

POSTED January 15, 2016

Regular Meeting
Utilities Operations
19001 Huntington St
Huntington Beach, California
Wednesday, January 20, 2016
4:00 P.M.

AGENDA WEST ORANGE COUNTY WATER BOARD

MEETING ASSISTANCE NOTICE – AMERICANS WITH DISABILITIES ACT

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in West Orange County Water Board meetings. If you require special assistance, 48-hour prior notification will enable the board to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Secretaries Office at (714) 375-5160.

LATE COMMUNICATION

Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the West Orange County Water Board. This information is identified as "Late Communication" and is assembled into a packet by the Secretary on the day of the West Orange County Board meeting. The Brown (Open Meetings) Act requires that copies of Late Communication be made available to the public immediately upon distribution of material to a majority of the West Orange County Water Board. Communication received by any individual at the meeting will be made available to the public in the Secretaries Office the following morning.

CALL MEETING TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL: Beard, Diep, Hardy, Miller, Sullivan

PUBLIC COMMENTS

1. NOMINATE NEW CHAIR AND VICE CHAIR

Nominate a new Chair and Vice Chair

2. MINUTES

RECOMMENDATION: Motion to approve and adopt minutes of the October 21, 2015, Regular Meeting as prepared and mailed by the Secretary.

3. FUND REPORT & RATIFY BILLS – Chris Davis

RECOMMENDATION: Motion to approve and file Maintenance and Operation Fund Reports as prepared by the Fiscal Agent for the West Orange County Water Board and ratify bills as approved for payment by the Manager and paid by the City of Huntington Beach, Fiscal Agent for West Orange County Water Board.

4. TREASURER'S REPORT AS PREPARED BY CITY TREASURER – Alisa Cutchen

RECOMMENDATION: Receive and File.

5. ANNUAL INVESTMENT POLICY – Alisa Cutchen

RECOMMENDATION: Adopt resolution 16-01, the annual investment policy for the Board.

6. OPERATIONS & MAINTENANCE REPORT – Jay Kleinheinz

RECOMMENDATION: Receive and File.

7. MANAGEMENT AND ENGINEERING REPORT – Brian Ragland

RECOMMENDATION: Receive and File.

8. COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS

9. ADJOURNMENT

The next meeting will be a regular meeting held on April 20, 2016 at 4:00 p.m. at UTILITIES OPERATIONS, 19001 Huntington Street, Huntington Beach, California.

NOMINATE NEW CHAIR AND VICE CHAIR

MINUTES OF OCTOBER 21, 2015 MEETING

MINUTES OF THE WEST ORANGE COUNTY WATER BOARD

Regular Meeting
Public Works Utilities Yard
Administration Building
19001 Huntington Street
Huntington Beach, California
Wednesday, October 21, 2015

The Regular Meeting of the West Orange County Water Board was called to order by Chair Hardy at the City of Huntington Beach Public Works Utilities Yard, Administration Building, 19001 Huntington Street, Huntington Beach, California on Wednesday, October 21, 2015 at 4:00 p.m.

Members Present: Director Hardy – City of Huntington Beach
Director Miller – City of Seal Beach
Director Sullivan – City of Huntington Beach
Director Beard – City of Garden Grove
Alternate Director Carey – City of Westminster

Members Absent: Director Diep – City of Westminster

Others Present: Michael Ho – City of Seal Beach
Jim Basham – City of Seal Beach
Cel Pasillas – City of Garden Grove
Brian Ragland – City of Huntington Beach
Andy Ferrigno – City of Huntington Beach
Chris Davis – City of Huntington Beach

PUBLIC COMMENTS

None.

LATE COMMUNICATION

None.

1. MINUTES

On a motion by Director Miller, and seconded by Director Sullivan, the Board voted to receive and file the Minutes of July 15, 2015.

Motion approved 5-0-1 (Absent – Diep).

2. FUND REPORT & RATIFY BILLS

On a motion by Director Miller, and seconded by Director Sullivan, the Board moved to approve and file the fund report and approved the ratification of bills for payment by the Manager and paid by the City of Huntington Beach, Fiscal Agent for the West Orange County Water Board.

Motion approved 5-0-1 (Absent – Diep).

3. TREASURER'S REPORT AS PREPARED BY THE CITY TREASURER

Chris Davis recommended the Treasurer's Report and the quarterly LAIF Report updates be moved to the next council meeting.

Recommendation:

On a motion by Director Sullivan, and seconded by Director Miller, the Board moved to receive and file the Treasurer's Report.

Motion approved 5-0-1 (Absent – Diep).

4. I-405 FREEWAY WIDENING PROJECT AT WESTMINSTER BLVD.

Brian Ragland reported on the status of the 33 inch WOCWB pipeline and the impact by the upcoming widening of the I-405 Freeway. Although staff from the City of Huntington Beach and City of Westminster has searched their files, neither have discovered any information or documents that can establish that the WOCWB's 33-inch pipeline located on the south side of the Westminster Blvd. bridge has an easement or "prior rights" at this location. Without proof of prior rights, any work performed by the OCTA freeway contractor to protect in place, make minor modifications to, or fully relocate the pipeline would have to be paid for by the WOCWB.

Andy Ferrigno presented three options that were identified as being the best alternatives for the project:

Protect In Place With Minor Alterations

Pipeline Relocation With Alignment Changed to Near Centerline of New Bridge

Pipeline Relocation to 500 Feet South of Current Alignment

Andy will provide more information at the January 2016 board meeting.

On a motion by Director Sullivan, and seconded by Director Miller, the Board moved to receive and file the report.

Motion approved 5-0-1 (Absent – Diep).

5. OPERATIONS & MAINTENANCE REPORT

Brian Ragland reported that all maintenance is on schedule and up to date and provided the status of current flows at the time.

On a motion by Director Miller, and seconded by Director Sullivan, the Board moved to receive and file the Operations and Maintenance Report.

Motion approved 5-0-1 (Absent – Diep).

6. MANAGEMENT AND ENGINEERING REPORT

Brian Ragland reported that the Independent Scientific and Technical Review Panel (ISTAP), who are responsible for the evaluation of the various subsurface ocean water intake designs, had determined that the seafloor infiltration galleries would not be economically viable. Based on the findings of the ISTAP, Poseidon resubmitted their application to the Coastal Commission for the Coastal Development Permit on September 2.

On a motion by Director Sullivan, and seconded by Director Miller, the Board moved to receive and file the Operations and Maintenance Report.

Motion approved 5-0 (Absent – Diep).

7. COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS

None

8. ADJOURNMENT

Chair Hardy adjourned the Regular Meeting of the West Orange County Water Board to the next Regular Meeting scheduled for January 20 at 4:00 p.m. at the Utilities Yard Administration Building, 19001 Huntington Street, Huntington Beach, California.

WEST ORANGE COUNTY WATER BOARD



Secretary

ATTEST: _____
Jill Hardy, Chair

FUND REPORT AND RATIFY BILLS

WEST ORANGE COUNTY WATER BOARD
FUND REPORT THROUGH DECEMBER 2015

EXPENDITURES OCTOBER 2015 TO DECEMBER 2015		Budget	Expended	Funds Available
<u>OPERATING EXPENSE</u>				
Utilities Expenses, Electricity	\$4,500	\$1,073	\$3,427	
Repair and Maintenance Expense	\$60,000	\$3,519	\$56,481	
Audit Fees	\$5,000	\$0	\$5,000	
Contractual Services, Legal Meeting, Board Members	\$3,000	\$0	\$3,000	
Liability Ins., Transmission Lines	\$2,500	\$500	\$2,000	
OC-9 and OC-35 Replacement Evaluation	\$9,000	\$2,595	\$6,405	
Other Contract Services	\$40,000		\$2,000	
	\$2,000		\$0	
Total Operating Expense	\$126,000	\$7,687	\$118,313	
<u>CAPITAL COSTS</u>				
	\$70,000		\$70,000	
<u>EXPENDITURE SUMMARY</u>				
	\$196,000	\$7,687	\$188,313	
	Budget	Received	To Receive	
<u>REVENUE SUMMARY</u>	\$196,000		\$196,000	

**West Orange County Water Board
Expense Summary for January 20, 2016, Regular Board Meeting**

Electricity		<u>Amount</u>
September 2015 Edison Charges		\$376.31
October 2015 Edison Charges		\$336.56
November 2015 Edison charges		<u>\$359.91</u>
	subtotal	\$1,072.78
 Repairs and Maintenance		
Labor		\$1,859.18
Equipment Charges		<u>\$1,659.56</u>
	subtotal	\$3,518.74
 Directors - October Meeting		
Beard, Carey, Hardy, Miller, Sullivan		<u>\$500.00</u>
	subtotal	\$500.00
 Liability Insurance		
ACWA JPIA		<u>\$2,595.00</u>
	subtotal	\$2,595.00
<hr/> Total		\$7,686.52

Distribution	<u>Percentage</u>	<u>Amount</u>
Garden Grove	4.20%	\$322.83
Huntington Beach	56.10%	\$4,312.14
Seal Beach	14.30%	\$1,099.17
Westminster	25.40%	<u>\$1,952.38</u>
Total		\$7,686.52

Go paperless at www.sce.com/ebilling. It's fast, easy and secure.



P.O. Box 300
Rosemead, CA
91772-0001
www.sce.com

Your electricity bill

For billing and service inquiries call 1-800-990-7788,

Customer account 2-21-891-9520

For emergency services call 24 hrs a day, 7 days a week

KEN DILLS
PO BOX 190
HUNTINGTON BEACH, CA
92648-0190

Date bill prepared: Oct 7 '15

Your account summary

Amount of your last bill
Payment we received on Sep 21 '15 - thank you
Balance forward
Your new charges

OP/OD/OJ/OW #	13792
Supplier #	15029
\$357.88	
\$357.88	508
2-\$0.00 3-way	
\$376.31	
Account #	90885701.61200
Approved	<i>Ch...</i>
PV#	Estab#

Total amount you owe by Oct 26 '15

Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEWLAND MIDWAY CITY, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$35.02
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$44.57
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$62.57
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$26.75
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$49.39
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$84.00
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Sep 3 '15 to Oct 5 '15	TOU-GS-1-A	\$74.01
				\$376.31

Please return the payment stub below with your payment and make your check payable to Southern California Edison.
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

(14-574) Tear here

Tear here



Customer account 2-21-891-9520
Please write this number on your check. Make your
check payable to Southern California Edison.

Amount due by Oct 26 '15 **\$376.31**

Amount enclosed \$

STMT 10072015 P4

WESTERN ORANGE CO WATER BOARD
% HUNTINGTON BEACH WATER DIV
PO BOX 190
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300
ROSEMEAD, CA 91772-0001

21 891 9520 00000058 000000000000037631000037631



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Your electricity bill

P.O. Box 300
Rosemead, CA
91772-0001
www.sce.com

WESTERN ORANGE CO WATER BOARD / Page 3 of 18

For billing and service inquiries call 1-800-990-7788,

Customer account 2-21-891-9520

For emergency services call 24 hrs a day, 7 days a week

KEN DILLS
PO-BOX 190
HUNTINGTON BEACH, CA
92648-0190

Date bill prepared: Nov 6 '15

Your account summary

Amount of your last bill
Payment we received on Oct 27 '15 - thank you
Balance forward
Your new charges

OP/ OD OD/OJ/ OW #	15322
Supplier #	18029
\$376.31 Co#	508
\$376.31 3-way	
\$0.00	
Account #	50885101.61200
Approved	<i>Chy O</i>
PN #	Batch #

Total amount you owe by Nov 25 '15

Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEWLAND MIDWAY CITY, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$31.97
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$39.28
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$52.93
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$25.08
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$55.42
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$71.79
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Oct 5 '15 to Nov 4 '15	TOU-GS-1-A	\$60.09
				\$336.56

Please return the payment stub below with your payment and make your check payable to Southern California Edison.
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

(14-574) Tear here

Tear here



Customer account 2-21-891-9520
Please write this number on your check. Make your
check payable to Southern California Edison.

Amount due by Nov 25 '15 **\$336.56**

Amount enclosed \$

STMT 11062015 P4

WESTERN ORANGE CO WATER BOARD
% HUNTINGTON BEACH WATER DIV
PO BOX 190
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300
ROSEMEAD, CA 91772-0001

21 891 9520 00000058 000000000000033656000033656

Go paperless at www.sce.com/ebilling. It's fast, easy and secure.



P.O. Box 300
Rosemead, CA
91772-0001
www.sce.com

Your electricity bill

For billing and service inquiries call 1-800-990-7788,

For emergency services call 24 hrs a day, 7 days a week

Date bill prepared: Dec 9 '15

Customer account 2-21-891-9520

KEN DILLS
PO BOX 190
HUNTINGTON BEACH, CA
92648-0190

Your account summary

Amount of your last bill
Payment we received on Nov 24 '15 - thank you
Balance forward
Your new charges

OP/OD/OT/OW #	15332
Supplier #	18029
Order Co #	508
\$336.56	
2-336563-way	
Acc#	50847101.6120
\$359.91	
\$359.91	
Batch#	

Total amount you owe by Dec 28 '15

Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEULAND MIDWAY CITY, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$35.11
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$43.95
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$57.00
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$27.59
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$60.17
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$78.55
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Nov 4 '15 to Dec 7 '15	TOU-GS-1-A	\$57.54
				\$359.91

Please return the payment stub below with your payment and make your check payable to Southern California Edison.
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

(14-574) Tear here

Tear here



Customer account 2-21-891-9520
Please write this number on your check. Make your
check payable to Southern California Edison.

