

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
June 13, 2012, 5:00 p.m.
MWDOC Conference Room 101

Committee:

Director Barbre, Chairman
Director Dick
Director Finnegan

Staff: K. Hunt, K. Seckel, S. Kozak,
C. Harris, K. Davanaugh

Ex Officio Member: J. Thomas

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

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS-ACTION

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – May 2012
 - b. Disbursement Approval Report for the month of June 2012
 - c. Disbursement Ratification Report for the month of May 2012
 - d. GM Approved Disbursement Report for the month of May 2012
 - e. Water Use Efficiency Projects Cash Flow – May 30, 2012
 - f. Consolidated Summary of Cash and Investment – April 2012
 - g. OPEB Trust Fund monthly statement

2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative through April 30, 2012
3. DISTRICT CONFERENCES
 - a. Urban Water Institute Annual Water Conference, August 22-24, 2012, San Diego, CA (*District only pays direct costs associated with the conference, no registration fees*)

ACTION ITEMS

4. ADOPT WATER RATES RESOLUTION
5. AUDIO VISUAL IMPROVEMENTS TO BOARD ROOM AND CONFERENCE ROOM C-3
6. APPOINTMENT OF DISTRICT TREASURER
7. SELECTION OF INDEPENDENT AUDIT FIRM FOR ANNUAL FINANCIAL AUDIT SERVICES
8. REVISION TO PERSONNEL MANUAL SECTION REGARDING SERVICE AWARDS

DISCUSSION ITEMS

9. EVALUATION OF DISTRICT'S WORKERS COMPENSATION PROGRAM PROVIDER

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

10. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFORMATION
11. PENDING ITEMS
 - a. Administration
 - b. Finance and Information Technology

OTHER ITEMS

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

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a

recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

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

Item 1a

Municipal Water District of Orange County REVENUE / CASH RECEIPT REPORT May 2012

WATER REVENUES

Date	From	Description	Amount
5/1/2012	City of La Palma	March 2012 Water deliveries	51,846.44
5/4/2012	City of Fountain Valley	March 2012 Water deliveries	310,859.40
5/7/2012	East Orange County Water District	March 2012 Water deliveries	190,152.95
5/7/2012	City of Seal Beach	March 2012 Water deliveries	7,486.15
5/7/2012	Santa Margarita Water District	March 2012 Water deliveries	1,747,213.52
5/8/2012	City of San Juan Capistrano	March 2012 Water deliveries	242,216.34
5/8/2012	Serrano Water District	March 2012 Water deliveries	2,511.27
5/8/2012	City of Newport Beach	March 2012 Water deliveries	510,848.00
5/9/2012	Laguna Beach County Water District	March 2012 Water deliveries	234,470.24
5/9/2012	City of La Habra	March 2012 Water deliveries	67,643.74
5/10/2012	City of Orange	March 2012 Water deliveries	583,505.45
5/10/2012	City of Westminster	March 2012 Water deliveries	273,292.15
5/14/2012	El Toro Water District	March 2012 Water deliveries	517,579.50
5/14/2012	South Coast Water District	March 2012 Water deliveries	446,972.05
5/14/2012	Yorba Linda Water District	March 2012 Water deliveries	415,730.34
5/15/2012	Irvine Ranch Water District	March 2012 Water deliveries	1,290,364.33
5/15/2012	Moulton Niguel Water District	March 2012 Water deliveries	1,825,295.74
5/15/2012	Golden State Water Company	March 2012 Water deliveries	379,623.05
5/15/2012	Mesa Consolidated Water District	March 2012 Water deliveries	325,541.38
5/15/2012	Santiago Aqueduct Commission	March 2012 Water deliveries	79,755.83
5/24/2012	City of Buena Park	April 2012 Water deliveries	625,706.41
5/25/2012	City of San Clemente	April 2012 Water deliveries	674,795.75
5/30/2012	City of Garden Grove	April 2012 Water deliveries	414,760.11
TOTAL REVENUES			\$ 11,218,170.14

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
May 2012**

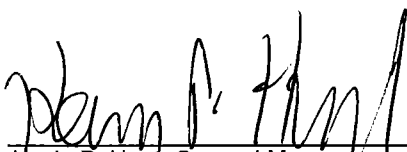
MISCELLANEOUS REVENUES

Date	From	Description	Amount
5/29/2012	US Bank	CAL Card rebate check	191.18
5/24/2012	Beverly Crowe	June 2012 Retiree medical premium	228.41
5/30/2012	Stan Sprague	June 2012 Retiree medical premium	229.47
5/30/2012	East Valley Water District	CalWARN State Steering Committee funds for their website	4,120.00
5/2/2012	Orange County Water District	CY 2010 Tier-2 Avoidance program RTS billing	355,461.00
5/4/2012	Laura Loewen	Movie tickets	15.00
5/18/2012	Grisel Rodriguez	Movie tickets	112.50
5/23/2012	Cash deposit	Movie tickets	240.00
5/29/2012	Maribeth Goldsby	Movie tickets	30.00
5/16/2012	Larry Dick	Reimbursement for ACWA conference dinner	100.00
5/14/2012	Susan Hinman	Reimbursement for spouse dinner at ACWA conference	49.00
5/22/2012	Wayne Osborne	Reimbursement for spouse dinner at ACWA conference	49.00
5/17/2012	Orange County Water Association	Reimbursement for Administrative Assistant event expense	106.00
5/16/2012	Dee Zinke	2/2/12 Water Policy dinner	75.00
5/22/2012	Contract Consultants	2/2/12 Water Policy dinner	75.00
5/2/2012	J.A, King & Associates	5/18/12 OC Water Summit	115.00
5/4/2012	2 Checks	5/18/12 OC Water Summit	345.00
5/7/2012	EC & AM Associates	5/18/12 OC Water Summit	230.00
5/8/2012	3 Checks	5/18/12 OC Water Summit	345.00
5/9/2012	Valley MWD	5/18/12 OC Water Summit	115.00
5/10/2012	RBF Consulting	5/18/12 OC Water Summit	230.00
5/14/2012	Best, Best & Krieger	5/18/12 OC Water Summit	230.00
5/16/2012	3 Checks	5/18/12 OC Water Summit	575.00
5/21/2012	8 Checks	5/18/12 OC Water Summit	1,050.00
5/31/2012	Paypal	5/18/12 OC Water Summit	9,692.80
5/10/2012	Associated Lab	5/18/12 OC Water Summit sponsorship	2,000.00
5/16/2012	Best, Best & Krieger	5/18/12 OC Water Summit sponsorship	2,000.00
5/17/2012	Tetra Tech Inc.	5/18/12 OC Water Summit sponsorship	2,500.00
5/25/2012	Santa Margarita Water District	5/18/12 OC Water Summit sponsorship	1,500.00
5/14/2012	Yorba Linda Water District	5/18/12 OC Water Summit sponsorship & Feb-Mar 2012 Smartimer rebate program	2,025.00
5/29/2012	City of Newport Beach	Sep 11 & Mar 12 Smartimer rebate program	252.00
5/16/2012	Bureau of Reclamation	Sep 11-Mar 12 Smartimer rebate program	13,830.44
5/8/2012	City of Newport Beach	January 2012 Smartimer rebate program	75.00
5/4/2012	Trabuco Canyon Water District	Jan & Mar 12 Smartimer rebate program	150.00
5/4/2012	Moulton Niguel Water District	February 2012 Smartimer rebate program	225.00
5/4/2012	2 Checks	March 2012 Smartimer rebate program	435.00
5/7/2012	3 Checks	March 2012 Smartimer rebate program	4,678.00
5/10/2012	City of Westminster	March 2012 Smartimer rebate program	75.00
5/11/2012	City of San Clemente	March 2012 Smartimer rebate program	750.00
5/14/2012	South Coast Water District	March 2012 Smartimer rebate program	375.00
5/17/2012	City of Fountain Valley	March 2012 Smartimer rebate program	150.00
5/18/2012	City of Santa Ana	March 2012 Smartimer rebate program	150.00
5/21/2012	City of Brea	March 2012 Smartimer rebate program	2,544.16
5/24/2012	City of Buena Park	March 2012 Smartimer rebate program	75.00
5/29/2012	Moulton Niguel Water District	March 2012 Smartimer rebate program	750.00
5/22/2012	City of Garden Grove	April 2012 Smartimer rebate program	420.00
5/25/2012	2 Checks	April 2012 Smartimer rebate program	1,260.00
5/29/2012	2 Checks	April 2012 Smartimer rebate program	10,946.05
5/24/2012	Mesa Consolidated Water District	April 2012 So Cal Watersmart rebate program	300.00
5/29/2012	El Toro Water District	April 2012 So Cal Watersmart rebate program	1,000.00
5/30/2012	Bureau of Reclamation	Sep 11-Mar 12 Industrial Process Water Use program	5,689.68

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
May 2012**

MISCELLANEOUS REVENUES

Date	From	Description	Amount
5/4/2012	Irvine Ranch Water District	Jan-Feb 2012 Landscape Performance Certification program	1,500.00
5/7/2012	Bureau of Reclamation	Jan-Mar 2012 Hotel Water Smart program	68,795.51
5/22/2012	Irvine Ranch Water District	February 2012 Residential WUE rebate program	23,357.00
5/30/2012	Irvine Ranch Water District	Mar-Apr 2012 Landscape Performance Certification program & April 2012 Residential WUE rebate program	32,100.00
5/25/2012	Department of Water Resources	Oct 10-Mar 11 Phs 3 Extended Pumping & Pilot plant	151,130.70
5/18/2012	Western Municipal Water District	Strategic Consulting Services on MET Issues - Cordoba	5,773.00
5/18/2012	Western Municipal Water District	Strategic Consulting Services on MET Issues - Malcolm Pirnie	5,340.00
TOTAL MISCELLANEOUS REVENUES			\$ 716,160.90
TOTAL REVENUES			\$ 11,934,331.04



 Kevin P. Hunt, General Manager



 Judy Pfister, Deputy Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

Item 1b

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
RPOI-40	<i>City of Anaheim</i> RPOI Distribution No. 40	14,818.45
	*** Total ***	14,818.45
RPOI-40	<i>East Orange County Water District</i> RPOI Distribution No. 40	41,674.68
	*** Total ***	41,674.68
RPOI-40	<i>El Toro Water District</i> RPOI Distribution No. 40	63,522.49
	*** Total ***	63,522.49
RPOI-40	<i>Irvine Ranch Water District</i> RPOI Distribution No. 40	575,656.34
	*** Total ***	575,656.34
RPOI-40	<i>Moulton Niguel Water District</i> RPOI Distribution No. 40	186,512.79
	*** Total ***	186,512.79
RPOI-40	<i>City of Orange</i> RPOI Distribution No. 40	72,423.71
	*** Total ***	72,423.71
RPOI-40	<i>Santa Margarita Water District</i> RPOI Distribution No. 40	380,828.85
	*** Total ***	380,828.85
RPOI-40	<i>Trabuco Canyon Water District</i> RPOI Distribution No. 40	23,214.01
	*** Total ***	23,214.01
RPOI-40	<i>Yorba Linda Water District</i> RPOI Distribution No. 40	12,664.18
	*** Total ***	12,664.18

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
102243	eCivis, Inc. 2012 Grants network membership renewal	3,879.00
	*** Total ***	3,879.00
052412	Association of California Cities 5/24/12 Luncheon registration for Dir. Dick & D. Cordero	100.00
	*** Total ***	100.00
060112	Union Bank Annual contribution to PARS for Post-Retirement Benefit plan	85,937.00
	*** Total ***	85,937.00
1274	Autumn Print Group 5/18/12 O.C. Water Summit programs, inserts & envelopes	3,752.93
	*** Total ***	3,752.93
7508	Awards & Trophies Co. Inc. Trophies for Poster Slogan contest winners	189.10
	*** Total ***	189.10
060412	Tiffany Baca January - May 2012 Education reimbursement	352.40
	*** Total ***	352.40
K972159/L012162	CDW Government Software to virtualize server & upgrade e-mail	4,744.00
	*** Total ***	4,744.00
G7781	EmbroidMe Poster Slogan contest t-shirts	681.92
	*** Total ***	681.92
7-886-18545	Federal Express Corporation 5/3/12 Delivery charges	23.62
7-901-60983	5/16/12 Delivery charges	48.67
7-907-99748	5/24/12 Delivery charges	15.88
	*** Total ***	88.17

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Foodcraft Coffee & Refreshment</i>	
5-516177	5/2/12 Coffee/tea supplies	15.16
5-516855	5/29/12 Coffee/tea supplies	247.43
	*** Total ***	262.59
	<i>Humanscale Corporation</i>	
1612611	3 Ergonomic monitor arms	294.16
	*** Total ***	294.16
	<i>Karen's Detail Custom Frames</i>	
2305	Resolution framed for P. Letrong retirement	96.98
2306	Framing of Poster Slogan contest winning artwork	592.63
	*** Total ***	689.61
	<i>Noah's Cleaning Service</i>	
053112	May 2012 Bi-monthly cleaning service for WEROC N. EOC & S. EOC	115.00
	*** Total ***	115.00
	<i>Office Solutions</i>	
I-00337232	5/18/12 O.C. Water Summit nametag holders	86.18
I-00337631	5/18/12 O.C. Water Summit nametags	24.67
	*** Total ***	110.85
	<i>Orange County Fire Protection</i>	
274755	Annual fire extinguisher maintenance for WEROC S. EOC	68.39
274914	Annual fire extinguisher maintenance for WEROC N. EOC	56.39
	*** Total ***	124.78
	<i>Orange County Water District</i>	
11273	April 2012 50% share of WACO expense	227.45
11287	April 2012 Office expense, postage, copies and office supplies	12,009.30
	*** Total ***	12,236.75
	<i>Jessica Ouwerkerk</i>	
060412	January - May 2012 Education reimbursement	3,851.01
	*** Total ***	3,851.01
	<i>Petty Cash</i>	
052312	March - May 2012 Petty Cash reimbursement	97.60
	*** Total ***	97.60

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Quality Copy & Printing Center</i>	
24495	20 Briefing books for O.C. Water Issues luncheon in Washington D.C. on 2/29/12	355.36
	*** Total ***	355.36
	<i>Top Hat Productions</i>	
85591	5/21/12 Catering for SOCOD Technical Advisory committee meeting	260.49
	*** Total ***	260.49
	<i>Ultimate Image Printing</i>	
18452	5/18/12 O.C. Water Summit event signage	1,208.96
	*** Total ***	1,208.96
	<i>Universal Laser, Inc.</i>	
154371	5/16/12 Printer cartridge replacement	77.58
	*** Total ***	77.58
	<i>USA Fact</i>	
1958284-IN/97026-IN	May 2012 New hire background inquiry	100.14
	*** Total ***	100.14
	<i>Aleshire & Wynder LLP</i>	
20115/20116	April 2012 Legal services	3,733.63
	*** Total ***	3,733.63
	<i>Best Best and Krieger LLP</i>	
55401-APR12	April 2012 Legal services	27,995.11
	*** Total ***	27,995.11
	<i>Cordoba Corporation</i>	
212210	4/16/12-5/15/12 Strategic assistance on MET issues	7,500.00
	*** Total ***	7,500.00
	<i>Discovery Science Center</i>	
043012MWDOC	April 2012 School program	21,213.00
053112MWDOC	May 2012 School program	13,522.50
	*** Total ***	34,735.50

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
105-0512	James C. Barker, P.C. May 2012 Federal legislative advocacy services	7,000.00
	*** Total ***	7,000.00
1156	Lewis Consulting Group, LLC May 2012 Professional services	4,000.00
	*** Total ***	4,000.00
6825A	Richard Brady & Associates 4/1/12 - 4/28/12 Consulting services for Huntington Beach Desal plant	2,975.00
	*** Total ***	2,975.00
8319	Townsend Public Affairs, Inc. May 2012 State & Federal legislative advocacy services	10,000.00
	*** Total ***	10,000.00
6646	Flow Science Inc. February - April 2012 Brine Disposal Experts panel for SOCOD Desal project	1,102.50
	*** Total ***	1,102.50
041712	Dr. Jed Fuhrman March 2012 Brine Disposal Experts panel for SOCOD Desal project	3,200.00
	*** Total ***	3,200.00
052912	Joe A. Kling, Ph.D., P.E. Corrosion test evaluation for SOCOD Desal project	19,216.00
	*** Total ***	19,216.00
0451430	Malcolm Pirnie, Inc. Retention payment for Alternative Project Delivery workshop for SOCOD Desal project	4,959.00
	*** Total ***	4,959.00
6663	Separation Processes, Inc. April 2012 Pilot Test facility operations for SOCOD Desal project	80,640.68
6664	April 2012 Pretreatment study for SOCOD Desal project	7,998.43
	*** Total ***	88,639.11

