar days following the date the grieving party could have reasonably known of the occurrence of the act or omission giving rise to the grievance. Any supervisor or other member of management who receives a grievance must notify the Human Resources of the grievance as soon as practicable. The facts concerning the grievance and the grievance process are to remain confidential, to the extent possible given the requirements of District business.

4201 GRIEVANCE STEPS

The following are the “steps” utilized in grievance reporting. Grievances concerning the General Manager will be immediately reported to the Director of Human Resources and either the Board President, Executive Committee or the full Board of Directors pursuant to Step 4 as stated in this policy.

Step 1

The employee should initially try to resolve any item of concern informally with his or her direct supervisor. The direct supervisor should hold a conference with the employee as soon as reasonably practicable, following the employee’s request and attempt to informally resolve the issue. If the grievance is against the direct supervisor, the matter shall be taken directly to Step 2.

Step 2

If successful resolution is not reached in Step 1, the employee shall reduce his or her concern to writing and submit it to his or her department head. A copy of the formal written grievance must also be provided to Human Resources. This formal written grievance must be submitted within ten (10) calendar days of the date of the occurrence giving rise to the grievance or the right to file a grievance is waived. The manager, or his or her designee, shall meet with the grievant, and after the initial meeting, the manager or his or her designee will investigate the complaint. This investigation may involve separate conversations or meeting of all parties at the manager's discretion. The manager shall attempt to provide his or her written decision with ten (10) calendar days of the date of the first meeting with the employee.

Step 3

If the employee believes the decision of the manager does not adequately resolve the issue, the employee may submit a written appeal of that decision to the General Manager. This appeal must be submitted within ten (10) calendar days of the date of the manager's written decision or the right to appeal is waived. The General Manager shall meet with the grievant and, after the initial meeting, the General Manager or his or her designee will investigate the complaint. This investigation may involve separate conversations or meeting of all parties, at the General Manager's discretion. The General Manager shall attempt to provide his or her written decision with ten (10) calendar days of the date of the first meeting with the employee.

Step 4

In order to submit an appeal to either the Board President, the Executive Committee or full Board of Directors, an employee must first go through Steps 1 through 3. If the employee believes the decision of General Manager does not adequately resolve the issue, the employee may request reconsideration. The written request must be submitted within ten (10) calendar days of the General Manager's decision. The Board President, Executive Committee or full Board of Directors will be furnished with the then-existing written record. The Executive Committee or full Board of Directors will meet as soon as practicable to consider the grievance. The Executive Committee or full Board of Directors may, in its discretion, rely on the existing record or conduct a hearing in whatever way deemed appropriate under the circumstances. The Committee or full Board of Directors may call any witnesses or parties, if it deems such testimony necessary. If the employee desires, he or she may be represented. The decision of the Executive Committee or full Board of Directors shall attempt to provide its decision in writing within ten (10) calendar days of the close of the hearing. The action of the Executive Committee or full Board of Directors is final and binding.

4202 PERSONNEL FILES

The District recognizes the confidentiality of personnel information and its obligation to maintain procedures to ensure the integrity of such files. Employees have the right to inspect or receive a copy of the personnel records. Any request to inspect or copy personnel records must be made in writing to Human Resources. If an employee

requests a copy of the contents of their file, they will be charged the actual cost of copying. Employees can obtain a form for making such a written request from Human Resources.

Employees may designate a representative to conduct the inspection of the record or receive a copy of the records. However, any designated representative must be authorized by the employee in writing. MWDOC may take reasonable steps to verify the identity of any representative and the scope of the authorization.

The personnel records may be made available to the employee either at the place where they work or at a mutually agreeable location (with no loss of compensation for going to that location to inspect or copy the records). The records will be made available within the timeframe required by law; typically not later than 21 days.

Unauthorized disclosure of personnel information to outside sources, other than the employee's designated representative is prohibited and may form the basis of discipline. However, MWDOC will cooperate with a request from authorized law enforcement or local, state, or federal agencies conducting official investigations as legally required.

5000 BEHAVIOR & CONSEQUENCES

5000 - 5309

5100 STANDARDS OF CONDUCT

The following examples are given in order to provide some guidance concerning unacceptable behavior. If the District chooses to correct an employee who engages in unacceptable behavior, the employee may be subject to corrective action up to and including termination. Please note that it is impossible to provide an exhaustive list of behaviors that are not acceptable. The following is therefore intended to simply provide some examples:

1. Actions contrary to the rules and policies of the District, including but not limited to the safety rules set forth in the District's Illness Injury Prevention Program (IIPP).
2. Inefficiency, incompetence, inattention to or dereliction of duty, failure to perform assigned duties in a satisfactory manner.
3. Insubordination or failure to comply with District rules and policies.
4. Accepting gratuities or tips.
5. Dishonesty.
6. Theft or unauthorized use of District property.
7. Fighting, threat of injury, or horse play while on duty or on District premises.
8. Frequent or habitual tardiness, unexcused absences or unsatisfactory attendance.
9. Conducting non-District business activities during working hours.
10. Harassment or discrimination in any form.
11. Consumption of alcoholic beverages or drugs while on duty or on District premises.
12. Being under the influence of alcohol or drugs while on duty.
13. Use of, possession of, or transfer or sale of, non-prescribed drugs or narcotics while on duty or on District premises.
14. Disorderly, indecent or immoral conduct while on duty or while in District uniform.
15. Discourteous treatment of the public or other District employees.
16. Issuance of defaming or derogatory remarks, unrelated to performance issues, regarding a co-worker's character or personal life.
17. Conviction of any felony or of a misdemeanor involving moral turpitude, dishonesty or immoral conduct.
18. Unauthorized absence from work or excessive absences and tardiness.
19. Neglect of duty.
20. Actions incompatible with or offensive to the image or the goals of the District.
21. Failure to follow safe working practices.
22. Failure to report an injury or accident promptly.
23. Failure to report significant unsafe working practices to supervisor.
24. Misrepresentations in obtaining employment with or promotion within the District.
25. Misuse of District money or resources.
26. Falsification of forms, records, or reports; including, but not limited to, time sheets, employment applications and District documents.

27. Possessing or bringing firearms or weapons onto District property.
28. Destroying or willfully damaging District or employee property, records, or other materials.
29. Unauthorized opening or tampering with locks in desks, doors, cabinets, etc., or unauthorized use or duplication of keys.
30. Failure to immediately report the loss of driving privileges due to suspension, withdrawal, forfeiture, or confiscation by any authorized party, including court of law or the California Department of Motor Vehicles, by employees who must maintain such a license as a condition of employment.
31. Failure to maintain license or certification required for position. An employee will be subject to discipline, up to and including termination without progressive discipline, for the failure to maintain a license or certification required for that employee's job duties.
32. Violation of any established District rule, policy, or procedure.

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

5101 CORRECTIVE ACTIONS

A range of corrective or disciplinary actions are available to the General Manager and the Board of Directors for application to employee cases based on administrative investigation and processes. These include but are not limited to:

- Formal Counseling
- Mandatory Training
- Verbal Warning/Reprimand
- Written Warning/Reprimand
- Formal Improvement Plan
- Suspension with Pay
- Suspension without Pay
- Reassignment
- Demotion
- Dismissal

The focus of the corrective action program is to make a positive improvement on behavior where possible but to impose consequences when necessary. The goal is to maintain a professional, safe, productive, and equitable environment for everyone at MWDOC.

5200 DRUG AND ALCOHOL FREE WORKPLACE

5201 GENERAL PROHIBITION AGAINST USE OR POSSESSION

At no time shall employees use, possess, carry, or transport alcoholic beverages, non-prescribed drugs, narcotics (including marijuana, whether obtained via prescription or not), or any other regulated item during working hours or on District premises, nor shall an employee report for work under the influence of alcoholic beverages, non-prescribed drugs or narcotics (including marijuana, whether obtained via prescription or not). Human Resources may request information in written form from a doctor certifying that any prescribed drugs or medication that an employee is taking will not affect the employee's performance or the safety of the employee or others. Such use or possession is absolutely forbidden and will result in discharge or other discipline as the District deems appropriate.