Amount due by Dec 28 '15 **\$359.91**

Amount enclosed \$

STMT 12092015 P4

WESTERN ORANGE CO WATER BOARD
% HUNTINGTON BEACH WATER DIV
PO BOX 190
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300
ROSEMEAD, CA 91772-0001

21 891 9520 00000056 0000000000000035991000035991



Work Order Charges Summary

Report Range: From 10/1/2015 To 12/31/2015

Program/Category	WOID	WO Description	Other Charges	WO Count	Labor Hours	Labor Charges	Equip. Charges	Materials Charges	Total
508-WOCWB				3	40	\$1,859.18	\$1,659.56	\$481.33	\$4,000.07
Miscellaneous (50885101.64620)				1	4	\$188.52	\$86.00		\$274.52
Other Cont Svcs (50885101.69505)				2	36	\$1,670.66	\$1,573.56	\$481.33	\$3,725.55

Labor Charges \$1,859.18
 Equipment Charges \$1,659.56
 Total \$3,518.74

STATEMENT

WEST ORANGE COUNTY WATER BOARD
CITY HALL
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2015

\$100.00

*I certify that the above is true and just and that
payment therefore has not been received and that
services performed were performed for the benefit of
the Board.*

Date: October 21, 2015



Signature

**Kris Beard
CITY OF GARDEN GROVE**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

STATEMENT

WEST ORANGE COUNTY WATER BOARD
CITY HALL
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2015

\$100.00

*I certify that the above is true and just and that
payment therefore has not been received and that
services performed were performed for the benefit of
the Board.*

Date: October 21, 2015


Signature

**Diana Carey
CITY OF WESTMINSTER**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

*13462 Milan St.
Westminster, CO
808
714-892-7975*

STATEMENT

WEST ORANGE COUNTY WATER BOARD
CITY HALL
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2015

\$100.00

*I certify that the above is true and just and that
payment therefore has not been received and that
services performed were performed for the benefit of
the Board.*

Date: October 21, 2015


Signature

**Jill Hardy
CITY OF HUNTINGTON BEACH**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

17893

STATEMENT

WEST ORANGE COUNTY WATER BOARD
CITY HALL
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2015

\$100.00

*I certify that the above is true and just and that
payment therefore has not been received and that
services performed were performed for the benefit of
the Board.*

Date: October 21, 2015


Signature

Gary Miller
CITY OF SEAL BEACH

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

STATEMENT

WEST ORANGE COUNTY WATER BOARD
CITY HALL
2000 MAIN STREET
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2015

\$100.00

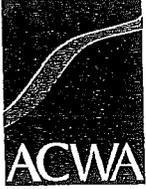
*I certify that the above is true and just and that
payment therefore has not been received and that
services performed were performed for the benefit of
the Board.*

Date: October 21, 2015


Signature

Dave Sullivan
CITY OF HUNTINGTON BEACH

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000
53655	



**Association of
California Water Agencies**

Since 1910

Leadership • Advocacy • Information • Service

Date: November 2, 2015

West Orange County Water Board

PO Box 190

Huntington Beach, CA 92648

2016 Annual Agency Dues

\$2,595.00

Thank you for your continued support with ACWA. Please remit payment by **January 6, 2016**.

*****MEMBERSHIP DUES*****MEMBERSHIP DUES*****MEMBERSHIP DUES*****

Association of California Water Agencies
2016 Member Dues Calculation

Date: November 2, 2015

ID Number: 137265

Name: West Orange County Water Board

(1) Operating Expenses	\$150,382.00
(2) All Other Expenses	
(3) Total Expenses	\$150,382.00
 <<< LESS >>>	
(4) Purchased Power	
(5) Water Purchases	
(6) Groundwater Replenishment	
(7) Depreciation	
(8) Fixed Assets	
(9) Total Adjusted Expenses	\$150,382.00
 <<< LESS >>>	
(10) Pumping	
(11) Total Expenses Adjusted For Pumping	
(12) Line 11 times 2	\$300,764.00
(13) Dues O&M (lessor of line 9 or 12)	\$150,382.00
 DUES AMOUNT	 \$2,595.00

*** THIS IS NOT A BILL – PLEASE DO NOT PAY FROM THIS WORKSHEET ***

TREASURER'S REPORT AS PREPARED BY CITY TREASURER



CITY OF HUNTINGTON BEACH
INTERDEPARTMENTAL COMMUNICATION
OFFICE OF THE CITY TREASURER

TO: West Orange County Water Board (WOCWB) c/o Chris Davis

FROM: Alisa Cutchen, City Treasurer *Alisa*

DATE: January 13, 2016

**SUBJECT: WEST ORANGE COUNTY WATER BOARD (WOCWB) - QUARTERLY
INVESTMENT REPORT – JANUARY 20, 2016 MEETING**

Enclosed are the Investment Reports for October, November and December 2015.

Please distribute to the WOCWB Board Members and place these items on the next WOCWB agenda. We are missing the December 2015 LAIF Market Value Report, as it is not yet available. If this report becomes available prior to the WOCWB meeting date of January 20, 2016, Linda Wine will send you a copy as a late item.

cc: Joyce M. Zacks

West Orange County Water Board

Treasurer's Report

Period Beginning: October 1, 2015

Period Ending: December 31, 2015



Prepared by: Alisa Cutchen, CCMT, CPFIM
City Treasurer, City of Huntington Beach

Portfolio Overview:

<u>Investment Type</u>	<u>Book Value</u>	<u>% of Portfolio</u>	<u>YTM 365-day</u>
Local Agency Investment Fund (LAIF)	338,996	83.87%	0.40
Union Bank Account	65,185	16.13%	0.05
Totals	404,181	100.00%	0.34

As of December, 2015, the book value of the investment portfolio was \$404,181. The portfolio is invested in only those investments allowable by State regulations and WOCWB's Investment Policy. Such investments are purchased to meet the portfolio objectives (in the following absolute order of importance): safety of principal, maintenance of sufficient operating liquidity, and return on investment based on the market rates of investments available at the time of purchase.