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>State of California</i>	
060112	June 2012 - May 2013 Right of Entry permit fee for SOCOD Desal project	24,000.00
	*** Total ***	24,000.00
	<i>AquaFicient Consulting</i>	
02-036	April 2012 Landscape Performance Certification program funded by IRWD and MET	1,500.00
	*** Total ***	1,500.00
	<i>BridgeCreek Landscape</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	1,500.00
	*** Total ***	1,500.00
	<i>Chang's Landscaping Service</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	8,700.00
	*** Total ***	8,700.00
	<i>ConserVision Consulting, LLC</i>	
LPCP-194	April 2012 Consulting services for Landscape Performance Certification program	7,152.75
	*** Total ***	7,152.75
	<i>Eco Friendly Lawns</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	16,800.00
	*** Total ***	16,800.00
	<i>Glens Landscape</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	15,000.00
	*** Total ***	15,000.00
	<i>Imperial Sprinkler Supply</i>	
MAY12-Variou	May 2012 Controllers for South County Smartimer program	30,643.06
	*** Total ***	30,643.06
	<i>Marc Mason Landscape Service</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	2,700.00
	*** Total ***	2,700.00
	<i>Paradise Design, Inc.</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	6,300.00
	*** Total ***	6,300.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of June 2012**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Turf Removal Program Recipient</i>	
TR2-ET-006	S. Bedard	716.00
TR2-ET-007	A. Schmitt	2,077.00
TR2-ET-008	P. Bao	715.00
TR2-GSWC-025	C. Metheny	2,893.50
TR2-GSWC-050	Granada Park Placentia HOA (Placentia)	19,943.69
TR2-GSWC-068	P. Montelongo	2,256.00
TR2-GSWC-069	J. Dean	589.50
TR2-GSWC-055	S. Munoz	1,434.00
TR2-HB-037	D. Daly	762.00
TR2-HB-044	D. Ito	1,742.00
TR2-IRWD-013	S. Wise	831.00
TR2-IRWD-020	A. Coleman	1,365.00
TR2-IRWD-022	D. W. Seitz Printing (Lake Forest)	2,499.00
TR2-IRWD-025	G. Mercure	1,459.50
TR2-LB-007	C. Costley	604.00
TR2-LB-008	T. Lamb	500.00
TR2-MESA-002	S. Scheck-Merrill	1,793.00
TR2-MESA-005	R. Levin	1,999.00
TR2-MN-006	Del Prado Tract 8965 HOA (Laguna Niguel)	12,948.00
TR2-MN-007	Nellie Gail Ranch HOA (Laguna Hills)	13,979.00
TR2-SC-023	G. Mikel	365.00
TR2-SJC-024A	Marlborough Seaside Villas - 25551 Breezewood (Dana Point)	7,572.00
TR2-SJC-024B	Marlborough Seaside Villas - 33601 Port Marine (Dana Point)	6,566.00
TR2-SJC-024C	Marlborough Seaside Villas - 33632 Breakwater (Dana Point)	9,694.00
TR2-SJC-024D	Marlborough Seaside Villas - 25722 Oceanwood (Dana Point)	9,096.00
TR2-SJC-024E	Marlborough Seaside Villas - 33776 Captains (Dana Point)	8,640.00
TR2-SJC-024F	Marlborough Seaside Villas - 33761 Bayside (Dana Point)	3,446.00
TR2-SJC-024G	Marlborough Seaside Villas - 25615 Bridgewater (Dana Point)	14,683.00
TR2-SJC-025	San Juan Hills East Block 2 (San Juan Capistrano)	5,156.00
TR2-SJC-027	Dana Terrace Association (Dana Point)	1,330.00
TR2-SJC-030	R. Molina	672.00
TR2-SM-012	R. Chiarella	351.00
	*** Total ***	138,677.19
	<i>Wade Landscape</i>	
MAY12-Variou	May 2012 Installation for South County Smartimer program	3,000.00
	*** Total ***	3,000.00
	<i>Waterwise Consulting, Inc.</i>	
2169	May 2012 Professional services for Hotel program	720.00
	*** Total ***	720.00
	Report Total	<u>1,962,573.75</u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2012**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
123895	5/3/12	USBANK 1897-APR12	U.S. Bank 3/22/12 - 4/23/12 Cal Card charges (see attached sheet for details)	7,401.79
			***Total ***	7,401.79
123896	5/8/12	ATTEOC 8200-APR12 4492-APR12 0532-APR12	AT&T April 2012 N. EOC telephone expense April 2012 S. EOC telephone expense April 2012 N. EOC dedicated phone line	138.15 192.98 75.98
			***Total ***	407.11
123898	5/8/12	TIMEWA 5210-MAY12	Time Warner Cable May 2012 Telephone and internet expense	1,255.73
			***Total ***	1,255.73
123899	5/15/12	ACKERM APR2012	Linda Ackerman April 2012 MET Director's compensation	2,216.20
			***Total ***	2,216.20
123904	5/15/12	BOTELE 043012	Crystal Boteler April 2012 Business expense	179.83
			***Total ***	179.83
123908	5/15/12	COVARR 042712	Melissa Covarrubias April 2012 Business expense	70.11
			***Total ***	70.11
123910	5/15/12	FAHLBE 043012	Beth Fahl April 2012 Business expense	35.17
			***Total ***	35.17
123913	5/15/12	FOLEYJ APR2012	John V. Foley April 2012 MET Director's compensation	2,216.20
			***Total ***	2,216.20

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2012**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
123917	5/15/12	HUBBAR 042212	Kelly Hubbard March - April 2012 Business expense	213.04
			***Total ***	213.04
123918	5/15/12	IKONOF 86909396	Ikon Office Solutions May 2012 Copier lease	747.05
			***Total ***	747.05
123919	5/15/12	RICOH 5022737351	Ricoh USA, Inc. May 2012 Copier maintenance	272.35
			***Total ***	272.35
123921	5/15/12	IRONMO FEB1022	Iron Mountain May 2012 Storage/retrieval of archived documents	495.16
			***Total ***	495.16
123924	5/15/12	LETRON 043012	Phil Letrong November 2011 - April 2012 Business expense	60.00
			***Total ***	60.00
123925	5/15/12	ACKEEX 043012	Linda Ackerman April 2012 Business expense	77.70
			***Total ***	77.70
123927	5/15/12	LYONKE 043012	Keith Lyon April 2012 Business expense	18.98
			***Total ***	18.98
123932	5/15/12	OCWD 11216	Orange County Water District March 2012 GWRS MET credit	741,218.24
			***Total ***	741,218.24
123969	5/15/12	USBANK 1769-APR12	U.S. Bank 3/22/12 - 4/23/12 Cal Card charges (see attached sheet for details)	301.22
			***Total ***	301.22

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2012**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<i>ACH000147</i>	<i>5/15/12</i>	<i>BARBCO APR2012</i>	<i>Brett Barbre April 2012 MET Director's compensation</i>	<i>2,216.20</i>
			<i>***Total ***</i>	<i>2,216.20</i>
<i>ACH000147</i>	<i>5/15/12</i>	<i>BAUMHA 043012</i>	<i>Melissa Baum-Haley March - April 2012 Business expense</i>	<i>70.01</i>
			<i>***Total ***</i>	<i>70.01</i>
<i>ACH000147</i>	<i>5/15/12</i>	<i>BERGJO 050112</i>	<i>Joseph Berg March - April 2012 Business expense</i>	<i>268.90</i>
			<i>***Total ***</i>	<i>268.90</i>
<i>ACH000156</i>	<i>5/15/12</i>	<i>DICKCO APR2012</i>	<i>Larry Dick April 2012 MET Director's compensation</i>	<i>1,994.58</i>
<i>ACH000157</i>		<i>043012</i>	<i>April 2012 Business expense</i>	<i>135.45</i>
			<i>***Total ***</i>	<i>2,130.03</i>
<i>ACH000162</i>	<i>5/15/12</i>	<i>FRAZIE 043012</i>	<i>Leah Frazier April 2012 Business expense</i>	<i>8.61</i>
			<i>***Total ***</i>	<i>8.61</i>
<i>ACH000163</i>	<i>5/15/12</i>	<i>HARRIS 030912</i>	<i>Cathleen M. Harris March 2012 Business expense</i>	<i>18.42</i>
<i>ACH000164</i>		<i>040912</i>	<i>April 2012 Business expense</i>	<i>18.55</i>
			<i>***Total ***</i>	<i>36.97</i>
<i>ACH000165</i>	<i>5/15/12</i>	<i>HINMAN 043012</i>	<i>Susan Hinman April 2012 Business expense</i>	<i>425.20</i>
			<i>***Total ***</i>	<i>425.20</i>
<i>ACH000167</i>	<i>5/15/12</i>	<i>THOMAS 043012</i>	<i>Jeffery Thomas April 2012 Business expense</i>	<i>145.20</i>
			<i>***Total ***</i>	<i>145.20</i>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2012**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
123971	5/17/12	BURKED 050212	<i>Darcy M. Burke</i> February - April 2012 Business expense	554.50
			***Total ***	554.50
123972	5/17/12	FINNEG 043012	<i>Joan Finnegan</i> April 2012 Business expense	129.52
			***Total ***	129.52
123974	5/17/12	STAPLC 4362-MAY12	<i>Staples Credit Plan</i> 4/20/12 & 4/25/12 Office supplies	127.09
			***Total ***	127.09
123976	5/17/12	TIMEWA 3564-MAY12	<i>Time Warner Cable</i> May 2012 Telephone expense for 4 analog fax lines	139.01
			***Total ***	139.01
123982	5/31/12	CATALI 0007219	<i>Catalina Island Conservancy</i> May 2012 WEROC radio repeater site lease	1,346.32
			***Total ***	1,346.32
123984	5/31/12	CORDER 050712	<i>David Cordero</i> April - May 2012 Business expense	129.30
			***Total ***	129.30
123990	5/31/12	SDG&E 49159257768-	<i>SDG & E</i> 4/20/12 - 5/21/12 Electrical service for SOCOD Desal project - Phase 3 operation	3,917.06
			***Total ***	3,917.06
123992	5/31/12	SANTAM MAR2012	<i>Santa Margarita Water District</i> March 2012 SCP operation surcharge	27,698.78
			***Total ***	27,698.78

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of May 2012**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
123996	5/31/12	USBANK	U.S. Bank	
		3822-APR12	3/22/12 - 4/23/12 Cal Card charges	539.25
		1777-APR12	3/22/12 - 4/23/12 Cal Card charges (see attached sheet for details)	3,364.61
			***Total ***	3,903.86
ACH000172	5/31/12	BERGJO	Joseph Berg	
		051112	April - May 2012 Business expense	279.25
			***Total ***	279.25
ACH000173	5/31/12	DELATO	Harvey De La Torre	
		051712	April - May 2012 Business expense	525.60
			***Total ***	525.60
ACH000177	5/31/12	SPRINT	Sprint	
		320982721-093	May 2012 WEROC cell phone expense	156.36
			***Total ***	156.36
WIRE-12531	5/31/12	METWAT	Metropolitan Water District	
		7308	March 2012 Water deliveries	10,708,771.38
			***Total ***	10,708,771.38
			Total Check Amount	<u>11,510,165.03</u>



 Kevin P. Hunt, General Manager



 Judy Pfister, Deputy Treasurer

Cal Card Statement Detail
Statement Date: April 23, 2012
Payment Date: May 3, 15 & 31, 2012

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Phil's Card</u>		
3/27/2012	Computer supplies	\$ 22.25 ¹
4/3/2012	Computer supplies	9.25
4/3/2012	Computer components	89.82
4/4/2012	Computer components	179.90
	Subtotal	\$ 301.22
<u>Karl's Card</u>		
3/21/2012	Legislative activities in Washington, DC from Mar. 28-31, 2012 - Airfare for K. Seckel	\$ 519.80
3/22/2012	Legislative activities in Washington, DC from Mar. 28-31, 2012 - Airfare for K. Seckel	589.80
3/26/2012	Deposit for OC Water Summit speakers' dinner on 5/17/12	350.00
3/29/2012	CA Department of Public Health meeting in Sacramento, CA on Apr. 11-12, 2012 - Airfare for D. Burke	244.60
4/4/2012	CA NV American Water Works Association conference in Santa Clara, CA on Apr. 3-4, 2012 - Accommodations for K. Hubbard	153.35
4/5/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Registration for K. Hunt	465.00
4/5/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Registration for H. De La Torre	465.00
4/11/2012	CA-NV American Water Works Association 2012 Spring conference in Santa Clara, CA from April 2-5, 2012 - Refund for registration for D. Burke	(435.00) ²
4/13/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Accommodations for K. Hunt	506.03
4/13/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Accommodations for H. De La Torre	506.03
	Subtotal	\$ 3,364.61

¹ Reimbursed by K. Hunt for items lost

² Refund for canceled registration

Cal Card Statement Detail
Statement Date: April 23, 2012
Payment Date: May 3, 15 & 31, 2012

Date	Description	Amount
Kevin's Card		
3/23/2012	Brown and Caldwell employment advertising for Director of Finance position	\$ 200.00
3/25/2012	UPS delivery charges for Board & Committee packets - Mar. 13, 2012	63.59
3/26/2012	California Special Districts Association employment advertising for Director of Finance position	50.00
3/26/2012	Legislative activities in Washington, DC from Mar. 28-31, 2012 - Airfare change for Director Barbre	632.00 ¹
3/27/2012	Government Jobs employment advertising for Director of Finance position	175.00
3/28/2012	Cassette recorder/player	47.89
3/28/2012	California Society of Municipal Finance Officers employment advertising for Director of Finance position	225.00
3/28/2012	Prepaid Regal movie tickets for employee purchases	458.00
3/28/2012	Prepaid Cinemark movie tickets for employee purchases	458.50
3/29/2012	OC Register employment advertising for Director of Finance position	741.50
3/31/2012	Legislative activities in Washington, DC from Mar. 28-31, 2012 - Accommodations for Director Barbre	1,057.33 ²
4/1/2012	UPS delivery charges for Board & Committee packets - Mar. 20, 2012	69.57
4/4/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Registration for Director Finnegan	670.00 ³
4/6/2012	ACWA 2012 Spring conference in Monterey, CA from May 8-11, 2012 - Registration for Director Osborne	635.00
4/8/2012	UPS delivery charges for Board & Committee packets - Mar. 29, 2012	63.14
4/12/2012	Legislative activities in Washington, DC from May 15-20, 2012 - Airfare for Director Barbre	1,331.60 ⁴
4/15/2012	UPS delivery charges for Board & Committee packets - Apr. 4 & 10, 2012	112.21
4/18/2012	Government Finance Officers Association employment advertising for Director of Finance position	150.00
4/18/2012	Employee recognition gift card purchase	203.45
4/22/2012	UPS delivery charges for Board & Committee packets - Apr. 10 & 12, 2012	58.01
	Subtotal	\$ 7,401.79
	Total	\$ 11,067.62

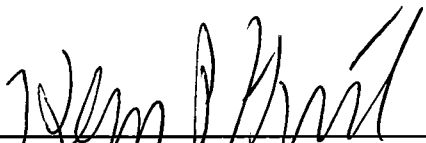
- ¹ Director Barbre to reimburse MWDOC \$632.00
- ² Director Barbre to reimburse MWDOC \$287.89
- ³ Director Finnegan reimbursed MWDOC \$35.00
- ⁴ Director Barbre to reimburse MWDOC \$876.00

Cal Card Statement Detail
Statement Date: April 23, 2012
Payment Date: May 31, 2012

<u>Date</u>	<u>Description</u>	<u>Amount</u>
3/23/12 - 4/23/12	Meals for K. Hunt's meetings on various dates	\$ 539.25
	Total	<u>\$ 539.25</u>

**Municipal Water District of Orange County
GM Approved Disbursement Report (1)
for the month of May 2012**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
123897	5/8/12	DISNEY MWDOC5/18/12	<i>Disneyland Resort</i> 5/18/12 O.C. Water Summit venue, food & beverage	27,236.88
			***Total ***	27,236.88
123973	5/17/12	PETTYC 051712	<i>Petty Cash</i> 5/18/12 O.C. Water Summit banquet captain's tip	500.00
			***Total ***	500.00
123975	5/17/12	SLEVEN OCWD-002BAL	<i>Streamline Events</i> 5/18/12 O.C. Water Summit audio visual services	7,985.00
			***Total ***	7,985.00
			Total Check Amount	35,721.88



Kevin P. Hunt, General Manager



Judy Pfister, Deputy 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

April 2012

Item 1f

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

Jeffery M. Thomas
President

Wayne A. Clark
Vice President

Brett R. Barbre
Director

Larry D. Dick
Director

Joan C. Finnegan
Director

Susan Hinman
Director

Wayne S. Osborne
Director

Kevin P. Hunt, P.E.
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 Consolidated Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- City of San Clemente
- City of San Juan Capistrano
- Santa Margarita Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	1,260,844	10.10%
Grant & Project Cash Flow	1,000,000	8.01%
Election Expense	500,000	4.01%
Building Repair	<u>350,000</u>	<u>2.81%</u>
Total Designated Reserves	3,110,844	24.93%
General Fund	1,527,698	12.24%
Water Fund	6,813,020	54.60%
Conservation Fund	242,706	1.95%
Desalination Feasibility Study Fund	711,187	5.70%
WEROC Fund	70,478	0.56%
Trustee Activities Fund	2,688	0.02%
Total	12,478,621	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.63%	205,130	\$ 205,130
Short-term investment			
• LAIF	25.52%	3,183,226	3,183,226
• OCIP	48.35%	6,033,442	6,033,442
Long-term investment			
• Federal Agency Issues	6.01%	750,000	753,540
• Misc. Securities	16.11%	2,009,822	2,046,913
• Certificates of Deposit	2.38%	297,000	302,160
Total	100.00%	\$12,478,621	\$12,524,412

The average number of days to maturity/call as of April 30, 2012 equaled 219 and the average yield to maturity is 0.977%. During the month, the District's average daily balance was \$17,951,296. 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 April.

The \$45,791 difference between the book value and the market value at April 2012 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 till 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.