With prior approval of management and in management's sole discretion, the District may allow employees to consume moderate amounts of alcohol at District-sponsored social events outside of normal business hours where such use is appropriate in the circumstances or possess or transport alcohol for use at District sponsored events.

5202 PRESCRIPTION DRUGS

Where the usage of a drug, even where the drug is prescribed, affects District safety or an employee's ability to perform the essential functions of his or her job, the affected employee must notify the District. In the event there is a question regarding an employee's ability to perform assigned duties safely and effectively while under the influence of prescribed drugs, clearance from a licensed health care provider may be required before the employee is allowed to resume the employee's regular duties.

5203 DRUG & ALCOHOL TESTING

It is the policy of the District to prohibit its employees from using or being under the influence of alcohol or illegal drugs (including, without limitation, marijuana – whether or not the employee maintains a prescription for the same) in connection with their employment, as it constitutes a threat to the safe and efficient performance of employee's duties. At no time shall any employee be under the influence of any controlled drug or alcohol while on the job. (Employees who are taking medication pursuant to a physician's prescription – other than for medical marijuana – who has also certified that they may perform their duties without jeopardizing the health or safety of others will not be considered to have violated this policy for taking such prescription medicine within the range prescribed.)

5203.1 Prohibitions

The following conduct is prohibited and may result in discipline, up to and including termination:

- Using or possessing alcohol or any illegal drug (including marijuana, whether or not the employee maintains a prescription for the same) while on duty;
- Reporting for duty or remaining on duty when the employee used alcohol or controlled substance, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance (other than medical marijuana) does not adversely affect the employee's ability to safely operate a vehicle or otherwise perform the employee's job;
- Reporting for duty or remaining on duty if the employee tests as having a blood alcohol concentration of 0.04 or greater (or a blood alcohol concentration of 0.02 if the employee's duties require him or her to possess a valid Class A driver's license or otherwise be subject to the 0.02 limitation);
- Reporting for duty or remaining on duty if the employee tests positive for controlled substances (including marijuana, whether or not the employee maintains a prescription for the same);
- Refusing to submit to any alcohol or controlled substances test required by this Policy. An employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who failed a blood alcohol test or tested positively for a controlled substances test. A "refusal to submit" to an alcohol or controlled substances test required by this Policy includes, but is not limited to:
 - An explicit or implied refusal to provide a urine sample for a drug test;
 - An inability to provide a urine sample without a valid medical explanation;
 - A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;
 - An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;
 - Tampering with or attempting to adulterate the urine specimen or collection procedure;
 - Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested; or
 - Leaving the scene of an accident without a valid authorization.

Employees are obligated to report violations of this Policy to Human Resources. In addition to the above prohibitions, employees are reminded of their obligations under the Federal Drug Free Workplace Act of 1988. All employees covered by this Policy have previously been provided with a copy of the District's Drug Free Workplace Statement and have signed an acknowledgment that they have read the Statement and agree to comply with it.

5204 PRE-EMPLOYMENT TESTING

Applicants for positions designated as “safety sensitive” will be required to submit to pre-employment drug and/or alcohol testing.

5205 REASONABLE SUSPICION TESTING

All employees may be required to submit to an alcohol or drug test if a supervisor has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances. Reasonable suspicion shall be reported to Human Resources which shall arrange the testing. The observation should generally be based on short-term indicators, such as behavior that is inconsistent with the normal work status and including, but not limited to, blurry vision, slurred speech or alcohol on the breath. Reasonable suspicion alcohol and drug testing will generally be administered within two (2) hours of the observation. If not, the supervisor should provide written documentation as to why the test was not promptly conducted.

5206 POST-ACCIDENT TESTING

Employees will be required to undergo alcohol or controlled substance testing if they are involved in an on-duty accident and the District has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances.

In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; and the employee receives a citation under State or local laws for a moving traffic violation arising from the accident. Following an accident, the safety-sensitive employee will be tested as soon as practicable (generally within 2 hours), but not to exceed eight (8) hours for alcohol and thirty-two (32) hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of safety-sensitive employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

5207 RETURN TO DUTY TESTING

All employees who have failed an alcohol test or tested positive for controlled substances, if retained, are unable and unfit to report to work until it can be verified that they are not under the influence of alcohol or controlled substances. Employees must be certified as being fit for duty and evaluated and released to duty by the Substance Abuse Professional (SAP) before being allowed to return to duty.

5207.1 Consequences of Failing an Alcohol or Drug Test

A positive result from a drug or alcohol test may result in disciplinary action, up to and including termination, even for a first offense. The District also reserves the right to

discipline or terminate an employee convicted of an offense which involves the use, distribution, or possession of illegal drugs (including medical marijuana). If an employee is not terminated, the employee:

- Must be removed from performing any job function and immediately placed in an unpaid status for 1 day (unless they elect to use paid leave). If the employee does not obtain a fitness for duty certification within that day, or if the employee fails his or her alcohol or drug test, the employee shall remain on unpaid leave (unless they elect to use paid leave) until reinstatement or termination of employment;
- Must submit to an examination by a substance abuse professional. Upon a determination by the substance abuse professional, the employee may be required to undergo treatment for his or her alcohol or drug abuse. The District is not required to pay for this treatment;
- Shall not be returned to his or her former position until the employee submits to a return-to-duty controlled substance or blood alcohol test (depending on which test the employee failed) which indicates an alcohol concentration level of less than 0.02 or a negative result on a controlled substance test; and
- Will be required to submit to unannounced follow-up testing if he or she has been returned to his or her position.

5207.2 Compliance with State or Federal Law

At all times, the District will comply with current applicable state or federal law concerning drug and alcohol testing. Issues or inconsistencies that are not addressed in this Policy will be determined by referring to state or federal law and regulations governing drug and alcohol testing. The District reserves the right to make changes to this Policy at any time, for the purpose of complying with state or federal laws and regulations as it exists now or as it may be amended.

5207.3 Procedures for Drug Testing

The District will refer the applicant or employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The District will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Initial screening will be done by EMIT II. Positive results will be confirmed by gas chromatography/mass spectrometry. The clinic or laboratory will inform the District as to whether the applicant passed or failed the drug test. If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to discipline accordingly.

The District maintains the right to require any employee to re-submit to testing, pursuant to the same terms and procedures as set forth for the initial test, where the employee's initial test results are inconclusive because of a diluted sample or any other reason.

5208 DRUG AND ALCOHOL REHABILITATION PROGRAMS

Employees may not avoid discipline or termination for violation of the District's Drug and Alcohol Free Workplace Policy by seeking leave to attend rehabilitation after a violation has occurred. However, prior to any violation, employees may contact Human Resources for information about the District's Employee Assistance Program.

5300 OFFICE EQUIPMENT POLICY

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

5301 BUSINESS USE ONLY

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

5302 DISTRICT'S RIGHT OF ACCESS AND EMPLOYEE PRIVACY

All District voicemail, email, hard drives, and other electronic data storage is solely the property of the District, regardless of the nature of the email, physical location, or how maintained. The District, as owner has at all times the right to access all email, voicemail, or other data, including email protected by security measures. Human Resources may access email within any department or office. When necessary, assistance in obtaining authorized access shall be provided by the IT Administrator. The accessing of a department's email shall be coordinated with the department's Manager, unless Human Resources determines that the access should remain confidential. Email users shall cooperate in the access of email when requested by Human Resources. Employees should be aware that, as a public entity, all communications and data within the District's possession is potentially subject to a Public Records Act request. No employee has an expectation of privacy in any District email account, voicemail, hard drive, or other electronic data storage device.

5303 PASSWORDS AND SECURITY MEASURES

The District requires employees to use passwords or other security measures on its office equipment in order to channel communications to the proper persons. Unless authorized by Human Resources pursuant to District business, employees are expected to honor passwords and other security measures, and are not to access information unless it was intended for them. The District retains the right to override passwords and

other security measures in order to assure full access to all office equipment. Employees must comply with all District requests for access to District-owned equipment, communications, or data.