Currently, funds are invested in the State of California's Local Agency Investment Fund (LAIF) and a Business Money Market account with Union Bank of California. LAIF offers local agencies the opportunity to participate in a major portfolio with immediate liquidity managed by the State Treasurer's Office (please see <http://www.treasurer.ca.gov/pmia-laif> for more information).

Portfolio Earnings and Performance:

Earnings generated by the portfolio are derived from interest earnings from LAIF and Union Bank. The following depicts the LAIF average monthly effective yields over the past 12 months:

LAIF Monthly Rates 2014-2015:

<u>December 2014</u>	<u>January 2015</u>	<u>February 2015</u>	<u>March 2015</u>	<u>April 2015</u>	<u>May 2015</u>
0.267	0.262	0.266	0.278	0.283	0.290
<u>June 2015</u>	<u>July 2015</u>	<u>August 2015</u>	<u>September 2015</u>	<u>October 2015</u>	<u>November 2015</u>
0.299	0.320	0.330	0.337	0.357	0.374

Total investment income for the quarter ending December 31, 2015 was \$324.72. The LAIF rate continues to be at historic lows, in accordance with the corresponding historically low investment rate environment.

Per the Investment policy, the investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The benchmark for determining market yields is the monthly average return of the 6-month constant maturity Treasury ("6 month CMT"). This is used

solely as a reference tool, and does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark.

The monthly effective rate of return of the portfolio for the month of December, 2015 was 0.34%, with a fiscal year-to-date return of 0.33%. With the recent interest rate increase by the Federal Reserve, the 6-month CMT saw a sharp rise from 0.08% in mid-October to 0.49% at the end of December, 2015. The December 2015 LAIF rate of 0.40% is currently below the 6-month CMT rate as the LAIF portfolio returns lags that of the benchmark because securities with lower-than-market interest rates may remain within the LAIF portfolio until maturity versus being sold at a loss.

Compliance:

The portfolio is in conformity with all State laws and the FY2015-16 Statement of Investment Policy as adopted by the WOCWB Board of Directors. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's obligations.



City of Huntington Beach
2000 Main St.
Huntington Beach,

West Orange County Water Board
Portfolio Management
Portfolio Summary
October 31, 2015

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	338,996.11	338,996.11	338,996.11	83.87	1	1	0.332	0.337
Passbook/Checking Accounts - UBOC	65,179.18	65,179.18	65,179.18	16.13	1	1	0.049	0.050
	404,175.29	404,175.29	404,175.29	100.00%	1	1	0.287	0.291

Investments	October 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Total Earnings	99.79	99.79	
Current Year	50.00	50.00	600.00
Current Budget	60.00	60.00	720.00
Last Year Actual			
Average Daily Balance	376,865.40	376,865.40	
Effective Rate of Return	0.31%	0.31%	

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 15, 2015. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's budgeted expenditures.

Alisa Cutchen 1-11-16
Alisa Cutchen, Treasurer

West Orange County Water Board
 Portfolio Management
 Portfolio Details - Investments
 October 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Local Agency Investment Funds												
	100	Local Agency Investment Fund			338,996.11	338,996.11	338,996.11	0.337		0.337	1	
SYS100		Subtotal and Average	338,885.58		338,996.11	338,996.11	338,996.11	0.337		0.337	1	
Passbook/Checking Accounts - UBOC												
	101	Union Bank of California			65,179.18	65,179.18	65,179.18	0.050		0.050	1	
SYS101		Subtotal and Average	37,979.81		65,179.18	65,179.18	65,179.18	0.050		0.050	1	
		Total and Average	376,865.40		404,175.29	404,175.29	404,175.29	0.291		0.291	1	

West Orange County Water Board
 Portfolio Management

Activity By Type
 October 1, 2015 through October 31, 2015

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
SYS100	100	Local Agency Investment Fund	0.337		263.56	0.00	
		Subtotal			263.56	0.00	338,996.11
Passbook/Checking Accounts - UBOC (Monthly Summary)							
SYS101	101	Union Bank of California	0.050		30,113.53	0.00	
		Subtotal			30,113.53	0.00	65,179.18
		Total			30,377.09	0.00	404,175.29

West Orange County Water Board
 Portfolio Management
 Activity Summary
 October 2014 through October 2015

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
October	2014	2	251,170.27	0.214	0.217	0.261	0	0	1	1
November	2014	2	277,700.02	0.192	0.195	0.261	0	0	1	1
December	2014	2	284,952.63	0.216	0.219	0.267	0	0	1	1
January	2015	2	228,618.42	0.255	0.258	0.262	0	0	1	1
February	2015	2	191,760.15	0.259	0.262	0.266	0	0	1	1
March	2015	2	191,760.25	0.259	0.262	0.266	0	0	1	1
April	2015	2	213,375.47	0.214	0.217	0.283	0	0	1	1
May	2015	2	263,716.11	0.219	0.222	0.290	0	0	1	1
June	2015	2	340,672.67	0.173	0.176	0.299	0	0	1	1
July	2015	2	373,732.22	0.291	0.295	0.320	0	0	1	1
August	2015	2	373,795.32	0.300	0.304	0.330	0	0	1	1
September	2015	2	373,796.81	0.300	0.304	0.330	0	0	1	1
October	2015	2	376,865.40	0.287	0.291	0.337	0	0	1	1
Average			288,430.71	0.244%	0.248%	0.290	0	0	1	1

West Orange County Water Board
 Portfolio Management
 Interest Earnings Summary
 October 31, 2015

	October 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	265.08	265.08
Plus Accrued Interest at End of Period	-3,252.22	-3,252.22
Less Accrued Interest at Beginning of Period	(-3,086.93)	(-3,086.93)
Interest Earned during Period	99.79	99.79
Total Interest Earned during Period	99.79	99.79
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	99.79	99.79