Kevin P. Hunt
General Manager

Judy Pfister
Deputy Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

April 30, 2012




	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	297,000.00	302,160.34	297,000.00	2.42	423	2.412
Federal Agency Issues - Step-Up	750,000.00	753,540.00	750,000.00	6.12	194	1.885
Local Agency Investment Funds	3,183,226.07	3,183,226.07	3,183,226.07	25.96	1	0.367
Miscellaneous Securities - Coupon	2,000,000.00	2,046,912.50	2,009,821.90	16.31	1202	3.346
Orange County Investment Pool	6,033,442.42	6,033,442.42	6,033,442.42	49.20	1	0.329
Total Investments	12,263,668.49	12,319,281.33	12,273,490.39	100.00%	219	0.977

Cash						
Passbook Checking	205,130.30	205,130.30	205,130.30		1	0.00
Total Cash and Investments	12,468,798.79	12,524,411.63	12,478,620.69		219	0.977

	Month Ending	Fiscal Year to Date
Total Earnings	February	130,984.20
Current Year	10,942.52	
Average Daily Balance	17,951,296.39	
Effective Rate of Return	0.977%	

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


 Kevin P. Hunt, General Manager

5/24/12
 Date


 Judy Pfister, Deputy Treasurer

5/24/12
 Date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments

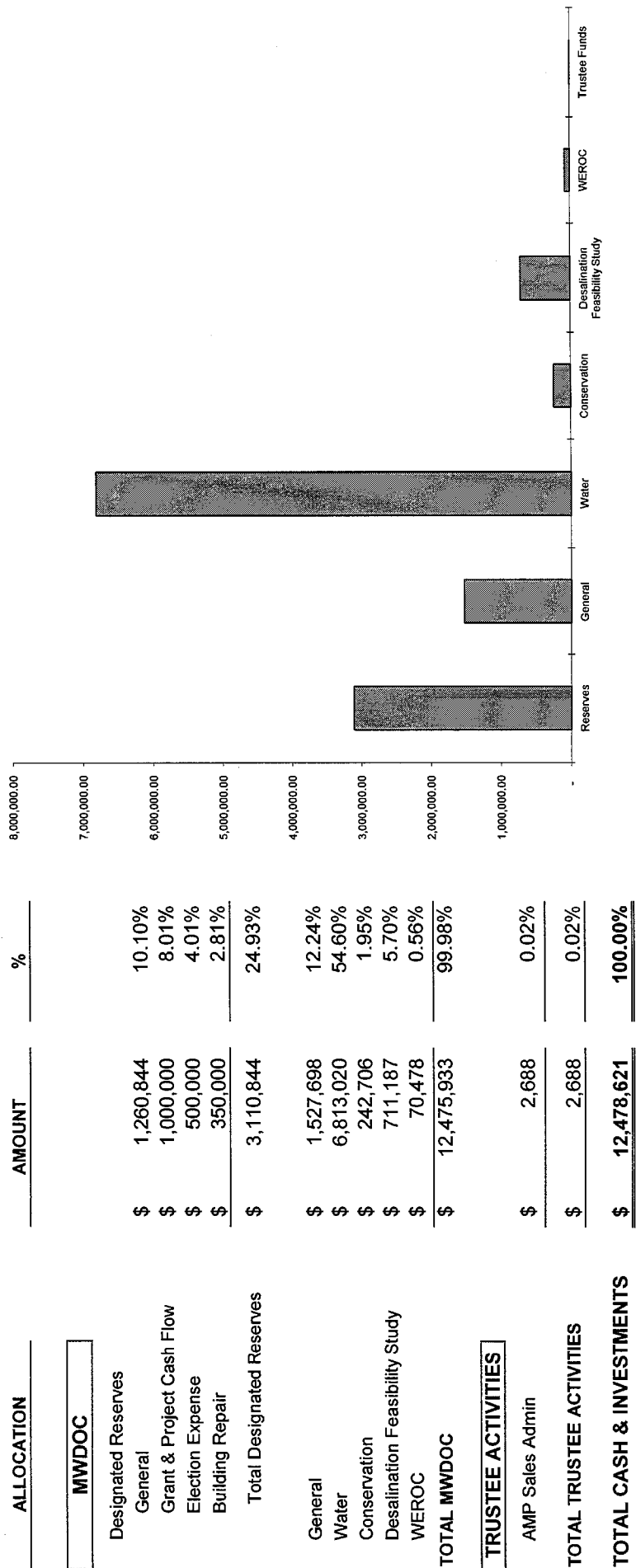
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Certificate of Deposit - Bank									
GE Money Bank	36161ND39	9/10/2010	200,000.00	202,714.00	200,000.00	1.400	1.400	498	9/10/2013
Washington Mutual	939379W90	1/23/2008	97,000.00	99,446.34	97,000.00	4.500	4.500	268	1/23/2013
Sub Total			297,000.00	302,160.34	297,000.00	2.412	2.412	423	
Federal Agency Issues - Step Up									
FNMA	3136FTHM4	11/16/2011	250,000.00	251,200.00	250,000.00	1.250	1.885	200	11/16/2016
FNMA	3136FTGW3	11/7/2011	500,000.00	502,340.00	500,000.00	1.250	1.885	191	11/7/2016
Sub Total			750,000.00	753,540.00	750,000.00	1.250	1.885	194	
Miscellaneous Securities - Coupon									
Bank of America	06051GED7	10/14/2010	250,000.00	251,720.00	255,387.39	3.700	3.000	1219	9/1/2015
JPMorgan Chase	46625HHR4	11/23/2010	250,000.00	262,177.50	255,152.33	3.400	2.700	1150	6/24/2015
MetLife Global	59217GAD1	2/25/2011	500,000.00	525,165.00	502,010.19	3.125	3.007	1351	1/11/2016
Morgan Stanley	61747YCT0	3/9/2011	500,000.00	489,065.00	499,057.53	3.450	3.508	1281	11/2/2015
UBS Financial Services	90261XFY3	6/10/2010	500,000.00	518,785.00	498,214.46	3.875	4.020	990	1/15/2015
Sub Total			2,000,000.00	2,046,912.50	2,009,821.90	3.500	3.346	1202	
Total Investments			3,047,000.00	3,102,612.84	3,056,821.90	2.840	2.895	878	

Total Earnings	Month Ending	Fiscal Year To Date
	February	
Current Year	6,747.52	70,604.97

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments

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	3,183,226.07	3,183,226.07	3,183,226.07	0.367	0.367	1	N/A
Sub Total			3,183,226.07	3,183,226.07	3,183,226.07	0.367	0.367	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	6,033,442.42	6,033,442.42	6,033,442.42	0.329	0.329	1	N/A
Sub Total			6,033,442.42	6,033,442.42	6,033,442.42	0.329	0.329	1	
Total Investments			9,216,668.49	9,216,668.49	9,216,668.49	0.342	0.342		
Passbook Checking									
Bank of America Cash	CASH0547	7/1/2011	204,630.30	204,630.30	204,630.30	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
Total Cash			205,130.30	205,130.30	205,130.30	0.000	0.000	1	
Total Cash and Investments			9,421,798.79	9,421,798.79	9,421,798.79	0.342	0.342	1	
Total Earnings									
Current Year			4,195.00						
		Month Ending							
		February							
					Fiscal Year To Date				
									60,379.23

Cash and Investments at April 30, 2012



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS GASB 45 Program

Monthly Account Report for the Period
4/1/2012 to 4/30/2012

Phil Letrong
CFO/CIO
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Account Summary

Source	Beginning Balance as of 4/1/2012	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 4/30/2012
Employer Contribution	\$539,345.48	\$0.00	\$756.54	\$516.24	\$0.00	\$0.00	\$539,585.78
Totals	\$539,345.48	\$0.00	\$756.54	\$516.24	\$0.00	\$0.00	\$539,585.78

Investment Selection

HighMark PLUS Moderate

Investment Objective

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

Investment Return

1-Month	3-Months	1-Year	Annualized Return			Inception Date
			3-Years	5-Years	10-Years	
0.14%	4.19%	N/A	N/A	N/A	N/A	10/26/2011

Information as provided by Union Bank, Trustee for PARS GASB 45 Program; Not FDIC Insured; No Bank Guarantee; May Lose Value

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

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

Inception Date: Plans inception date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2011 THRU APRIL 30, 2012

**Municipal Water District of Orange County
 Combined Balance Sheet
 As of April 30, 2012**

<u>ASSETS</u>	Amount
Cash in Bank	205,130.30
Investments	12,273,490.39
Accounts Receivable	23,567,230.43
Accounts Receivable - Other	310,727.80
Accrued Interest Receivable	36,424.66
Prepays/Deposits	166,782.35
Leasehold Improvements	2,675,264.08
Furniture, Fixtures & Equipment	621,015.54
Less: Accum Depreciation	<u>(2,183,790.45)</u>
TOTAL ASSETS	<u>\$37,672,275.10</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	24,067,815.12
Accrued Salaries and Benefits Payable	336,441.90
Other Liabilities	642,963.82
Unearned Revenue	<u>2,047,351.64</u>
Total Liabilities	<u>27,120,622.48</u>
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	4,694,094.33
Water Fund - CC	<u>89,832.10</u>
Total Restricted Fund Balances	<u>4,783,926.43</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,260,843.61
Grant & Project Cash Flow	1,000,000.00
Election Expense	500,000.00
Building Repair	<u>350,000.00</u>
Total Designated Reserves	<u>3,110,843.61</u>
GENERAL FUND	1,445,397.02
WEROC	<u>71,605.03</u>
Total Unrestricted Fund Balances	<u>4,627,845.66</u>
Excess Revenue over Expenditures	
Operating Fund	865,756.96
Other Funds	<u>274,123.57</u>
Total Fund Balance	<u>10,551,652.62</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$37,672,275.10</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru April 2012

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	3,796,850.00	3,796,850.00	100.00%	0.00	0.00
Water Increment	<u>56,228.07</u>	<u>848,407.87</u>	<u>1,016,808.00</u>	83.44%	<u>0.00</u>	<u>168,400.13</u>
Water rate revenues	56,228.07	4,645,257.87	4,813,658.00	96.50%	0.00	168,400.13
Interest Revenue	<u>9,423.04</u>	<u>114,031.73</u>	<u>143,000.00</u>	79.74%	<u>0.00</u>	<u>28,968.27</u>
Subtotal	65,651.11	4,759,289.60	4,956,658.00	96.02%	0.00	197,368.40
Choice Programs	0.00	946,094.60	926,987.00	102.06%	0.00	(19,107.60)
Miscellaneous Income	21.92	16,902.43	3,000.00	563.41%	0.00	(13,902.43)
School Contracts	3,030.50	62,112.10	60,000.00	103.52%	0.00	(2,112.10)
Transfer-In From Reserve	<u>0.00</u>	<u>0.00</u>	<u>(173,111.00)</u>	0.00%	<u>0.00</u>	<u>(173,111.00)</u>
Subtotal	<u>3,052.42</u>	<u>1,025,109.13</u>	<u>816,876.00</u>	125.49%	<u>0.00</u>	<u>(208,233.13)</u>
TOTAL REVENUES	<u>68,703.53</u>	<u>5,784,398.73</u>	<u>5,773,534.00</u>	100.19%	<u>0.00</u>	<u>(10,864.73)</u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru April 2012

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	313,220.52	2,270,999.60	2,687,168.00	84.51%	0.00	416,168.40
Salaries & Wages - Grant Recovery	0.00	(28,986.03)	(95,000.00)	30.51%	0.00	(66,013.97)
Directors' Compensation	14,183.68	141,836.80	167,545.00	84.66%	0.00	25,708.20
MWD Representation	8,643.18	84,880.46	85,103.00	99.74%	0.00	222.54
Employee Benefits	73,747.61	753,098.14	898,621.00	83.81%	0.00	145,522.86
Employee Benefits	0.00	0.00	78,370.00	0.00%	0.00	78,370.00
Employee Benefits - Grant Recovery	0.00	(8,589.24)	0.00	0.00%	0.00	8,589.24
Director's Benefits	7,160.62	68,225.42	82,586.00	82.61%	0.00	14,360.58
Health Ins \$'s for Retirees	3,658.72	30,455.71	42,630.00	71.44%	0.00	12,174.29
Training Expense	0.00	3,782.05	4,000.00	94.55%	0.00	217.95
Tuition Reimbursement	0.00	5,103.67	5,000.00	102.07%	0.00	(103.67)
Temporary Help Expense	0.00	0.00	2,000.00	0.00%	0.00	2,000.00
Personnel Expenses	<u>420,614.33</u>	<u>3,320,806.58</u>	<u>3,958,023.00</u>	83.90%	0.00	<u>637,216.42</u>
Engineering Expense	6,993.00	117,315.46	195,000.00	60.16%	15,237.50	62,447.04
Legal Expense	35,228.74	360,602.32	238,000.00	151.51%	37,397.68	(160,000.00)
Audit Expense	0.00	18,200.00	19,200.00	94.79%	0.00	1,000.00
Professional Services	38,551.82	475,390.47	583,092.00	81.53%	68,632.91	39,068.62
Professional Services-Grant Recovery	(69,248.14)	(69,248.14)	(30,000.00)	0.00%	0.00	39,248.14
Professional Fees	<u>11,525.42</u>	<u>902,260.11</u>	<u>1,005,292.00</u>	89.75%	121,268.09	(18,236.20)
Conference-Staff	495.00	8,293.50	7,440.00	111.47%	0.00	(853.50)
Conference-Directors	1,380.00	8,443.52	10,258.00	82.31%	0.00	1,814.48
Travel & Accom.-Staff	4,094.51	26,485.97	21,522.00	123.06%	0.00	(4,963.97)
Travel & Accom.-Directors	1,246.99	8,784.94	21,207.00	41.42%	0.00	12,422.06
Travel & Conference	<u>7,216.50</u>	<u>52,007.93</u>	<u>60,427.00</u>	86.07%	0.00	8,419.07
Membership/Sponsorship	0.00	70,719.61	85,580.00	82.64%	0.00	14,860.39
CDR Support	9,654.75	38,619.00	38,000.00	101.63%	0.00	(619.00)
Dues & Memberships	<u>9,654.75</u>	<u>109,338.61</u>	<u>123,580.00</u>	88.48%	0.00	14,241.39
Maintenance Office	11,907.95	88,555.04	115,742.00	76.51%	23,124.88	4,062.08
Building Repair & Maintenance	0.00	7,300.00	0.00	0.00%	0.00	(7,300.00)
Storage Rental & Equipment Lease	1,242.21	15,260.92	19,198.00	79.49%	2,561.08	1,376.00
Office Supplies	4,331.63	22,878.11	27,000.00	84.73%	685.50	3,436.39
Postage/Mail Delivery	1,059.66	11,589.25	23,000.00	50.39%	631.97	10,778.78
Subscriptions & Books	0.00	2,135.62	2,500.00	85.42%	0.00	364.38
Reproduction Expense	1,846.64	35,832.18	61,394.00	58.36%	5,338.45	20,223.37
Maintenance-Computers	413.72	5,551.69	6,500.00	85.41%	969.10	(20.79)
Software Purchase	895.41	3,556.93	8,500.00	41.85%	0.00	4,943.07
Software Support	11,804.80	23,671.25	25,000.00	94.69%	0.00	1,328.75
Automotive Expense	1,526.25	13,270.46	12,600.00	105.32%	0.00	(670.46)
Toll Road Charges	75.40	953.35	600.00	158.89%	0.00	(353.35)
Insurance Expense	6,879.62	87,556.14	106,000.00	82.60%	0.00	18,443.86
Utilities - Telephone	1,770.31	16,358.91	18,000.00	90.88%	0.00	1,641.09
Bank Fees	903.77	9,139.90	9,400.00	97.23%	0.00	260.10
Miscellaneous Expense	6,409.56	60,643.71	89,020.00	68.12%	466.87	27,909.42
MWDOC's Contrb. To WEROC	7,530.00	75,299.00	90,359.00	83.33%	0.00	15,060.00
Depreciation Expense	4,501.05	45,003.60	0.00	0.00%	0.00	(45,003.60)
Other Expenses	<u>63,097.98</u>	<u>524,556.06</u>	<u>614,813.00</u>	85.32%	33,777.85	56,479.09
Capital Acquisition	0.00	9,672.48	11,400.00	84.85%	0.00	1,727.52
TOTAL EXPENSES	<u>512,108.98</u>	<u>4,918,641.77</u>	<u>5,773,535.00</u>	85.19%	155,045.94	699,847.29
NET INCOME (LOSS)	<u>(443,405.45)</u>	<u>865,756.96</u>	<u>(1.00)</u>			

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru April 2012**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	10,968,554.90	133,089,876.50	134,106,912.00	99.24%	1,017,035.50
Readiness to Serve Charge	906,887.00	7,736,132.00	8,219,832.00	94.12%	483,700.00
Capacity Charge CCF	301,858.33	2,969,633.32	3,524,400.00	84.26%	554,766.68
SCP Surcharge	21,617.39	246,528.84	313,882.00	78.54%	67,353.16
Interest	1,469.54	16,082.11	28,460.00	56.51%	12,377.89
TOTAL WATER REVENUES	<u>12,200,387.16</u>	<u>144,058,252.77</u>	<u>146,193,486.00</u>	<u>98.54%</u>	<u>2,135,233.23</u>
<u>WATER PURCHASES</u>					
Water Sales	10,968,554.90	133,089,876.50	134,106,912.00	99.24%	1,017,035.50
Readiness to Serve Charge	906,887.00	7,736,132.00	8,219,832.00	94.12%	483,700.00
Capacity Charge CCF	301,858.33	2,969,633.32	3,524,400.00	84.26%	554,766.68
SCP Surcharge	21,617.39	246,528.84	313,882.00	78.54%	67,353.16
TOTAL WATER PURCHASES	<u>12,198,917.62</u>	<u>144,042,170.66</u>	<u>146,165,026.00</u>	<u>98.55%</u>	<u>2,122,855.34</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>1,469.54</u>	<u>16,082.11</u>	<u>28,460.00</u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru April 2012

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	99,221.78	90,000.00	110.25%
Expenses	87,115.34	90,000.00	96.79%
Excess of Revenues over Expenditures	12,106.44	0.00	
SmarTimer Rebate			
Revenues	515,262.28	533,167.00	96.64%
Expenses	502,051.85	533,167.00	94.16%
Excess of Revenues over Expenditures	13,210.43	0.00	
Industrial Water Use Reduction			
Revenues	29,202.18	392,109.00	7.45%
Expenses	48,821.37	392,109.00	12.45%
Excess of Revenues over Expenditures	(19,619.19)	0.00	
Rotating Nozzles Rebate			
Revenues	105,568.77	129,269.22	81.67%
Expenses	110,390.53	129,269.22	85.40%
Excess of Revenues over Expenditures	(4,821.76)	0.00	
Hotel Water Use Reduction Program			
Revenues	187,006.50	206,976.00	90.35%
Expenses	173,210.02	206,976.00	83.69%
Excess of Revenues over Expenditures	13,796.48	0.00	
ULFT Rebate Program			
Revenues	8,228.43	0.00	0.00%
Expenses	5,949.67	0.00	0.00%
Excess of Revenues over Expenditures	2,278.76	0.00	
HECW Rebate Program			
Revenues	377,322.00	225,000.00	167.70%
Expenses	378,650.76	225,000.00	168.29%
Excess of Revenues over Expenditures	(1,328.76)	0.00	
CII Rebate Program			
Revenues	11,317.84	125,000.00	9.05%
Expenses	10,017.84	125,000.00	8.01%
Excess of Revenues over Expenditures	1,300.00	0.00	
Large Landscape Survey			
Revenues	27,800.56	0.00	0.00%
Expenses	10,900.00	0.00	0.00%
Excess of Revenues over Expenditures	16,900.56	0.00	
Turf Removal Program			
Revenues	251,200.06	50,000.00	502.40%
Expenses	252,339.08	50,000.00	504.68%
Excess of Revenues over Expenditures	(1,139.02)	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru April 2012

WEROC

Revenues	176,550.65	187,690.00	94.07%
Expenses	<u>153,660.73</u>	<u>187,690.00</u>	81.87%
Excess of Revenues over Expenditures	22,889.92	0.00	

WEROC EOC Remodal

Revenues	22,124.05	0.00	0.00%
Expenses	<u>21,960.56</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	163.49	0.00	

WUE Projects

Revenues	1,612,130.40	1751521.22	92.04%
Expenses	<u>1,579,446.46</u>	<u>1751521.22</u>	90.18%
Excess of Revenues over Expenditures	32,683.94	0.00	

RPOI Distributions

Revenues	199,942.50	1,571,258.00	12.72%
Expenses	<u>199,942.50</u>	<u>1,571,258.00</u>	12.72%
Excess of Revenues over Expenditures	-	0.00	

Ocean Desalination

Revenues	1,109,838.44	1,300,000.00	85.37%
Expenses	<u>808,102.17</u>	<u>1,300,000.00</u>	62.16%
Excess of Revenues over Expenditures	301,736.27	0.00	



CONSENT CALENDAR - ACTION ITEM

June 20, 2012

To: Board of Directors
From: Administration & Finance Committee
Subject: District Conferences

STAFF RECOMMENDATION

Staff recommends the Board of Directors receive and file financial information pertaining to District conference and travel expenses.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

	Month to Date	Year to Date	Annual Budget	% used	Budget Remaining
Conf-Staff	495.00	8,293.50	7440	111.47	-853.50
Conf-Directors	1,380.00	8,443.52	10258	82.31	1814.48
Travel/Accom - Staff	4,094.51	26,485.97	21522	123.06	-4,963.97
Travel/Accom - Directors	1,246.99	8,784.94	21027	41.42	12,422.06
TOTAL	7,216.50	52,007.93	60247	86.07	8,419.07



CONSENT CALENDAR - ACTION ITEM

June 13, 2012

To: Board of Directors
From: Administration & Finance Committee
Re: Urban Water Institute
San Diego, CA
August 22-24, 2012

STAFF RECOMMENDATION

Staff recommends the Board of Directors consider authorizing travel as outlined.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Location

The Annual Water Conference will be conducted in San Diego at The Hilton Mission Bay Resort located at:
1775 East Mission Bay Drive, San Diego, California 92109

Please contact the hotel directly to reserve your room, we have a special conference rate of \$235 per night plus tax. To make your room reservations, call the Hilton Mission Bay Resort directly at **(619) 276-4010** and reference **Urban Water Institute**. Please note the cut-off date for the group rate is **August 1, 2012**. Reservations can also be made online at www.hilton.com/.