5304 UNLAWFUL HARASSMENT OR DISCRIMINATION

Employees are forbidden from using the District's office equipment for any form of unlawful harassment or discrimination based on race, color, national origin, ancestry, sex, sexual orientation, gender identity or expression, age, pregnancy or childbirth, religion, political beliefs, disability, marital status, veteran status, or any other criteria prohibited by District policy or applicable law.

5305 OTHER MISCONDUCT

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

5306 CONFIDENTIAL INFORMATION

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

5307 GOOD JUDGMENT

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

5308 INTELLECTUAL PROPERTY RIGHTS

The District's computer systems are not to be used to violate or infringe copyrights, trademarks, or other intellectual property rights of third parties. Employees are forbidden from installing or downloading software on to the District's computer system without authorization of management and the IT Administrator and must refrain from

utilizing trademarks or other copyrighted material without proper permission from the owner.

5309 PENALTIES

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

AT-WILL AGREEMENT

Acknowledgment of Personnel Manual Receipt and Compliance

I agree that I am employed by the Municipal Water District of Orange County on an at-will basis, and that my employment can be terminated at any time with or without cause or advance notice either by me or the District. I maintain no right to any due process hearing or so-called Skelly process prior to separation from employment or discipline.

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

Employee Signature

Printed Name

Date

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

APPENDIX “A” - EMPLOYEE DESIGNATIONS MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

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

(NON-EXEMPT; Overtime paid at time and one-half)

Accountant
Accounting Technician
Administrative Assistant
Assoc. Water Resources Analyst
Database Coordinator
Executive Assistant
Office Assistant
Public Affairs Assistant
Public Affairs Specialist
Public Affairs Coordinator
Student Intern
Records Coordinator
Senior Accountant
Senior Administrative Assistant
Senior Executive Assistant
Sr. WUE Analyst
WEROC Emergency Coordinator
WEROC Specialist
Water Loss Control Prog
Technician
WUE Analyst I
WUE Analyst II

**APPENDIX “A” - EMPLOYEE DESIGNATIONS –
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

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

(EXEMPT; Not eligible for overtime)

- Accounting Manager
- Accounting Supervisor
- Administrative Services Manager
- Assistant General Manager
- Associate General Manager
- Director of Emergency Management
- Director of Finance/IS
- Director of Human Resources/Administration
- Director of Public Affairs
- Director of Water Use Efficiency
- Financial Analyst/Database Analyst
- General Manager
- Governmental Affairs Manager
- Network Systems Engineer
- Principal Engineer
- Principal Water Resources Analyst

(EXEMPT; Not eligible for overtime)

- Public Affairs Manager
- Public Affairs Supervisor
- Senior Engineer
- Sr. Executive Assistant to the Board
- Sr. Financial Analyst/Database Analyst
- Sr. Water Resources Analyst
- WEROC Programs Manager
- Water Loss Control Programs Supervisor
- Water Resources Analyst
- WUE Program Manager
- WUE Program Supervisor

**APPENDIX “B” – DISTRICT PAY STRUCTURE –
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

These documents can be found on the Districts website or contact Human Resources.

**APPENDIX “C” – DISTRICT ORGANIZATIONAL CHART
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

These documents can be found on the Districts website or contact Human Resources.

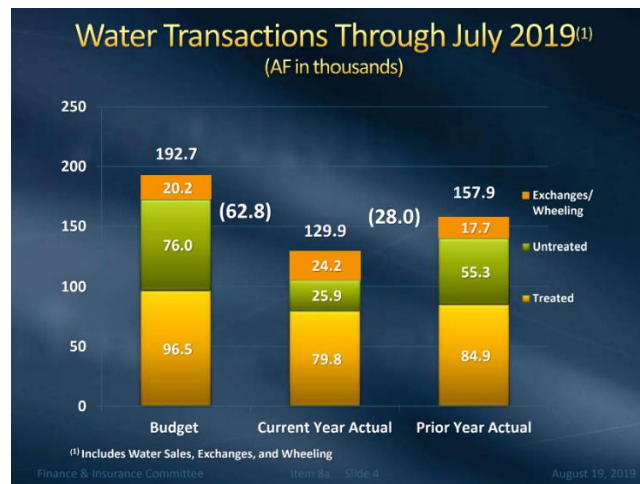
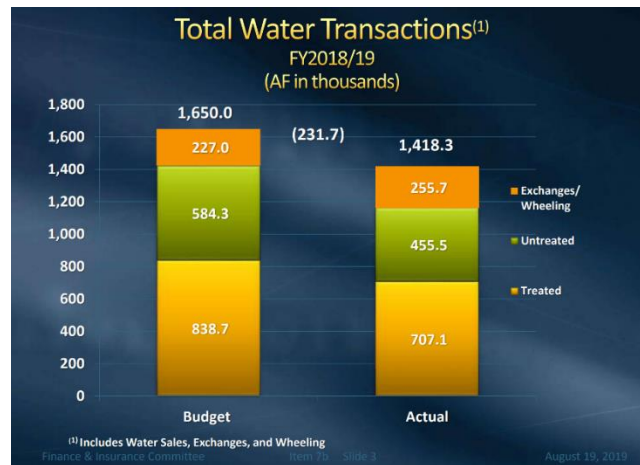
GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES SEPTEMBER 2019

MWDOC Agencies Managers Meeting	<p>MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on Thursday, August 22, 2019.</p> <p>In attendance were: Mike McGee – Buena Park, Lisa Ohlund – EOCWD, Cel Pasillas – Garden Grove, Ken Vecchiarelli – Golden State WC, Brian Ragland – Huntington Beach, Paul Cook and Paul Weghorst – IRWD, Matt Collings – Moulton Niguel WD, Mike Markus – OCWD, Jose Diaz – Orange, Eric Bauman – San Juan Capistrano, Dan Ferons – SMWD, Steve Myrter – Seal Beach, Rick Shintaku – South Coast WD, Marc Marcantonio and Rosanne Weston – Yorba Linda WD</p> <p>Staff in attendance were: Karl Seckel, Harvey De La Torre, Joe Berg, Charles Busslinger, Melissa Baum-Haley, Daniel Harrison, Jason Thorsell, Kevin Hostert, Kelly Hubbard & Chris Lingad</p> <p>Discussion Items:</p> <ul style="list-style-type: none"> ➤ Metropolitan Upcoming Shutdowns ➤ 2-2. Water Quality Issues Per- and Polyfluoroalkyl Substances ➤ 2-3. Water Loss Share Services Follow-up <p>Information Items:</p> <ul style="list-style-type: none"> ➤ AWIA Update and Contract ➤ 3-2. BUC – AQMD Follow-up <p>Next meeting will tentatively be held September 19, 2019</p>
Meetings	<ul style="list-style-type: none"> ➤ Charles Busslinger and Karl Seckel continue to participate in meetings of the Buried Utilities Coalition (BUC) regarding Air Quality Management District permitting of Asbestos Emissions from Demolition/Renovation Activities (Proposed Amended Rule 1403). AQMD adopted several recommendations made by the BUC into the July 25, 2019 draft of the Proposed Amendment to Rule 1403, but a few technical issues remain to be worked out. <p>The BUC met with South Coast AQMD staff again on August 29, 2019 in an attempt to clarify notification requirements, and to continue to push AQMD to treat asbestos cement pipe differently from asbestos containing building materials as Cal/OSHA has been doing since 1987.</p> <p>A Public Workshop was held September 4, 2019.</p> <ul style="list-style-type: none"> ➤ MWDOC and MET staff held a meeting on August 27, 2019 to discuss a variety of pending issues at AMP service connection OC-70. The meeting included a conference call with Utah State Water Research Laboratory (Utah State). MWDOC and MET staff have agreed to a course of action to test the accuracy of service connection OC-70 using the services of Utah State.