State of California
Pooled Money Investment Account
Market Valuation
10/31/2015

Description	Carrying Cost Plus		Fair Value	Accrued Interest
	Accrued Interest	Purch.		
United States Treasury:				
Bills	\$ 10,922,370,663.14		\$ 10,937,400,000.00	NA
Notes	\$ 21,452,748,998.68		\$ 21,465,440,000.00	\$ 29,794,303.00
Federal Agency:				
SBA	\$ 631,366,434.85		\$ 625,003,404.36	\$ 543,627.46
MBS-REMICs	\$ 77,685,333.02		\$ 82,717,283.56	\$ 368,675.30
Debentures	\$ 1,214,431,445.09		\$ 1,214,253,450.00	\$ 2,348,730.50
Debentures FR	\$ -		\$ -	\$ -
Discount Notes	\$ 6,986,981,374.95		\$ 6,995,375,000.00	NA
GNMA	\$ -		\$ -	\$ -
Supranational Debentures	\$ 350,165,819.35		\$ 350,713,000.00	\$ 355,555.00
CDs and YCDs FR	\$ 100,000,000.00		\$ 100,000,000.00	\$ 28,537.50
Bank Notes	\$ 500,000,000.00		\$ 499,971,757.22	\$ 381,416.67
CDs and YCDs	\$ 10,025,010,933.58		\$ 10,024,244,407.19	\$ 9,083,840.28
Commercial Paper	\$ 2,322,699,416.71		\$ 2,323,943,291.66	NA
Corporate:				
Bonds FR	\$ -		\$ -	\$ -
Bonds	\$ -		\$ -	\$ -
Repurchase Agreements	\$ -		\$ -	\$ -
Reverse Repurchase	\$ -		\$ -	\$ -
Time Deposits	\$ 5,628,540,000.00		\$ 5,628,540,000.00	NA
AB 55 & GF Loans	3,604,657,202.41		\$ 3,604,657,202.41	NA
TOTAL	\$ 63,816,657,621.78		\$ 63,852,258,796.40	\$ 42,904,685.71

Fair Value Including Accrued Interest \$ 63,895,163,482.11

Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



City of Huntington Beach
2000 Main St.
Huntington Beach,

West Orange County Water Board Portfolio Management Portfolio Summary November 30, 2015

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	338,996.11	338,996.11	338,996.11	83.87	1	1	0.369	0.374
Passbook/Checking Accounts - UBOC	65,181.97	65,181.97	65,181.97	16.13	1	1	0.049	0.050
Investments	404,178.08	404,178.08	404,178.08	100.00%	1	1	0.317	0.322

Fiscal Year Ending

	November 30 Month Ending	Fiscal Year To Date
Total Earnings		
Current Year	106.99	206.78
Current Budget	50.00	100.00
Last Year Actual	60.00	120.00
Average Daily Balance	404,175.38	390,296.54
Effective Rate of Return	0.32%	0.32%

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 15, 2015. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's budgeted expenditures.

Alisa Cutchen
Alisa Cutchen, Treasurer

Portfolio WOCW
AC
PM (PRF_PMT) 7.3.0
Report Ver. 7.3.3b

Reporting period 11/01/2015-11/30/2015

Run Date: 01/07/2016 - 14:01

West Orange County Water Board
 Portfolio Management
 Portfolio Details - Investments
 November 30, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Local Agency Investment Funds												
	100	Local Agency Investment Fund	338,996.11		338,996.11	338,996.11	338,996.11	0.374		0.374	1	
		Subtotal and Average	338,996.11		338,996.11	338,996.11	338,996.11	0.374		0.374	1	
Passbook/Checking Accounts - UBOC												
	101	Union Bank of California	65,179.27		65,181.97	65,181.97	65,181.97	0.050		0.050	1	
		Subtotal and Average	65,179.27		65,181.97	65,181.97	65,181.97	0.050		0.050	1	
		Total and Average	404,175.38		404,178.08	404,178.08	404,178.08	0.322		0.322	1	

Portfolio WOCW
 AC
 PM (PRF_PM2) 7.3.0

West Orange County Water Board
 Portfolio Management

Activity By Type

November 1, 2015 through November 30, 2015

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
							338,996.11
Subtotal							
Passbook/Checking Accounts - UBOC (Monthly Summary)							
SYS101	101	Union Bank of California	0.050		2.79	0.00	
					2.79	0.00	65,181.97
					2.79	0.00	404,178.08
Total							

West Orange County Water Board
 Portfolio Management
 Activity Summary
 November 2014 through November 2015

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
November 2014	2014	2	277,700.02	0.192	0.195	0.261	0	0	1	1
December 2014	2014	2	284,952.63	0.216	0.219	0.267	0	0	1	1
January 2015	2015	2	228,618.42	0.255	0.258	0.262	0	0	1	1
February 2015	2015	2	191,760.15	0.259	0.262	0.266	0	0	1	1
March 2015	2015	2	191,760.25	0.259	0.262	0.266	0	0	1	1
April 2015	2015	2	213,375.47	0.214	0.217	0.283	0	0	1	1
May 2015	2015	2	263,716.11	0.219	0.222	0.290	0	0	1	1
June 2015	2015	2	340,672.67	0.173	0.176	0.299	0	0	1	1
July 2015	2015	2	373,732.22	0.291	0.295	0.320	0	0	1	1
August 2015	2015	2	373,795.32	0.300	0.304	0.330	0	0	1	1
September 2015	2015	2	373,796.81	0.300	0.304	0.330	0	0	1	1
October 2015	2015	2	376,865.40	0.287	0.291	0.337	0	0	1	1
November 2015	2015	2	404,175.38	0.317	0.322	0.374	0	0	1	1
Average		2	300,145.68	0.252%	0.256%	0.299	0	0	1	1

Portfolio WOCW
 AC
 PM (PRF_PMA) 7,3,0
 Report Ver. 7.3.3b

West Orange County Water Board
Portfolio Management
Interest Earnings Summary
November 30, 2015

November 30 Month Ending

Fiscal Year To Date

CD/Coupon/Discount Investments:

Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
<hr/>		
Interest Earned during Period	0.00	0.00
<hr/>		
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
<hr/>		
Earnings during Periods	0.00	0.00

Pass Through Securities:

Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
<hr/>		
Interest Earned during Period	0.00	0.00
<hr/>		
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
<hr/>		
Earnings during Periods	0.00	0.00

Cash/Checking Accounts:

Interest Collected	2.79	267.87
Plus Accrued Interest at End of Period	-3,148.02	-3,148.02
Less Accrued Interest at Beginning of Period	(-3,252.22)	(-3,086.93)
<hr/>		
Interest Earned during Period	106.99	206.78
<hr/>		
Total Interest Earned during Period	106.99	206.78
<hr/>		
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
<hr/>		
Total Earnings during Period	106.99	206.78



**West Orange County Water Board
Portfolio Management
Portfolio Summary
December 31, 2015**

City of Huntington Beach
2000 Main St.
Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	338,996.11	338,996.11	338,996.11	83.87	1	1	0.395	0.400
Passbook/Checking Accounts - UBOC	65,184.76	65,184.76	65,184.76	16.13	1	1	0.049	0.050
	404,180.87	404,180.87	404,180.87	100.00%	1	1	0.339	0.344

Investments

	December 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Total Earnings				
Current Year	117.94		324.72	
Current Budget	50.00		150.00	600.00
Last Year Actual	60.00		180.00	720.00
Average Daily Balance	404,178.17		394,974.04	
Effective Rate of Return	0.34%		0.33%	

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 15, 2015. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's budgeted expenditures.