Conference Registration

(All Registrations Should Be Made In Advance)

To pay by credit card, please fill out the online form and you will be directed to Paypal where you may pay with Visa, MasterCard or American Express.

To pay by check, please print out and send the completed registration form with a check made payable to Urban Water Institute and mail to: **24651 Evereve Circle, Suite 1, Lake Forest, CA 92630**.

After **August 15, 2012**, registrations will be accepted at the door on a space available basis, with an additional \$25 administrative charge. Registration includes continental breakfast, program lunch, breaks, handout materials and reception.

Cancellation Policy

Cancellations must be received in writing by **August 15, 2012**. Faxes are accepted at (949) 305-9919. Registration fee will be refunded, less a \$50 administrative charge if received by **August 15, 2012**. Substitutes are accepted. **No refunds after August 15, 2012**. The Institute reserves the right to substitute announced speakers and assumes no responsibility for personal expenses.

COST:

The District only pays direct costs associated with the conference – no registration fees.



19th Annual Water Policy Conference

“30 Years Later, Is There A Fix???”

Hilton Mission Bay Resort

1775 East Mission Bay Drive • San Diego, California

August 22-24, 2012

CONFERENCE AGENDA

Wednesday, August 22, 2012

1:00 p.m. – Opening Remarks

Steve Bucknam, Chairman, Urban Water Institute

1:15 p.m. – Welcome to San Diego

1:45 p.m. – Fixing the Bay-Delta – Panel

Moderator: **Steve Bucknam**, Chairman, Urban Water Institute

Mike Machado, Executive Director, Delta Protection Commission

Terry Erlewine, Executive Director, State Water Contactors

Phil Isenberg, Chair, Delta Stewardship Council

Views vary on the prospects of a Delta Fix

3:00 p.m. – When Will the Delta Plan Be Approved?

Introduction: **Steve Bucknam**, Chairman, Urban Water Institute

Dr. Jerry Meral, Deputy Resources Secretary, California Resource Agency

The Governor had promised a Delta plan by June; what now?

3:30 p.m. – Keynote Speaker – Colorado River Issues

Introduction: **Ed Means**, Sr. Consultant, ARCADIS/ Malcolm Pirnie

Pat Mulroy, General Manager, Southern Nevada Water Authority

Can there be a resolution of water issues among Colorado River Basin States?

4:30 p.m. - Adjourn

5:30 p.m. – Welcome Reception

Thursday, August 23, 2012

8:00 a.m. – Registration, Exhibits & Continental Breakfast

9:00 a.m. – Opening Remarks

James Noyes, Executive Director, Urban Water Institute

9:15 a.m. – Keynote Speaker – Federal Issues

Introduction: **James Noyes**, Executive Director, Urban Water Institute

John Tubbs, Deputy Assistant Secretary for Water and Science, U.S. Dept. of Interior

What are the outstanding issues facing the Colorado River States?

10:00 a.m. – Climate Issues – Panel

Moderator – **Mary Aileen Matheis**, Vice President, Irvine Ranch Water District

Mike Dettinger, Research Hydrologist, USGS Water

Glenn McDonnell, UC Presidential Chair and Director, UCLA Institute of the Environment and Sustainability

11:15 a.m. – Featured Speaker

Introduction: **Mary Aileen Matheis**, Vice President, Irvine Ranch Water District

Hal Furman, Lobbyist, The Furman Group

12:00 p.m. – Lunch & Exhibits

1:45 p.m. – Australian Experience – Panel

Moderator: **Lisa Ohlund**, General Manager, East Orange County Water District

Dan O'Halloran, Service Line Leader, Integrated Water Management, GHD

The Australian Experience; Can It Happen Here?

2:45 p.m. – Colorado River Issues

Introduction: **Bill Hasencamp**, Metropolitan Water District of Southern California

Carly Jerla, Colorado River Basin Study Manager, Bureau of Reclamation

Does the new Colorado River Basin Study resolve water shortage issues?

3:30 p.m. – International Boundary and Water Commission – Panel

Moderator – **Pete Silva**, Consultant on Boundary Issues, Metropolitan Water District

Edward Drusina, United States Commissioner, International Boundary Commission

John J. Entsminger, Sr. Deputy General Manager, Southern Nevada Water Authority

Dr. Carlos De La Parra, Research Professor, Colegio de la Frontera Norte

Is there resolution of international boundary water issues?

4:30 p.m. – Open Mic

Moderator - **Kevin Hunt**, General Manager, Municipal Water District of Orange County

What issues do members of the conference audience raise?

5:00 p.m. – Adjourn - Chairman's Reception

6:00 p.m. - Dinner on your own

Friday, August 24, 2012

8:00 a.m. – Registration, Exhibits & Continental Breakfast

8:30 a.m. – Opening Remarks

James Noyes, Executive Director, Urban Water Institute

8:45 a.m. – Agriculture and the California Economy

Introduction: **James Noyes**, Executive Director, Urban Water Institute

Daniel A. Sumner, Professor, Dept. of Agriculture & Resource Economics, U.C. Davis

The importance of agriculture to the economy of California and the Southwest

9:30 a.m. – Will the costs of fixing the Delta impact the cost of food?

Introduction: **James Noyes**, Executive Director, Urban Water Institute

Mike Wade, Executive Director, Agricultural Water Management Council

10:30 a.m. – Delta Fix: Can Various Agriculture Crops Afford It?

Moderator: **Ed Means**, Sr. Consultant, ARCADIS/ Malcolm Pirnie

Geoffrey Vanden Huevel, Dairyman, J&D Star Dairy

Eric Larson, Executive Director, San Diego Farm Bureau

Bill Phillimore, Executive Vice President, Paramount Farms International

Ken Melban, Director of Issues Management, CA Avocado Commission

What are the impacts of Delta Fix costs on various crops?

12:00 p.m. – Adjourn

12:30 p.m. – Board of Directors Luncheon

1:00 p.m. – Board of Directors Meeting

2:00 p.m. – Adjourn

Program Agenda Is Subject To Change



ACTION ITEM
June 20, 2012

TO: Board of Directors

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

Kevin Hunt
General Manager

Staff Contact: Karl Seckel, Keith Lyon

SUBJECT: ADOPT WATER RATES RESOLUTION FOR FY 2012-2013

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt the attached Water Rate Resolution for Fiscal Year 2012-2013.

COMMITTEE RECOMMENDATION

Update Since MAY 2012 Report

Since the May meeting, the following minimal changes have been made:

1. Still in the process of confirming Choice participation per Exhibit C
2. Minimal wording changes in Section 8, 9 and 10 for clarity and consistency of the rate and charges per the Metropolitan Administrative Code

DETAILED REPORT FROM MAY 2012

The attached Rate Resolution for fiscal year 2012-2013 has been revised compared to the FY2011/12 Resolution to:

- Update rates and dates
- Add the Second Lower Cross Feeder Project as a MWDOC Choice Program
- Provide clarification about timing and process for billing of the Choice Programs to the Member Agencies
- Reflect that there are no Metropolitan Replenishment rates effective January 1, 2013
- Add a note that the MWDOC Net FY2012-13 RTS charges include a one-time adjustment for the 2010 Tier-2 Avoidance Program. The 2010 Tier-2 Avoidance Program resulted in MWDOC's RTS being increased slightly for 10 years, so OCWD

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

paid to MWDOC the agreed upon equivalent present value, which MWDOC will pass on to our agencies in this single year.

- Provide details for the FY2012-13 RTS charges on Exhibit A, the draft 2013 Capacity Charges on Exhibit B, and the draft FY2012-13 Choice Program Budgets and agencies' charges on Exhibit C
- Clean up some wording without changing meanings

Staff recommends adoption of the attached MWDOC FY2012-13 Rate Resolution.

RESOLUTION NO.~~1911~~
Draft – 5/8/12
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING WATER RATES

WHEREAS, Municipal Water District of Orange County ("MWDOC") is authorized and directed by Section 71616 of the Water Code of the State of California to establish water rates and charges for water which will result in revenues sufficient to meet the operating expenses of the District, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt; and,

WHEREAS, on March 12, 2002, Metropolitan Water District of Southern California ("Metropolitan"), adopted a revised rate structure which became effective January 1, 2003, which eliminated or changed the method of calculation of various existing charges and added new charges, necessitating an amendment to MWDOC's water rate structure and schedule of rates and charges; and,

WHEREAS, the Board of Directors of MWDOC has previously adopted Ordinance No. 51 establishing classes of water service which are provided by MWDOC, and the terms and conditions of such service, and said Ordinance provides that the Board of Directors shall establish and fix the rates and charges for said classes of water service and for Choice services from time to time by Resolution; and

WHEREAS, the Board of Directors has reviewed MWDOC's water rate schedule with respect to the cost of water acquired from Metropolitan and other charges imposed on MWDOC by Metropolitan, and with respect to the projected operating expenses and other financial needs of the District, and has determined that it is necessary and appropriate to establish new rates and charges for water service provided by MWDOC;

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and

WHEREAS, the Board of Directors has reviewed the water supply, demand and replenishment conditions in the OCWD Basin area and the impact these conditions will have on imported water purchases from Metropolitan; and

WHEREAS, MWDOC's Administration and Finance Committee and Board reviewed the issue of Tiered or Melded Water Rates in November 2004, and retained the Melded Rate, with a provision for further review should the Orange County Water District's Basin Pumping Percentage fall below 60% in the future; and

WHEREAS, Metropolitan approved a phase-out or opt-out provision in its Interim Agricultural Water Program (IAWP) in 2008 for member agencies that participated in the IAWP, which includes MWDOC, as a result of severe limitations on Metropolitan water supplies due in part to recent Bay-Delta pumping restrictions; and

WHEREAS, MWDOC and its member agencies opted out of Metropolitan's IAWP Program; and

WHEREAS, Metropolitan continues to levy its Standby Charge within the MWDOC service area, which will be credited against the Metropolitan Readiness to Serve Charge and will provide an equivalent offset on the Metropolitan charges imposed on MWDOC; and

WHEREAS, Metropolitan assesses the Capacity Charge to MWDOC based on MWDOC's highest cumulative peak day delivery rate in cubic feet per second (CFS) between May 1 and September 30 in three preceding calendar years ending on the year prior to the year of the charge being imposed; and

WHEREAS, beginning with the budget year commencing July 1, 2011 through

June 30, 2012, the MWDOC Board approved changing the format of the budget and how certain "CHOICE" services are to be funded by those MWDOC member agencies and the cities of Anaheim, Fullerton and Santa Ana (3 Cities) electing to receive such services; and

WHEREAS, the MWDOC Board has approved the "CHOICE" services, the associated budgets and the methods for allocating such costs to the member agencies, and it has directed staff to bill for those costs as part of MWDOC's water rate charges; and

WHEREAS, the MWDOC Board has requested development of a method of charging for costs associated with the transfer or wheeling of water into the MWDOC service area by any of the member agencies and directed that such charges be made a part of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that all previous water rate resolutions are hereby repealed and superseded and that the rates and charges for the classes of water service provided by MWDOC to MWDOC's member agencies shall be as follows:

SECTION 1. **MWDOC'S INCREMENTAL RATE.**

MWDOC's Incremental Rate, which is added to MWDOC's cost of acquisition of water, shall be ~~\$3.754-25~~ per acre foot from July 1, 201~~2~~4 through June 30, 201~~3~~2, and thereafter until amended by the Board of Directors, on water sold or delivered by MWDOC in those classes of water service to which MWDOC's Incremental Rate applies.

SECTION 2. **AMP SURCHARGE.**

The surcharge on water delivered through the Allen-McColloch Pipeline, in accordance with the Diemer Agreements (the "AMP Surcharge") shall be suspended and shall not apply to water delivered through the Allen-McColloch Pipeline pending Metropolitan's completion of its performance under the Agreement for Sale and Purchase of the Allen-McColloch Pipeline as long as Metropolitan is not in default thereunder.

SECTION 3. BLANK

SECTION 4. RATES FOR CLASSES OF WATER SERVICE.

The rates per acre-foot of Metropolitan water sold or delivered by MWDOC to its member agencies shall be as follows:

- (a) **For Full Service (Non-Interruptible), including water delivered for seawater barrier and groundwater replenishment purposes.**

Rate Component	July 1 through December 31, 201 2 ⁴	Beginning January 1, 201 3 ²
Untreated Full Service	\$563.75 ^{\$563.75} 31.25	\$596.75 ^{\$596.75} 64.25
Treated Full Service	\$797.75 ^{\$797.75} 48.25	\$850.75 ^{\$850.75} 98.25

Unbundled Rate By Component:		
System Access Rate	\$ 217.00 04.00	\$ 223.00 17.00
Capacity Charge	N/A [1]	N/A [1]
System Power Rate	\$ 136.00 27.00	\$ 189.00 36.00
Water Stewardship Rate	\$ 43.00 1.00	\$ 41.00 3.00
Delta Surcharge	\$ 58.00 1.00	\$ 058.00
MWDOC Melded Supply Rate*	\$ 106.00 4.00	\$ 140.00 06.00
Tiered Supply Rate (Tier 1/Teir 2)*	N/A	N/A
MWDOC Incremental Rate	\$ 3.754.25	\$ 3.754.25
Subtotal Untreated Full Service:	\$563.7534.25	\$596.7564.25
Treatment Surcharge	\$ 234.00 17.00	\$ 254.00 34.00
Total Treated Full Service:	\$797.7548.25	\$850.7598.25

* Any unused revenue will be applied to the Tier 2 Contingency Fund as described in MWDOC's Administrative Code.

[1] MWDOC collects the MET Capacity Charge as an annual fixed charge assessed to each member agency based upon its prior peak flow, rather than as a commodity rate. See Section 9 of this Resolution for details.

(b) **For Emergency Service**

(Rates to be established by Board action in accordance with the Water Supply Allocation Plan (WSAP), as required.)

(c) **For Replenishment Service**

Effective January 1, 2013, Metropolitan discontinued the Replenishment Service rate. Assuming a revised Replenishment Service Program is adopted by Metropolitan's Board, incentives would be provided by Metropolitan for water stored within the revised/amended Program, which has been scheduled to be completed during 2012.

(i) **For Replenishment Service outside OCWD's boundaries (Groundwater and Reservoir Storage)**

Replenishment Service outside OCWD's boundaries (groundwater and reservoir storage)	July 1 through December 31, 201 2 ⁴	Beginning January 1, 201 3 ²
Untreated	\$ 45.75 ^{13.25}	N/A ^{\$446.25}
Treated	\$ 54.75 ^{05.25}	N/A ^{\$655.25}

(ii) For Replenishment Service for groundwater replenishment delivered to member agencies within OCWD's boundaries¹

Replenishment Service for groundwater storage delivered to member agencies within OCWD's boundaries	July 1 through December 31, 201 2 ⁴	Beginning January 1, 201 3 ²
Untreated	\$ 42.00 ^{09.00}	N/A ^{\$442.00}
Treated	\$ 51.00 ^{04.00}	N/A ^{\$651.00}

(d) For Recycled Water

As defined in Metropolitan's Administrative Code.

(e) For Interim Agricultural Water Service subject to compliance with the requirements of Metropolitan's Interim Agricultural Water Program (IAWP).

In 2008, the MET Board approved the phase-out of the IAWP. The MET Board decision allowed participating agencies to either opt-out of the program all together or continue participating in the program until it phases out in 2013. All of the participating MWDOC member agencies chose to opt-out and are no longer eligible for the IAWP treated or untreated rates.

¹ OCWD will be charged the MWDOC incremental rate multiplied by the Eight-Year Average calculated according to Ordinance No. 51.