Meeting – continued	<p>Agreements between MWDOC and MET for the meter testing are currently in progress.</p> <ul style="list-style-type: none"> ➤ On August 15, MWDOC staff met with staff from IRWD and EOCWD to discuss several issues related to the Baker Pipeline. Based on the discussions and information presented at the meeting, the group concluded that the previously approved capacity swaps had not infringed on EOCWD's ownership of 10.0 cfs of capacity in Reach 1U of the Baker Pipeline. They also agreed that the basic Santiago Aqueduct Commission JPA agreement included a provision that water from other sources can be commingled with Baker Pipeline water. ➤ Karl Seckel and Charles Busslinger met with Brent Yamasaki and Sergio Escalante from MET and Steven Barfuss, Director of Utah State Water Research Laboratory joined via the phone. The discussions involved coordination of information to conduct the testing work once it has been fully coordinated. Prior to the testing work, OC-70 will have to be shutdown to obtain specific measurements on the pipe wall thickness and mortar thickness so the Lab can replicate the exact specifications of the pipe; a measurement of the internal diameter of an EOCWD pipeline downstream will occur. Mr. Barfuss believes the laboratory calibration of MET's portable meter for field testing at OC-70 can be accomplished in a very precise manner. ➤ Karl Seckel and Charles Busslinger met with the SMWD Water Quality and Innovations Committee to discuss various water quality issues. The issues updated in the discussions included: <ol style="list-style-type: none"> 1. MET Update on Colorado River Water Quality Issues (from MET's July 2019 E&O update) <ol style="list-style-type: none"> a. Chromium 6 Remediation – clean-up began in 2004; 1 billion gallons of chromium-6 being cleaned-up on an interim basis; about 25% cleaned-up; construction began in 2018 on the permanent clean-up and should be completed in 2023 and operate for about 30 years. The levels of chromium-6 upstream and downstream are at non-detect levels. b. Perchlorate Remediation – identified in 1997; treatment has reduced loading into Lake Mead from 1000 pounds per day to less than 100 pounds per day with levels of perchlorate at MET's CRA intake having dropped from about 9 ppb to about 1 ppb; the long-term solution is being worked on. c. Moab Uranium Mill Tailings Clean-up – 16 million tons of uranium mill tailings are located within 750 feet of the Colorado River and are within the 100 year flood plain. DOE started moving the tailings about 30 miles inland where they will be buried and encased; about 60% has been moved. Only very low levels of radioactivity have been picked up at MET's CRA intake. Additional Federal funding is speeding up the process. d. Paradox Valley Salinity Control – 200,000 tons of salts are being picked up in the Dolores River from natural salt formations; the salinity control project has shallow extraction wells and injection wells 16,000 feet deep to help keep the saline groundwater from commingling with the Dolores River. The system eliminates 100,000 tons of salts per year from the Colorado River. The injection well is
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<p>Meeting – continued</p>	<p>past its useful life and was recently shutdown due to seismic activity from the injection process (operates at over 5,000 psi). This system represents 10% of all of the salinity control measures on the Colorado River system. A Federal EIR/EIS is scheduled for completion later this year (although it has been in progress since 2013) on alternatives that include replacing the existing system, using evaporation ponds or using a “salt-maker” system with near zero discharge of liquids to create salt-cake as a product. The shutdown of this system will ultimately result in about a 10 mg/l increase at MET’s intake to the Colorado River in 4 to 6 years as the additional salt makes its way through the system.</p> <ol style="list-style-type: none"> 2. PFAS issues in the OCWD Basin and impacts thereof <ol style="list-style-type: none"> a. OCWD conducting research on treatment options b. State still considering what to do c. Depending on State outcome, OCWD could suffer the loss of production of 100,000 AF per year, about 1/3 of their production; currently, it makes shutting the Diemer Plant down for 7 days very difficult 3. MET Allowing Emergency Water Pump-in to their facilities <ol style="list-style-type: none"> a. MET has adopted a change to their administrative code that allows member agencies to use the MET pipelines for delivery of local water in the event MET cannot make deliveries of their water. This would allow a pump-in of groundwater into the EOCF#2; the PFAS issue has probably delayed work on this project. 4. Recommendations from White Papers by Black & Veatch & Hazen Sawyer on issues related to future operations and integration of NEW supplies within the Orange County Distribution System. MWDOC staff discussed some of the work being investigated on potential water quality issues associated with bringing on new supplies and introducing them into the regional, sub-regional or local pipeline systems as well as other occurrences such as low flow conditions, nitrification and stranding of assets. Staff noted the White Papers have not yet been released, but will be circulated soon and MWDOC will conduct a workshop. <p>Overall, SMWD’s committee thanked MWDOC for flagging these issues and presenting them to the Committee so they had an improved understanding. Input from the Committee included the following:</p> <ul style="list-style-type: none"> • They felt that salinity control was a much more critical issue than people are aware of and should be given a higher visibility and attention. Some of the work being updated in the next several years, including the Colorado River Sanitary Survey, the Water Quality Standards for the Colorado River System, and the economic impacts of salinity to the end user. • They asked about the ability to lobby/provide input on National, Colorado River and State issues and how to get ahead of the regulation setting process and where local agencies could help. • They suggested that one of MWDOC’s Joint Workshop Meetings with its MET Directors should focus on Water Quality at least once per year
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Meeting – continued	to provide an overview and update; wide advertisement of the meeting should be solicited to get a large audience in attendance, with the goal of raising the intelligence quotient on water quality and its potential impacts.																
<h2>MET ITEMS CRITICAL TO ORANGE COUNTY</h2>																	
MET's Water Supply Conditions	<p>The Department of Water Resources (DWR) in June increased the State Water Project (SWP) <i>“Table A” allocation to 75%</i>. This allocation provides Metropolitan with approximately <i>1.41 MAF in SWP deliveries this water year</i>. DWR's approval considered several factors including existing storage in SWP conservation reservoirs, SWP operational regulatory constraints, and the 2019 contractor demands.</p> <p>With estimated total demands and losses of 1.50 million acre-feet (MAF), along with 947 thousand acre-feet (TAF) of Colorado River water and a 75% SWP Table A Allocation plus an additional 65 TAF of Article 21 supplies, Metropolitan is projecting that supply will exceed demand levels in CY 2019. Based on this, estimated total dry-year storage for Metropolitan at the end of <i>CY 2019 is projected to go up to 3.3 MAF</i>.</p> <div data-bbox="586 968 1232 1444"> <p>2019 Supply Demand Balances 75% SWP Allocation Scenario</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Article 21</td> <td>65 TAF</td> </tr> <tr> <td>Table A</td> <td>1.41 MAF</td> </tr> <tr> <td>CRA</td> <td>947 TAF</td> </tr> <tr> <td>Total Supply</td> <td>2.5 MAF</td> </tr> <tr> <td>Current Demand</td> <td>1.50 MAF</td> </tr> <tr> <td>Member Agency Demand</td> <td>1.35 MAF</td> </tr> <tr> <td>Obligations/Losses</td> <td>0.15 MAF</td> </tr> </tbody> </table> <p>WP&S Committee Item 6a - Slide 7 July 8, 2019</p> </div>	Category	Value	Article 21	65 TAF	Table A	1.41 MAF	CRA	947 TAF	Total Supply	2.5 MAF	Current Demand	1.50 MAF	Member Agency Demand	1.35 MAF	Obligations/Losses	0.15 MAF
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MET's Finance and Rate Issues	<p>For the period ending June 30, 2019, water transactions through June were 231.7 TAF (14%) lower than budget and 25.2 TAF (2%) lower than the 5-year average. Variance from the budget was due to lower demands from a wet winter and the elimination of any drought conditions. Water transactions for July were 62.8TAF (\$57.5) lower than budget and 7.3 TAF lower than the 5-year average.</p>																

**MET's
Finance and
Rate Issues -
continued**

**Colorado
River Issues**
Reclamation Announces 2020 Colorado River Operating Conditions

On August 15, the Bureau of Reclamation (Reclamation) released its Colorado River Basin August 2019 24-Month Study, which sets the annual operations for Lake Mead and Lake Powell in 2020. The operation of Lake Powell and Lake Mead in this August 2019 24-Month Study is pursuant to the December 2007 Record of Decision on Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations of Lake Powell and Lake Mead (Interim Guidelines), and reflects the 2019 Annual Operating Plan.