Alisa Cutchen 1-12-16
Alisa Cutchen, Treasurer

Portfolio WOCWB
AC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.3b

Reporting period 12/01/2015-12/31/2015

Run Date: 01/12/2016 - 15:12

West Orange County Water Board
 Portfolio Management
 Portfolio Details - Investments
 December 31, 2015

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
Local Agency Investment Funds												
	100	Local Agency Investment Fund	338,996.11		338,996.11	338,996.11	338,996.11	0.400		0.400	1	
		Subtotal and Average	338,996.11		338,996.11	338,996.11	338,996.11	0.400		0.400	1	
Passbook/Checking Accounts - UBOC												
	101	Union Bank of California	65,182.06		65,184.76	65,184.76	65,184.76	0.050		0.050	1	
		Subtotal and Average	65,182.06		65,184.76	65,184.76	65,184.76	0.050		0.050	1	
		Total and Average	404,178.17		404,180.87	404,180.87	404,180.87	0.344		0.344	1	

West Orange County Water Board
 Portfolio Management

Activity By Type
 December 1, 2015 through December 31, 2015

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
		Subtotal					338,996.11
Passbook/Checking Accounts - UBOC (Monthly Summary)							
SYS101	101	Union Bank of California	0.050		2.79	0.00	
		Subtotal			2.79	0.00	65,184.76
		Total			2.79	0.00	404,180.87

West Orange County Water Board
 Portfolio Management
 Activity Summary
 December 2014 through December 2015

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
December 2014	2014	2	284,952.63	0.216	0.219	0.267	0	0	1	1
January 2015	2015	2	228,618.42	0.255	0.258	0.262	0	0	1	1
February 2015	2015	2	191,760.15	0.259	0.262	0.266	0	0	1	1
March 2015	2015	2	191,760.25	0.259	0.262	0.266	0	0	1	1
April 2015	2015	2	213,375.47	0.214	0.217	0.283	0	0	1	1
May 2015	2015	2	263,716.11	0.219	0.222	0.290	0	0	1	1
June 2015	2015	2	340,672.67	0.173	0.176	0.299	0	0	1	1
July 2015	2015	2	373,732.22	0.291	0.295	0.320	0	0	1	1
August 2015	2015	2	373,795.32	0.300	0.304	0.330	0	0	1	1
September 2015	2015	2	373,796.81	0.300	0.304	0.330	0	0	1	1
October 2015	2015	2	376,865.40	0.287	0.291	0.337	0	0	1	1
November 2015	2015	2	404,175.38	0.317	0.322	0.374	0	0	1	1
December 2015	2015	2	404,178.17	0.339	0.344	0.400	0	0	1	1
Average		2	309,990.07	0.264%	0.267%	0.310	0	0	1	1

Portfolio WOCW
 AC
 PM (PRF_PIM4) 7.3.0
 Report Ver. 7.3.3b

West Orange County Water Board
 Portfolio Management
 Interest Earnings Summary
 December 31, 2015

	December 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	2.79	270.66
Plus Accrued Interest at End of Period	-3,032.87	-3,032.87
Less Accrued Interest at Beginning of Period	(-3,148.02)	(-3,086.93)
Interest Earned during Period	117.94	324.72
Total Interest Earned during Period	117.94	324.72
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	117.94	324.72

ANNUAL INVESTMENT POLICY

West Orange County Water Board

Statement of Investment Policy 2016

1.0 POLICY

1.1 Statement of Investment Policy. This statement of Investment Policy is intended to outline the policies for the prudent investment of funds for the West Orange County Water Board (WOCWB) to meet the short and long term cash flow needs of WOCWB.

This Investment Policy and practices are based upon the West Orange County Water Board Joint Powers Agreement dated October, 1967, as amended, prudent money management principles and State laws affecting the investment of funds. The Treasurer shall invest with the objectives of protecting principal of funds, providing sufficient liquidity to meet cash flow needs, and to achieve a reasonable rate of return within the parameter of prudent risk management as further described in 3.0, below.

1.2 Incorporated Appendices. Appendix 1, Definitions, and Appendix 2, Glossary, are attached to this Investment Policy and incorporated herein by this reference.

2.0 SCOPE

This Investment Policy covers all funds and investment activities under the direct control of WOCWB unless specifically exempted.

3.0 OBJECTIVE

The objective of the Investments is to meet the short and long term cash flow demands of WOCWB. To achieve this objective, and pursuant to Government Code Section 53600.5, the Investments will be structured to provide, in order of priority, (1) safety of principal; (2) providing sufficient liquidity to meet cash flow needs; and (3) providing a reasonable return on investment. These are further described below:

3.1 Safety of Principal. Safety of principal is the foremost objective of WOCWB's Investment Policy. Investments of WOCWB shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. WOCWB shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit Risk: Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall generally be mitigated by diversifying the Investments into two or more types of Authorized Investments at any one time as specified in 11.0.

Market Risk: The risk of market value fluctuations shall be reduced by mitigating the maximum maturity of an investment to five years or less as specified in 12.0.

3.2 Liquidity. The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonable anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain moneys in funds with daily liquidity, such as LAIF.

3.3 Return on Investment. Return on investment is of least importance compared to the safety and liquidity objectives described above. The portfolio will provide a rate of return based on the market rates of investments, at the time of purchase.

4.0 DELEGATION OF AUTHORITY

Pursuant to Section 3.0 of the Joint Powers Agreement and Government Code Section 53607, the Board hereby authorizes the Treasurer, or his/her designee, to invest, reinvest, sell or exchange WOCWB's funds and Investments in accordance with Government Code Sections 53600, 16429.1 and 53684, et seq., as further limited by this

Investment Policy. Such delegation of authority is subject to annual review and renewal by the Board as set forth in 16.0. Within the Treasurer's office, the responsibility for the day-to-day investment of WOCWB funds will be the Treasurer or his/her authorized designee. The Treasurer shall be responsible for all transactions undertaken pursuant to this delegation of authority and shall report such transactions to the Board as required pursuant to Government Code Section 53607.

5.0 PRUDENCE

Investments shall be made in the context of the "Prudent Investor" standard set forth in Government Code Section 53600.3 which generally states that investments shall be made with judgment and care—under circumstances then prevailing—which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. All Investments purchased shall have daily liquidity or a final stated maturity date, upon which the full principal value of the security will be received. Although the Investment will mature at full principal value, it is recognized that the market values of certain securities may vary from time to time.