SECTION 5. CHOICE Services to the MWDOC Member Agencies 201~~24~~-13~~2~~

The CHOICE services to the member agencies shall be provided and charged for as follows for 201~~24~~-13~~2~~.

- (a) Water Use Efficiency – The cost of MWDOC’s Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received (incentive payments from Metropolitan and other sources of funding from the program in the most recent calendar year - 201~~10~~ is the most recent year data is available and will be used for 201~~24~~-13~~2~~ charges). There may be other costs allocated over and above these costs for participation in certain of the Water Use Efficiency program efforts in various parts of the county and under the Integrated Regional Water Management Plans that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or MOU. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.
- (b) School Education Program – Each participating member agency can set a target number of students for which the School Education assembly program will be made available in their service area. The program will be charged based on the actual number of students to which the program is provided, at a cost of \$2.9~~60~~ per student. The School Education Program beginning in FY2012/13 offers other additional services to the member

agencies that can be contracted through MWDOC under a separate fee structure.

- (c) South Orange Coastal Ocean Desalination Program —~~Currently there are five participants in the project.~~ The estimated cost of MWDOC's staff time and other charges, less any carry-over funding, necessary to manage the project shall be apportioned among the ~~five~~ participants in equal proportions. ~~The five Participants are listed in Exhibit C being South Coast Water District, Laguna Beach County Water District, San Clemente, San Juan Capistrano and Moulton Niguel Water District.~~ If the membership in the project changes, changes in the allocations will be made.

- (d) Poseidon Huntington Beach Ocean Desalination Program - ~~Currently there are 20 participants in the project (including the cities of Anaheim, Fullerton and Santa Ana).~~ The estimated cost of MWDOC's staff time to manage the project shall be apportioned among the ~~twenty~~ participants in equal proportions. The ~~17~~ member agencies participating are listed in Exhibit C, South Coast Water District, Laguna Beach County Water District, Moulton Niguel Water District, El Toro Water District, Fountain Valley, Garden Grove, Golden State Water Company, Huntington Beach, Irvine Ranch Water District, Mesa Consolidated Water District, Newport Beach, Orange, Orange County Water District, Santa Margarita Water

~~District, Seal Beach, Trabuco Canyon Water District and Westminster.~~ If the membership in the project changes, changes in the allocations will be made. The costs to be charged shall reflect any carry-over or deficit funds from the preceding year.

(e) Second Lower Cross Feeder – The estimated cost of MWDOC’s staff time and other charges to manage the project shall be apportioned among the participants in equal proportions. The participants are listed in Exhibit C. If the membership in the project changes, changes in the allocation will be made.

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The details on these charges to the agencies are included in Section 12 and,
Exhibit C.

SECTION 6. MWDOC Water Supply Allocation Plan (WSAP)

In the event that a regional water shortage is declared, the MWDOC Board can implement its Water Supply Allocation Plan. This Plan established procedures allowing MWDOC to assess penalties to its member agencies in the event MWDOC is assessed penalties under Metropolitan’s own “Water Supply Allocation Plan.” Under MWDOC’s Plan, penalties may be assessed according to a particular member agency’s prorated share of it’s over usage to the MWDOC penalty amount it is assessed by MET. However, the rates set forth in this Resolution do not include or otherwise account for potential penalties that may be assessed by MWDOC under its Plan, and those penalties are not subject to the billing, payment, administrative and other provisions

established hereby.

SECTION 7. MWDOC'S RETAIL METER CHARGE.

The annual charge for each retail water meter in MWDOC served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be ~~\$7,256.25~~. MWDOC's Retail Meter Charge shall be collected in accordance with Section 12 of this Resolution.

SECTION 8. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that, for fiscal year 201~~24~~-~~132~~, Metropolitan estimates that the amount of Metropolitan's Readiness to Serve Charge ("RTS") applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is ~~\$10,785,5199,549,995~~. For fiscal year 2012-13 only, the Net RTS from Metropolitan was reduced by a \$355,461 payment received from Orange County Water District for the 10-year impact to MWDOC's RTS charges from Metropolitan due to the 2010 Tier-2 Avoidance Program. The final Net RTS charge of \$10,430,058 will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Net RTS on a monthly installment basis. The MWDOC final Net RTS charge will be invoiced to the MWDOC member agencies on a monthly basis.

(b) Apportionment of Met RTS Charge to MWDOC Member Agencies

The MWDOC method of apportioning the RTS Charge to the MWDOC

member agencies uses the most recently completed four-year rolling average of fiscal year firm purchases of water ending one year prior to the year of the charge being imposed (i.e., for 201~~24-132~~ charges, the four-year average shall be based on 200~~76-087~~ through 201~~09-110~~). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of firm sales, which would include wheeled and transferred water.

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(c) Fiscal Year 201~~24-132~~ MWDOC Readiness to Serve Charge Rate

For fiscal year 201~~24-132~~, MWDOC will charge the MWDOC member agencies total Net RTS charges of \$10,430,0589,549,905. **Exhibit A** shows the amount of the Net RTS charge to be apportioned to each of the MWDOC member agencies.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each agency based on the estimated revenue derived from the MWD Standby Charge within each member agency (less delinquencies and administrative costs). The expected Net Standby Charge Revenue for MWDOC in fiscal year 201~~24-132~~ is displayed in **Exhibit A**. Once actual net standby charge revenue is known, Metropolitan may adjust the amount of Net RTS for the prior year through an additional charge or credit. Any adjustment necessary to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

SECTION 9. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 201~~32~~, the amount of

the Metropolitan Capacity Charge applicable to MWDOC will be ~~\$3,132,8003,622,300~~.

The Capacity Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

(b) Apportionment of Met Capacity Charge to MWDOC Member Agencies

The MWDOC Method of apportioning the Capacity Charge to the MWDOC member agencies uses each agency's highest peak day flow for delivery of full service water, which would include wheeled and transferred water, and wheeled water during the period of May 1 through September 30 of each year for the three year period ending one year prior to the year of the charge being imposed (i.e., for 201~~32~~ charges, the highest peak day flow shall be based on 200~~98~~, 20~~109~~ and 201~~19~~). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all agencies' highest peak day flows. **Exhibit B** shows the amount of the 201~~32~~ Capacity Charge apportioned to each member agency.

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SECTION 10. RATES AND CHARGES FOR WHEELED OR TRANSFERRED WATER

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the member agencies for water wheeled or transferred through exchanges with Metropolitan into the MWDOC service area in accordance with the provisions below.

Wheeled or transferred water will also be assessed, unless otherwise specified by

written agreement, the ~~thengenerally-applicable applicable rates for prevailing~~ Wheeling

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Service Rate set by Metropolitan's Board of Directors from time to time pursuant to its Administrative Code for the use of Metropolitan's facilities to transport water not owned

or controlled by Metropolitan to Metropolitan's member agencies. ~~The Metropolitan's~~

~~rates for Wheeling Service are Rate currently includes Metropolitan's System Access~~

~~Rate, Water Stewardship Rate, and Treatment Surcharge if the water is treated by~~

~~Metropolitan, as those terms are is all applicable rates and charges as~~ defined in the

Metropolitan Administrative Code. Metropolitan's ~~rate for Wheeling Service Rate~~ does

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not include power utilized for delivery, which the wheeling party must provide or pay

directly at its own cost (if power can be scheduled by Metropolitan) or pay to

Metropolitan at Metropolitan's actual (not system average) cost.

In addition to these charges, MWDOC shall assess the following charges:

- (a) A one time administrative charge, based on actual time spent but not to exceed \$20,000 to account for the staff time and legal counsel time required for preparation of an agreement or agreements to establish the legal and administrative framework for

water to be wheeled or transferred through exchanges with Metropolitan.

- (b) Unless otherwise specified by written agreement with MWDOC, an annual charge will be assessed, based on actual time spent, not to exceed \$5,000 in any year in which water is wheeled or transferred through exchanges with Metropolitan, to cover up to 80 hours of staff time to account for and bill for the water.

SECTION 11. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 201~~2~~⁴ or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 12. BILLING AND PAYMENT.

Billing Schedule. MWDOC member agencies shall be billed for water delivered and for other charges as follows: (a) MWDOC's cost of acquisition of the water, MWDOC's Incremental Rate (if applicable) and the AMP Surcharge (if applicable) shall be billed in the month following delivery of the water; (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency which is within MWDOC; (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B** and (d) the MWDOC CHOICE services shall be billed once annually on or after July 1st of each year on the

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same invoice as MWDOC's Retail Meter Charge (with a year end reconciliation) in accordance with **Exhibit C**. The fixed annual charge to OCWD for water deliveries, as set forth in MWDOC's Water Rate Ordinance and referred to in Section 4 hereof, shall be billed to OCWD annually in advance on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

SECTION 13. EXEMPTION FROM CEQA.

The Board of Directors finds that the adoption of the water rate schedule as set forth in this Resolution is exempt from the California Environmental Quality Act under Section 21080(b)(8) of the Public Resources Code in that the water rates established herein are for the purpose of meeting operating expenses of MWDOC, including employee wages and fringe benefits, purchasing or leasing of supplies, equipment and materials, meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas.

SECTION 14. REASONABLE COST.

The Board of Directors finds that the water rates established herein are in accordance with the adopted Fiscal Year 201~~21~~¹³² budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

SECTION 15. RATES SUBJECT TO ORDINANCE.

The rates for water service established herein are subject to Ordinance No. 51 as it may be amended from time to time.

SECTION 16. **IMPLEMENTATION.**

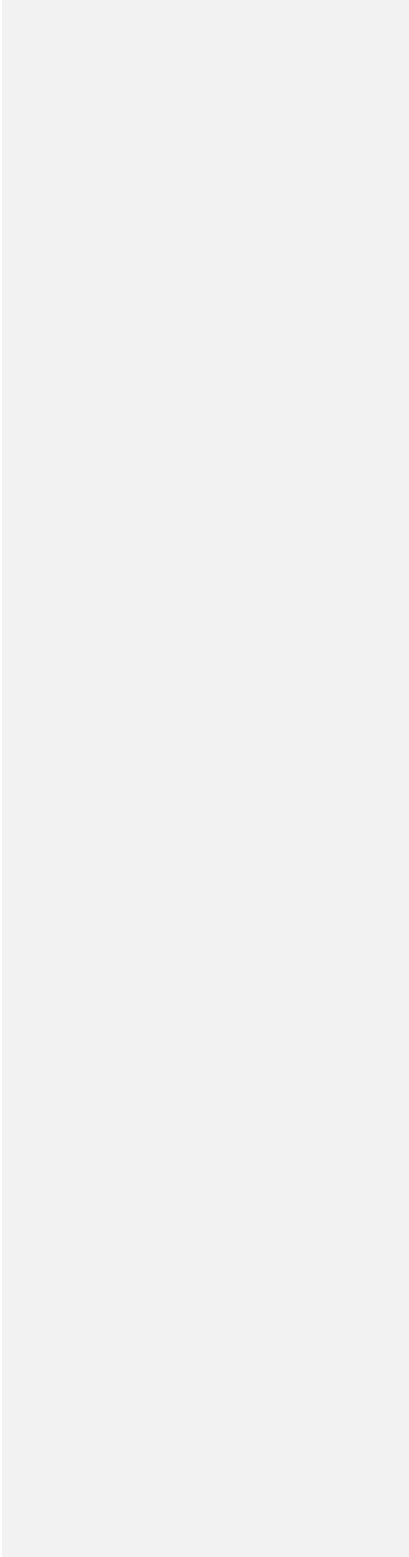
The General Manager is directed to establish procedures to implement this Resolution.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to each of MWDOC's member agencies.

Said Resolution No. ~~.....1914~~ was adopted this 15th day of ~~....June~~ 201~~2~~4 by the following roll call vote:

AYES: Directors ~~Clark, Dick, Finnegan, Hinman & Royce~~
NOES: ~~None~~
ABSENT: Directors ~~Barbre and Thomas~~
ABSTAIN: None

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County



- - Draft Pending Board Approval - -

Exhibit A
Readiness-to-serve Charge for MWDOC Client Agencies for FY 2012-13

Metropolitan Readiness-to-serve (RTS) Charge to MWDOC for FY 2012/13 =	\$ 17,802,842
Expected Standby Revenue Less Met Administrative Charge Plus Delinquencies & Uncollectables FY 2012/13 =	\$ (7,017,323)
<u>10-Year Cumulative RTS Shift from Anaheim/Santa Ana Tier 2 Avoidance Program</u> =	\$ (355,461)
Net RTS Charge =	\$ 10,430,058

Agency	RTS Eligible Purchases					AF Share (%)	Net RTS	2012		2013	
	2007-08	2008-09	2009-10	2010-11 [1]	4-Yr Ave			Monthly Charge July - December	Monthly Charge January - June		
City of Brea	6,347	6,105	2,733	3,186	4,593	2.10%	\$ 218,804	\$ 18,472	\$ 17,995		
City of Buena Park	4,196	5,065	5,612	5,277	5,037	2.30%	\$ 239,990	\$ 20,261	\$ 19,737		
City of Fountain Valley	2,269	3,271	3,688	3,574	3,200	1.46%	\$ 152,469	\$ 12,872	\$ 12,539		
City of Garden Grove	5,812	8,508	9,872	9,380	8,393	3.83%	\$ 399,853	\$ 33,757	\$ 32,885		
City of Huntington Beach	6,285	9,796	11,197	10,680	9,490	4.33%	\$ 452,103	\$ 38,168	\$ 37,182		
City of La Habra	3,745	2,969	1,942	1,447	2,526	1.15%	\$ 120,344	\$ 10,160	\$ 9,897		
City of La Palma	667	703	773	868	753	0.34%	\$ 35,857	\$ 3,027	\$ 2,949		
City of Newport Beach	3,739	5,846	6,181	5,882	5,412	2.47%	\$ 257,836	\$ 21,768	\$ 21,205		
City of Orange	6,183	8,054	10,272	9,732	8,560	3.91%	\$ 407,822	\$ 34,430	\$ 33,540		
City of San Clemente	10,593	9,732	8,554	7,391	9,067	4.14%	\$ 431,988	\$ 36,470	\$ 35,528		
City of San Juan Capistrano	7,557	6,825	6,379	6,060	6,705	3.06%	\$ 319,440	\$ 26,968	\$ 26,272		
City of Seal Beach	929	1,256	1,500	1,295	1,245	0.57%	\$ 59,308	\$ 5,007	\$ 4,878		
City of Westminster	2,660	4,053	4,726	4,479	3,979	1.82%	\$ 189,578	\$ 16,005	\$ 15,591		
East Orange County Water District	5,161	5,271	1,710	3,329	3,868	1.77%	\$ 184,264	\$ 15,556	\$ 15,154		
El Toro Water District	11,043	10,319	8,574	8,376	9,578	4.37%	\$ 456,312	\$ 38,524	\$ 37,528		
Golden State Water Company	10,243	10,793	9,969	9,583	10,147	4.63%	\$ 483,424	\$ 40,813	\$ 39,758		
Irvine Ranch Water District	34,373	34,153	20,614	15,282	26,106	11.92%	\$ 1,243,722	\$ 105,000	\$ 102,287		
Laguna Beach County Water District	4,189	4,179	4,067	3,792	4,057	1.85%	\$ 193,272	\$ 16,317	\$ 15,895		
Mesa Water District	3,004	3,064	2,388	3,603	3,015	1.38%	\$ 143,619	\$ 12,125	\$ 11,812		
Moulton Niguel Water District	35,091	33,812	29,491	27,360	31,439	14.36%	\$ 1,497,798	\$ 126,450	\$ 123,183		
Orange County Water District	4,581	22,240	20,713	1,855	12,347	5.64%	\$ 588,250	\$ 49,662	\$ 48,379		
Santa Margarita Water District	32,803	30,879	28,077	25,916	29,419	13.44%	\$ 1,401,563	\$ 118,326	\$ 115,268		
Serrano Water District	1,108	1,500	0	0	652	0.30%	\$ 31,060	\$ 2,622	\$ 2,554		
South Coast Water District	7,268	6,273	5,444	4,929	5,978	2.73%	\$ 284,822	\$ 24,046	\$ 23,425		
Trabuco Canyon Water District	2,939	2,652	2,334	2,031	2,489	1.14%	\$ 118,574	\$ 10,010	\$ 9,752		
Yorba Linda Water District	10,963	11,264	10,835	10,429	10,872	4.97%	\$ 517,986	\$ 43,730	\$ 42,601		
Sum of MWDOC Agencies	223,745	248,582	217,642	185,733	218,925	100%	\$ 10,430,058	\$ 880,548	\$ 857,796		

[1] RTS Eligible Purchases for 2010-11 were reduced by 2,872.3 acre-feet for Irvine Ranch WD and 876.8 acre-feet for Mesa WD for their participation in the Tier 2 Avoidance Program.