Consistent with the Interim Guidelines, the Intentionally Created Surplus (ICS) Surplus Condition is the criterion governing the operation of Lake Mead for calendar year 2020. In addition, the Lower Basin Drought Contingency Plan (DCP) Agreement will also govern the operation of Lake Mead for calendar year 2020. Based on projections in the 24-Month Study, Lake Mead will operate in the Normal or ICS Surplus Condition in Calendar Year 2020 and Lake Powell will operate in the Upper Elevation Balancing Tier in Water Year 2020 (October 1, 2019 through September 30, 2020).

The Upper Basin experienced above average snowpack, and runoff was 145% of average this past spring, raising Lake Powell's elevation by more than 50 feet since early April. Total Colorado River system storage today is 55% of capacity, up from

**Colorado
River Issues
– continued**

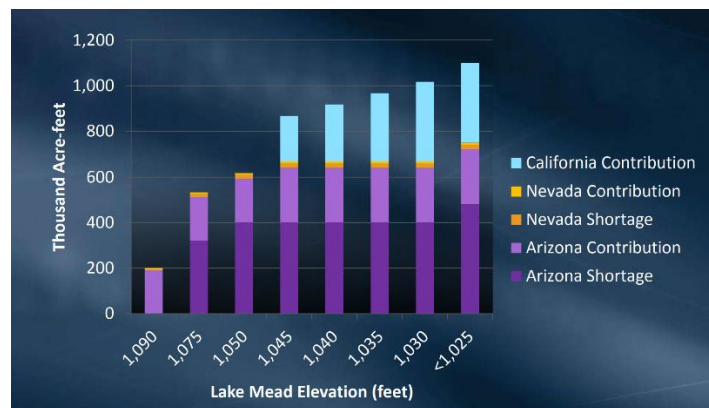
49% at this time last year. In addition, critical drought contingency plans adopted by the seven Basin States, federal government and Mexico earlier this year are now in place to reduce risks to the system.

The Study projects Lake Mead's January 1, 2020, elevation to be 1,089.4 feet, about 14 feet above the Lower Basin shortage determination trigger of 1,075 feet. Lake Powell's January 1, 2020, elevation is projected to be 3,618.6 feet — 81 feet below full. Because Lake Mead is projected to begin the year below the drought contingency plan's threshold of 1,090 feet, Arizona, Nevada and Mexico will make water savings contributions to Lake Mead in 2020.

Despite the above average 2019 snowpack, the Colorado River Basin continues to experience its worst 20-year drought on record, dating back to 2000. This 20-year period is also one of the driest in the 1,200-year paleo record. The August 2019 24-Month Study can be found at <https://www.usbr.gov/lc/region/g4000/24mo.pdf>.

From the Lower Basin Drought Contingency Plan (DCP) the state contributions for Arizona, Nevada, and California are designated as the following:

- **Arizona** - In Years when Lake Mead elevation is projected to be above 1,045 feet and at or below 1,090 feet on January 1, the State of Arizona shall make annual DCP contributions in the total amount of 192,000 acre-feet.
- **Nevada** - In Years when Lake Mead elevation is projected to be above 1,045 feet and at or below 1,090 feet on January 1, the State of Nevada shall make annual DCP contributions in the total amount of 8,000 acre-feet.
- **California** - In Years when Lake Mead elevation is projected to be above 1,045 feet and at or below 1,090 feet on January 1, the State of California is not required to make DCP contributions.

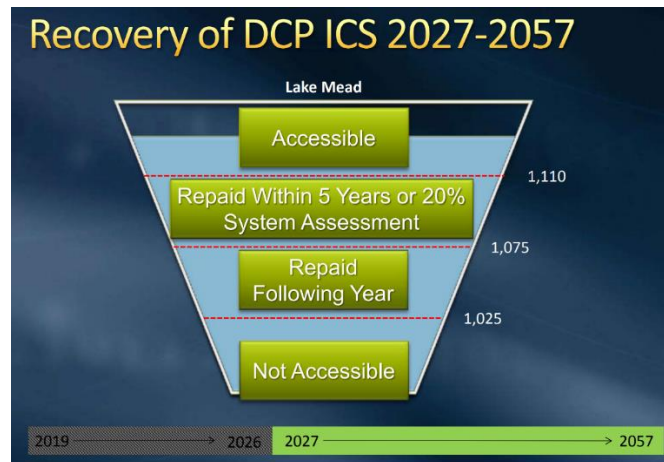

Metropolitan Submits Updated 2019 Intentionally Created Surplus (ICS) Plan

After the DCP agreements became effective in May, Reclamation requested that all Colorado River contractors with ICS accounts submit updated ICS Plans to reflect any changes resulting from implementation of the DCP.

On June 17, Metropolitan submitted the updated 2019 ICS Plan. This update reflects Metropolitan's new and amended Extraordinary Conservation ICS (ECICS) exhibits, which added Metropolitan's conservation and local resource programs. This expansion in Metropolitan's conservation programs that qualify to create ECICS give Metropolitan greater flexibility in creating California's 400,000 acre-foot maximum annual ICS creation volume, which Metropolitan is targeting to leave in Lake Mead this year.

**Colorado
River Issues
- continued**

The recovery of DCP ICS contributions varies based on the Lake Mead elevation and is illustrated below:



Metropolitan/Palo Verde Irrigation District Following Program Update

Under the Following Program, Palo Verde farmers refrain from irrigating between 7 and 28 percent of the valley lands in any year at the request of Metropolitan, making water that would have been used for farming on these lands available to Metropolitan. Land taken out of production is maintained in accordance with approved soil and water management plans, and rotated every one to five years. The program allows Metropolitan to receive additional water, while providing stable income to the farming community. Annual payments to farmers vary in response to actual acreage fallowed.

In July each year, Metropolitan issues a fallowing call for the contract year, beginning August 1 of the following year. Metropolitan is maintaining the current 40 percent fallowing call that will be in place for two years, from August 1, 2019 through July 31, 2021.

Pilot Study Proposal to the USBR 2019 Colorado River Basin Study Program

In April 2019, Metropolitan, the Central Arizona Water Conservation District (CAWCD), and the Southern Nevada Water Authority (SNWA) submitted a joint letter of interest proposing a pilot research study under the U.S. Bureau of Reclamation's (USBR's) Colorado River Basin Study Program. Based on the letter of interest, USBR invited the three agencies to submit a more formal joint proposal, which they did in July. USBR will evaluate the proposal against others to determine whether it will receive matching federal funds. If funded, the project would investigate methods used to quantify agricultural water conservation in the Lower Colorado River Basin (Lower Basin), focusing on case studies of seasonal fallowing, deficit irrigation, and irrigation equipment conversion (e.g., conversion from flood irrigation to sprinklers). The aim of the project is to evaluate existing quantification methods and suggest methodological improvements to better guide investment in Lower Basin agricultural conservation going forward. The project team would consist of Metropolitan, CAWCD, SNWA, USBR Lower Colorado Region, an outside consultant, and a broad stakeholder group.