The Treasurer and the Deputy Treasurer, as investment officers acting in accordance with the Investment Policy and exercising due diligence and the referenced standard of care, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to WOCWB in a timely fashion and appropriate action is promptly taken to control adverse developments.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Treasurer and his/her authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of WOCWB.

The Treasurer and his/her authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, being Government Code Sections 81000 and following and the Fair Political Practices Commission (FPPC)). During the course of the year, if there is an event subject to disclosure that could impair the ability of the Treasurer or Deputy Treasurer to make impartial decisions, the General Manager and Board will be notified within 15 days of the event.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS

The Treasurer will maintain a list of the financial institutions authorized to provide investment and depository services to WOCWB and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each such company. No public deposit shall be made except in a qualified public depository as established by State law. Negotiable instruments requiring third party safekeeping are not cost effective for WOCWB. Consequently, WOCWB does not require broker/dealers. Money market mutual fund accounts are restricted to funds that are rated "AAA" by at least two nationally recognized statistical-rating organizations ("NRSRO") as set forth in 8.0.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

Section 3.0 of the Joint Powers Agreement states that: "the Treasurer shall keep all revenues of WOCWB in an interest bearing account and otherwise perform the duties and responsibilities of that office as specified in Section 6505.5(a)-(e) of the Government Code."

All Investments under this Investment Policy shall be made in accordance with the provisions of Article I (commencing with Section 6500), Chapter 5, Division 7, Title 1 and Sections 16429.1, 53601, and 53635 of the Government Code.

Authorized Investments under this Investment Policy are as follows:

- 8.1 Passbook or checking account deposits at a financial institution as authorized under 7.0 (insured or collateralized as set forth in 10.0). Except as provided under 11.0 (Diversification) there are no limitations on the amount of funds that can be invested in this Authorized Investment.
- 8.2 Certificates of Deposit (insured or collateralized as set forth in 10.0) limited to 30% of the Book Value of the portfolio.
- 8.3 Local Agency Investment Fund (LAIF). Except as provided under 11.0 (Diversification) there are no limitations on the amount of funds that can be invested in this Authorized Investment.
- 8.4 "AAA" rated Money Market Mutual Funds not to exceed 20% of the Book Value of the portfolio. All Money Market Mutual Funds must be "AAA" (or equivalent) rated by two NRSRO, invest only in direct obligations in US Treasury bills, notes, bonds, agencies and repurchase agreements with a weighted average of 60 days or less, and have a minimum of \$500 million in assets under management. No more than 10% of the portfolio shall be invested in any one mutual fund.

9.0 INVESTMENT POOLS (LAIF DEPOSITS)

The Treasurer will investigate all local government investment pools as authorized under Government Code 53684 and money market mutual funds prior to investing and quarterly thereafter while WOCWB funds are invested in the pool. Investment of funds in LAIF is authorized under provisions in Section 16429.1 of the Government Code as an allowable investment for local agencies even though some of the individual investments of the pool are not allowed as a direct investment by a local agency, and limits deposits to \$50 million per entity.

The Association of Public Treasurer's of the United States and Canada has issued guidelines and a questionnaire for investment pools. The response from LAIF is on file in the Treasurer's office. LAIF distributes monthly reports that provide the breakdown of the investment holdings. LAIF also provides quarterly reports indicating the maturity distribution and market value of the portfolio.

10.0 COLLATERALIZATION

Under the provisions of the California Government Code (Sections 53652-53667), California banks, and savings and loan associations are required to secure WOCWB's Certificate of Deposits, passbook and checking account deposits by pledging eligible securities (as described in Government Code Section 53651) with a value of 110% of principal and accrued interest. Such collateral shall be marked-to-market no less often than monthly. The Treasurer will

have the authority to waive collateral requirements for deposits insured by the FDIC pursuant to Government Code Section 53653.

11.0 DIVERSIFICATION

WOCWB will diversify its Investments by security type and institution. Investments shall be made in at least two types of Authorized Investments at any one time. If authorized by the Board and the Treasurer, the funds of

WOCWB may be invested in a single type of Authorized Investment if such Investment is fully insured as to both principal and interest.

12.0 MAXIMUM MATURITIES

To the extent possible, WOCWB will attempt to match its Investments with anticipated cash flow requirements. Unless matched to a specific cash flow need, WOCWB will not invest directly in securities maturing more than five years from the date of purchase.

13.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy will be passive and the benchmark for determining market yields will be the monthly average return of the 6-month constant maturity Treasury (6 month CMT). This will be used solely as a reference tool. The comparison to a benchmark does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark.

14.0 INTERNAL CONTROL

The WOCWB's external auditors shall annually review the investments with respect to the Investment Policy as part of their annual audit procedures. This review will provide internal control by assuring compliance with policies and procedures for the investments that are selected for testing.

To provide further protection of WOCWB funds, written procedures, which are incorporated herein by reference, prohibit the wiring of any funds, or providing payments in the form of checks, without the authorization of at least two of the four following designated officials:

1. Treasurer
2. Deputy Treasurer
3. Director of Finance
4. Budget Manager

15.0 REPORTING

Under the requirements of Government Code Section 53607 and 53646, the Treasurer shall render a written report to the Board of Directors containing detailed information on all securities, investments, and moneys of WOCWB. The reports will be submitted on a quarterly basis and provided to the Board within 30 days following the end of the quarter.

The reports will contain the following information:

- (i) Type of investment, name of the issuer, date of maturity, par and cost of each investment;
- (ii) the investments and moneys held by WOCWB, including a description of any funds, investments, or programs that are under the management of contracted parties;
- (iii) the market value and source of the valuation for all investments other than funds in LAIF, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code);
- (iv) a statement of the compliance of the portfolio with the Investment Policy requirements or manner in which the portfolio is not in compliance;

- (v) a statement denoting WOCWB's ability to meet its expenditure requirements for the following six months; or explaining as to why sufficient money shall not, or may not, be available;
- (vi) monthly transaction detail for investments; and
- (vii) with respect to those investments exempt from market valuation pursuant to (iii) the most recent statement or statements received by WOCWB.

16.0 INVESTMENT POLICY ADOPTION AND PERIODIC REVIEW

This Investment Policy shall be adopted by Resolution of the Board. This Investment Policy is subject to review and amendment by the Board, as the Board shall direct. This Investment Policy shall be reviewed on an annual basis by the Treasurer and annually submitted to the Board by the Treasurer pursuant to Government Code Section 53607 and annually approved or readopted by the Board at a public meeting thereof.

West Orange County Water Board Statement of Investment Policy

DEFINITIONS

The terms defined in this Appendix shall, for purposes of the West Orange County Water Board Investment Policy, have the meanings specified below:

“Authorized Investments” means those classes of investments, which are authorized pursuant to this Investment Policy in 8.0. Authorized Investments may be more restrictive than those authorized by State Law.

“Board” means the Board of Directors of WOCWB.

“Book Value” means the value of an Investment, or all Investments, based upon a marked-to-market valuation as of any particular date.

“FDIC” means the Federal Deposit Insurance Corporation.

“General Manager” means the General Manager of WOCWB as appointed by the Board.

“Investment Policy” means the investment policy adopted by the Board, as it may be supplemented or amended.

“Investments” means those investments made with the funds of WOCWB.

“Joint Powers Agreement” means that Joint Powers Agreement under which the WOCWB was organized and operates, pursuant to Government Code Section 6500 et. seq., as amended and supplemented.

“State” means the State of California.

“Treasurer” means the Treasurer of WOCWB, appointed by the Board pursuant to the Joint Powers Agreement. This includes an officer of a member agency of WOCWB (such as a city treasurer) serving in the capacity of Treasurer of WOCWB.

“WOCWB” means the West Orange County Water Board, a joint powers agency.

Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context clearly otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Investment Policy, refer to this Investment Policy.

West Orange County Water Board Statement of Investment Policy

GLOSSARY

ASKED: The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BASIS POINT: One one-hundredth of a percent (i.e. 0.01%)

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BROKER: A broker brings buyers and sellers together for a commission. He does not take a position.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g. US Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5700 commercial banks are member of the system.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and

reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT (LGIP): the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See "Asked" and "Bid."

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called "legal list." In other states, the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.
SEC RULE 15C3-1: See "Uniform Net Capital Rule."

TREASURY BILLS: A non-interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term US Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: Intermediate-term coupon bearing US Treasury having initial maturities of from one year to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

OPERATIONS AND MAINTENANCE REPORT



CITY OF HUNTINGTON BEACH

Public Works Department

Travis K. Hopkins, PE
Director of Public Works

November 10, 2015

Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728

Attention: Accounting

Subject: Transmittal of Water Use Report for October, 2015

The water use billing allocations for the West Orange County Water Board members supplied by feeder connections OC-9 and OC-35 for the month of October 2015 are as follows:

	Acre Feet		
	<u>OC-9</u>	<u>OC-35</u>	<u>Total</u>
Garden Grove	0.0	0.0	0.0
Huntington Beach	1.1	115.3	116.4
Seal Beach	0.0	167.9	283.2
Westminster	0.0	0.0	0.0
WOCWB (Flushing)	0.0	0.0	0.0
Total	1.1	283.2	399.6

If you have any questions, please contact Jay Kleinheinz at 714-374-1512.

Sincerely,

Jay Kleinheinz
Water Production Supervisor

Cc: Keith Lyon, MWDOC
Wei Xu, Orange County Water District



CITY OF HUNTINGTON BEACH

Public Works Department

Travis K. Hopkins, PE
Director of Public Works

December 10, 2015

Municipal Water District of Orange County
P.O. Box 20895
Fountain Valley, CA 92728

Attention: Accounting

Subject: Transmittal of Water Use Report for November, 2015

The water use billing allocations for the West Orange County Water Board members supplied by feeder connections OC-9 and OC-35 for the month of November 2015 are as follows:

	Acre Feet		
	<u>OC-9</u>	<u>OC-35</u>	<u>Total</u>
Garden Grove	0.0	0.0	0.0
Huntington Beach	1.2	74.0	75.2
Seal Beach	0.0	0.0	0.0
Westminster	0.0	0.0	0.0
WOCWB (Flushing)	0.0	0.0	0.0
Total	1.2	74.0	75.2

If you have any questions, please contact Jay Kleinheinz at 714-374-1512.

Sincerely,

Jay Kleinheinz
Water Production Supervisor

Cc: Keith Lyon, MWDOC
Wei Xu, Orange County Water District

MANAGEMENT AND ENGINEERING REPORT

West Orange County Water Board

General Manager, Engineer, Secretary, Fiscal Agent

City of Huntington Beach
19001 Huntington Street
Huntington Beach, California 92648
(714) 536-5921 FAX (714) 847-1067

Bowie, Arneson, Wiles and Giannone

4920 Campus Drive, Suite A
Newport Beach, California 92660

Date: January 14, 2016
To: West Orange County Water Board
From: Brian A. Ragland, P.E., General Manager
Subject: Management and Engineering Report

I-405 FREEWAY WIDENING PROJECT AT WESTMINSTER BLVD.

Brian Ragland reported on the status of the WOCWB pipeline that must be protected in place or relocated due to the upcoming widening of the I-405 Freeway. This is the 33-inch OC-35 pipeline that crosses beneath the freeway that is parallel to, and on the south side of the Westminster Blvd. bridge.

The WOCWB would have to prove to Caltrans that they have occupancy rights dating back to 1952 (63 years ago), when the freeway alignment was approved by the State of California. Public Works staff from the cities of Huntington Beach and Westminster has searched for any documents that would address the occupancy issue but none have been found. It now appears that the WOCWB pipeline has no occupancy rights and all costs relating to protecting the pipeline in place during construction or during partial or complete relocation would fall on the WOCWB.

Andy Ferrigno, City of Huntington Beach, Public Works Senior Civil Engineer, presented the three pipeline alternatives being considered by the WOCWB staff and OCTA and Caltrans representatives. This included the cost estimates provided by Caltrans and the cost estimate obtained by WOCWB staff as shown below. Staff obtained one cost estimate from a pipeline contractor who has worked for both the City of Huntington Beach and Caltrans, for the alternative that would relocate the underground pipeline crossing approximately 800 feet to the south.

Due to future access problems and concerns of possible damage to the pipeline during construction, the relocation to the south is the only alternative (and cheapest in our opinion) that should be considered at this time.

DESCRIPTION	CALTRANS COST ESTIMATE	WOCWB COST ESTIMATE
Protect In Place	\$5 Million	N/A
Relocate Below Centerline of New Westminster Blvd. Bridge	\$13 Million	N/A
Relocate 500' To the South	\$14.7 Million	\$4 Million

If the WOCWB is required to pay for the relocation, it could be done by the Board before the actual freeway construction starts which would help minimize the project costs.

Moving forward, staff will continue to meet with OCTA and their consultants and will continue to look for documentation concerning occupancy rights.

COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS

ADJOURNMENT