EXHIBIT B

Capacity Charge for MWDOC Member Agencies for CY 2013

	2009	2010	2011	Peak
MWDOC's Peak to MWD (cfs)	489.5	425.5	382.7	489.5
Date	8/3/09	5/26/10	7/20/11	8/3/09

DRAFT 5/8/12

Four shared connections' allocation still to be updated

Metropolitan Capacity Charge to MWDOC for CY 2013 **\$ 3,132,800** *

Agency	Capacity Charge Eligible Flows (CFS)				CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2009	2010	2011	3-Yr Peak			
City of Brea	9.9	20.5	11.0	20.5	2.97%	\$ 93,160	\$ 7,763
City of Buena Park	8.7	10.9	9.4	10.9	1.57%	\$ 49,321	\$ 4,110
City of San Juan Capistrano	17.8	16.6	16.6	17.8	2.58%	\$ 80,899	\$ 6,742
East Orange County Water District	14.3	18.9	20.8	20.8	3.02%	\$ 94,551	\$ 7,879
El Toro Water District	19.5	21.1	22.1	22.1	3.21%	\$ 100,629	\$ 8,386
City of Fountain Valley	6.4	7.2	6.7	7.2	1.05%	\$ 32,872	\$ 2,739
City of Garden Grove	15.0	14.0	13.4	15.0	2.18%	\$ 68,296	\$ 5,691
City of Huntington Beach	25.2	28.8	33.6	33.6	4.88%	\$ 152,897	\$ 12,741
Irvine Ranch Water District	43.7	45.2	49.8	49.8	7.23%	\$ 226,477	\$ 18,873
City of La Habra	11.4	9.5	8.4	11.4	1.66%	\$ 51,994	\$ 4,333
City of La Palma	2.1	3.2	2.4	3.2	0.47%	\$ 14,660	\$ 1,222
Laguna Beach County Water District	7.6	8.0	8.0	8.0	1.16%	\$ 36,425	\$ 3,035
Mesa Consolidated Water District	17.4	11.3	21.4	21.4	3.11%	\$ 97,476	\$ 8,123
Moulton Niguel Water District	60.1	60.2	60.5	60.5	8.78%	\$ 275,135	\$ 22,928
City of Newport Beach	13.1	11.5	11.0	13.1	1.90%	\$ 59,443	\$ 4,954
Orange County Water District	170.0	92.5	8.1	170.0	24.66%	\$ 772,422	\$ 64,369
City of Orange	25.1	22.4	19.1	25.1	3.64%	\$ 114,049	\$ 9,504
City of San Clemente	20.0	20.0	20.0	20.0	2.90%	\$ 90,898	\$ 7,575
Santa Margarita Water District	70.7	61.9	68.5	70.7	10.26%	\$ 321,528	\$ 26,794
City of Seal Beach	6.3	5.9	5.4	6.3	0.91%	\$ 28,533	\$ 2,378
Serrano Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	\$ -
Golden State Water Company	12.4	24.1	20.7	24.1	3.50%	\$ 109,530	\$ 9,127
South Coast Water District	14.7	10.7	10.1	14.7	2.14%	\$ 66,987	\$ 5,582
Trabuco Canyon Water District	8.1	6.2	6.9	8.1	1.17%	\$ 36,636	\$ 3,053
City of Westminster	4.1	5.8	4.8	5.8	0.83%	\$ 26,138	\$ 2,178
Yorba Linda Water District	21.2	29.0	27.6	29.0	4.21%	\$ 131,844	\$ 10,987
Total				689.3	100%	\$ 3,132,800	
MWDOC Capacity Charge Per CFS:						\$ 4,545	

* Based on MWDOC's aggregate peak flow of 489.5 cfs on 8/3/2009 charge at MET's rate of \$6,400 per cfs

Exhibit C

MWDOC Choice Program Cost Allocations by Agency in FY 2012-13

Retail Agency	Water Use Efficiency	School Program	South Coastal Ocean Desal	Huntington Beach Desal	Second Lower Cross Feeder	Total Choice Program
Brea	\$ 4,689	\$ 5,861	\$ -	\$ -	\$ -	\$ 10,550
Buena Park	\$ 25,219	\$ 8,649	\$ -	\$ -	\$ -	\$ 33,869
East Orange County WD	\$ 1,051	\$ 1,160	\$ -	\$ 2,292	\$ -	\$ 4,504
El Toro WD	\$ 14,912	\$ 9,122	\$ -	\$ 2,292	\$ 10,000	\$ 36,325
Fountain Valley	\$ 21,326	\$ 4,807	\$ -	\$ 2,292	\$ -	\$ 28,426
Garden Grove	\$ 20,938	\$ 11,979	\$ -	\$ 2,292	\$ -	\$ 35,209
Golden State Water Compan	\$ 21,451	\$ 9,472	\$ -	\$ 2,292	\$ 10,000	\$ 43,215
Huntington Beach	\$ 35,913	\$ 20,720	\$ -	\$ 2,292	\$ -	\$ 58,925
Irvine Ranch WD	\$ 122,828	\$ -	\$ -	\$ 2,292	\$ 10,000	\$ 135,120
La Habra	\$ 5,592	\$ 5,248	\$ -	\$ -	\$ -	\$ 10,840
La Palma	\$ 1,333	\$ 3,061	\$ -	\$ -	\$ -	\$ 4,394
Laguna Beach County WD	\$ 14,425	\$ 1,110	\$ 0	\$ 2,292	\$ 10,000	\$ 27,827
Mesa WD	\$ 28,778	\$ 29,851	\$ -	\$ 2,292	\$ -	\$ 60,921
Moulton Niguel WD	\$ 48,075	\$ 12,112	\$ 0	\$ 2,292	\$ 10,000	\$ 72,480
Newport Beach	\$ 8,717	\$ 1,803	\$ -	\$ 2,292	\$ -	\$ 12,811
Orange	\$ 13,709	\$ 7,471	\$ -	\$ 2,292	\$ -	\$ 23,472
Orange County WD	\$ -	\$ -	\$ -	\$ 2,292	\$ -	\$ 2,292
San Clemente	\$ 53,790	\$ 2,862	\$ 0	\$ -	\$ 10,000	\$ 66,652
San Juan Capistrano	\$ 8,919	\$ 3,434	\$ 0	\$ -	\$ 10,000	\$ 22,352
Santa Margarita WD	\$ 79,992	\$ 14,800	\$ -	\$ 2,292	\$ 10,000	\$ 107,084
Seal Beach	\$ 1,549	\$ 2,063	\$ -	\$ 2,292	\$ -	\$ 5,905
Serrano WD	\$ 1,571	\$ 1,498	\$ -	\$ -	\$ -	\$ 3,069
South Coast WD	\$ 47,356	\$ 4,857	\$ 0	\$ 2,292	\$ 10,000	\$ 64,505
Trabuco Canyon WD	\$ 5,583	\$ 1,995	\$ -	\$ 2,292	\$ -	\$ 9,871
Tustin	\$ 6,558	\$ 11,177	\$ -	\$ -	\$ -	\$ 17,735
Westminster	\$ 7,643	\$ 8,992	\$ -	\$ 2,292	\$ -	\$ 18,927
Yorba Linda WD	\$ 12,540	\$ 7,675	\$ -	\$ -	\$ -	\$ 20,215
Anaheim	\$ 2,793	\$ 30,000	\$ -	\$ 2,292	\$ -	\$ 35,085
Fullerton	\$ 2,863	\$ 9,999	\$ -	\$ -	\$ -	\$ 12,862
Santa Ana	\$ 667	\$ 30,000	\$ -	\$ 2,292	\$ -	\$ 32,958
Orange County Total	\$ 620,781	\$ 261,778	\$ 0	\$ 45,842	\$ 90,000	\$ 1,018,401

Note: Total program budgets also include carryover funds from prior years.



ACTION ITEM
June 20, 2012

TO: Board of Directors

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

Kevin Hunt
General Manager

SUBJECT: AUDIOVISUAL IMPROVEMENTS TO BOARDROOM & CONF. RM C-3

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the \$110,509 payment to OCWD.

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

SUMMARY

The existing audiovisual equipment in the Boardroom and C-3 is 12 years old and was performing marginally. OCWD's board determined it required substantial upgrading and authorized a complete makeover. The attached letter from Mike Markus, OCWD General Manager, details the changes made, costs, and proposed allocation. The original facility sharing agreement called for MWDOC to pay 35.75% of the costs. The allocation to MWDOC for the improvements was reduced to 25% in recognition of our lower use as determined by both staffs, and based upon discussions by the respective Board Presidents. MWDOC's share of \$110,509 will come from our building repair/replacement reserve which is currently \$350,000. Replenishing the reserve will be addressed in the 2013/2014 budget process.

Budgeted (Y/N): N	Budgeted amount:	Core _x_	Choice
Action item amount: \$110,509	Line item:		
Fiscal Impact (explain if unbudgeted): from building reserve fund			

DIRECTORS

CLAUDIA C. ALVAREZ, ESQ.
PHILIP L. ANTHONY
DON BANKHEAD
KATHRYN L. BARR
DENIS R. BILODEAU, P.E.
SHAWN DEWANE
CATHY GREEN
STEPHEN R. SHELDON
HARRY S. SIDHU, P.E.
ROGER C. YOH, P.E.



ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
CLAUDIA C. ALVAREZ, ESQ.

First Vice President
PHILIP L. ANTHONY

Second Vice President
DON BANKHEAD

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

May 23, 2012

Kevin Hunt
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

RECEIVED

MAY 23 2012

MWD OF OC

Subject: **Audio Visual Improvements to Board Room and Conference Room C-3**

Dear Mr. ^{KEVIN}Hunt:

The Orange County Water District (District) and the Municipal Water District of Orange County (MWDOC) work closely together to improve the reliability of the region's water supply. Additionally we share facilities and staffing to reduce the annual operating costs of both our agencies.

As you are aware the District has been moving forward to upgrade the audio visual and lighting infrastructure in our shared Boardroom and Conference Room C-3. The existing audiovisual system in the Boardroom was installed approximately 12 years ago. Portions of it have been replaced since the initial installation.

The Boardroom is used primarily for meetings of the District's and MWDOC's Board of Directors, and provides audience seating for up to 130 people. Both of our Boards conduct bi-monthly meetings and hold a variety of workshops, committee meetings and other various types of public meetings in the Boardroom and Conference Room C-3. The Boardroom and conference room are also occasionally used by outside agencies and organizations for public meetings.

A significant amount of information is relayed both to and by our Board of Directors using a variety of audiovisual components. Computer-based presentations and video are delivered by staff, Board Members and representatives from outside agencies at a majority of meetings. Additionally, all participants rely upon seeing the information clearly. It is also critical that the audio is clear and understandable to all participants, as well as recordable.

Due to the age of the audiovisual equipment in the Boardroom and conference room C-3, and advances in technology, District staff hired an audiovisual contractor to design and install a new turnkey, fully functional, cost-effective integrated audiovisual system.

The exact objectives of the District in replacing the audiovisual systems in the Boardroom and conference room C-3 were as follows:

1. Clear and bright video in each meeting room;
2. Clear audio in each meeting room;
3. Uniform control/functionality in each meeting room;
4. Improved lighting in the Boardroom;
5. Support for multiple video formats;
6. Facilitate the distribution of video and audio signals to each meeting room;
7. Ability to record meeting audio (and potentially video);
8. Software/network based management system;
9. iPad integration for presentations and control;
10. Ease of use;
11. Voting system.

The construction and implementation of this up-to-date audiovisual solution that addresses the limitations of the existing system while being able to provide more current audiovisual capabilities is now complete. The total cost is \$442,038 as shown in the following table.

Cost Item	Cost
Boardroom Improvements	\$378,919
Conference Room C-3 Improvements	\$56,216
3-Year Support Contract	\$22,000
Proposition 50 Grant Deduction	(\$15,097)
Total Cost	<u>\$442,038</u>
MWDOC 25% Share	\$110,509

Previous reviews by our staffs indicate that MWDOC's use of these facilities accounts for about 25% of the total use. Therefore we request MWDOC to pay \$110,509 of the new improvements. Thank you for your participation in this endeavor.

Sincerely,



Michael R. Markus, P.E., D.WRE
General Manager



ACTION ITEM
June 20, 2012

TO: Board of Directors

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

Kevin Hunt
General Manager

SUBJECT: APPOINTMENT OF DISTRICT TREASURER

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt a Resolution appointing the District Treasurer.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

As a result of Phil Letrong’s resignation, it is necessary to appoint a new District Treasurer. Historically, the Finance Manager has also served as the District Treasurer and, as a result, staff believes it would be prudent to appoint the new Director of Finance, Stephen Kozak, as District Treasurer.

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

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
APPOINTING DISTRICT TREASURER**

WHEREAS, the former District Treasurer, Phil Letrong, retired from his position as Finance Manager/Information Systems Manager for MWDOC and resigned his position as District Treasurer effective May 14, 2012, and it is necessary to appoint a new District Treasurer; and

WHEREAS, the District has hired Mr. Stephen Kozak as Director of Finance, and the Director of Finance has traditionally served the Board as District Treasurer;

NOW, THEREFORE, BE IT RESOLVED as follows:

Stephen Kozak is hereby appointed as Treasurer of the Municipal Water District of Orange County effective immediately; the term of office to be at the pleasure of the Board;

Judy Pfister remains appointed as Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board;

Kevin P. Hunt remains appointed as Alternate Deputy Treasurer of the Municipal Water District of Orange County, the term of office to be at the pleasure of the Board; and

Said Resolution was adopted, on roll call, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. ____, adopted by the Board of Directors of Municipal Water District of Orange County at its meeting of _____, 2012.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County



ACTION ITEM

June 20, 2012

TO: Administration & Finance Committee
(Directors Barbre, Dick & Finnegan)

FROM: Kevin Hunt, General Manager Staff Contact: Steve Kozak

SUBJECT: Selection of Independent Audit Firm for Annual Financial Audit Services

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee authorize the General Manager to prepare and negotiate an agreement with Vavrinek, Trine, Day & Company (VTD), to perform an annual financial audit of the District's financial statements for FY 2011-12, in an amount not to exceed \$17,900, with an option to renew the agreement for up to four additional one-year terms through FY 2015-16, based on performance.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Background

The Government Finance Officer's Association (GFOA) recommends that public agencies should change auditors every five years. The District's Administrative Code Section 1301, states that the District's auditor term limit shall not exceed a period of five years. The firm of White Nelson Diehl Evans LLP has performed the District's annual financial audit for the five Fiscal Years 2006-07 through 2010-11.

Request for Proposal Process

On March 14, 2012, the Committee authorized staff to release an RFP for selection of a new public accounting/auditing firm to provide independent financial audit services for the District, including an annual financial audit of the District's financial statements for FY 2011-12.

Budgeted (Y/N): Y	Budgeted amount: \$19,200	Core <input checked="" type="checkbox"/>	Choice <input type="checkbox"/>
Action item amount: N/A		Line item: Audit Expense	
Fiscal Impact (explain if unbudgeted):			

Eight qualified firms were invited to submit proposals to perform an annual financial audit and an annual single audit, as required, for the fiscal year ending June 30, 2012. The following five firms responded with proposals by the April 23, 2012 due date:

- Charles Z. Fedak & Company
- Lance, Soll & Lunghard, LLP
- Mayer Hoffman McCann, P.C.
- Vasquez & Company, LLP
- Vavrinek, Trine, Day & Company, LLP

Staff reviewed and evaluated the proposals based on criteria established in the RFP, including completeness, project approach and understanding, professional qualifications, and cost of services provided.

Review and Recommendation

Each of the firms presented acceptable qualifications and experience in performing financial audits for California local government agencies, including water and other special districts. Cost proposals for the FY 2011-12 annual financial audit ranged from \$17,000 (150 hours) to \$23,000 (215 hours). The average number of work hours to complete the financial audit for the five proposals is 189 hours.

The firm of Vavrinek, Trine, Day & Company (VTD), submitted the most responsive proposal to the District's annual financial audit needs based on a combination of factors; including VTD's project organization and approach, defined work plan, and a cost proposal with a fixed fee of \$17,900 (180 hours) for three fiscal years (FY 2011-12 through FY 2013-14) which includes availability for on-going consultation with VTD staff during the year.

Staff recommends the Administration & Finance Committee authorize the General Manager to prepare and negotiate an agreement with the selected firm to perform an annual financial audit of the District's financial statements for FY 2011-12, in an amount not to exceed \$17,900, with an option to renew the agreement for up to four additional one-year terms through FY 2015-16, based on performance.



ACTION ITEM
June 20, 2012

TO: Board of Directors

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

Kevin Hunt
General Manager

Staff Contact: Cathy Harris
Administrative Services Manager
Katie Davanaugh, Executive Assistant/HR
Specialist

SUBJECT: REVISION TO PERSONNEL MANUAL SECTION REGARDING SERVICE AWARDS

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the recommended changes as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Since 1988, the District has been honoring its regular full and part-time employees for years of service with the District. The current policy is as follows:

- Employees that complete one-year of service and at Five-year increments are formally recognized at the Board of Directors Meeting; and
- A gold filled service pin is awarded and includes stones based on the years of Service; and
- Employees are presented with a recognition certificate signed by the General Manager and Board of Directors
- Employees with five years of service also receive 8 hours of compensation time to be used within the following 12 months.
- Employees with 10 years of service and every five years thereafter are

Budgeted (Y/N): Y	Budgeted amount:	Core X	Choice __
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted): potential annual savings of \$1,400			

granted 16 hours of compensation time to be used within the following twelve months.

- Recognition pins are awarded to the Board of Directors at completion of one and five year increments thereafter.

Service Pin Costs

Year	Pin Description	Cost
1	Gold Filled	\$76
5	Ruby	\$87
10	Diamond	\$192
15	Diamond and Ruby	\$202
20	Two Diamonds	\$307
25	Two Diamonds and Ruby	\$318

The cost for the pins over a four year period is approximately \$5,800.

Staff evaluated the current use of the pins by MWDOC staff and evaluated other agency’s policies and is recommending the Service Award Policy be revised as follows:

EMPLOYEE RECOGNITION PROGRAMS

SERVICE AWARDS

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

Following completion of the required years of service, a certificate service pin will be presented to the employee at the Board meeting in during the employee’s anniversary month following the employee’s anniversary date.

At completion of five years, the employee will be granted one compensation day 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 to be used within the following 12 months.

Recognition pins will be awarded to Members of the Board at completion of one and five-year increments thereafter.

Adopted: June 20, 2012 October 5, 1988



DISCUSSION ITEM

June 13, 2012

**TO: Administration & Finance Committee
(Directors Barbre, Dick, Finnegan)**

**FROM: Kevin Hunt,
General Manager**

**Staff Contact: Cathy Harris,
Administrative Services Manager**

**SUBJECT: DISCUSSION REGARDING DISTRICT WORKERS' COMPENSATION
INSURANCE PROGRAM PROVIDER**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee review and discuss the District's current Workers' Compensation Program and evaluate the proposed quote from SDRMA and; if interested in moving forward with SDRMA, direct staff to send a letter to ACWA/JPIA by July 1, 2012, notifying ACWA/JPIA of the District's intent to terminate its Workers' Compensation Insurance Program.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Staff presented information at the May 14, 2012 Administration and Finance Committee meeting and the Committee requested the following information:

- Directed staff to prepare a letter notifying JPIA of the District's intent to terminate the Workers' Compensation Program as of July 1, 2012. The letter is attached for review and will be sent based on Committee direction.
- Directed staff to contact JPIA and request if lower rates are available. Staff spoke with JPIA Finance Director Dave DeBernardi to discuss the current rates and request a rate reduction. Mr. Bernardi stated that discounts cannot be granted because of the JPIA pool structure. He indicated that the fees for a policy year are not only based on the experience rating of an agency, but they also typically

Budgeted (Y/N): Y	Budgeted amount: \$106,000	Core <u>X</u>	Choice <u> </u>
Action item amount:		Line item: 19-7620	
Fiscal Impact (explain if unbudgeted):			

collect more than what they need in order to stabilize the fluctuating cycles of refunds and billings for prior policy years. Each agency has a beginning balance and a certain amount (retrospective premium) that must be kept in the pool. JPIA evaluates claims, actual payroll versus projected payroll and makes adjustments. The adjustments are compared to the amount that must be kept in the pool (retrospective premium) and any funds exceeding the required balance are refunded to the Agency.