Bay Delta/State Water Project Issues	<p>For information specifically relating to the Delta Conveyance Project (f.k.a. the California WaterFix) please, refer to the associated Board Item – Delta Conveyance Project Activities.</p> <p><u>Science Activities</u></p> <p>Metropolitan staff is working with the State Water Contractors (SWC) and ITN Industry News to produce a news and current affairs-style program that will explore the threats posed to fish and wildlife. The program will highlight the impact of effective fisheries management and look at how organizations are addressing the complexities of fisheries conservation and creating a sustainable future. The collaborative science that SWC is investing in and supporting will highlight how fisheries science is being used to inform water project operations and policy decisions. This Fisheries Strong video will provide a platform for the exchange of ideas, highlight the important work of fisheries and conservation professionals, and showcase some best practice stories from across America on what people and organizations are doing well from the top down to the grassroots level. The program will be launched at the American Fisheries Society annual conference, featured on the association website, and shared widely online to their members. The program will also be featured across 50 or more different distribution channels including the AFS website, social media, newsletters, YouTube and more as a means to provide practical, real-world solutions for advancing the industry.</p> <p>A scientific paper published in the June edition of the San Francisco Estuary & Watershed Science Journal presented results of a study funded by Metropolitan to characterize early 20th century salinity conditions in the Delta. The paper compares two salinity datasets from the early 20th century – the records of distance travelled by the C&H Sugar's freshwater barges and salinity measurements by the State of California. The C&H Sugar's barge data has been used extensively in the Bay-Delta community as a surrogate for the degree of salinity intrusion in the Delta. This paper finds that the salinity intrusion estimated through C&H Sugar's barge data is systematically lower by up to 10 km when compared to other salinity measurements during the same period, and therefore, questions the conclusions about the salinity intrusion based on the barge data.</p> <p>Metropolitan staff continued participating in the Collaborative Science and Adaptive Management Program (CSAMP), including participation on the Collaborative Adaptive Management Team (CAMT). In July, CAMT and the CSAMP Policy Group discussed and approved the Process Guidelines for the Delta Smelt Structured Decision Making (SDM) project, which will allow the consultant to proceed with the next phase of the project. The overall objective of this SDM project is to identify actions to benefit Delta smelt, and evaluate and rank the actions in a scientifically structured process to support consideration of prioritized management actions. The CSAMP Policy Group received updates on restoration projects to benefit salmon at Battle Creek, the San Joaquin River and the Yolo Bypass, and was briefed on planned Delta smelt management actions, pilot studies and monitoring activities this summer and fall related to the food web and flow management actions proposed to benefit Delta smelt.</p> <p><u>Delta Flood Emergency Management Plan</u></p> <p>DWR has invited Metropolitan to participate as a member of the Delta Working Group, which coordinates Delta emergency response programs among local, state</p>
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Bay Delta/State Water Project Issues – continued	<p>and Federal agencies, and provides a sounding board for current studies and initiatives. The group is composed of flood response agencies, including Local Management Agencies (LMAs), Delta counties, California Governor's Office of Emergency Services, DWR and the U.S. Army Corps of Engineers.</p> <p>DWR also reported that the State Department of General Services would post for bid a large sheet pile procurement contract in August 2019 to supplement rock inventories supporting levee breach and channel closures for development of the freshwater pathway in an emergency. Previous DWR technical reports have supported pathway development through sheet pile closures in lieu of or in combination with rock closures.</p> <p>DWR is receiving and making available large inventories of super sacks from commercial sources, which can supplement local, state and federal agency inventories for channel closures generally inaccessible by other means. DWR also announced a new \$10 million local agency grant program to support emergency response inventories and programs of Delta LMAs.</p>				
MET's Ocean Desalination Policy and Potential Participation in the Huntington Beach Ocean (Poseidon)	<p><u>Poseidon Huntington Beach</u></p> <p>The Santa Ana Regional Water Quality Control Board (SARWQCB) continues to work with Poseidon on renewal of the NPDES Permit for the HB Desalination Project. At the June 14, 2019 SARWQCB meeting, the Regional Board staff provided an information item update on the "Identified Need" for the Poseidon project. In evaluating whether the proposed location is the "best site feasible", the Ocean Plan directs the Regional Board to evaluate, in part, if the identified need for desalinated water is consistent with applicable water planning documents. In the case of the proposed Poseidon project, the applicable water planning documents are Municipal Water District of Orange County's (MWDOC) 2015 Urban Water Management Plan (UWMP), the OC Water Reliability Study, OCWD's Long Term Facilities Plan and other OCWD planning documents. There was a considerable range of views expressed at the meeting. One of the reactions from the SARWQCB was that they did not believe they could permit a project if it was not highly probable that the project would move forward. The alternative position was noted that it is hard to agree ahead of time to move forward with the project if the full extent of terms and conditions are unknown.</p> <p>The Regional Board schedule for the permit is:</p> <table data-bbox="483 1478 1299 1549"> <tr> <td>Draft Permit</td><td>Will be discussed in a Fall Workshop</td></tr> <tr> <td>Final Permit</td><td>Anticipated issuance by the end of the year</td></tr> </table> <p>Assuming success, Poseidon would then seek its final permits from the California Coastal Commission. The August 2, 2019 meeting of the Santa Ana Regional Water Quality Control Board was cancelled. The next Regional Board meeting is scheduled for September 13, 2019.</p>	Draft Permit	Will be discussed in a Fall Workshop	Final Permit	Anticipated issuance by the end of the year
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South Orange County Projects	<p><u>Doheny Desal Project</u></p> <p>On June 27, 2019, the South Coast Water District (SCWD) Board certified the Final Environmental Impact Report (FEIR) for the Phase I Local Doheny Ocean Desalination Project, which would produce up to 5 million gallons per day (MGD) of new, drinking water supplies for the area. SCWD subsequently filed its Notice of</p>				

South Orange County Projects - continued	<p>Determination and is beginning the permitting process with various permitting agencies.</p> <p>In March 2018, SCWD was awarded a \$10 million grant from the State Department of Water Resources for the Doheny Ocean Desalination Project.</p> <p>In April 2019, U.S. Representative Mike Levin announced that SCWD is set to receive more than \$8.3 million in US Bureau of Reclamation (USBR) WaterSMART Desalination Construction Program grant funding for the Project. The grant is subject to pending federal appropriations and needs to be included in the E&W Appropriations list of projects for which the Secretary of Interior intends to award grants. Congressman Levin is acting as the lead office on this request in the House. On July 11, 2019 SCWD's Board adopted a resolution pursuing a second year (round) of the USBR WaterSMART Desalination Construction Program grant funding. SCWD is eligible to receive a cumulative total of \$20 million for the Project from USBR. Approximately two to six awards are expected to be made by USBR with up to \$12 million available in this round. The recipient must provide at least 75% of the total project costs.</p> <p>Next Steps:</p> <ol style="list-style-type: none"> 1. Alternative Power Supply Management Study –SCWD staff is currently reviewing a proposal from engineering consultant Burns & McDonnell for a 6 month detailed study of alternative power alternatives. The study would include a District-wide assessment and Conceptual Management Plan including studying a community choice aggregation option. 2. Legislative – SCWD is working on AB 1752 to allow the District to proceed with a DBO Contract while maintaining access to State funding for the Project (both DWR grant money and SRF loans). A vote is anticipated in mid-October. 3. Project Delivery – Beginning work on the development of several documents including; Request for State of Qualifications (SOQ) for potential bidders, contract documents, and a RFP package. 4. Peer Review Cost Estimate – California American Water (CalAm), who developed the 6.4 MGD Monterey Ocean Desal Project using slant well technology, is completing a peer review cost estimate. 5. Slant Well Risk Evaluation – A second workshop will be scheduled to get CalAm's perspective on the risks of slant well technology. 6. SCWD Local Potable Water System Integration – Updated hydraulic modeling and surge analysis of the SCWD system. 7. Project Partners – continuing to discuss partnering opportunities with interested agencies 8. High Level Schedule <ol style="list-style-type: none"> a. Environmental permitting Summer 2020 b. DBOM Contract Develop/Award Fall 2020 c. Funding Fall 2020 d. Final Design Dec. 2020 e. Construction Late 2022 <p><u>SMWD Trampas Canyon Recycled Water Reservoir</u></p> <p>Trampas Canyon Reservoir and Dam (Trampas Reservoir) is a seasonal recycled water storage reservoir, with a total capacity of 5,000 AF, of which 2,500 AF is available to meet Santa Margarita Water District's projected base recycled water</p>
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South Orange County Projects – continued	<p>demands, and 2,500 AF to meet future water supply needs. When completed, the Trampas Reservoir will allow SMWD to store recycled water in the winter and draw on that water during the peak summer months.</p> <p>The construction of the Trampas Canyon Recycled Water Seasonal Storage Reservoir consists of three main components:</p> <ol style="list-style-type: none"> 1. Trampas Canyon Dam (Dam) 2. Conveyance facilities to transport recycled water into and out of the Reservoir (Pipelines) 3. Trampas Canyon Pump Station (Pump Station) <p>The construction of the facilities is being completed in three phases:</p> <ol style="list-style-type: none"> 1. Preconstruction/Site Preparation for the Dam and Pump Station Construction 2. Dam and Pipelines 3. Pump Station <p><u>PROJECT STATUS</u></p> <p><u>Preconstruction/Site Preparation</u></p> <p>Complete</p> <p><u>Dam and Pipelines</u></p> <p>The Construction Contract was awarded in December 2017 and is approximately 53% complete.</p> <p><u>Pump Station</u></p> <p>The 100% design of this facility has been submitted by AECOM and is still being reviewed by the District. The design process is scheduled to conclude in August 2019, and the project will likely be available to start the construction bidding process in September 2019. Overall completion of the Pump Station construction is expected to be in June 2020, about 2 months ahead of the Reservoir and Dam completion.</p>
<h2 style="text-align: center;">ENGINEERING & PLANNING</h2>	
MET 2019-20 Shutdown Schedule	<p>MWDOC staff held several meetings with MET and MWDOC member agencies since July 11, 2019 to review the MET 2019-2020 Shutdown Schedule. One of the proposed shutdowns involves the complete shutdown of the Diemer Water Treatment Plant to accommodate four construction projects at the plant. Currently MWDOC staff is working with potentially affected agencies to see what options are available to accommodate a Diemer shutdown; given the likely reduction in PFOA & PFOS Response Level triggers in the Fall of 2019, and its impact to multiple groundwater wells. MWDOC is planning a workshop (in September or October) with the member agencies and three cities to discuss whether a 7-day shutdown can be accommodated in early 2020.</p>