- The Committee requested staff obtain the total costs of the insurance Workers' Compensation Program through JPIA. Table "A" shows the historical costs, although retrospective premium adjustments are still occurring for all years except 2001-02. Please note that MWDOC had several claims in the early 2000's and our premiums spiked for several years. Our recent history has been clean.
- SDRMA is also a pooled program however; each member carries their own coverage exposure. Each agency's experience modification factor is based on a 3-year average when calculating premium rates. The District's current Experience Modification Rate is 0.83. If an agency has increased claims, the experience modification factor increases and would add more to the premium for the following year. Generally, if the experience modification goes above 1.0 the premiums will increase significantly.
- The Committee requested staff provide the costs for the different billing class codes for the Workers' Compensation Program:
 - ACWA/JPIA
 - Salesman/Meter Readers 0.00751 x actual payroll
 - Clerical Office 0.00863 x actual payroll
 - Workers Compensation Insurance premium for 2011/12 is \$22,320. The true cost for this policy year is not yet available, since premium adjustments were recently received for the Policy years from 2000-2008. The District's current experience modification rate through JPIA is 0.93
 - SDRMA
 - Salesman-Outside 0.0059 x actual payroll
 - Clerical Office 0.0052 x actual payroll
 - The proposed premium for 2011/12 was quoted at \$11,552. The District will obtain a new quote in February 2013, if the Board approves moving forward with SDRMA. The District's experience modification through SDRMA is 0.83. The detailed quote from SDRMA is provided below.

Quote from SDRMA

<u>Class Code</u>	<u>Estimated Payroll</u>	<u>Manual Rate</u>	<u>Annual</u>
<u>Contribution</u>			
8742	\$1,143,696	.59	\$6,748
8810	\$1,851,277	.52	\$9,627
Total Estimated Annual Contribution based on Manual Rates			\$16,374
Contribution as adjusted by the Experience Modification Factor of 83%			\$13,591
Less: 15% Credit Incentive Program Discount			(\$2,039)
Net Estimated Annual Contribution			\$11,552

These Workers' Compensation programs by ACWA/JPIA and SDRMA are structured differently and so it makes the premium comparisons difficult. They both are Risk Management Pools however, the methodology on the deposit premiums, the premium adjustments, and evaluating the agency based on its modification experience rather than the pool's overall experience are handled differently.

The following should be noted:

1. ACWA/JPIA requests a "high" payment and then typically releases funds back to an agency as the actual experience and costs are incurred. SDRMA requests a "typical" payment and then can request "additional" payments if needed to cover actual costs.
2. The two programs have a different experience modification rating for MWDOC. ACWA/JPIA has a 0.93 and SDRMA has a 0.83. This results in a different "premium" but not necessarily a different "final cost". The final costs are based on what actually happens plus what happens in the pools. SDRMA based their Experience Modification Rates on the District's claims history for 2008/09, 2009/10 and 2010/11, projected payroll and the number of current open claims (None).
3. ACWA/JPIA has a confidence rating of 90% meaning that there is a 90% chance that they have more funds than needed on-hand. SDRMA has a 95% confidence rating.
4. MWDOC had several Workers' Comp claims in the early to mid 2000's. Based on data from ACWA/JPIA, it appears that our premiums peaked in 2003/2004 through 2005/2006 between \$26,000 and \$29,000 and have headed down thereafter.
5. ACWA/JPIA, as a policy, does not make any adjustments the first four years after a premium is paid. This helps to create stability in the cost of the insurance. SDRMA uses a 3-year average experience modification rate, evaluates the Worker Compensation Board rates (published annually) and evaluates what is happening in the industry. SDRMA has a policy that it will not increase rates to its members by more than 15%; other than the established rates by the workers Compensation Board and a significant increase in claims.

CONCLUSION

Based on evaluation of all available information, it appears that SDRMA may result in a savings of the order of approximately \$4,000 per year.

FOLLOW-UP

If the District decides to move forward with the Special Districts Risk Management Authority's Workers' Compensation Program, a 3-year commitment is required. Staff will closely monitor the rates during this time and if it determines the Program is not meeting the District's needs, it can always evaluate its options and rejoin JPIA's Program.

Table A**MWDOC Workers' Compensation Program Costs Through ACWA/JPIA**

Fiscal Year	Total Cost	
2001/02	\$19,318	
2002/03	\$22,255	
2003/04	\$27,708	
2004/05	\$26,299	
2005/06	\$29,132	
2006/07	\$18,976	
2007/08	\$17,466	
2008/09	\$24,768	No premium adjustments yet
2009/10	\$24,649	"
2010/11	\$23,997	"
2011/12	\$22,727	"

June 20, 2012

Association of California Water Agencies/Joint Powers Authority
Mr. Jerry Gladbach
President, Board of Directors
2100 Professional Drive
Roseville, CA 95661-3700

Mr. Gladbach:

This letter serves as notification that the Municipal Water District of Orange County intends to terminate its Workers Compensation Coverage with ACWA/JPIA, effective July 1, 2013. We have evaluated other providers and the costs and determined that it would be in our best interest to move to another insurance Workers' Compensation provider at this time.

Please contact me with any questions, at 714-593-5026.

Sincerely,

Kevin P. Hunt
General Manager



INFORMATION ITEM
Committee Meeting 6/13//2012

TO: Board of Directors

FROM: **Administration and Finance Committee**
Directors Barbre, Dick, Finnegan

Kevin Hunt
General Manager

Staff Contact: Lee Jacobi

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

STAFF RECOMMENDATION

Staff recommends the Board of Directors read and file.

COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

REPORT

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

Fig. 1 OC Water Usage, Monthly by Source Groundwater was the main source in April.

Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in April 2012 was lower than in the last four Aprils; this is likely due mainly to rains being well spaced in April 2012.

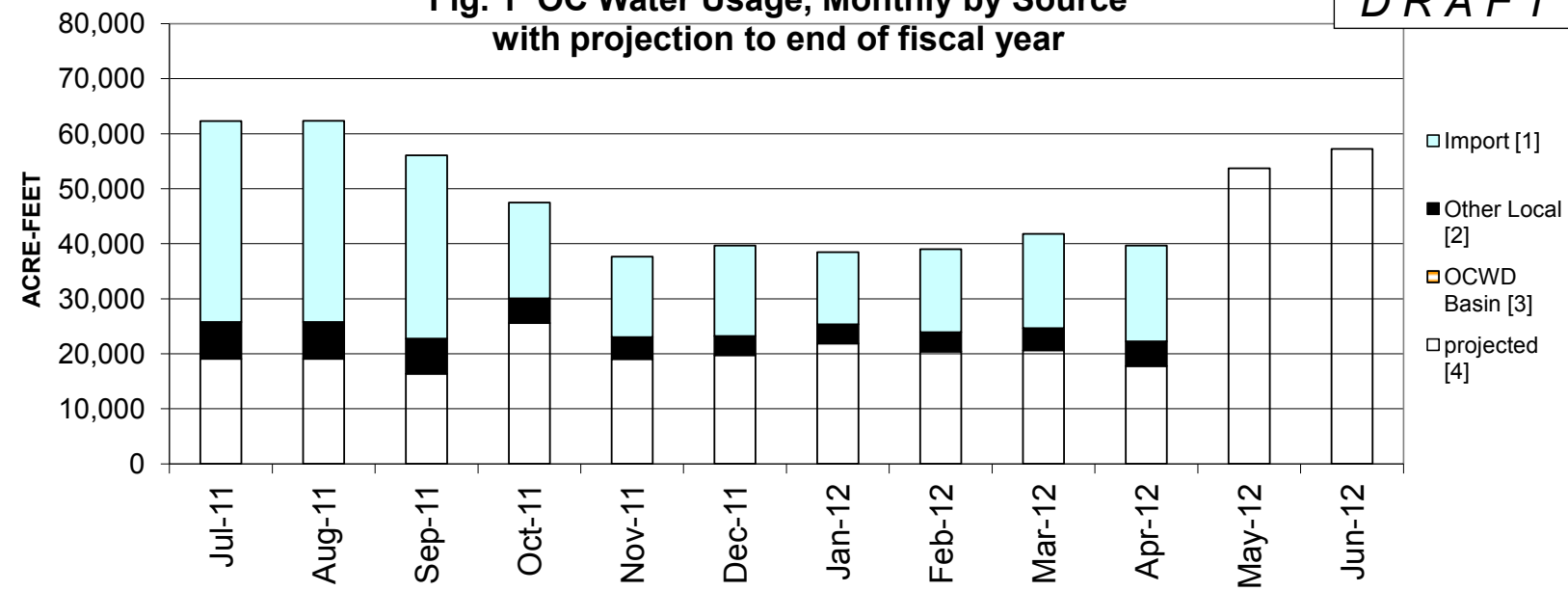
Fig. 3 Historical OC Water Consumption OC water consumption has been generally declining since peaking in FY1999-00 (a dry year) even though population has increased over the past decade. This long-term decreasing water usage trend can be credited mostly to Water Use Efficiency (water conservation) efforts.

Fig. 4 MWDOC "Firm" Water Purchases, 2011 "Firm" water above the Tier 1 limit will be charged at the higher Tier 2 rate. Our current projection of Tier 2 volume is zero. This projection is subject to the variability of demands and the variability in the usage of local supplies versus imported water.

Fig. 5 Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern Calif. and Colorado R. Basin hydrologic data; the State Water Project (SWP) Allocation, and Colorado, State and MET storage volumes.

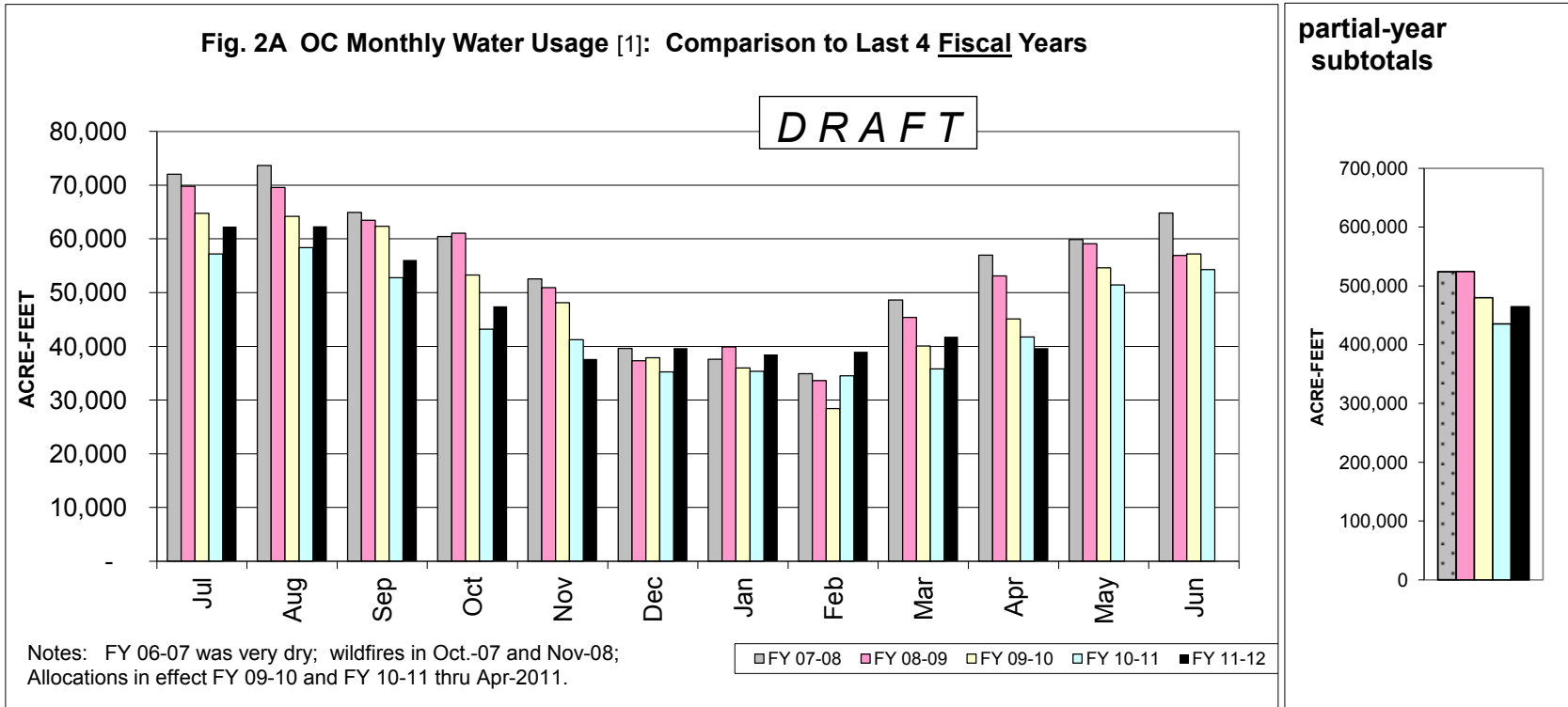
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**Fig. 1 OC Water Usage, Monthly by Source
with projection to end of fiscal year**



Note: numbers include some estimation and are subject to change.

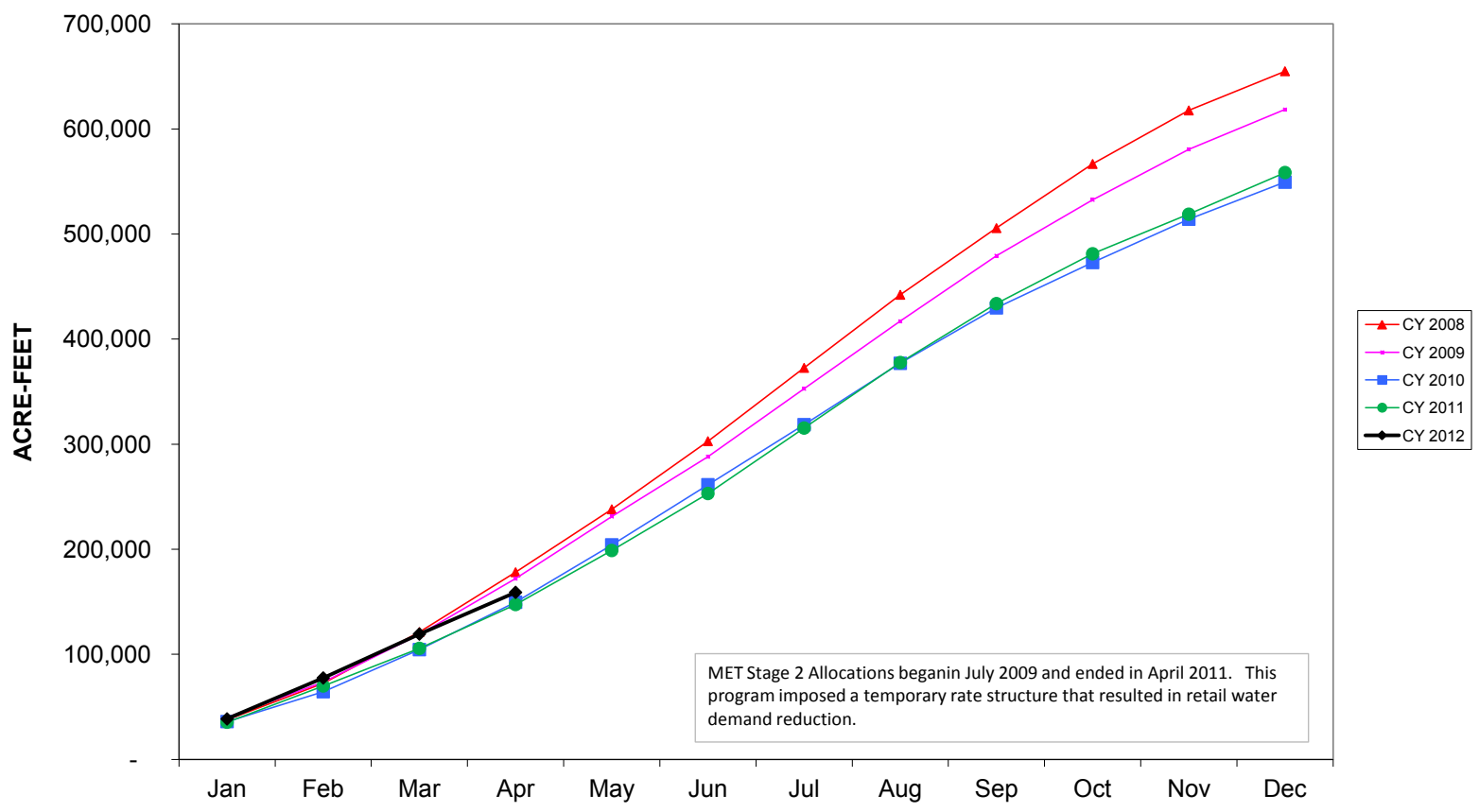
- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment", "Barrier Replenishment", and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '11-12 is 65%.
- [4] MWDOC estimate of monthly demand is based on the projected FY 11-12 "Retail" water demand and historical monthly demand pattern.