EMERGENCY PREPAREDNESS

Coordination with WEROC Member Agencies	<p>Final: WEROC, with Michael Baker as the lead consultant, has facilitated 19 agencies through the process of updating the Orange County Water and Wastewater Multi-Jurisdictional Hazard Mitigation Plan. Plan binders are being delivered to all participating agencies.</p> <p>Ongoing: WEROC launched an effort to facilitate a joint RFP and contract with participating WEROC member agencies to address the new requirements of America's Water Infrastructure Act (AWIA). On October 23, 2018, Congress signed into law the American Water Infrastructure Act (AWIA) (S.3021, Law 115-270). Per Section 2013 of Title II, the AWIA requires utilities to conduct a Risk and Resilience Assessment (RRA) of their community water systems and develop a corresponding Emergency Response Plan (ERP) by March 31, 2020 for systems serving population of 100,000 or more. New actions:</p> <ul style="list-style-type: none"> • HSG assistant project managers are currently reviewing submitted materials from participating agencies and conducting weekly conference calls to obtain additional details • Karl Seckel is working with Legal Counsel and Participating Agencies to finalize an Agreement between MWDOC and Participating Agencies for their participation and costs for Phase 2 & 3. • The first draft of the compliance crosswalk is being released . The crosswalk will be filled in by the HSG staff working with each agency and the initial document will be serve as a compliance GAP analysis. <p>Daniel attended the UAWG (Urban Area Working Group) meeting to build rapport with the grant approving committee for UASI (Urban Area Security Initiative) Homeland Security funds. An initial discussion took place regarding future support for water projects such as additional emergency water trailers and emergency water bags to use at points of distribution.</p>
Training and Programs	<p>MWDOC and WEROC will be participating in the Diemer Water Treatment Plant tabletop exercise on 8/29/19 and facilitating any WEROC multi-point ordering or communication for the training incident. The key element for WEROC will be to coordinate response needs between any affected agency WEROC, the OA and assisting entities and aid in coordination to ensure a more efficient response.</p>
Coordination with the County of Orange	<p>Ongoing: OC OA Alert and Warning Working Group is a new committee to develop countywide public Alert and Warning policies, procedures and tools such as to request and approval forms. This will be a 6-month planning effort. Daniel attended the August meeting and started to work with the County's Control One to address some of WEROC's concerns with the plans associated forms.</p> <p>Ongoing: WEROC staff participation in the OA Agreement Revision Working Group. Update: The OA Agreement Working Group met for the first time in several months. The Draft Revised Agreement developed by the working group has been reviewed and approved by the County's Legal Counsel. The OA shared this revised draft to all OC government entities on August 15 so they could start the review process. Agencies will need to take the agreement to their legal counsel and provide</p>

Coordination with the County of Orange – continued	feedback to the OA. UPDATE 8/21/2019 Legal Counsel currently reviewing the draft OA Agreement.
Coordination with Outside Agencies	<p>On-going: California Public Utilities Commission (PUC) proceedings regarding the Impacts from De-Energization with a Focus on First Responders and Local Government. MWDOC has received party status to these proceedings. Party Status ensures that we receive all communications regarding the proceedings and that our comments are included officially for consideration.</p> <p>Daniel is in the initial stages of identifying potential partners to bolster EOC response in a manner that mirrors level 4 incident management team. Level 4 teams include local fire, ems and possibly law enforcement that have significant experience and certifications to manage/assist in major or complex incidents during the first 6-12 hours.</p>
EOC Readiness	<p>Janine Schunk and Daniel participated in the OA and MET radio tests and WebEOC tests. Janine also facilitated the WEROC monthly radio test.</p> <p>Janine scheduled and oversaw the install of the satellite phone fixed base antennas on all WEROC EOC locations. She also identified a discrepancy with one of the radios at the NEOC which is actively being addressed.</p> <p>Leah Frazier assisted WEROC staff with ordering the newly updated WEROC Water and Wastewater county-wide wall maps on large magnetic whiteboards. WEROC EOC staff will now be able to mark up the wall maps with dry erase markers during exercises and real events to track damages. Staff is working on ordering picture icon magnets as symbols for certain types of impacts. Janine facilitated the installation of those maps at the South EOC.</p> <p>Daniel and Janine purchased various equipment to support the Alt EOC at MWDOC such as clean agent fire extinguisher, appropriate locks, and brackets in an effort to better prepare the Alt EOC and harden MWDOC and member agencies. In addition, working with two electrical contractors to provide quotes on temporary power cable that would allow the connection of the newly acquired generator to be used during mutual aid to member agencies.</p> <p>Janine coordinated the maintenance of the South EOC.</p>
WATER USE EFFICIENCY	
Proposition 1 Pre-Application Workshop with Department of Water Resources (DWR)	<p>On August 14, Rachel Waite and Joe Berg attended the Proposition 1 Pre-Application Workshop with DWR, which was hosted by the Santa Ana Watershed Project Authority (SAWPA). Rachel presented the Regional Comprehensive Landscape Rebate Program to DWR representatives, who provided constructive feedback. MWDOC is the lead agency of the project, which is a Santa Ana River watershed-wide project that has been slated to receive \$2,767,344 of Proposition 1 funding.</p>