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

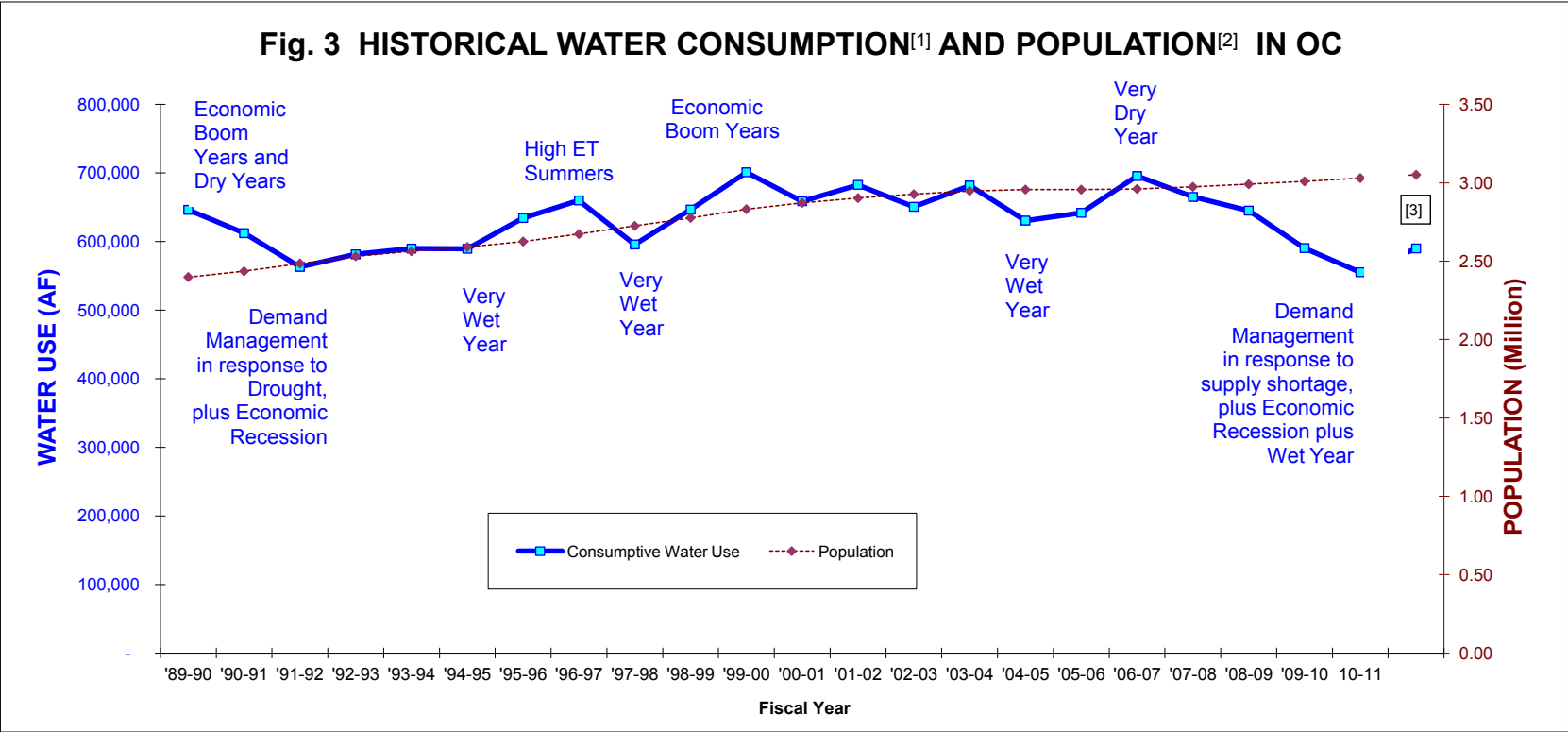
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Fig. 2B Orange County Cumulative Monthly Consumptive Water Usage [1]: present year compared to last 4 calendar years



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

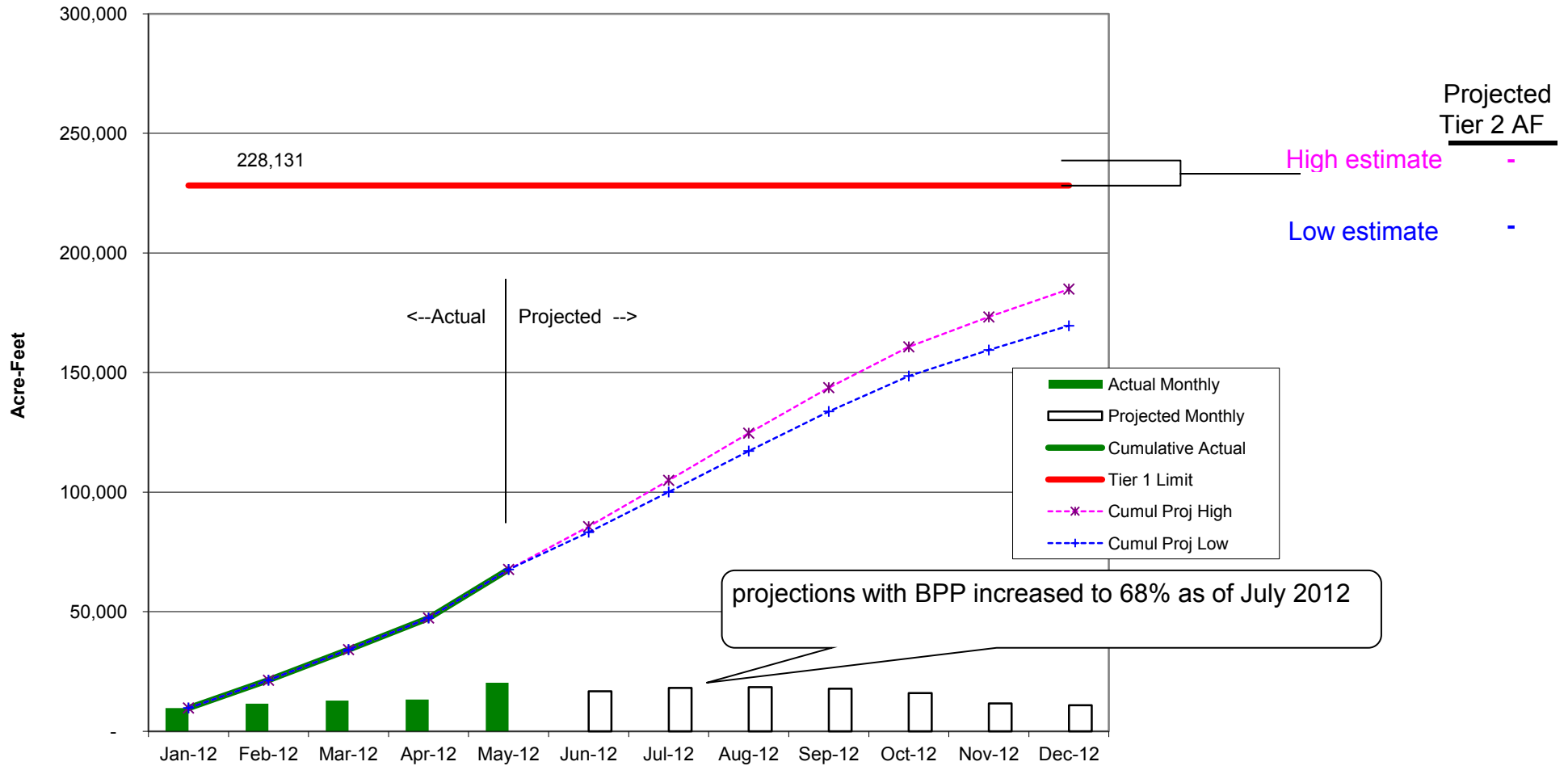
Fig. 3 HISTORICAL WATER CONSUMPTION^[1] AND POPULATION^[2] IN OC



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier water and Spreading water. The most recent data involve some estimation and are subject to change
 [2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.
 [3] Projection of FY 11-12 water use estimated by MWDOC based on partial-year data. Projection of FY 11-12 population estimated by MWDOC continues historical trend.

Fig. 4 MWDOC's Firm Water Purchases, CY 2012

DRAFT



Notes

1. "Firm" includes Full and Barrier; excludes Long-Term Replenishment (both In-Lieu and Direct).
2. Import demands for Jan.-Jun. were with BPP of 65%.
Import demands for Jul.-Dec. are with BPP of 68%.

Figure 5. Selected Water Supply Information

Rainfall in Orange County [1]	FY 08-09	FY 09-10	FY 10-11	FY 11-12
as of date	6/30/2009	6/30/2010	6/30/2011	5/31/2012
Cumulative Rainfall (inches) since July 1st	9.88	16.82	21.39	prelim 8.27
Percent of Normal for this date	78%	133%	171%	65%

[1] Rainfall at Santa Ana (Station #121) accumulated since July 1st. Rainfall amount may vary considerably within the County, generally more at higher elevation.

OCWD Basin Accumulated Overdraft [2]	as of 6/30/2009	as of 6/30/2010	as of 6/30/2011	low projectn. 6/30/2012	high projectn. 6/30/2012
Accumulated Overdraft (AF)	347,000	323,000	232,000	175,000	133,000
MET storage in Basin (AF)	23,000	-	16,500	32,000	32,000
Accum. Overdraft absent ME	370,000	323,000	248,500	207,000	165,000

[2] Amount of water necessary to be replaced into the groundwater basin to prevent seawater intrusion. Number is estimated by OCWD.

Large Basin Information	4 Rivers Runoff, accumulated [3]		Snowpack (SWE) [4]	
Area	Pct. of 50-Yr Avg.	as of date	Pct. of Normal	as of date
California- Northern Sierras	68%	4/30/2012	77%	4/1/2012
Colorado R. Basin- above Lk. Powell			estim 25%	4/15/2012

[3] Runoff, accumulated since October 1st, of Sacramento R. above Bend Bridge, Feather R. at Oroville (below Lk. Oroville), Yuba R. near Smartville and American R. below Folsom Lk. 50-Year average is for 1956-2006.

[4] SWE= Snow Water Equivalent, the liquid content of the snow on the ground. Percent shown compares to the historical normal amount found at this date of the year. *This statistic loses validity later than 4/01 (N Sierras) or 4/15 (Upper Colorado).

State Water Project Allocation	5/20/2009	6/23/2010	4/20/2011	5/23/2012
SWP Allocation [5] as of date	40%	50%	80%	65%

[5] SWP Allocation is for long-term SWP Contractors, including MET. The percentage applies to the contracted delivery amount of the Contractor. **SWP Allocation would have been higher if not for the Wanger court judgement of Dec. 2007.

Colorado and Calif. Reservoir Storage	Colorado Basin		Northern Sierras	
as of date	Lk. Mead 5/31/2012	Lk. Powell 5/31/2012	Lk. Shasta 5/31/2012	Lk. Oroville 5/31/2012
Volume now in Storage (Million AF)	13.5	15.6	4.30	3.50
Pct. of Full	52%	64%	94%	99%

California, primarily MET, now has the right to store up to 1.5 Million Acre-Feet in Lake Mead.

MET Storage	Diamond Valley Lk. (DVL)	MET Dry Year Storage (exclud. Emergency Storage)
as of date	4/26/2012	as of date Jan-2011
Volume in Storage (AF)	749,700	Million AF 1.7
Pct. of Full	93%	estimated for Jan-2012 2.7

Disclaimer: MWDOC cannot guarantee the accuracy of this data gathered from several sources.

**Administration Activities Report
May 9, 2012 to June 6, 2012**

Activity	Summary	Target Date
Administration	<ul style="list-style-type: none"> Pat continues to coordinate speaking requests and meetings for MET Chairman Foley. 	Ongoing
MWDOC/OCWD Joint Administration	<ul style="list-style-type: none"> Nothing to report. 	
Property/Liability/Workers Compensation Insurance	<ul style="list-style-type: none"> Follow-up information regarding the Workers' Compensation Insurance is included in the packet 	6/30/12
Records Management	<ul style="list-style-type: none"> Sarah purged records from Iron Mountain storage. Sarah assisted Maribeth with Public Record Act requests, and assisted Karl and Lee with a historical records search for the Lennar Homes lawsuit with Moulton Niguel Water District. May 23rd, Katie coordinated a "Spring Cleaning" event in which staff reviewed paper and electronic files and place them in the appropriate filing containers in accordance with the District's Records Retention Policy. 	Ongoing
Review of District Standard Agreement	Karl and Joe are currently reviewing the Draft Contracts manual prepared by Maribeth.	6/30/12
Revision to Service Award Policy	Staff is proposing revisions to the Service Award Policy. The recommendation is included in the A&F packet.	6/20/12
Evaluation of Phone Service Costs	On May 23 rd , Cathy, Kevin and Jeff Stalvey met with representatives from PSI Network Inc. to evaluate whether the District can obtain reduced monthly telephone costs. After evaluating the District's current contract and the monthly fees it was determined that it is in the District's best interest to remain with Time Warner until its five year contract expires	5/23/12
Evaluation of Office Copier and Printers	The existing Ricoh Copier lease is up for renewal and the District will be evaluating its options	9/30/12
Annual Wage and Benefits Statements	Annual Wages and Benefits Statements for the period of 12/1/11 to 12/31/11 were distributed to employees.	5/8/12
Performance Evaluations	Performance Evaluation process is underway all are required to be completed by July 10 with merit increases being reflected in the July 26 paycheck.	7/30/12
Evaluation of Carpet Replacement	Staff is currently evaluating options and costs of replacing carpet in the office, specifically the high traffic areas. Staff will be consulting with legal as we may be required to initiate a formal bid process.	9/1/12

Board	<ul style="list-style-type: none"> • Staff assisted with coordination of Board/Committee meeting activities. • Maribeth was busy working on Public Records requests as well as coordinating the discontinuance of packet mailings. • Maribeth has been working with Karl and Lee on various research projects regarding the Coastal MWD Service Connection Agreements. • Maribeth has been coordinating with OCWD staff on the use and training of the new audio/visual improvements to the Boardroom. • Maribeth purchased new digital recording devices for use in the Board and Committee meetings. • Maribeth continues to work with Kevin on Board follow up requests and organizational efforts. 	Ongoing
Human Resources		
Health Benefits	Received notification that the Flexible Spending Plan Limits for next year will be reduced to \$2,500 annual maximum.	Ongoing
Retirement		
CalPERS	Nothing to report this month.	
Personnel Manual	Staff continues review of the Personnel Manual to assure legal compliance and consistency with internal processes and procedures. A draft with proposed revisions will be presented to the A&F Committee upon completion of internal review.	6/30/12
Recruitment	<ul style="list-style-type: none"> • Mr. Steve Kozak, MWDOC's Director of Finance/IS started employment with the District as of May 31. • HR staff is preparing for the recruitment and hiring of summer interns for the Public Affairs Department. 	5/31/12
MWDOC Staff Meeting	<ul style="list-style-type: none"> • MWDOC Staff meeting was held on June 5, at which time the following items were discussed: <ul style="list-style-type: none"> ○ 2012/2013 Budget ○ Changes to Personnel Manual ○ Performance Evaluations and Merit Pool ○ Atrium Landscape and Wisteria ○ Electronic Links to board Packets – Reduction of hard copies ○ Service Pin Policy ○ Government Transparency – Updates to Website ○ San Diego County Water Authority Litigation ○ Grand Jury Report titles 'Let There Be light' ○ Use of Color Printers 	6/5/12

Other Activities		
	Cathy and Karl attended a meeting of the OC Grand Jury regarding Special Districts and Transparency. As a result of the meeting, Cathy is working with Jessica on creating a link on the District Website that is user friendly and provides easier access to the public to access Board and General Manager compensation.	5/8/12
	On May 15 th , Cathy participated in the WEROC Golden Guardian Emergency Exercise at the South Orange County Emergency Operations Center	5/15/12
	Staff contracted with staff from the Orange Coast College Horticulture Department in evaluating the Atrium landscape. OCC staff recently performed cleanup work in the Atrium and will be removing some shrubs and replanting.	Ongoing



INFORMATION ITEM

June 13, 2012

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

FROM: Kevin Hunt
General Manager

Staff Contact: Steve Kozak

SUBJECT: Finance and Information Technology Pending items

SUMMARY

Attached is a list of **Special Tasks** that are in-progress or to be completed within FY 2011-12. Items highlighted below reflect changes from last month.

Description	% of Completion	Estimated Completion date	Status
Finance			
Budget preparation process for FY 2012-13, tentatively submitted for final Board approval on May 16, 2012	100%	05-16-12	Completed
Customized improvements of Financial Management System (Serenic)	90%	06-30-12	In Progress
Automatic emailing of paystub function	90%	06-30-12	In Progress
Request for proposal for financial audit services	90%	06-30-12	In Progress
Maintaining database application for the administration of Smartimer, Save-a-Buck, Commercial and Residential Rotating Nozzle and Synthetic Turf program	On-going	Unknown	Constantly updating and improving database application.

<u>Information Technology</u>			
Replace Exchange E-mail Server hardware and upgrade to Exchange Server 2010 software	60%	06-30-12	In Progress
Migrate to Windows Server 8	10%	09-30-12	In Progress
Deployment of Network Server Virtualization for optimum efficiency	35%	09-30-12	In Progress
Upgrade Network Attached Storage devices for data backup	20%	09-30-12	In Progress
Network security issues (hackers, viruses and spam emails)	On-going	Unknown	Constantly monitoring system vulnerability.

FY 2011-12 Completed Special Tasks

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
State Mandated Cost filing	100%	01-31-12	Completed
State Controller Report preparation	100%	11-30-11	Completed
State Tax filing for Water Facilities	100%	11-30-11	Completed
Implementation of PARS OPEB	100%	10-30-11	Completed
Annual financial audit conducted by Diehl, Evans & Co.	100%	11-30-11	Completed
Single Audit of Federal Grants by Diehl, Evans & Co.	100%	11-30-11	Completed
Preparation of Audited Financial	100%	11-30-11	Completed
Implementation of WUE Landscape Programs Database	100%	12-31-11	Final testing of database workflow and functionality were completed in December 2011. Staff starts using database in January 2012 and will continue to populate database with historical data.
ACH Vendor payment	100%	1-16-12	Completed

<u>Information Technology</u>			
Select and install Multi-feed Scanner for Accounting	100%	12-31-11	Completed
Implement IT Disaster Recovery Plan (including Backup Executive software upgrade)	100%	12-31-11	Completed
Upgrade 4 desktop workstations	100%	03-31-12	Completed
Upgrade workstations to Windows 7 - Phase 2	100%	01-31-12	Completed
Replace one desktop computer at South EOC	100%	02-29-12	Completed
Installation of overhead projector in Conference room 102	100%	03-31-12	Completed