Metropolitan Water District of Southern California (MET) Water Use Efficiency Workgroup	<p>On August 15, Rachel Davis attended Metropolitan's Water Use Efficiency Workgroup meeting. Approximately 30 member agencies participated in the meeting. Agenda items included:</p> <ul style="list-style-type: none"> • Introductions • August Metropolitan Board Presentation <ul style="list-style-type: none"> ○ Conservation Update ○ Cooling Tower Update ○ Preview of August/September Board Presentations • Pacific Institute and Santa Ana Watershed Project Authority • Sustainable Landscapes on Commercial and Industrial Properties project update • Western Municipal Water District Water Use Efficiency Master Plan Presentation • Metropolitan External Affairs Update • Metropolitan Programs Updates <ul style="list-style-type: none"> ○ Public Agency Landscape (PAL) Program ○ Member Agency Administered Program • Future Meeting Items <p>The next Workgroup meeting is scheduled for September 19 at Metropolitan.</p>
California Water Efficiency Partnership (CalWEP) Research and Evaluation Committee Meeting	<p>On August 20, Rachel W. participated in the CalWEP Research and Evaluation Committee conference call. Topics discussed included:</p> <ul style="list-style-type: none"> • Qualified Water Efficient Landscaper (QWEL) Trainings • Task Force for Long-Term Framework • New Technology <ul style="list-style-type: none"> ○ Dipper Well Pilot Study ○ Customer-Side Leak Detection Pilot Study
Orange County Aerial Imagery Acquisition Meeting	<p>On August 21, Rachel W. and Steve Hedges participated in a Southern California Association of Governments (SCAG) meeting focusing on the acquisition of high quality aerial imagery for Orange County agencies.</p>
Orange County Water Use Efficiency Coordinators Workgroup Meeting	<p>On September 5, Joe, Beth Fahl, Steve, Rachel D., and Rachel W. hosted the Orange County Water Use Efficiency Coordinators Workgroup meeting at MWDOC. Approximately 20 agencies participated in the meeting. Highlights on the agenda included:</p> <ul style="list-style-type: none"> • Discussion Items <ul style="list-style-type: none"> ○ MWDOC Updates <ul style="list-style-type: none"> ▪ Grant Updates ○ Agency Roundtable/Problem Solving • Public Affairs/Marketing • Metropolitan Update <ul style="list-style-type: none"> ○ Conservation/DAC Update

Orange County Water Use Efficiency Coordinators Workgroup Meeting - continued	<ul style="list-style-type: none"> ○ Board Update ○ Program Advisory Committee Update ○ Residential and Commercial Programmatic Changes/Revisions ● Water Use Efficiency Programs Update <ul style="list-style-type: none"> ○ QWEL Update ○ Turf Removal Program <ul style="list-style-type: none"> ▪ Turf and Drip Addendums ○ Landscape Design and Maintenance Assistance Program Update ○ Pressure Regulating Valve Pilot Program Update <ul style="list-style-type: none"> ▪ Host Agencies ○ GardenSoft Website Update ● CalWEP Update ● Future Agenda Items <p>The next Workgroup meeting is scheduled for October 3 at MWDOC.</p>
<h2 style="margin: 0;">PUBLIC/GOVERNMENT AFFAIRS</h2>	
Member Agency Relations	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> ● Prepared and accompanied Director Thomas to present Charley Wilson with a resolution for his retirement from the Santa Margarita Water District Board of Directors ● Prepared and distributed the MWDOC Emergency Response and Disaster Recovery Media Kit for National Preparedness Month ● Hosted a Public Affairs Workgroup workshop on effective presentational speaking lead by Marion MacKenzie Pyle, President of Legacy Media Lab ● Prepared and organized printing & distribution of Fall 2019 bill inserts for 10 member agencies <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> ● Coordinated with Nick Norvell of BB&K who drafted guidelines to assist our member agencies in implementing SB 998 (water shutoffs) ● Sent information to member agencies re: SB 998 (water shutoffs) Working Group to encourage the appropriate staff person at their agency/city to join the group ● Led the SB 998 (water shutoffs) working group meeting for MWDOC member agencies
Community Relations	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> ● Attended the Festival of Children event at South Coast Plaza with Bolsa Chica Conservancy on September 7 ● Provided Orange County Sanitation District with information on MWDOC's branded materials and apparel ● Created and sent 2019 August eCurrents Newsletter

Education	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> • Participated and hosted a meeting with State Education and Environment Roundtable and Orange County Department of Education on the California Environmental Literacy Initiative (CAELI) • Attended and participated as a panelist for the “Train the Trainer” workshop for the Next Generation Science Standards Rollout hosted by Orange County Department of Education • Accepted a position on the CAELI Leadership Council and participated in the first monthly meeting • Participated in a Girl Scouts of Orange County STEM Consortium conference call • Coordinated and recognized the Voice for the Planet video contest students at the MWDOC August 21 Board meeting • Provided West Basin Municipal Water District information on all MWDOC school programs and the RFP process • Reviewed all school program curriculum for grades K-12 • Shared the Environmental Storytelling Contest for middle school students with school program contractors Discovery Cube Orange County • Provided MWDOC Water Education School Program information to Rancho Santa Margarita Intermediate teacher • Worked with school program contractors to develop after visit surveys for participating school teachers • Created an observer survey for Board members and participating member agencies that attend school program visits • Worked with designer to complete final draft of the Ricky Raindrop Education Booklets • Worked with Girl Scouts of Orange County (GSOC) on details for the new program year of the MWDOC Water Resources and Conservation Patch Program • Provided three (3) GSOC Troop Leaders with information related to the MWDOC Patch Program • Provided Elementary and High School Program information to Moulton Niguel Water District • Worked with school program contractors on building a shared Google Calendar to track school program visits in real-time • Provided Elementary School Program information to the cities of Brea, Buena Park, and Orange • Notified President Barbre, Director Dick, Director Thomas, and Director Schneider about upcoming school program visits in their service areas • Notified the cities of La Palma, Anaheim, Santa Ana, Garden Grove, Fullerton, and Santa Margarita Water District about upcoming school program visits in their service areas • Provided participating member agencies an opportunity to submit a slide for school program presentations
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Media Relations	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> Coordinated and filmed Dr. Gerald Lieberman, Director of State Education and Environment Roundtable for an Imagine a Day Without Water campaign video Provided a Public Affairs update at the monthly Water Use Efficiency Workgroup
Special Projects	<p>Public Affairs Staff:</p> <ul style="list-style-type: none"> Designed three (3) flyers and updated the website for the Landscape Design Assistance Program, Landscape Maintenance Assistance Program, and the Turf Removal Program Hosted the September 5 Water Policy Forum & Dinner featuring keynote speaker William Bourdeau Attended MET Orange County tabletop exercise at Diemer Treatment Plant Currently working on itineraries, trip logistics, guest and Director requirements for the following inspection trips: <ul style="list-style-type: none"> September 27-29 Hoover Dam and Colorado River Aqueduct Director Barbre October 4-6 State Water Project and Central Valley Agriculture Joint trip Director McKenney and Director Lefevre October 18-19 State Water Project Director Ackerman November 8-10 State Water Project and Central Valley Agriculture Director Barbre November 15-17 Hoover Dam and Colorado River Aqueduct Director McKenney <p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> Visited potential locations to host the upcoming Delta Stewardship Council (DSC) meeting on September 26, 2019 Coordinated with the Orange County Sanitation District to secure their Board Room for the DSC meeting Coordinated with MWDOC staff on documents and input needed for the upcoming Municipal Service Review Staffed the ISDOC Executive Committee meeting Staffed the WACO meeting featuring Jason Dadakis of Orange County Water District speaking on PFAS
Legislative Affairs	<p>Governmental Affairs Staff:</p> <ul style="list-style-type: none"> Coordinated a meeting of member agency legislative staff to review pending legislation and identify areas to assist one another as needed Participated in the Southern California Water Coalition (SCWC) Legislative Task Force meeting Proposed that the SCWC Legislative Task Force approve a support position on AB 1752 (Petrie-Norris) – the Doheny Desalination project legislation. The SCWC ultimately approved this and joined MWDOC's coalition letter Met with the County of Orange's legislative office to discuss pending legislation and county issues

Legislative Affairs - continued	<ul style="list-style-type: none">• Participated in the ACWA Region 10 State Legislative Committee pre-call to discuss items on the upcoming agenda• Attended the ACWA State Legislative Committee meeting in Sacramento• Coordinated with Assemblywoman Cottie Petrie-Norris' staff on assisting with AB 1752• Along with Metropolitan staff, coordinated and staffed a Community Leaders Briefing event for Congressman Lou Correa• Participated in the Metropolitan Member Agency Legislative Coordinators briefing conference call• Participated in the ACWA Federal Affairs Infrastructure and Agriculture Sub-Committee meeting• Participated in the ACWA Federal Affairs Water Supply Sub-Committee meeting
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INFORMATION CALENDAR

**MWDOC GENERAL INFORMATION
ITEMS**

MWDOC BOARD OF DIRECTORS

- Brett R. Barbre
- Larry D. Dick
- Bob McVicker
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider