

MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
May 11, 2011, 5:00 p.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chairman
Director Royce
Director Barbre

Staff: K. Hunt, K. Seckel, P. Letrong,
C. Harris, K. Davanaugh

Ex Officio Member: J. Finnegan

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. MWDOC Revenue/Cash Receipt Register as of April 30, 2011
 - b. MWDOC Disbursement Register as of April 30, 2011
 - c. MWDOC Consolidated Summary of Cash and Investment and Portfolio Master Summary Report – March 31, 2011
 - d. Water Use Efficiency Projects Cash Flow as of April 30, 2011

2. **FINANCIAL REPORT - Combined Financial Statements and Budget Comparative For the Period ending March 31, 2011**

3. DISTRICT CONFERENCES
 - a. National Water Resources Association, 2011 Western Water Seminar, July 25-27, 2011, Boulder, CO

ACTION ITEMS

4. CONTRACTING FOR PROFESSIONAL SERVICES AT MWDOC
5. REVISIONS TO DISTRICT RETENTION SCHEDULE
6. ADOPT MWDOC BUDGET AND DISCUSSION OF BUDGET ISSUES FOR 2011-12
7. ANNUAL REVIEW OF INVESTMENT POLICY AND GUIDELINES

DISCUSSION ITEMS

8. DRAFT MWDOC WATER ORDINANCE AND WATER RATE RESOLUTION CHANGES PROPOSED FOR JUNE 2011 INCLUDING CHOICE ITEMS AND CHARGES FOR WATER WHEELING OR TRANSFERS – ONLY FOR DISCUSSION THIS MONTH, FOR ACTION NEXT MONTH
9. REVIEW DRAFT POLICY ON DISTRICT BILL PAYMENT (RATIFICATION V. AUTHORIZATION)

INFORMATION ITEMS – (The following items are for informational purposes only– background information is included in the packet. Discussion is not necessary unless a Director requests.)

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.

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
April 2011

WATER REVENUES

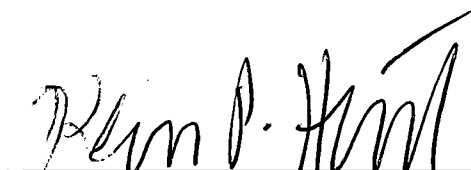
Date	From	Description	Amount
4/1/2011	City of Fountain Valley	February 2011 Water deliveries	224,212.77
4/1/2011	City of La Palma	February 2011 Water deliveries	3,373.44
4/1/2011	City of Buena Park	February 2011 Water deliveries	270,510.69
4/1/2011	City of Huntington Beach	February 2011 Water deliveries	137,733.73
4/1/2011	City of San Clemente	February 2011 Water deliveries	380,405.82
4/4/2011	City of Seal Beach	February 2011 Water deliveries	6,138.31
4/4/2011	City of Brea	February 2011 Water deliveries	63,726.64
4/5/2011	City of Newport Beach	February 2011 Water deliveries	244,765.88
4/6/2011	City of La Habra	February 2011 Water deliveries	16,807.89
4/6/2011	City of Garden Grove	February 2011 Water deliveries	740,419.71
4/6/2011	City of Westminster	February 2011 Water deliveries	314,252.60
4/8/2011	South Coast Water District	February 2011 Water deliveries	224,612.91
4/8/2011	Serrano Water District	February 2011 Water deliveries	1,895.77
4/8/2011	El Toro Water District	February 2011 Water deliveries	434,111.23
4/11/2011	East Orange County Water District	February 2011 Water deliveries	120,057.91
4/11/2011	Trabuco Canyon Water District	February 2011 Water deliveries	11,634.06
4/11/2011	City of Orange	February 2011 Water deliveries	361,552.32
4/13/2011	Laguna Beach County Water District	February 2011 Water deliveries	221,140.55
4/14/2011	Santa Margarita Water District	February 2011 Water deliveries	1,218,848.82
4/14/2011	City of San Juan Capistrano	February 2011 Water deliveries	324,441.13
4/14/2011	Yorba Linda Water District	February 2011 Water deliveries	295,019.26
4/14/2011	Santiago Aqueduct Commission	February 2011 Water deliveries	68,159.88
4/15/2011	Irvine Ranch Water District	February 2011 Water deliveries	722,522.33
4/15/2011	Mesa Consolidated Water District	February 2011 Water deliveries	171,790.03
4/15/2011	Moulton Niguel Water District	February 2011 Water deliveries	1,327,855.65
4/15/2011	Golden State Water Company	February 2011 Water deliveries	483,836.34
4/25/2011	City of La Habra	March 2011 Water deliveries	16,807.89
4/27/2011	City of Westminster	March 2011 Water deliveries	357,270.57
4/28/2011	City of Fountain Valley	March 2011 Water deliveries	247,335.87
4/29/2011	City of Buena Park	March 2011 Water deliveries	259,399.59
4/29/2011	City of San Clemente	March 2011 Water deliveries	354,151.98

TOTAL WATER REVENUES \$ 9,624,791.57

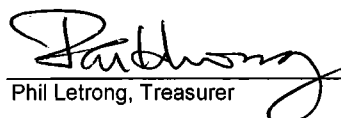
**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
April 2011**

MISCELLANEOUS REVENUES

<u>Date</u>	<u>From</u>	<u>Description</u>	<u>Amount</u>
4/1/2011	Claire Seckel	April 2011 COBRA premium	605.21
4/1/2011	City of San Clemente	Jan 2011 Smartimer rebate program	234.00
4/1/2011	City of Fullerton	Jan 2011 Smartimer rebate program	99.00
4/4/2011	City of Beverly Hills	FY 10-11 MET GM workgroup assistance from Malcolm Pirnie	1,000.00
4/4/2011	Orange County Public Works-OC Watersheds	50% cost reimbursement for Rainwater Harvesting classes & materials held for member agencies & general public	936.60
4/4/2011	Curt, Pringle & Associates	5/14/10 OC Water Summit	125.00
4/4/2011	City of Glendale	FY 10-11 MET GM workgroup assistance from Malcolm Pirnie	1,000.00
4/4/2011	Business & Legal Report	Credit for cancelled publications	513.52
4/6/2011	Beverly Crowe	April 2011 Retiree medical premium	227.95
4/8/2011	South Coast Water District	February 2011 Smartscape program contribution	108.00
4/11/2011	Inland Empire Utilities Agency	FY 10-11 MET GM workgroup assistance from Malcolm Pirnie	7,000.00
4/13/2011	Kevin Hunt	December 2010 Colorado River Users Association dinner reimbursement for Susan Hunt	75.00
4/13/2011	Stan Sprague	May 2011 Retiree medical premium	221.41
4/14/2011	Department of Water Resources	Apr-Jun 2010 & Jul-Sep 2010 Industrial Process Water Use Reduction program	20,826.90
4/15/2011	City of San Clemente	Jan-Feb 2011 Smartscape program contribution	180.00
4/18/2011	Department of Water Resources	Oct-Dec 2010 Industrial Process Water Use Reduction program	461.32
4/18/2011	Moulton Niguel Water District	January 2011 Smartscape program contribution	72.00
4/18/2011	Susan Hinman	Jan-Mar 2011 Director's pension reimbursement	766.69
4/22/2011	Joan Finnegan	Jan-Mar 2011 Director's pension reimbursement	734.33
4/22/2011	Wayne Clark	Business expense reimbursement	10.45
4/22/2011	Arcadis/ Malcolm Pirnie	Reimbursement for FY 09-10 MET GM Workgroup assistance from Malcolm Pirnie for Western Municipal Water District payment sent in error (Payment should be sent to MWDOC)	7,000.00
4/25/2011	Beverly Crowe	May 2011 Retiree medical premium	227.95
4/25/2011	Mesa Consolidated Water District	March 2011 So Cal Watersmart rebate program	540.00
4/27/2011	Irvine Ranch Water District	Jan-Feb 2011 Landscape Performance Certification program	1,500.00
4/29/2011	City of San Clemente	Dana Point Ocean Desal phase 3	140,000.00
4/29/2011	Bureau of Reclamation	Jan-Mar 2011 Residential & Commercial Smartimer	5,976.43
TOTAL MISCELLANEOUS REVENUES			\$ 190,441.76
TOTAL REVENUES			\$ 9,815,233.33



 Kevin P. Hunt, General Manager



 Phil Letrong, Treasurer

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122571	4/6/11	ACKERM MAR2011	Linda Ackerman March 2011 MET Director's compensation	2,216.20
			***Total ***	2,216.20
122572	4/6/11	ATTEOC 0532-MAR11 8200-MAR11 4492-MAR11	AT&T March 2011 N. EOC dedicated phone line March 2011 N. EOC telephone expense March 2011 S. EOC telephone expense	72.21 247.70 306.29
			***Total ***	626.20
122573	4/6/11	BARBCO MAR2011	Brett Barbre March 2011 MET Director's compensation	2,216.20
			***Total ***	2,216.20
122574	4/6/11	PARKSR 040511	CA Department of Parks & Recreation Right of entry permit amendment for SOCOD Desal project	10,000.00
			***Total ***	10,000.00
122575	4/6/11	DICKCO MAR2011	Larry Dick March 2011 MET Director's compensation	2,216.20
			***Total ***	2,216.20
122576	4/6/11	DICKEX 033111	Larry Dick March 2011 Business expense	117.30
			***Total ***	117.30
122577	4/6/11	FINNEG 033111	Joan Finnegan March 2011 Business expense	145.46
			***Total ***	145.46
122578	4/6/11	FOLEYJ MAR2011	John V. Foley March 2011 MET Director's compensation	2,216.20
			***Total ***	2,216.20
122579	4/6/11	HINMAN 033111	Susan Hinman March 2011 Business expense	476.99
			***Total ***	476.99

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122580	4/6/11	ISDOC 033111	Independent Special Districts of OC ISDOC Luncheon on March 31, 2010 - D. Cordero, Directors B. Barbre L. Dick, J. Finnegan, S. Hinman, E. Royce & J. Thomas	112.00
			***Total ***	112.00
122581	4/6/11	OCCUME 1102741FFD	Occu-Med, Ltd. Fitness for duty evaluation for C. Baker	300.00
			***Total ***	300.00
122582	4/6/11	SDG&E 7768-MAR11	SDG&E 2/22/11 - 3/23/11 Electrical service for SOCOD Desal project - Phase 3 operations	6,848.52
			***Total ***	6,848.52
122583	4/6/11	SECOVA 04000307312311	Secova April 2011 Health insurance for Director Royce	250.00
			***Total ***	250.00
122584	4/6/11	SILVER 040111	Silver-Script April 2011 Prescription insurance for Director Royce	69.00
			***Total ***	69.00
122585	4/6/11	SILVE1 040111	Silver-Script April 2011 Prescription insurance for Patricia Royce	69.00
			***Total ***	69.00
122586	4/6/11	THOMAS 033111	Jeffery Thomas March 2011 Business expense	179.22
			***Total ***	179.22
122587	4/15/11	AQUAFI 02-021	Aquaficient Consulting January 2011 Landscape Performance Certification program funded by IRWD and MET	1,500.00
		02-022	February 2011 Landscape Performance Certification program funded by IRWD and MET	1,500.00
			***Total ***	3,000.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122588	4/15/11	AUTUMN 876	Autumn Print Group Interactive project banner for Children's Water Festival	158.78
			***Total ***	158.78
122589	4/15/11	BOFANA 4118-MAR11	Bank of America NA March 2011 Various credit card expenses (see attached sheet for details)	397.93
			***Total ***	397.93
122590	4/15/11	BROWNR 13	Rajan Brown 3/25/11 - 4/12/11 Develop performance based irrigation contract	511.50
			***Total ***	511.50
122591	4/15/11	BUITIF 033111	Tiffany Bui March 2011 Business expense	117.16
			***Total ***	117.16
122592	4/15/11	CDWG WTM4890	CDWG Inc. Toner for Ricoh color printer	562.24
			***Total ***	562.24
122593	4/15/11	CLARKW 033111	Wayne Clark March 2011 Business expense	118.32
			***Total ***	118.32
122594	4/15/11	BOTELE 033111	Crystal Boteler March 2011 Business expense	51.82
			***Total ***	51.82
122595	4/15/11	DALYPA 032811	Patricia A. Daly 3/23/11 - 3/24/11 Teaching services for Children's Water Festival	850.00
			***Total ***	850.00
122596	4/15/11	DELATO 033011	Harvey De La Torre March 2011 Business expense	108.72
			***Total ***	108.72

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122597	4/15/11	DELLCO XF88FT666	Dell Computer Corporation Dell R710 Server for WUE database website hosting	2,581.86
			***Total ***	2,581.86
122598	4/15/11	EAGLEC 707638 707648 707643	Eagle Communications Diagnosis for repair of WEROC N. EOC radio WEROC radio battery replacement at MWDOC site WEROC N. EOC radio battery replacement	162.40 502.59 656.87
			***Total ***	1,321.86
122599	4/15/11	FAHLBE 033111	Beth Fahl March 2011 Business expense	110.60
			***Total ***	110.60
122600	4/15/11	FOODCR 5-501606	Foodcraft Coffee & Refreshment 3/22/11 Coffee/tea supplies	275.24
			***Total ***	275.24
122601	4/15/11	FRAZIE 033111	Leah Frazier March 2011 Business expense	117.70
			***Total ***	117.70
122602	4/15/11	HANLEY 033111	Jessica Hanley March 2011 Business expense	296.45
			***Total ***	296.45
122603	4/15/11	HOMED1 7785-MAR11	Home Depot Credit Services Under cabinet light	19.11
			***Total ***	19.11
122604	4/15/11	HUNTKE 031311	Kevin Hunt March 2011 Business expense	126.07
			***Total ***	126.07
122605	4/15/11	IKONOF 84519489	Ikon Office Solutions April 2011 Copier lease	753.99
			***Total ***	753.99

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122606	4/15/11	IKONMA 5017460168	Ikon Office Solutions April 2011 Copier maintenance	237.52
			***Total ***	237.52
122607	4/15/11	MCCLUR PI000021	Peggy McClure March 2011 Consulting services for conservation database	1,128.75
			***Total ***	1,128.75
122608	4/15/11	BAUMHA 040711	Melissa Baum-Haley March 2011 Business expense	37.99
			***Total ***	37.99
122609	4/15/11	NOAHSC 261	Noah's Cleaning Service March 2011 Bi-Monthly cleaning service for N. EOC	50.00
			***Total ***	50.00
122610	4/15/11	OCWD 9540 9566 9569 9569A	Orange County Water District February 2011 Refund for water deliveries credit February 2011 50% share of WACO expense February 2011 Monthly office expense, postage and copies February 2011 Postage for Water Super Hero programs	450,933.17 187.99 12,032.72 907.61
			***Total ***	464,061.49
122611	4/15/11	OFFSOL I-206502/033111	Office Solutions 3/21/11 Office supplies	20.61
			***Total ***	20.61
122612	4/15/11	PATRIC 2364	Patricia Kennedy Inc. April 2011 Plant maintenance	214.00
			***Total ***	214.00
122613	4/15/11	RAMIRE 040411	Sergio Ramirez March 2011 Business expense	42.84
			***Total ***	42.84
122614	4/15/11	SEPERA 6065, 6066, 6067	Separation Processes, Inc February 2011 Engineering services for SOCOD Desal project	25,306.09
			***Total ***	25,306.09

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122615	4/15/11	STAPLE 8018101493	Staples Advantage 3/19/11 WEROC office supplies	47.27
			***Total ***	47.27
122616	4/15/11	TIMEWA 3564-APR11	Time Warner Cable April 2011 Telephone expense for 4 analog fax lines	123.11
			***Total ***	123.11
122617	4/15/11	TOPHAT 81440	Top Hat Productions Continental breakfast for Regulatory Streamlining workshop on 3/19/2011	320.27
			***Total ***	320.27
122618	4/15/11	TURFRP TR-GG-001	Lakeview Village Corporation Orange County Turf Removal rebate program	46,177.00
			***Total ***	46,177.00
122619	4/15/11	TURFRP TR-HB-001	Huntington Landmark Association Orange County Turf Removal rebate program	3,649.50
			***Total ***	3,649.50
122620	4/15/11	TURFRP TR-HB-002	Bob Smith Orange County Turf Removal rebate program	801.00
			***Total ***	801.00
122621	4/15/11	TURFRP TR-IRWD-014	Lake Forest Community Association Orange County Turf Removal rebate program	12,794.00
			***Total ***	12,794.00
122622	4/15/11	TURFRP TR-IRWD-011	Bettina Pasinll Orange County Turf Removal rebate program	662.00
			***Total ***	662.00
122623	4/15/11	TURFRP TR-IRWD-004	Bill Cardillo Orange County Turf Removal rebate program	165.00
			***Total ***	165.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122624	4/15/11	TURFRP TR-IRWD-009	<i>Wen Ling Chou</i> Orange County Turf Removal rebate program	1,392.00
			***Total ***	1,392.00
122625	4/15/11	TURFRP TR-IRWD-010	<i>Humza Javed</i> Orange County Turf Removal rebate program	1,682.00
			***Total ***	1,682.00
122626	4/15/11	TURFRP TR-LH-001	<i>City of La Habra</i> Orange County Turf Removal rebate program	7,775.00
			***Total ***	7,775.00
122627	4/15/11	TURFRP TR-LBCWD-001	<i>Lisa O'Neill</i> Orange County Turf Removal rebate program	478.50
			***Total ***	478.50
122628	4/15/11	TURFRP TR-LBCWD-006	<i>Kathleen Kane</i> Orange County Turf Removal rebate program	500.00
			***Total ***	500.00
122629	4/15/11	TURFRP TR-MN-003	<i>Hillcrest Community Association</i> Orange County Turf Removal rebate program	16,139.00
			***Total ***	16,139.00
122630	4/15/11	TURFRP TR-MN-001	<i>Conrad Lapinski</i> Orange County Turf Removal rebate program	956.00
			***Total ***	956.00
122631	4/15/11	TURFRP TR-SOCO-003	<i>Summer Place Homeowner Association</i> Orange County Turf Removal rebate program	10,124.00
			***Total ***	10,124.00
122632	4/15/11	TURFRP TR-SOCO-002	<i>Chelsea Point Homeowner Association</i> Orange County Turf Removal rebate program	6,200.00
			***Total ***	6,200.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122633	4/15/11	TURFRP TR-SMWD-008	Mission Court Maintenance Corporation Orange County Turf Removal rebate program	5,561.00
			***Total ***	5,561.00
122634	4/15/11	TURFRP TR-SMWD-004	Richard Ojala Orange County Turf Removal rebate program	1,421.00
			***Total ***	1,421.00
122635	4/15/11	TURFRP TR-SMWD-002	Willard Harris Orange County Turf Removal rebate program	648.70
			***Total ***	648.70
122636	4/15/11	TURFRP TR-SMWD-005	Robert Young Orange County Turf Removal rebate program	1,898.00
			***Total ***	1,898.00
122637	4/15/11	TURFRP TR-SMWD-009	Mickey Sharp Orange County Turf Removal rebate program	515.00
			***Total ***	515.00
122638	4/15/11	TURFRP TR-YL-004	John Chandler Orange County Turf Removal rebate program	1,536.00
			***Total ***	1,536.00
122639	4/15/11	TURFRP TR-YL-011	Charles Ney Orange County Turf Removal rebate program	1,086.00
			***Total ***	1,086.00
122640	4/15/11	TURFRP TR-YL-002	Tommy Allen Orange County Turf Removal rebate program	1,058.00
			***Total ***	1,058.00
122641	4/15/11	URS 4590834	URS Corporation Americas January 2011 Professional services for Industrial Process Water Use Reduction program	1,415.00
		4615883	February 2011 Professional services for Industrial Process Water Use Reduction program	1,415.00
			***Total ***	2,830.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122642	4/15/11	WENNER 040111	<i>Pauline D. Wennerstrom</i> April - June 2011 Retiree medical premium	768.30
			***Total ***	768.30
122643	4/20/11	EXECP 11-305	<i>Executive Professional Services, Inc.</i> Security services for Board workshop on March 19, 2011	600.00
			***Total ***	600.00
122644	4/20/11	HARRIS 030911	<i>Cathy Harris</i> March 2011 Business expense	20.74
			***Total ***	20.74
122645	4/20/11	HUMANS 1481300	<i>Humanscale Corporation</i> Ergonomic chair for J. Hanley	603.15
			***Total ***	603.15
122646	4/20/11	OCWAE 041511	<i>Orange County Water Association</i> OCWA Administrative lunch on April 20, 2011 registration for K. Hubbard & C. Boteler	80.00
		041911	OCWA Administrative lunch on April 20, 2011 registration for C. Harris, T. Baca, S. Sherman & C. Baker	160.00
			***Total ***	240.00
122647	4/20/11	PETTY 041811	<i>Petty Cash</i> February - April 2011 Petty Cash reimbursement	395.25
			***Total ***	395.25
122648	4/20/11	ROYCE 033111	<i>Ed Royce Sr.</i> March 2011 Business expense	137.72
			***Total ***	137.72
122649	4/20/11	SIGNMA 041911	<i>Sign Mart/ Plastics Plus</i> Road sign frames for WEROC EOCs	36.00
			***Total ***	36.00
122650	4/20/11	STAPL 4362-MAR11	<i>Staples Credit Plan</i> 3/9/11 Office supplies	58.17
			***Total ***	58.17

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122651	4/21/11	ACWAJP	ACWA/Joint Powers Insurance Authority	
		JAN-MAR11	January - March 2011 Workers Compensation	5,525.00
		M005-04/01/11	4/1/11 - 4/1/12 MWDOC Annual property insurance	1,148.00
			***Total ***	6,673.00
122652	4/21/11	BUSIN2	Business Communications Solutions	
		45104B	40% Progress payment for new Cisco IP telephone system	16,788.32
		45114	Annual maintenance for Cisco IP telephone hardware	2,650.00
			***Total ***	19,438.32
122653	4/21/11	CORPPA	Corporate Payment Systems	
		11-Mar	March 2011 Various credit card expenses (see attached sheet for details)	5,273.34
			***Total ***	5,273.34
122654	4/21/11	COOKHU	Hunter T. Cook	
		040511	February - April 2011 Coastal retiree medical premium	1,200.00
			***Total ***	1,200.00
122655	4/21/11	IRONMO	Iron Mountain	
		DJE334	April 2011 Storage/retrieval of archived documents	492.78
			***Total ***	492.78
122656	4/21/11	DINHPA	Patrick Dinh	
		042111	April 2011 Business expense	21.42
			***Total ***	21.42
122657	4/28/11	A&NTEC	A & N Technical Services, Inc.	
		MAR2011PS3	March 2011 Professional services for the Reserve Sustainability project	13,030.00
			***Total ***	13,030.00
122658	4/28/11	ACWAJP	ACWA/Joint Powers Insurance Authority	
		105256523-2011	4/1/11 - 4/1/12 Annual fidelity insurance premium	4,592.00
			***Total ***	4,592.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122659	4/28/11	BACATI 041511	<i>Tiffany Baca</i> April 2011 Business expense	141.44
			***Total ***	141.44
122660	4/28/11	JAMESB 105-0311	<i>James C. Barker, P.C.</i> March 2011 Federal legislative advocacy services	8,000.00
			***Total ***	8,000.00
122661	4/28/11	BELLRI 040111	<i>Richard Bell</i> March 2011 Business expense	121.84
			***Total ***	121.84
122662	4/28/11	BURKED 042511	<i>Darcy M. Burke</i> March - April 2011 Business expense	757.66
			***Total ***	757.66
122663	4/28/11	PUBLIC 1150358	<i>CA Department of Public Health</i> 7/1/10 - 12/31/10 Costs to review SOCOD Desal pilot plant	4,030.00
			***Total ***	4,030.00
122664	4/28/11	CAROLL 0115794	<i>Carollo Engineers, Inc.</i> March 2011 Professional services for SOCOD Desal project	4,176.00
			***Total ***	4,176.00
122665	4/28/11	CATALI 0005572	<i>Catalina Island Conservancy</i> April 2011 WEROC radio repeater site lease	1,282.21
			***Total ***	1,282.21
122666	4/28/11	CDWG WZD7721	<i>CDWG Inc.</i> MS Forefront annual e-mail filtering protection for 50 users	500.00
			***Total ***	500.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122667	4/28/11	CONSER	ConserVision Consulting, LLC	
		LPCP-178	December 2010 Consulting services for Landscape Performance Certification program	7,143.75
		LPCP-179	January 2011 Consulting services for Landscape Performance Certification program	6,963.75
		LPCP-180	February 2011 Consulting services for Landscape Performance Certification program	8,448.75
			***Total ***	22,556.25
122668	4/28/11	DISCOV	Discovery Science Center	
		033111MWDOC	March 2011 School program	18,012.38
			***Total ***	18,012.38
122669	4/28/11	DISSIN	Dissinger Associates	
		033111	January - March 2011 Quarterly Benefit statement	35.00
			***Total ***	35.00
122670	4/28/11	EAGLEC	Eagle Communications	
		707696	WEROC S. EOC radio repair	931.27
			***Total ***	931.27
122671	4/28/11	FEDERA	Federal Express Corporation	
		7-445-68392	3/24/11, 3/28/11 & 3/29/11 Delivery charges	47.04
		7-453-60376	3/30/11 Delivery charges	17.57
			***Total ***	64.61
122672	4/28/11	FRYSEL	Fry's Electronics	
		17875222	3/23/11 Computer supplies	33.51
		17879654	3/25/11 Computer supplies	115.20
		17881455	3/25/11 Computer supplies	32.59
			***Total ***	181.30
122673	4/28/11	GEOSCI	Geoscience Support Services	
		1269-08	July - November 2010 Slant well redevelopment for SOCOD Desal project - Phase 3	7,138.00
			***Total ***	7,138.00

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122674	4/28/11	GRECOW 041511	Warren Greco March 2011 Business expense	130.46
			***Total ***	130.46
122675	4/28/11	HOTELP SAB7475	Tustin Motor Lodge Hotel program rebate incentive for installation of 53 HETs	5,300.00
			***Total ***	5,300.00
122676	4/28/11	INTUIT 2011-2016	Intuitech, Inc. Additional onsite training for SOCOD Desal project	2,848.00
			***Total ***	2,848.00
122677	4/28/11	JACOBI 040811	Lee Jacobi March 2011 Business expense	30.60
			***Total ***	30.60
122678	4/28/11	JAMBAJ 042811	Jamba Juice Co. Sandwiches for Elected Officials' forum with Board on April 28, 2011	469.65
			***Total ***	469.65
122679	4/28/11	KARENS 2170 2175	Karen's Detail Custom Frames Framing for IRWD 50th anniversary resolution Framing of Mission Statement & Information Flow posters for WEROC S. EOC	97.88 108.75
			***Total ***	206.63
122680	4/28/11	LEWISC 1071	Lewis Consulting Group, LLC March 2011 Professional services	5,000.00
			***Total ***	5,000.00
122681	4/28/11	LYONKE 033111	Keith Lyon March 2011 Business expense	77.21
			***Total ***	77.21

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122682	4/28/11	MALCOL	Malcolm Pirnie, Inc.	
		0371512	11/20/10 - 3/20/11 Consulting services on strategic planning	8,378.50
		0371506	12/4/10 - 3/20/11 Engineering services for Huntington Beach Desal project	2,071.50
		0370157	September 2010 - March 2011 Consulting services for Alternative Project Delivery workshop for SOCOD Desal project	27,720.00
		0372421	July - March 2010 Assistance for MWDOC on MET issues	74,999.97
			***Total ***	113,169.97
122683	4/28/11	BEUHLE	Mark Beuhler	
		041011	Consulting services for regulatory streamlining for Board workshop	1,035.00
			***Total ***	1,035.00
122684	4/28/11	MCCORM	McCormick, Kidman & Behrens	
		26403, 404, 405	March 2011 Legal services	15,597.73
			***Total ***	15,597.73
122685	4/28/11	METWAT	Metropolitan Water District	
		6944	February 2011 Water deliveries	7,963,598.68
			***Total ***	7,963,598.68
122686	4/28/11	MICHAEL	Michael Brandman Associates	
		00053659	February - March 2011 Professional services for SOCOD Desal project	2,965.00
			***Total ***	2,965.00
122687	4/28/11	MISSI1	Mission Resource Conservation District	
		1160	March 2011 Field verifications for rebate programs	15,402.86
			***Total ***	15,402.86
122688	4/28/11	MJFCON	MJF Consulting, Inc.	
		MAR11	March 2011 General regulatory liaison support	4,571.00
			***Total ***	4,571.00
122689	4/28/11	NEXTEL	Nextel Communications	
		320982721-080	April 2011 WEROC cell phone expense	150.84
			***Total ***	150.84

**Municipal Water District of Orange County
April 2011 Disbursements Report**

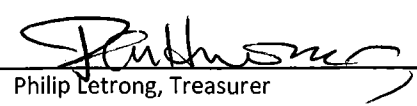
Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122690	4/28/11	NORCOD 227660	Norco Delivery Services 3/31/11 Delivery charges	197.59
			***Total ***	197.59
122691	4/28/11	NOSSAM 382951 382950	Nossaman LLP March 2011 Legal services for Regulatory Reform project March 2011 Legal services	7,719.00 3,506.00
			***Total ***	11,225.00
122692	4/28/11	OCWD 9579	Orange County Water District March 2011 50% share of WACO expense	206.25
			***Total ***	206.25
122693	4/28/11	OFFSOL I-00099409 I-00211854	Office Solutions Freight for purchase on invoice I-00098511 4/6/11 Office supplies	4.08 938.93
			***Total ***	943.01
122694	4/28/11	PUBLI1 041511	Public Storage May 2011 Storage rent for unit E034	331.00
			***Total ***	331.00
122695	4/28/11	RAFTEL OCCA1004-04	Raftelis Financial Consultants March 2011 Budget Based Tiered Rates grants assistance	630.00
			***Total ***	630.00
122696	4/28/11	SDG&E 7768-APR11	SDG&E 3/23/11 - 4/21/11 Electrical service for SOCOD Desal project - Phase 3 operations	6,381.02
			***Total ***	6,381.02
122697	4/28/11	SANTAM FEB2011	Santa Margarita Water District February 2011 SCP operation surcharge	16,855.49
			***Total ***	16,855.49
122698	4/28/11	STAPLE 8018295349	Staples Advantage 4/9/11 Office supplies	98.79
			***Total ***	98.79

**Municipal Water District of Orange County
April 2011 Disbursements Report**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
122699	4/28/11	TIMEWA 5210-APR11	<i>Time Warner Cable</i> April 2011 Telephone and internet expense	1,217.82
			***Total ***	1,217.82
122700	4/28/11	TOWNSE 6880	<i>Townsend Public Affairs, Inc.</i> March 2011 State & Federal legislative advocacy services	10,000.00
			***Total ***	10,000.00
122701	4/28/11	TURFRP TR-IRWD-013	<i>George F. Long</i> Orange County Turf Removal rebate program	1,522.00
			***Total ***	1,522.00
122702	4/28/11	TUSTI4 00488947	<i>Tustin Irvine Medical Group</i> Pre-employment health exam for L. Reimer and J. Zavala	320.00
			***Total ***	320.00
122703	4/28/11	USAFA 1831698-IN 1831699-IN 1832519-IN	<i>USA Fact</i> Background check for L. Reimer Background check for J. Zavala Background check for M. Covarrubias	17.70 17.70 22.20
			***Total ***	57.60
122704	4/28/11	WATERW 1414	<i>Waterwise Consulting, Inc.</i> March 2011 Professional services for Hotel program	18,172.50
			***Total ***	<u>18,172.50</u>
			Total Check Amount	<u><u>8,977,396.33</u></u>
			Total Void Amount	<u><u>0.00</u></u>



Kevin P. Hunt, General Manager



Philip Letrong, Treasurer

I.M.P.A.C. Government Services (Cal Card) Statement Detail
Statement Date: March 22, 2011
Payment Date: April 21, 2011

Date	Description	Amount
<u>Phil's Card</u>		
2/22/2011	Computer supplies	\$ 93.99
2/25/2011	All-in-one printer	330.03
3/3/2011	Software support	69.00
3/9/2011	Computer supplies	119.98
3/11/2011	Credit for All-in-one printer returned	(156.99)
3/15/2011	Computer supplies	97.86
3/17/2011	Subscription to Amazon Prime annual delivery charge	79.00
	Subtotal	\$ 632.87
<u>Karl's Card</u>		
2/22/2011	Orange County Water Association 2011 membership renewal for R. Bell	\$ 50.00
2/22/2011	Orange County Water Association 2011 membership renewal for K. Hunt	50.00
3/1/2011	Lunch for managers' meeting	329.66
3/1/2011	SOCOD Desal project workshop in Dana Point, CA on March 23, 2011 - Room rental	225.00
3/1/2011	49 WEROC promotional desk caddies to be reimbursed by OCWA	209.60
3/2/2011	AWWA 2011 Membrane Technology conference in Long Beach, CA from March 28-30, 2011 - Registration for R. Bell	420.00
3/9/2011	ACWA Region 10 membership meeting in Rancho Santa Margarita, CA on March 29, 2011 - Registration for D. Cordero	10.00
3/10/2011	Lunch for SOCOD Desal project environmental interviews on March 10, 2011	108.27
3/11/2011	ACWA Legislative symposium in Sacramento, CA on March 16, 2011 - Airfare for D. Cordero	377.40
3/11/2011	ACWA Legislative symposium in Sacramento, CA on March 16, 2011 - Airfare for D. Cordero	371.40 ¹
3/11/2011	Balance due for Water Policy dinner at the Westin South Coast Plaza on February 24, 2011	1,081.70
3/16/2011	A Practical Approach to Water Conservation book for WUE department	81.00
3/16/2011	CUWCC Business Management Practices Reporting workshop in Chino, CA on March 30, 2011 - Registration for S. Ramirez, S. Hedges & B. Fahl	105.00
3/16/2011	CUWCC Business Management Practices Reporting workshop in San Marcos, CA on April 6, 2011 - Registration for M. Baum-Haley	35.00
	Subtotal	\$ 3,454.03

¹ Flight canceled - Credit from Southwest will be used for future flights

I.M.P.A.C. Government Services (Cal Card) Statement Detail
Statement Date: March 22, 2011
Payment Date: April 21, 2011

Date	Description	Amount
<u>Kevin's Card</u>		
2/22/2011	CSDA webinar training on February 28, 2011 - Registration for C. Harris	\$ 69.00
2/22/2011	CSDA webinar training on March 8, 2011 - Registration for M. Goldsby	69.00
2/22/2011	Legislative activities in Washington, DC from March 1-2, 2011 - Airfare change for Director Barbre	327.00 ¹
2/23/2011	ACWA's 2011 Spring conference in Sacramento, CA from May 10-13, 2011 - Registration for Director Finnegan	50.00
3/2/2011	Scanning services for 60th anniversary poster media	178.84
3/4/2011	Flowers for J. Hanley	76.10
3/6/2011	UPS delivery charges for Board & Committee packets - February 24, 2011	73.70
3/7/2011	3 CalChamber online training classes - Registration for T. Baca	89.97
3/11/2011	ACWA Region 10 membership meeting in Rancho Santa Margarita, CA on March 29, 2011 - Registration for Director Ackerman	10.00
3/11/2011	ACWA Region 10 membership meeting in Rancho Santa Margarita, CA on March 29, 2011 - Registration for Director Clark	10.00
3/13/2011	UPS delivery charges for Board & Committee packets - March 4 & 8, 2011	102.65
3/16/2011	ACWA Region 10 membership meeting in Rancho Santa Margarita, CA on March 29, 2011 - Registration for Director Hinman	10.00
3/20/2011	UPS delivery charges for Board & Committee packets - March 10,15 & 16 2011	120.18
	Subtotal	\$ 1,186.44
	Total	\$ 5,273.34

¹ Director Barbre to reimburse MWDOC \$327.00

Bank of America VISA Statement Detail
Statement Date: March 27, 2011
Payment Date: April 15, 2011

<u>Posting Date</u>	<u>Description</u>	<u>Amount</u>
2/28/11 - 3/27/11	Meals for K. Hunt's meetings on various dates	397.93
	Total	\$ 397.93



**Municipal Water District of Orange County
Consolidated Summary of Cash and Investment**
March 2011

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

Joan C. Finnegan
President

Jeffery M. Thomas
Vice President

Brett R. Barbre
Director

Wayne A. Clark
Director

Larry D. Dick
Director

Susan Hinman
Director

Ed Royce, Sr.
Director

Kevin P. Hunt, P.E.
General Manager

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	1,563,282	15.42%
Grant & Project Cash Flow	1,000,000	9.87%
Election Expense	500,000	4.93%
Building Repair	350,000	3.45%
Total Designated Reserves	3,413,282	33.67%
Restricted Reserve for OPEB	500,000	4.93%
General Fund	1,605,250	15.84%
Water Fund	4,803,576	47.38%
Conservation Fund	(391,260)	-3.86%
Desalination Feasibility Study Fund	(137,823)	-1.36%
WEROC Fund	56,453	0.56%
Trustee Activities Fund	287,313	2.84%
Total	10,136,791	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.80%	80,806	\$ 80,806
Short-term investment			
• LAIF	63.85%	6,473,006	6,473,006
• OCIP	0.20%	20,327	20,327
Long-term investment			
• Federal Agency Issues	12.36%	1,252,738	1,244,695
• Misc. Securities	19.86%	2,012,914	2,001,550
• Certificates of Deposit	2.93%	297,000	303,562
Total	100.00%	\$10,136,791	\$10,123,946

The average number of days to maturity/call as of March 31, 2011 equaled 365 and the average term for the portfolio totaled 612 days. The average yield to maturity is 1.31%, calculated on a 365-day basis. During the month, the District's average daily balance was \$14,491,151. 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 March.

The \$12,845 difference between the book value and the market value at March 2011 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

Phil Letrong
Treasurer

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


MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Portfolio Summary
March 31, 2011

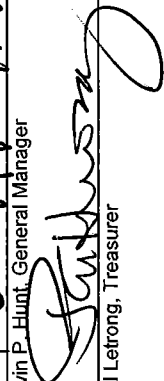
Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Federal Agency Issues - Coupon	250,000.00	249,140.00	252,738.00	2.51	1,827	159	2.968	3.009
Certificates of Deposit - Bank	297,000.00	303,562.35	297,000.00	2.95	1,335	818	2.379	2.412
Local Agency Investment Funds	6,473,006.10	6,473,006.10	6,473,006.10	64.37	1	1	0.493	0.500
Miscellaneous Securities - Coupon	2,000,000.00	2,001,550.00	2,012,914.43	20.02	1,722	1,597	3.336	3.382
Federal Agency Issues - Step-up	1,000,000.00	995,555.00	1,000,000.00	9.94	1,826	162	1.628	1.650
Orange County Investment Pool	20,326.56	20,326.56	20,326.56	0.20	1	1	0.692	0.702
Investments	10,040,332.66	10,043,140.01	10,055,985.09	100.00%	612	365	1.293	1.311

Cash								
Passbook/Checking (not included in yield calculations)	80,805.98	80,805.98	80,805.98		1	1	0.000	0.000
Total Cash and Investments	10,121,138.64	10,123,945.99	10,136,791.07		612	365	1.293	1.311

Total Earnings	March 31	Month Ending	Fiscal Year To Date
Current Year	27,911.05		163,441.45
Average Daily Balance	14,491,150.73		19,314,589.96
Effective Rate of Return	2.27%		1.13%

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 expenditures. The source for the market values are from Union Bank.


 Kevin P. Hunt, General Manager


 Phil Leifong, Treasurer

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Summary
March 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Federal Agency Issues - Coupon	250,000.00	249,140.00	252,738.00	7.09	1,827	159	2.968	3.009
Certificates of Deposit - Bank	297,000.00	303,562.35	297,000.00	8.34	1,335	818	2.379	2.412
Miscellaneous Securities - Coupon	2,000,000.00	2,001,550.00	2,012,914.43	56.50	1,722	1,597	3.336	3.382
Federal Agency Issues - Step-up	1,000,000.00	995,555.00	1,000,000.00	28.07	1,826	162	1.628	1.650
Investments	3,547,000.00	3,549,807.35	3,562,652.43	100.00%	1,727	1,027	2.751	2.789

Total Earnings	March 31 Month Ending	Fiscal Year To Date
Current Year	23,252.08	105,017.08

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
March 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat./Call	Days to Maturity	
Federal Agency Issues - Coupon												
3136FRCT8	20110307-006	FNMA		03/07/2011	250,000.00	249,140.00	252,738.00	3.250	2.968	3.009	159	
	Subtotal and Average		203,834.69		250,000.00	249,140.00	252,738.00		2.968	3.009	159	
Certificates of Deposit - Bank												
3616IND39	20100910-001	GE Money Bank		09/10/2010	200,000.00	201,562.00	200,000.00	1.400	1.381	1.400	893	
939379W90	20080123-008	Chase Bank		01/23/2008	97,000.00	102,000.35	97,000.00	4.500	4.438	4.500	663	
	Subtotal and Average		297,000.00		297,000.00	303,562.35	297,000.00		2.379	2.412	818	
Miscellaneous Securities - Coupon												
06051GED7	20101014-003	Bank of America Corp		10/14/2010	250,000.00	250,400.00	257,131.02	3.700	3.274	3.320	1,614	
46625HR4	20101123-004	JP Morgan		11/23/2010	250,000.00	251,535.00	256,918.53	3.400	2.663	2.700	1,545	
59217GAD1	20110225-005	Met Life Global		02/25/2011	500,000.00	495,660.00	502,595.67	3.125	2.966	3.007	1,746	
6174YCT0	20110309-007	Morgan Stanley		03/09/2011	500,000.00	491,495.00	498,766.44	3.450	3.460	3.508	1,676	
90261XFY3	20100610-010	UBS Financial Services, Inc		06/10/2010	500,000.00	512,460.00	497,502.77	3.875	3.965	4.020	1,385	
	Subtotal and Average		2,013,349.36		2,000,000.00	2,001,550.00	2,012,914.43		3.336	3.382	1,597	
Federal Agency Issues - Step-up												
3133712G0	20100929-002	FHLB		09/29/2010	500,000.00	493,070.00	500,000.00	1.250	1.234	1.251	89	
3136FHTN5	20090521-005	FNMA		05/21/2009	500,000.00	502,485.00	500,000.00	2.050	2.022	2.050	234	
	Subtotal and Average		1,000,000.00		1,000,000.00	995,555.00	1,000,000.00		1.628	1.650	162	
	Total and Average		3,514,184.06		3,547,000.00	3,549,807.35	3,562,652.43		2.751	2.789	1,027	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Summary
March 31, 2011

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Mat./Call	YTM/C 360 Equiv.	YTM/C 365 Equiv.
Local Agency Investment Funds	6,473,006.10	6,473,006.10	6,473,006.10	99.69	1	1	0.493	0.500
Orange County Investment Pool	20,326.56	20,326.56	20,326.56	0.31	1	1	0.692	0.702
Investments	6,493,332.66	6,493,332.66	6,493,332.66	100.00%	1	1	0.494	0.501
<hr/>								
Cash								
Passbook/Checking (not included in yield calculations)	80,805.98	80,805.98	80,805.98		1	1	0.000	0.000
Total Cash and Investments	6,574,138.64	6,574,138.64	6,574,138.64		1	1	0.494	0.501
<hr/>								
Total Earnings	March 31 Month Ending	Fiscal Year To Date						
Current Year	4,658.97	58,424.37						

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Investments
March 31, 2011

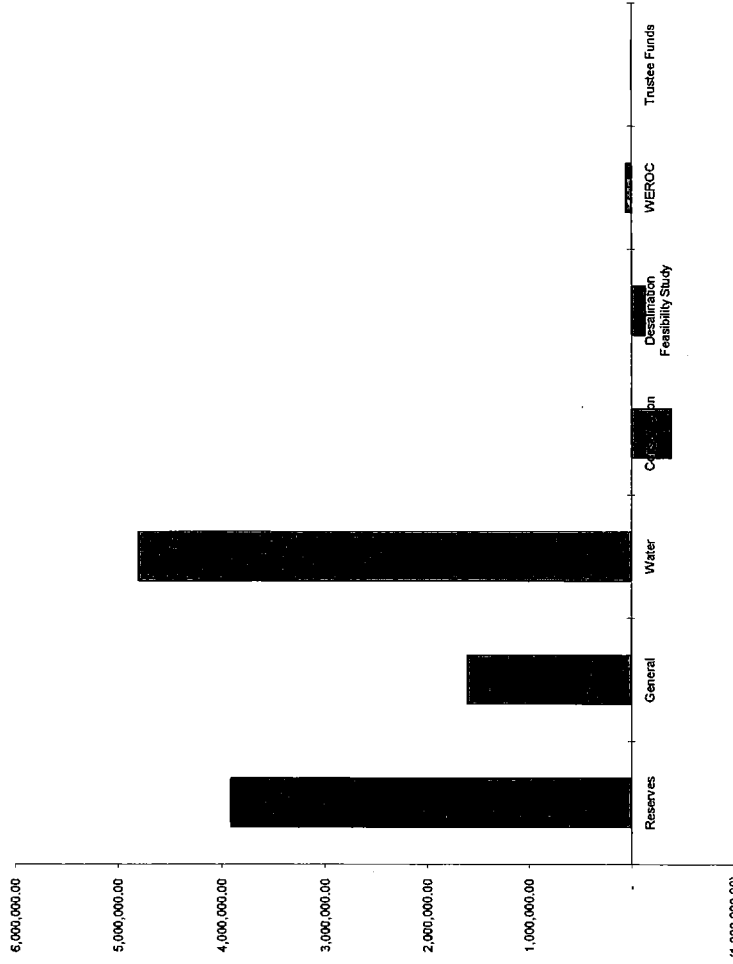
CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat./Call	Days to Maturity	
Local Agency Investment Funds												
SYS000000001LAI	000000001LAI	Local Agency Investment Fund			6,473,006.10	6,473,006.10	6,473,006.10	0.500	0.493	0.500	1	
		Subtotal and Average	10,781,877.07		6,473,006.10	6,473,006.10			0.493	0.500	1	
Orange County Investment Pool												
SYSOCIP	OCIP	County of Orange		06/29/2005	20,326.56	20,326.56	20,326.56	0.702	0.692	0.702	1	
		Subtotal and Average	20,327.67		20,326.56	20,326.56			0.692	0.702	1	
		Total and Average	10,976,966.67		6,493,332.66	6,493,332.66			0.494	0.501	1	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash
March 31, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM/C 360	YTM/C 365 Mat./Call	Days to	
Passbook/Checking Accounts												
SYS00000CHK-GEN	00000CHK-GEN	Bank of America		07/01/2010	80,305.98	80,305.98	80,305.98		0.000	0.000	1	
SYSZ0000PCV-GEN	Z0000PCV-GEN	Petty Cash		07/01/2010	500.00	500.00	500.00		0.000	0.000	1	
		Average Balance	0.00								1	
Total Cash and Investments			10,976,966.67		6,574,138.64	6,574,138.64	6,574,138.64		0.494	0.501	1	

Cash and Investments at March 31, 2011

<u>ALLOCATION</u>	<u>AMOUNT</u>	<u>%</u>
MWDOC		
Designated Reserves		
General	1,563,282	15.42%
Grant & Project Cash Flow	1,000,000	9.87%
Election Expense	500,000	4.93%
Building Repair	350,000	3.45%
Total Designated Reserves	<u>3,413,282</u>	<u>33.67%</u>
Restricted Reserves for OPEB Funding	500,000	4.93%
General	1,605,250	15.84%
Water	4,803,575	47.38%
Conservation	(391,260)	-3.86%
Desalination Feasibility Study	(137,823)	-1.36%
WEROC	56,453	0.56%
TOTAL MWDOC	<u>\$ 9,849,478</u>	<u>97.16%</u>
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 6,002	0.06%
Urban Water Managements Plan	281,312	2.78%
TOTAL TRUSTEE ACTIVITIES	<u>\$ 287,313</u>	<u>2.84%</u>
TOTAL CASH & INVESTMENTS	<u>\$ 10,136,791</u>	<u>100.00%</u>



Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 4/30/11

	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	TOTALS
Cash - Beginning Balance	\$ (291,575.34)	\$ 25,685.13	\$ (331,694.49)	\$ (363,812.61)	\$ (382,768.37)	\$ (488,908.62)	\$ (525,278.22)	\$ (565,359.05)	\$ (763,726.86)	\$ (391,259.68)	\$ (685,530.22)	\$ (685,530.22)	
REVENUES:													
BUREC		184,406.60	775.09	15,885.50				58,359.89		5,976.43			\$ 265,403.51
City of Anaheim, Brea, Buena Park		1,391.70		54.00			900.00		144.00				2,489.70
City of Fountain Valley, Fullerton		467.70	72.00	166.40		27.00	174.30	108.00	45.00	99.00			1,159.40
City of Garden Grove, Huntington Beach		408.00	136.20	279.00			135.00						958.20
City of La Palma, La Habra, Newport Bch	63.00					72.00		36.00					171.00
City of Santa Ana, San Clemente		279.00	90.00	225.00		90.00	558.00		63.00	414.00			1,719.00
City of San Juan Capistrano	144.00	361.50	220.50	171.00	893.10		610.50		108.00				2,508.60
City of Tustin, Westminster		99.00	54.00	126.00	99.00		441.00						819.00
City of Orange, DWR		4,558.50			41,070.62			162.00	350,156.70	21,288.22			417,236.04
East Orange County Water District							108.00						108.00
El Toro Water District				45.00			268.50						313.50
Golden State Water Company		1,659.67	72.00	440.70	54.00		257.10						2,483.47
Irvine Ranch Water District	457,228.88		3,750.00				122,886.28		51,100.00	1,500.00			636,465.16
Laguna Beach County Water District							72.00		189.00				261.00
Mesa Consolidated Water District		252.00		414.00	4,297.00		61.50	99.00	219.00	540.00			5,882.50
Metropolitan Water District						256.45			5,406.71				5,663.16
Moulton Niguel Water District, NRCS	108.00	32,056.39	37,052.35	117.00	279.00	28,683.81	1,404.00		16,575.45	72.00			116,348.00
MWDOC									11,646.00				11,646.00
Santa Margarita Water District		2,123.00	1,285.00	1,084.60		81.00	3,525.00	270.00	117.00				8,485.60
Serrano Water District			522.00										522.00
South Coast Water District		1,246.87		148.50			128.70			108.00			1,632.07
State Water Resources Control Board				36,043.97			69,072.57						105,116.54
Yorba Linda Water District			54.00				1,107.00		198.00				1,359.00
Trabuco Canyon Water District					90.00								90.00
Miscellaneous Revenues													
Interest Revenue							47.94						47.94
Total Revenues	457,543.88	229,309.93	44,083.14	55,200.67	46,782.72	29,210.26	201,757.39	59,034.89	435,967.86	29,997.65	-	-	\$ 1,588,888.39
EXPENDITURES:													
A&N Technical services, Autumn Print					9,197.50	9,852.88	4,610.38	4,615.25	5,871.65	10,127.30			44,274.96
Aquaficient, ABG Mktg, Bryton Printing		3,363.22	4,500.00	3,000.00		3,000.00		3,000.00		3,000.00			\$ 19,863.22
Bemus, Brad Lancaster									3,436.60				\$ 3,436.60
CA Lndscpe Contractor, Chang's Lndscp							7,500.00	2,500.00					10,000.00
Conservation Consulting, LLC, Earthco			18,411.75	14,089.50		16,173.00	7,301.75	7,256.25	4,966.30	22,556.25			90,754.80
Electric Gas Industries Assoc., Fortech			11,600.00		11,691.00		16,155.00	3,945.00					43,391.00
Federal Express, Glen's Landscaping							9,508.40	4,999.50	12,256.75				26,764.65
Geotivity, Hotel Program participant										5,300.00			5,300.00
Malcolm Pirnie Inc.	9,516.00				20,022.32								29,538.32
Metropolitan Water District	113,841.88	540,190.49	29,662.09	34,835.39	93,124.77		141,980.32	201,047.20		120,997.08			1,275,679.22
Mission RCD	14,687.96	28,134.84	9,080.92	12,015.72	8,091.88	19,649.98	23,842.67	14,099.60	7,285.88	15,402.86			152,292.31
Rafelis Financial Consultants				5,012.65	945.00		2,046.00			630.00			8,633.65
Prudential Overall Supply, Rajan Brown		2,466.00	1,861.50	3,723.00	4,083.00	1,861.50	4,459.50	900.00	5,073.00	511.50			24,939.00
Sierra Analytical Labs, Spero Strategies						11,570.00	2,860.00						14,430.00
Terra Firma, Turf Removal, URS Corp	1,760.00	3,547.50		900.00	1,845.00		18,685.00		21,518.00	127,570.70			175,826.20
Wade Landscaping							2,379.20	3,898.40					6,277.60
Waterwise Consulting, Inc.		8,987.50	1,085.00		3,922.50	3,472.50	510.00	11,141.50	3,092.50	18,172.50			50,384.00
Miscellaneous Expenses													
Interest Expense	477.57			580.17									1,057.74
Total Expenditures	140,283.41	586,689.55	76,201.26	74,156.43	152,922.97	65,579.86	241,838.22	257,402.70	63,500.68	324,268.19	-	-	\$ 1,982,843.27
Cash - Ending Balance	\$ 25,685.13	\$ (331,694.49)	\$ (363,812.61)	\$ (382,768.37)	\$ (488,908.62)	\$ (525,278.22)	\$ (565,359.05)	\$ (763,726.86)	\$ (391,259.68)	\$ (685,530.22)	\$ (685,530.22)	\$ (685,530.22)	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2010 THRU MARCH 31, 2011

**Municipal Water District of Orange County
Combined Balance Sheet
As of March 31, 2011**

<u>ASSETS</u>	Amount
Cash in Bank	80,805.98
Investments	10,055,985.09
Accounts Receivable	18,068,010.37
Accounts Receivable - Other	345,193.40
Accrued Interest Receivable	38,777.08
Prepays/Deposits	209,206.38
Leasehold Improvements	2,675,264.08
Furniture, Fixtures & Equipment	654,957.81
Less: Accum Depreciation	(2,090,129.94)
TOTAL ASSETS	<u><u>\$30,038,070.25</u></u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	17,276,895.62
Accrued Salaries and Benefits Payable	337,267.75
Other Liabilities	654,535.03
Unearned Revenue	1,291,564.49
Total Liabilities	<u>19,560,262.89</u>
Fund Balances	
Restricted Fund Balances	
Reserve for OPEB Funding	500,000.00
Water Fund - T2C	4,672,427.40
Water Fund - CC	89,420.14
Total Restricted Fund Balances	<u>5,261,847.54</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	1,563,282.00
Grant & Project Cash Flow	1,000,000.00
Election Expense	500,000.00
Building Repair	350,000.00
Total Designated Reserves	<u>3,413,282.00</u>
WEROC	80,528.11
Total Unrestricted Fund Balances	<u>80,528.11</u>
Investments in Capital Assets	1,278,130.63
Excess Revenue over Expenditures	
Operating Fund	631,595.06
Other Funds	(187,575.98)
Total Fund Balance	<u>10,477,807.36</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$30,038,070.25</u></u>

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru March 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	3,493,539.00	3,493,539.00	100.00%	0.00	0.00
Water Increment	66,955.38	1,294,031.52	1,816,216.00	71.25%	0.00	522,184.48
Water rate revenues	66,955.38	4,787,570.52	5,309,755.00	90.17%	0.00	522,184.48
Interest Revenue	10,903.24	121,251.23	115,000.00	105.44%	0.00	(6,251.23)
Subtotal	77,858.62	4,908,821.75	5,424,755.00	90.49%	0.00	515,933.25
Miscellaneous Income	11.86	38,995.67	3,000.00	1299.86%	0.00	(35,995.67)
School Contracts	3,284.10	55,850.20	60,000.00	93.08%	0.00	4,149.80
Gain on Sale of Investments	15,000.00	26,660.00	0.00	0.00%	0.00	(26,660.00)
Transfer-In From Reserve	0.00	0.00	(9,141.00)	0.00%	0.00	(9,141.00)
Subtotal	18,295.96	121,505.87	53,859.00	225.60%	0.00	(67,646.87)
TOTAL REVENUES	96,154.58	5,030,327.62	5,478,614.00	91.82%	0.00	448,286.38

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July thru March 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	299,489.13	2,007,016.80	2,657,409.00	75.53%	0.00	650,392.20
Salaries & Wages - Grant Recovery	0.00	(9,052.83)	(139,049.00)	6.51%	0.00	(129,996.17)
Directors' Compensation	15,513.40	127,874.74	171,733.00	74.46%	0.00	43,858.26
MWD Representation	8,864.80	71,361.64	75,000.00	95.15%	0.00	3,638.36
Employee Benefits	71,348.04	640,516.77	850,125.00	75.34%	0.00	209,608.23
Employee Benefits - Grant Recovery	0.00	(2,714.02)	0.00	0.00%	0.00	2,714.02
Director's Benefits	6,078.49	56,444.31	75,186.00	75.07%	1,372.00	17,369.69
Health Ins \$'s for Retirees	2,342.03	26,883.01	33,940.00	79.21%	0.00	7,056.99
Training Expense	867.97	4,224.78	7,000.00	60.35%	0.00	2,775.22
Tuition Reimbursement	0.00	1,669.33	8,000.00	20.87%	0.00	6,330.67
Temporary Help Expense	0.00	3,120.00	3,000.00	104.00%	0.00	(120.00)
Personnel Expenses	<u>404,503.86</u>	<u>2,927,344.53</u>	<u>3,742,344.00</u>	<u>78.22%</u>	<u>1,372.00</u>	<u>813,627.47</u>
Engineering Expense	87,949.47	186,838.10	241,000.00	77.53%	57,588.88	(3,426.98)
Legal Expense	26,822.73	300,061.66	268,000.00	111.96%	113,755.24	(145,816.90)
Audit Expense	0.00	17,800.00	19,200.00	92.71%	0.00	1,400.00
Professional Services	59,527.90	332,684.13	575,200.00	57.84%	211,151.47	31,364.40
Professional Services - Grant Recovery	(11,314.71)	(15,594.26)	(105,200.00)	0.00%	0.00	(89,605.74)
Professional Fees	<u>162,985.39</u>	<u>821,789.63</u>	<u>998,200.00</u>	<u>82.33%</u>	<u>382,495.59</u>	<u>(206,085.22)</u>
Conference-Staff	471.00	5,359.50	7,446.00	71.98%	0.00	2,086.50
Conference-Directors	176.00	9,313.50	5,040.00	184.79%	0.00	(4,273.50)
Travel & Accom.-Staff	1,118.89	28,935.86	18,780.00	154.08%	0.00	(10,155.86)
Travel & Accom.-Directors	643.68	11,807.73	16,880.00	69.95%	0.00	5,072.27
Travel & Conference	<u>2,409.57</u>	<u>55,416.59</u>	<u>48,146.00</u>	<u>115.10%</u>	<u>0.00</u>	<u>(7,270.59)</u>
Membership/Sponsorship	3,109.00	70,943.11	75,486.00	93.98%	0.00	4,542.89
CDR Support	0.00	28,500.00	38,000.00	75.00%	9,500.00	0.00
Dues & Memberships	<u>3,109.00</u>	<u>99,443.11</u>	<u>113,486.00</u>	<u>87.63%</u>	<u>9,500.00</u>	<u>4,542.89</u>
Maintenance Office	18,243.71	110,893.20	111,723.00	99.26%	31,487.39	(30,657.59)
Storage Rental & Equipment Lease	1,642.07	15,504.77	18,508.00	83.77%	3,230.16	(226.93)
Office Supplies	3,706.55	33,628.13	27,600.00	121.84%	5,880.40	(11,908.53)
Postage/Mail Delivery	1,244.96	10,923.39	19,076.00	57.26%	2,812.86	5,339.75
Subscriptions & Books	28.80	3,130.51	2,340.00	133.78%	0.00	(790.51)
Reproduction Expense	300.16	15,179.93	38,000.00	39.95%	0.00	22,820.07
Maintenance-Computers	901.42	6,063.45	6,000.00	101.06%	2,193.21	(2,256.66)
Software Purchase	718.68	1,565.13	6,000.00	26.09%	500.00	3,934.87
Software Support	0.00	11,596.11	25,000.00	46.38%	0.00	13,403.89
Automotive Expense	1,695.05	10,288.78	13,952.00	73.74%	0.00	3,663.22
Toll Road Charges	80.00	630.00	730.00	86.30%	0.00	100.00
Insurance Expense	12,392.50	80,683.71	105,000.00	76.84%	0.00	24,316.29
Utilities - Telephone	1,145.59	15,308.74	20,000.00	76.54%	0.00	4,691.26
Bank Fees	793.30	7,853.72	9,100.00	86.30%	0.00	1,246.28
Miscellaneous Expense	2,678.00	53,279.27	63,050.00	84.50%	1,198.11	8,572.62
MWDOC's Contrb. To Programs	7,529.91	67,769.27	90,359.00	75.00%	0.00	22,589.73
Depreciation Expense	3,682.91	38,038.68	0.00	0.00%	0.00	(38,038.68)
Other Expenses	<u>56,783.61</u>	<u>482,336.79</u>	<u>556,438.00</u>	<u>86.68%</u>	<u>47,302.13</u>	<u>26,799.08</u>
Election Expense	0.00	3,327.66	0.00	0.00%	0.00	(3,327.66)
Capital Acquisition	0.00	9,074.25	20,000.00	45.37%	0.00	10,925.75
TOTAL EXPENSES	<u>629,791.43</u>	<u>4,398,732.56</u>	<u>5,478,614.00</u>	<u>80.29%</u>	<u>440,669.72</u>	<u>639,211.72</u>
NET INCOME (LOSS)	<u>(533,636.85)</u>	<u>631,595.06</u>	<u>0.00</u>			

**Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July thru March 2011**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	6,501,360.70	89,130,277.60	138,694,327.00	64.26%	49,564,049.40
Readiness to Serve Charge	684,986.00	5,571,972.00	7,022,508.00	79.34%	1,450,536.00
Capacity Charge CCF	293,700.00	2,570,220.00	3,378,240.00	76.08%	808,020.00
SCP Surcharge	13,575.08	206,312.38	349,353.00	59.06%	143,040.62
Interest	1,855.19	17,066.65	46,900.00	36.39%	29,833.35
TOTAL WATER REVENUES	<u>7,495,476.97</u>	<u>97,495,848.63</u>	<u>149,491,328.00</u>	<u>65.22%</u>	<u>51,995,479.37</u>
<u>WATER PURCHASES</u>					
Water Sales	6,501,360.70	89,130,277.60	138,694,327.00	64.26%	49,564,049.40
Readiness to Serve Charge	684,986.00	5,571,972.00	7,022,508.00	79.34%	1,450,536.00
Capacity Charge CCF	293,700.00	2,570,220.00	3,378,240.00	76.08%	808,020.00
SCP Surcharge	13,575.08	206,312.38	349,353.00	59.06%	143,040.62
TOTAL WATER PURCHASES	<u>7,493,621.78</u>	<u>97,478,781.98</u>	<u>149,444,428.00</u>	<u>65.23%</u>	<u>51,965,646.02</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>1,855.19</u>	<u>17,066.65</u>	<u>46,900.00</u>		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July thru March 2011

	Year to Date Actual	Annual Budget	% Used
Landscape Performance Certification			
Revenues	114,509.75	113,000.00	101.34%
Expenses	<u>125,729.32</u>	<u>113,000.00</u>	111.26%
Excess of Revenues over Expenditures	(11,219.57)	0.00	
SmarTimer Rebate			
Revenues	298,146.88	920,890.00	32.38%
Expenses	<u>327,343.68</u>	<u>920,890.00</u>	35.55%
Excess of Revenues over Expenditures	(29,196.80)	0.00	
Industrial Water Use Reduction			
Revenues	31,163.67	347,425.00	8.97%
Expenses	<u>38,826.84</u>	<u>347,425.00</u>	11.18%
Excess of Revenues over Expenditures	(7,663.17)	0.00	
Rotating Nozzles Rebate			
Revenues	78,710.00	200,400.00	39.28%
Expenses	<u>94,981.52</u>	<u>200,400.00</u>	47.40%
Excess of Revenues over Expenditures	(16,271.52)	0.00	
Synthetic Turf Program			
Revenues	8,026.10	0.00	0.00%
Expenses	<u>5,763.98</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	2,262.12	0.00	
Hotel Water Use Reduction Program			
Revenues	74,309.26	309,849.00	23.98%
Expenses	<u>300,011.46</u>	<u>309,849.00</u>	96.83%
Excess of Revenues over Expenditures	(225,702.20)	0.00	
ULFT Rebate Program			
Revenues	28,137.90	100,000.00	28.14%
Expenses	<u>16,587.61</u>	<u>100,000.00</u>	16.59%
Excess of Revenues over Expenditures	11,550.29	0.00	
HECW Rebate Program			
Revenues	413,507.00	350,000.00	118.14%
Expenses	<u>372,907.00</u>	<u>350,000.00</u>	106.54%
Excess of Revenues over Expenditures	40,600.00	0.00	
CII Rebate Program			
Revenues	73,191.50	0.00	0.00%
Expenses	<u>73,191.50</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	0.00	0.00	0.00%
Expenses	<u>19,018.48</u>	<u>0.00</u>	0.00%
Excess of Revenues over Expenditures	(19,018.48)	0.00	

Municipal Water District of Orange County
WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)
From July thru March 2011

WEROC			
Revenues	154,879.27	182,056.00	85.07%
Expenses	130,322.19	182,056.00	71.58%
Excess of Revenues over Expenditures	<u>24,557.08</u>	<u>0.00</u>	
WEROC EOC Remodal			
Revenues	0.00	83625.00	0.00%
Expenses	53941.14	83625.00	64.50%
Excess of Revenues over Expenditures	<u>-53941.14</u>	<u>0.00</u>	
WUE Projects			
Revenues	1,119,702.06	2,341,564.00	47.82%
Expenses	1,374,361.39	2,341,564.00	58.69%
Excess of Revenues over Expenditures	<u>(254,659.33)</u>	<u>0.00</u>	
RPOI Distributions			
Revenues	231,735.50	1,552,605.00	14.93%
Expenses	231,735.50	1,552,605.00	14.93%
Excess of Revenues over Expenditures	<u>0.00</u>	<u>0.00</u>	
Ocean Desalination			
Revenues	532,076.20	2,503,000.00	21.26%
Expenses	853,832.28	2,503,000.00	34.11%
Excess of Revenues over Expenditures	<u>(321,756.08)</u>	<u>0.00</u>	



CONSENT CALENDAR - ACTION ITEM

May 18, 2011

To: Board of Directors

**From: Administration & Finance Committee
(Directors Thomas, Royce and Barbre)**

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	Encumbrance	Budget Remaining
Conference-Staff	471.00	5,359.50	7,446.00	71.98%	0.00	2,086.50
Conference-Directors	176.00	9,313.50	5,040.00	184.79%	0.00	(4,273.50)
Travel & Accom.-Staff	1,118.89	28,935.86	18,780.00	154.08%	0.00	(10,155.86)
Travel & Accom.-Directors	643.68	11,807.73	16,880.00	69.95%	0.00	5,072.27
Travel & Conference	<u>2,409.57</u>	<u>55,416.59</u>	<u>48,146.00</u>	<u>115.10%</u>	<u>0.00</u>	<u>(7,270.59)</u>



Item No. 3a

ACTION ITEM

May 18, 2011

TO: Board of Directors

FROM: Administration & Finance Committee
(Thomas, Royce, Barbre)

Kevin Hunt, General Manager

Staff Contact: Katie Davanaugh

SUBJECT: National Water Resources Association
2011 Western Water Seminar
July 25-27, 2011
Boulder, CO

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Brochure is attached.

Cost:

Conference registration	\$525
Hotel	\$220 /night
Flight	\$838 (American)
Ground transport	\$30



**National Water Resources Association
2011 Western Water Seminar**

**Cheyenne Mountain Resort
Colorado Springs, Colorado**

July 25-27

2011 Western Water Seminar

July 25-27, 2011 • Cheyenne Mountain Resort • Colorado Springs, Colorado

Mail completed form to 1810 Wynthrop Manor Drive, Marietta, GA 30064
or FAX to: 1-(770) 424-9468 (Questions – e-mail travworldnet@mindspring.com)

REGISTRATION FORM

(Please use separate form for each registrant)

NAME: _____ TITLE: _____

AFFILIATION: _____ NAME FOR BADGE: _____

SPOUSE/GUEST NAME (only if registered) _____

ADDRESS: _____

CITY/STATE/ZIP: _____

PHONE: (____) _____ - _____ FAX: (____) _____ - _____

E-MAIL: (please print clearly) _____

_____ \$525 Early Registration (**by July 9**) _____ \$600 Non-Member Registration

Includes Reception, Barbecue, All sessions

_____ \$600 Late/Onsite Registration (**after July 9**)

Includes Reception, Barbecue, All sessions

_____ \$100 Spouse/Guest Registration

Includes Reception and Barbecue

_____ \$100 USBR Employees

Includes Reception and Barbecue, All Sessions

_____ \$300 LIFE MEMBER REGISTRATION

Includes Reception, Barbecue, All Sessions

ADDITIONS AND OPTIONAL EVENTS

_____ \$35 Additional Reception Ticket _____

_____ \$65 Additional Barbecue Ticket _____

_____ Free Children's Barbecue Ticket(s) _____

PLEASE NOTE: There is no charge for children 11 and under. They will be served a special meal. Please indicate the number of "11 and under" meals required for planning and ticketing purposes.

_____ \$125 Golf Outing (Includes range balls, greens fee and cart)

_____ **TOTAL [Registration(s), additions and optional events]**

METHOD OF PAYMENT (Please check applicable box)

_____ Enclosed is a check made payable to NWRA

_____ Please charge my credit card (circle one) American Express MasterCard Visa

NAME (on card; print or type) _____ EXP. DATE _____

ACCT#: _____ SIGNATURE: _____



Preliminary Schedule of Events

MONDAY, July 25

- 8 am NWRA Golf Tournament
- 9 am Policy Development
- 3 pm Federal Affairs Committee
- 3-6 pm Registration
- 5:30 pm Welcoming Reception

TUESDAY, July 26

- 7 am Registration
- 7:30 am Continental Breakfast
- 8:30 am Irrigation Caucus Meeting
- 9:30 am General Session I
- 11:30 am Lunch (Hosted by CWC)
- 1 pm General Session II
- 3 pm Board of Directors
- 6 pm Western Barbeque

WEDNESDAY, July 27

- 7:30 am Registration
- 7:30 am Continental Breakfast
- 8:30 am Municipal Caucus Meeting
- 9:30 am General Session III
- Noon Lunch (on own)
- 1 pm Task Force Reports
- 4 pm Adjourn

NWRA Golf Tournament: This year's tournament will feature an individual play team competition on the Pete Dye designed Cheyenne Mountain Course. We have reserved 12 tee times, starting at noon. The \$125 fee will include a boxed lunch, golf, cart, \$10 merchandise credit and use of the practice facilities. Competition will be stroke play with handicap.

PANELS AND PROGRAM : the program for this year's conference will feature panel presentations and discussions on a variety of water quantity and quality issues impacting water supply in the West.

For updates on panels and speakers you are urged to log onto www.nwra.org after May 1 for the latest in program information.

CHEYENNE MOUNTAIN RESORT

Room Rates and Reservations



ROOM RATES: \$220 single/double (for king or double queen) plus 9.4% tax. Additionally, there will be a \$10 per day facilities service charge to cover wireless internet access in guestrooms and public areas, bell and maid gratuities, 800 and local call access, newspapers, in-room coffee and tea, fitness center and parking.

ROOM RESERVATIONS: Attendees can make their hotel reservations now by calling 1-800-588-0250 and identifying themselves with the NWRA group. Room reservations must be made no later than June 23, 2011. Check in time is 4:00 pm; check out time is noon. Attendees must cancel their room reservations at least 48 hours prior to their scheduled arrival in order to avoid a one night cancellation charge.

GROUND TRANSPORTATION

Attendees flying into Colorado Springs can arrange transfers through the hotel, \$18 per person one way and \$30 per person round trip. To schedule transfers attendees should call the resort direct at (719) 538-4000 and ask for guest services.

CONFERENCE REFUND POLICY

A \$150 administrative fee will be charged on all refund requests. Refunds will be processed thirty (30) days after the seminar. There will be no refunds for cancellations received after COB July 15, 2011. Refund requests should be mailed to Travel Worldwide Network, 1810 Wynthrop Manor Drive, Marietta, GA 30064 or faxed to: 1-770-424-9468 or email to travworldnet@mindspring.com.

CONFERENCE NOTES

The Complete Meeting Package provides for a continental breakfast for all registered attendees on Tuesday and Wednesday morning from 7:30-9:00 am. As a result, business meetings of the Irrigation and Municipal Caucuses are scheduled from 8:30-9:30 am on Tuesday and Wednesday respectively.

Due to frequent thunderstorms in the afternoons, the Golf tournament is scheduled for the Monday morning with a shot gun start at 8:00 am.



ACTION ITEM

May 18, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Karl Seckel/Russ Behrens (KBT)

SUBJECT: Contracting for Professional Services at MWDOC

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize changes in procedures for contracting for professional services as outlined below with respect to sole source contracts and reporting of contracts.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY REPORT

Following are the recommended changes in procedures for contracting for professional services:

1. The form included in Attachment B is to be used for all sole source contracts between \$3,000 and \$25,000 in value. This form will be placed in our Contracts Manual that is under preparation.
2. The General Manager shall complete the Sole Source Procurement Form (Form) for Projects \$3,000 - \$25,000 at the time that the contract is awarded. The General Manager shall include the Form on the next Board or Committee agenda as an informational item. If time constraints occur, the General Manager shall send an email and any supporting documentation to the Board President regarding the contract at least one week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item. This change will be included in the Administrative Code (see revision highlighted in Attachment A).

3. On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract.

DETAILED REPORT

The Board recently raised several questions regarding contracts awarded in the past and also raised an issue regarding when staff utilizes a Request for Proposal (RFP) versus a Request for Qualifications (RFQ) procedure. The issues regarding award of contracts are:

- The award of sole source contracts by the General Manager.
- Notification of Board members regarding contracts that are between \$3,000 and \$25,000 in value and awarded by the General Manager.

For background purposes, Section 8000 of the MWDOC Administrative Code is attached. This section currently governs the selection and award of contracts for professional services.

Discussion

The MWDOC Administrative Code includes the following criteria which are to be used to qualify candidates for professional services.

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

Staff's use of these criteria enables us to answer the question of "how can we secure the services we need by the best folks at a reasonable cost". For contracts greater than \$25,000, the specifics of all eight items are reviewed before developing an RFP or recommending to the Board a sole source contract. When contracts are less than \$25,000, staff informally answers the same questions, with the primary driver being selecting the right expertise at the right cost.

Changes were requested by the A&F Committee at the April meeting. Staff prepared those changes and submitted them to Russ Behrens, the District's attorney at KBT and additional clarifications were made. The changes are being submitted back to the A&F Committee for review and consideration.

Staff would like to draw attention to the change in the footnote in the Table noted as Exhibit A. The footnote is shown below. The previous version of the footnote did not have a timeframe noted for the work exceeding \$25,000. Staff is suggesting some timeframe be included for clarification. Staff has suggested two years. The Board may desire a longer timeframe.

*Any aggregate work that will exceed \$25,000 for any one consultant over a two year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors to approve the work.

Attachment A
EXISTING ADMINISTRATIVE CODE EXCERPT
(with proposed changes marked)
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE
CONTRACTS
§8000-§8004

§8000 CONTRACTS

Contract documents shall consist of such documents as the General Manager may deem desirable and as approved as to form by MWDOC's Legal Counsel in addition to those required by law. The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings. Whenever an award is made by the Board, such award shall constitute approval of the contract documents and contractor or consultant shall be authorized to proceed with the provision of services or materials described in the contract document, subject to compliance with the insurance and bonding requirements, execution of all documents and, where applicable, issuance by MWDOC of a Notice to Proceed.

The procedures for entering into contracts shall be pursuant to the laws governing MWDOC and those policies outlined in MWDOC's Contracts Manual.

§8001 APPROVING AUTHORITY FOR PURCHASES/CONTRACT SERVICES

Approving authorities listing the standards and procedures for various purchases and contract services are listed in the matrix attached to this section as Exhibit A.

The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000.

§8002 STANDARD AGREEMENT FOR CONSULTANT SERVICES

During the budget approval process, each fiscal year, a listing of all proposed contracts with consultants to provide ongoing or new professional services such as auditing, legal or engineering services shall be included in the budget for approval. After Board approval, a "Standard Agreement for Consultant Services" shall be prepared and completed, including receipt of all required insurance documents, before services are initiated. The Agreement shall have a scope of work attached and incorporated into the Agreement by reference, specifically setting out the tasks to be completed. Tasks other than those specifically described shall not be performed without prior written approval of the General Manager.

Work performed under such Agreement is to be billed and paid for at rates set forth in the consultant's fee schedule or schedule of charges and invoices must reference the appropriate Purchase Order number as referenced in the Agreement.

MWDOC's Ethics Policy (Section 7100-7111) shall be incorporated in to the Standard Agreement for Consultant Services, as an Exhibit.

Selection of Consultants

The following criteria shall be used to qualify candidates for professional services.

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

Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority

In the event that Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President at least a week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract.

Procedures for Developing Requests for Proposals

Staff will prepare a description of the proposed project, its purpose, location, and other pertinent facts and shall request interested consultants to submit proposals; consultants may be requested to submit a statement of qualifications for certain activities. The proposals shall contain detailed information, including, but not limited to, the firm's ability to perform the job within the designated timeframe, the firm's design team, the firm's

proposed use of sub-contractors, the firm's proposed scope of work, level of effort and estimated cost range, and contract documents.

§8003 REQUISITIONS AND PURCHASE ORDERS

All requests for purchases require the completion of a requisition signed by the appropriate Program Manager. If the Program Manager is not available, the Assistant Manager may sign the requisition. All requisitions for purchases over \$3,000 require the issuance of a purchase order. A copy of the purchase order is to be provided to the Program Manager. The Finance Manager may authorize purchases up to \$3,000 with the General Manager and the Finance Manager required to sign for purchases over \$3,000.

In the absence of the Finance Manager or General Manager, the Assistant Manager and/or the Sr. Accountant are authorized to sign purchase orders. It is normally expected that neither the General Manager nor the Finance Manager nor those signing in their absence shall sign their own purchase orders. However, if those whose signatures are normally required are not available, they may sign their own purchase orders provided the purchase is ratified upon the return of the one who would normally sign. Confirming purchase orders are used for emergency situations only and require approval of the General Manager.

A. Procurement Policy

Every attempt will be made to obtain the best quality materials, equipment supplies and services in the optimum time frame for the minimum price. Quality of performance, as well as lowest cost, will be considered in the process.

B. Requisition Forms

The purchase requisition form shall be used for requesting the purchase of supplies, material, equipment, labor or services. The requisition form shall be submitted sufficiently in advance of the date the supplies, materials, equipment, labor or services are needed, in order to allow time for processing of a purchase order.

Requisitions are to clearly specify the type, quantity, quality and cost of the goods or services required. Common-use items should be described by their popular names, supplemented by number, size, style or other identifying data. In the case of items or services regularly needed in MWDOC operations, where experience and convenience have indicated the most economical and convenient place of purchase, the requisition should indicate the name and address of the customarily used vendor. If the vendor is not incorporated, their Tax ID number must be indicated on the form.

If transportation costs are involved, the manner in which the goods are to be shipped is to be shown on the requisition together with the approximate cost if MWDOC is to pay those costs. If items requisitioned need to be installed or assembled, it should be stated on the requisition whether MWDOC or the vendor is to do the installing or assembling. Any unusual conditions in connection with delivery and/or installation/assembly should be indicated.

C. Chargeable Account

Each requisition will specify the program and activity for which the supplies, materials, equipment or services are necessary so that the costs of such purchase may be charged to the proper account. The Program Manager approving the requisition shall insure there are sufficient unencumbered funds in the proper account to cover the cost of the purchase.

D. Inspection and Acceptance of Order

The requisitioner in all cases is responsible for inspecting and for accepting or rejecting deliveries and for determining that both the quality and quantity of the delivery are as specified on the purchase order. The requisitioner shall sign the delivery ticket and submit it to Accounting as certification that the goods were received and accepted. If the goods delivered do not conform to the specifications indicated on the purchase order, the requisitioner shall immediately notify the vendor and Accounting that the delivery is rejected and will require satisfactory replacement or a supplemental delivery or a credit for returned goods.

§8004 PERSONS OR COMPANIES REPORTING GIFTS

All contracts shall contain provisions as contained in Administrative Code Section 7105 with regard to reporting of gifts.

Exhibit A
AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND
CONSULTING & PROFESSIONAL SERVICES

TABLE 1 – REGULAR SITUATIONS

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$3,000	<ul style="list-style-type: none"> • 2 written quotes on purchases • Selection based on qualifications for professional services 	Program Manager & Finance Manager	N/A
\$3,001 - \$25,000**	<ul style="list-style-type: none"> • Competitive bidding process on purchases • Competitive proposals on professional services contracts. • If competitive proposals are not utilized, a justification for sole source services must be completed and submitted to the next Board meeting as an informational item. 	Program Manager & GM	N/A
Over \$25,000	<ul style="list-style-type: none"> • Request for competitive proposals or bidding as appropriate 	General Manager	Committee and Board of Directors

*Any aggregate work that will exceed \$25,000 for any one consultant over a two year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors to approve the work.

**The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

TABLE 2 – EMERGENCY SITUATIONS**

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$100,000	Purchase order/Agreement or Contract	General Manager	Board of Directors ratification at next regular meeting or earliest special meeting
Over \$100,000	Agreement or Contract	General Manager	Board of Directors

**Events requiring immediate extraordinary action to protect public health, safety, welfare and property (see§1307)

Attachment B – Proposed NEW Form
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Fiscal Year 2010/2011

***Sole Source Procurement Justification
for Projects under \$25,000****



- A. Supplier Information/Name of Company and Prime Contact at the Supplier and at MWDOC:

- B. Product(s) or Service(s) to be provided and Deliverables:

- C. Justification Definition**

- D. Narrative Explanation and Budget Line Item Reference:

- E. Signature/Approvals:

Requestor

Date

General Manager

Date

* Projects over \$25,000 must go to a Committee of the Board.

** Possible justifications include but are not limited to: Only qualified bidder; Proprietary item; Urgent necessity; Bid process did not produce competitors; Governmental agency, association or Utility; Prior phase of professional services contract completed successfully by same Consultant; and Special technical expertise by Consultant for tasks desired.



ACTION ITEM

May 18, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Cathy Harris
Administrative Services Manager

SUBJECT: REVISIONS TO DISTRICT RETENTION SCHEDULE

STAFF RECOMMENDATION

Staff recommends the Board of Directors approve the changes to pages, 6, 13 and 18 of the District Retention Schedule, as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The entire District Retention Schedule was amended in November 2010. Since that time, the Records Coordinator has been working with various departments in evaluating all of the documents being retained. It has been determined that certain sections of the Retention Schedule need to be revised to more clearly define what needs to be retained as it pertains to the operations of the District. The updates will lower storage costs, reduce demands on staff time to manage records, and safeguard MWDOC liability.

The specific areas identified at this time and require changes are:

- Delete retention code *ADM19 Associations*: redundant-will utilize *ADM 21 Other Agencies* for pertinent records from all non-member agencies
- Update retention code *ADM20 MWDOC Member Agencies*: we will only retain records that are of direct impact to MWDOC. Due to the increased accessibility of

Budgeted (Y/N): No	Budgeted amount: NA
Action item amount: None	Line item:
Fiscal Impact (explain if unbudgeted):	

records through websites and electronic mail, it is no longer necessary to retain general information items in our files.

- Update retention code *MWD01 Metropolitan Board and Administrative Information*: we will only retain records relating to Metropolitan issues of vital interest to MWDOC that are not easily obtained or readily available through electronic means.
- Update retention code *FIN11 Banking Record*: reduce the period of retention to 7 years after audit. This will keep MWDOC more in line with the Secretary of State guidelines for these types of records and is consistent with the retention of other finance related documents.

MWDOC shall continue to maintain any record that a staff member deems to have an impact on district business or has historical or reference value.

Attached are the sections of the District's Retention Schedule showing the redlined changes.

Staff recommends the Board of Directors approve the changes to pages, 6, 13 and 18 of the District Retention Schedule, as presented.

**Municipal Water District of Orange County (MWD OC)
Records Retention Schedule**

October 2010 May 2011

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
ADM18	EQUIPMENT MAINTENANCE & WARRANTY INFORMATION		
	Records related to the maintenance, & warranty information for equipment & furniture purchased by the District. Does not include purchase or repair invoices (see Finance section). <i>Citation(s): CA GC 60201, 60203</i>	SA+4	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM19	ASSOCIATIONS		
	Records related to professional, industry, or trade associations of which the District is a member or has a business interest. Includes correspondence, association board & committee agenda packets, and reports & fact sheets. Excludes membership renewal notices. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ADM20	MWD OC MEMBER AGENCIES		
	Correspondence to and from Member Agencies, includes board packets, agendas, minutes, <u>relating to issues directly impacting MWD OC business</u> and information from Member Agency Manager's Meetings. <i>Citation(s): CA GC 60201, 60203</i>	7	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM21	OTHER AGENCIES		
	Correspondence to and from other agencies relating to MWD OC business. <i>Citation(s): CA GC 60201, 60203</i>	5	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
ADM22	OUTSIDE AGENCY EVENT INFORMATION		
	Records related to events sponsored by other agencies attended by MWD OC Directors & Staff. Includes conference & seminar information and travel records. Does not include attendance records, expense reports, or payment records. <i>Citation(s): CA GC 60201, 60203</i>	CL+2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

RETENTION PERIOD EVENT CODES

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review
AU – After Audit
CL – Closed, Completed

CU - Current Year
EX – Expiration/end of usefulness
PE – Permanent

RE – Revised
SA – Sale, Disposition
ST – Settlement

SU – Superseded
TE – Termination

Characteristics
V - Vital
H - Historical
C - Confidential

**Municipal Water District of Orange County (MWD OC)
Records Retention Schedule**

October 2010 May 2011

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MWD01	METROPOLITAN BOARD AND ADMINISTRATIVE INFORMATION		
	Records related to Metropolitan board activities including notices, agendas, packets, summaries, reports & notes; and administrative issues of vital interest to MWD OC business, that are not easily obtained or readily available through electronic means, including: rate information, budget, financial information, drought allocation, and agreement information for reference. <i>Citation(s): CA GC 60201, 60203</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD02	OPERATIONS & SERVICE INTERRUPTIONS		
	Records related to Metropolitan water operations. Includes shutdown & chlorination notifications & reports, treatment facilities, distribution system (including maps, capacity diagrams, & detailed schematics), water quality, and water reliability. <i>Citation(s): CA GC 60201, 60203, 40 CFR 141.33</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD03	PROJECTS & PROGRAMS		
	Records related to Metropolitan projects and programs. Includes Capital Improvement Program, desalination projects, water supply projects, Interim Agricultural Water Program, Local Resources Program, power related projects, groundwater Conjunctive Use Programs, and Community Partnering Program. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	CL+10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD04	WATER TRANSFERS & WHEELING		
	Records related to Water Transfers and Wheeling. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
MWD05	CALFED/BAY-DELTA		
	Records and correspondence related to CALFED/Bay-Delta, including governance, finance plan, fisheries, levees, salinity standards, South Delta Improvement Program, and Environmental Water Account. <i>Citation(s): CA GC 60201, 60203, 40 CFR 122.44, 40 CFR 141.33</i>	10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

RETENTION PERIOD EVENT CODES

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review
AU – After Audit
CL – Closed, Completed

CU - Current Year
EX – Expiration/end of usefulness
PE – Permanent

RE –Revised
SA – Sale, Disposition
ST – Settlement

SU – Superseded
TE – Termination

Characteristics

V - Vital
H - Historical
C - Confidential

Municipal Water District of Orange County (MWD OC)
Records Retention Schedule

October 2010 May 2011

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Code	Record Series <i>Definition and Citation(s)</i>	RETENTION	V H C
FIN07	ACCOUNTS PAYABLE		
	Records related to payment of financial obligations (money owed by the District). Includes vendor invoices, bills, check requests, statements including credits/refunds, disbursement reports, completed purchase orders & purchase requisitions, travel & expense reports, membership renewal payments, and petty cash. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN08	ACCOUNTS RECEIVABLE		
	Records related to accounting for money owed to the District. Includes cash receipts, check copies, uncollectible debts, MWD OC invoices and bankruptcies. Excludes Water Billing. <i>Citation(s): CA GC 60201, 60203</i>	ST+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN09	PAYROLL RECORDS		
	Records related to payment of labor costs. Includes employee timesheets, completed request for leave forms, salary, wage, and deferred compensation; deduction, garnishment, and retirement contribution. <i>Citation(s): 29 CFR 516.5, 29 CFR 516.6, CA GC 60201, 60203</i>	10	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
FIN10	PAYROLL TAX RECORDS		
	Records related to Annual & Quarterly payroll tax filings, includes W-2 forms. <i>Citation(s): CA GC 60201, 60203</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>
FIN11	BANKING RECORD		
	Records related to bank transactions. Includes deposits of funds, cancelled checks, check registers, bank advices, wire transfers, bank statements, and reconciliations. <i>Citation(s): AC 11100, CA GC 60201, 60203</i>	PEAU+7	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
FIN12	CASH & INVESTMENT RECORD		
	Records related to portfolio investments. Includes cash flow statement, transaction records, and investment pool statements. <i>Citation(s): CA GC 60201, 60203, AC 11100</i>	PE	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

RETENTION PERIOD EVENT CODES

All retention periods are listed in years (unless otherwise specified).

AR – Annual Review
 AU – After Audit
 CL – Closed, Completed

CU - Current Year
 EX – Expiration/end of usefulness
 PE – Permanent

RE –Revised
 SA – Sale, Disposition
 ST – Settlement

SU – Superseded
 TE – Termination

Characteristics
 V - Vital
 H - Historical
 C - Confidential



ACTION ITEM

May 18, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff
Phil

Contact:
Letrong

SUBJECT: ADOPT BUDGET AND DISCUSSION OF BUDGET ISSUES FOR 2011-12

STAFF RECOMMENDATION

Staff recommends the Board of Directors review and discuss the budget prior to approval at the May 18, 2011 Board meeting.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Based upon discussion at the A & F Committee meeting on April 13, 2011 and additional review of budget items, the following changes were made to the 2011/12 MWDOC Budget.

1. Footnotes on Intern support costs were made on Exhibit A.
2. "Fringe Benefits" line item descriptions were replaced with "Benefits"
3. Intern names were replaced with "Intern" description on Exhibit I.
4. Added 2,400 hours of Intern support in Government and Public Affairs for an additional total cost of \$24,525.

Total Operating Revenues are \$5,946,645 and total Operating Expenses are \$5,773,534, resulting in a Contribution to Reserves of \$173,112. Attached is the complete budget.

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



**Annual Budget for Fiscal Year 2011-12
Adopted on
May 18, 2011**

MWDOC's mission is:

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

MWDOC Values and Commitments

100% Water Service - never having to ration water

Supply Reliability

System Reliability

Rates Management/Efficiency

Collaborative Style Dialogue with the Member Agencies

Appropriate Investments

Planning + Investments = Reliability

**RESOLUTION NO.
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

**APPROVING AND ESTABLISHING THE MWDOC BUDGET FOR
FISCAL YEAR 2011-2012 INCLUDING THE RESERVE FUND, GENERAL FUND,
WATER FUND, WATER USE EFFICIENCY FUND, WEROC FUND, AMP FUND, AND
DEBT SERVICE FUND**

BE IT RESOLVED by the Board of Directors of Municipal Water District of Orange County that the Budget for financing the District's operations for Fiscal Year 2011-2012, as recommended, be and the same is hereby adopted as follows:

General Fund Budget	\$5,773,534
Water Purchases Budget.....	146,165,026
Water Use Efficiency Budget.....	1,751,522
WEROC Budget.....	187,690
AMP Budget.....	5,000
AMP Sales Proceeds Distribution Budget.....	1,571,258
Desalination	1,300,000
 Total Budget Resolution	 \$156,754,030

Upon Board approval and the adoption of the Budget and rate resolutions, the General Manager will expend, under District policy, such budgeted amounts as necessary for the purposes identified in the Budget for the Municipal Water District of Orange County.

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

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

I hereby certify 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 held on _____.

Maribeth Goldsby, Secretary
Municipal Water District of Orange County

Municipal Water District of Orange County
Fiscal Year 2010-2011 Consolidated Projected Revenues and Expenses Summary

	General Fund	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI ¹	Desalination	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ²	Consolidated Budget Total
Revenues:										
Water Sales		\$ 149,444,428						\$ 149,444,428		\$ 149,444,428
Retail Meter Charge	3,493,539							3,493,539		3,493,539
Water Increment Charge	1,816,216							1,816,216		1,816,216
Interest Revenue	115,000	46,900						161,900		161,900
MWDOC's Contribution			206,500	90,359				296,859	(296,859)	-
Outside Fundings	60,000		2,327,370	87,110	8,238	1,552,605	2,503,000	6,546,561		6,546,561
Carryover Funds			-	4,587				4,587		4,587
Miscellaneous Income	3,000							3,000		3,000
Total Revenues	5,487,755	149,491,328	2,533,870	182,056	8,238	1,552,605	2,503,000	161,767,090	(296,859)	161,470,231
Expenses:										
Water Purchases	-	149,444,428						149,444,428		149,444,428
Salaries & Wages	2,657,408			105,546	2,049			2,767,053		2,767,053
	(139,049)									
Employee Benefits	832,126			38,809	689			872,313		872,313
Engineering Expense	192,000							192,000		192,000
Professional Fees	575,200		2,533,870	2,000	-		2,503,000	5,614,070	(206,500)	5,407,570
Election Expense (annualized)	150,000							150,000		150,000
Legal Expense - General	208,000				2,500			213,000		213,000
Maintenance Expense	111,723			3,000				114,723		114,723
Insurance Expense	105,000			1,500				106,500		106,500
Membership / Sponsorship	75,486			230				75,716		75,716
Director Compensation	171,733							171,733		171,733
MWDOC Contribution to WEROC	90,359							90,359	(90,359)	-
MWDOC Contribution to Desalination	-							-	-	-
RPOI Distribution to Member Agencies						1,552,605		1,552,605		1,552,605
Others:										
MWD Representation	75,000							75,000		75,000
Director Benefits	75,186							75,186		75,186
Health Insurance Coverage for Retirees	33,940							33,940		33,940
Audit Expense	19,200				2,500			24,200		24,200
Automotive & Toll Road Expenses	14,682			450				15,132		15,132
Conference Expense - Staff	7,446			1,000				8,446		8,446
Conference Expense - Directors	5,040							5,040		5,040
CDR Participation	38,000							38,000		38,000
Miscellaneous Expense	63,150			1,000	-			64,150		64,150
Postage / Mail Delivery	19,076							19,076		19,076
Rents & Leases	18,508			15,025				33,533		33,533
Outside Printing, Subscription & Books	40,340			250				40,590		40,590
Office Supplies	27,600			1,000				28,600		28,600
Computer Maintenance	6,000							6,000		6,000
Software Support & Expense	31,000							31,000		31,000
Telecommunications Expense	20,000			10,746				30,746		30,746
Temporary Help Expense	3,000							3,000		3,000
Training Expense	7,000							7,000		7,000
Tuition Reimbursement	8,000							8,000		8,000
Travel & Accommodations - Staff	17,280			1,500				18,780		18,780
Travel & Accommodations - Directors	10,380							10,380		10,380
Depreciation Expense (annualized)	-							-		-
Overhead Expenses billed to AMP and WFC	-							-		-
Overhead Reimbursement	-				500			1,000		1,000
MWDOC/OCWD DWR Grant for Education	(105,200)							14,000		14,000
Capital Acquisition	14,000							14,000		14,000
Total Expenses	5,478,614	149,444,428	2,533,870	182,056	8,238	1,552,605	2,503,000	161,955,298	(296,859)	161,658,439
EFFECT ON RESERVES / FUND BALANCE	\$ 9,141	\$ 46,900³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (188,208)	\$ -	\$ (188,208)

1 Revised Percentage Of Investment (RPOI) - distribution of installment AMP sales proceeds from bond participants.
2 Adjustment for MWDOC's contributions to other funds.
3 Net change to restricted reserves for Tier 2 Contingency and Capacity Charge.

Municipal Water District of Orange County
Fiscal Year 2011-2012 Consolidated Budget Summary

	General Fund	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI ¹	Desalination	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ²	Consolidated Budget Total
Revenues:										
Water Sales		\$ 146,165,026						\$ 146,165,026		\$ 146,165,026
Retail Meter Charge	3,796,850							3,796,850		3,796,850
Water Increment Charge	1,016,808							1,016,808		1,016,808
Interest Revenue	143,000	28,460						171,460		171,460
MWDOC's Contribution			45,000	90,359				135,359	(135,359)	-
Outside Fundings	-		1,706,522	87,110	5,000	1,571,258	1,300,000	4,669,890		4,669,890
Carryover Funds				10,221				10,221		10,221
Choice Revenue	986,987							986,987		986,987
Miscellaneous Income	3,000							3,000		3,000
Total Revenues	5,946,645	146,193,486	1,751,522	187,690	5,000	1,571,258	1,300,000	156,955,601	(135,359)	156,820,242
Expenses:										
Water Purchases	-	146,165,026						146,165,026		146,165,026
Salaries & Wages	2,687,169			106,602	-			2,793,770		2,793,770
less S & W Reimb. DSC or Recov from Grants	(95,000)							(95,000)		(95,000)
Employee Benefits	976,989			42,052				1,019,040		1,019,040
Engineering Expense	195,000							195,000		195,000
Professional Fees	583,092		1,751,522	2,000			1,300,000	3,636,614	(45,000)	3,591,614
Election Expense (annualized)	-							-		-
Legal Expense - General	238,000				2,500			240,500		240,500
Maintenance Expense	115,742			3,000				118,742		118,742
Insurance Expense	106,000			1,500				107,500		107,500
Membership / Sponsorship	85,580			230				85,810		85,810
Director Compensation	167,545							167,545		167,545
MWDOC Contribution to WEROC	90,359							90,359	(90,359)	-
MWDOC Contribution to Desalination	-							-		-
RPOI Distribution to Member Agencies						1,571,258		1,571,258		1,571,258
Others:										
MWD Representation	85,103							85,103		85,103
Director Benefits	82,586							82,586		82,586
Health Insurance Coverage for Retirees	42,630							42,630		42,630
Audit Expense	19,200				2,500			21,700		21,700
Automotive & Toll Road Expenses	13,200			500				13,700		13,700
Conference Expense - Staff	7,440			1,000				8,440		8,440
Conference Expense - Directors	10,258							10,258		10,258
CDR Participation	38,000							38,000		38,000
Miscellaneous Expense	98,420			1,000				99,420		99,420
Postage / Mail Delivery	23,000							23,000		23,000
Rents & Leases	19,198			15,777				34,975		34,975
Outside Printing, Subscription & Books	63,894			200				64,094		64,094
Office Supplies	27,000			1,000				28,000		28,000
Computer Maintenance	8,000							8,000		8,000
Software Support & Expense	32,000							32,000		32,000
Telecommunications Expense	18,000			11,330				29,330		29,330
Temporary Help Expense	2,000							2,000		2,000
Training Expense	4,000							4,000		4,000
Tuition Reimbursement	5,000							5,000		5,000
Travel & Accommodations - Staff	21,522			1,500				23,022		23,022
Travel & Accommodations - Directors	21,207							21,207		21,207
Depreciation Expense (annualized)	-							-		-
Overhead Expenses billed to AMP and WFC	-							-		-
Overhead Reimbursement	-							-		-
MWDOC/OCWD DWR Grant for Education	(30,000)							(30,000)		(30,000)
Capital Acquisition	11,400							11,400		11,400
Total Expenses	5,773,534	146,165,026	1,751,522	187,690	5,000	1,571,258	1,300,000	156,754,030	(135,359)	156,618,670
EFFECT ON RESERVES / FUND BALANCE	\$ 173,111	\$ 28,460³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 201,571	\$ -	\$ 201,572

1 Revised Percentage Of Investment (RPOI) - distribution of installment AMP sales proceeds from bond participants.

2 Adjustment for MWDOC's contributions to other funds.

3 Net change to restricted reserves for Tier 2 Contingency and Capacity Charge.

Exhibit A
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
REVENUES:						
Retail Meter Charge	\$ 3,493,539	\$ 3,493,539	\$ -	\$ 3,796,850	\$ 303,311	8.68%
Water Increment Charge	1,816,216	1,628,768	(187,448)	1,016,808	(611,960)	-37.57%
Interest Revenue	115,000	135,000	20,000	143,000	8,000	5.93%
Miscellaneous Income	3,000	3,000	-	3,000	-	0.00%
School Contracts - Core	60,000	98,895	38,895	-	(98,895)	-100.00%
Inter Fund In	-	-	-	-	-	0.00%
Choice Revenue	-	-	-	986,987	986,987	0.00%
TOTAL REVENUES	\$ 5,487,755	\$ 5,359,202	\$ (128,553)	\$ 5,946,645	\$ 587,443	10.96%

OPERATING EXPENSES:						
Salaries & Wages	\$ 2,657,408	\$ 2,643,150	\$ (14,258)	\$ 2,687,169 ¹	\$ 44,019	0.70%
less for Recovery from Grants	\$ (139,049)	\$ (69,000)	\$ 70,049	\$ (95,000)	(26,000)	
Director Compensation	171,733	153,139	(18,594)	167,545	14,406	9.41%
MWD Representation	75,000	87,763	12,763	85,103 ²	(2,660)	-3.03%
Employee Benefits	850,126	849,936	(190)	898,619	48,683	5.73%
OPEB Annual Contribution	-	-	-	78,370	78,370	0.00%
Overhead Reimbursement	-	-	-	-	-	0.00%
Director Benefits	75,186	80,957	5,771	82,586	1,629	2.01%
Health Insurance Coverage for Retirees	33,940	32,760	(1,180)	42,630	9,870	30.13%
Audit Expense	19,200	17,800	(1,400)	19,200	1,400	7.87%
Automotive & Toll Road Expenses	14,682	12,832	(1,850)	13,200	368	2.87%
Conference Expense - Staff	7,446	8,759	1,313	7,440	(1,319)	-15.06%
Conference Expense - Directors	5,040	11,007	5,967	10,258	(749)	-6.80%
Engineering Expense	241,000	214,894	(26,106)	195,000	(19,894)	-9.26%
Insurance Expense	105,000	105,000	-	106,000	1,000	0.95%
Legal Expense - General	268,000	318,799	50,799	238,000	(80,799)	-25.34%
Maintenance Expense	111,723	117,694	5,971	115,742	(1,952)	-1.66%
Membership / Sponsorship	75,486	77,952	2,466	85,580	7,628	9.79%
CDR Participation	38,000	38,000	-	38,000	-	0.00%
Miscellaneous Expense	72,150	95,033	22,883	98,420	3,387	3.56%
Postage / Mail Delivery	19,076	22,076	3,000	23,000	924	4.19%
Professional Fees	575,200	530,633	(44,567)	583,092	52,459	9.89%
Rents & Leases	18,508	17,200	(1,308)	19,198	1,998	11.62%
Outside Printing, Subscription & Books	40,340	45,978	5,638	63,894	17,916	38.97%
Office Supplies	27,600	28,038	438	27,000	(1,038)	-3.70%

Exhibit A
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
Computer Maintenance	6,000	6,000	(0)	8,000	2,000	33.34%
OPERATING EXPENSES: continued	-	-		-		
Software Support & Expense	31,000	31,000	0	32,000	1,000	3.22%
Telecommunications Expense	20,000	17,500	(2,500)	18,000	500	2.86%
Temporary Help Expense	3,000	1,912	(1,088)	2,000	88	4.60%
Training Expense	7,000	6,800	(200)	4,000	(2,800)	-41.18%
Tuition Reimbursement	8,000	4,800	(3,200)	5,000	200	4.17%
Travel & Accommodations - Staff	18,780	24,400	5,620	21,522	(2,878)	-11.80%
Travel & Accommodations - Directors	16,880	15,060	(1,820)	21,207	6,147	40.82%
Depreciation Expense	-	-	-	-	-	0.00%
MWDOC's Contribution to WEROC	90,359	90,359	-	90,359	-	0.00%
MWDOC's Contribution to Desalination	-	-	-	-	-	0.00%
Expenses billed to AMP, WFC	-	-	-	-	-	0.00%
Election Expense	-	-	-	-	-	0.00%
Capital Acquisition	20,000	16,000	(4,000)	11,400	(4,600)	-28.75%
Subtotal Expenses	\$ 5,583,814	\$ 5,654,231	\$ 70,417	\$ 5,803,534	\$ 149,303	2.64%
MWDOC/OCWD DWR Grant for Water Education	(105,200)	(105,200)	-	(30,000)	75,200	
TOTAL EXPENSES	\$ 5,478,614	\$ 5,549,031	\$ 70,417	\$ 5,773,534	\$ 224,503	4.05%

EFFECT ON RESERVES:						
Reserves Contribution (Draw) to cover for Operating expenses	\$ 9,141	\$ (189,828)	\$ (198,970)	\$ 173,112	\$ 362,940	
Reserves Draw to cover for Election Expenses	\$ -	\$ (128,328)	\$ (128,328)	\$ -	\$ (128,328)	
Reserves Draw for New Telephone System acquisition	\$ (50,000)	\$ (50,000)	\$ -	\$ -	\$ 50,000	
Contribution to OPEB Trust Fund	\$ (500,000)	\$ (500,000)	\$ -	\$ -	\$ 500,000	
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (540,859)	\$ (868,156)	\$ (327,298)	\$ 173,112	\$ 1,041,268	

① Total Salaries & Wages includes \$66,300 for intern support

② Total Benefits includes \$8,052 for intern support (FICA, Medicare, SDI and SUT for a total of 12.2%)

Exhibit A1
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
REVENUES:						
Retail Meter Charge	\$ 3,493,539	\$ 3,493,539	\$ -	\$ 3,796,850	\$ 303,311	8.68%
Water Increment Charge	1,816,216	1,628,768	(187,448)	1,016,808	(611,960)	-37.57%
Interest Revenue	115,000	135,000	20,000	143,000	8,000	5.93%
Miscellaneous Income	3,000	3,000	-	3,000	-	0.00%
School Contracts	60,000	98,895	38,895	-	(98,895)	-100.00%
Inter Fund In	-	-	-	-	-	0.00%
Choice Revenue						0.00%
TOTAL REVENUES	\$ 5,487,755	\$ 5,359,202	\$ (128,553)	\$ 4,959,658	\$ (399,544)	-7.46%

OPERATING EXPENSES:						
Salaries & Wages	\$ 2,657,408	\$ 2,643,150	\$ (14,258)	\$ 2,254,484	\$ (388,666)	-12.42%
less for Recovery from Grants	\$ (139,049)	\$ (69,000)	\$ 70,049	\$ -	69,000	
Director Compensation	171,733	153,139	(18,594)	167,545	14,406	9.41%
MWD Representation	75,000	87,763	12,763	85,103	(2,660)	-3.03%
Employee Benefits	850,126	849,936	(190)	761,307	(88,628)	-10.43%
OPEB Annual Contribution	-	-	-	78,370	78,370	0.00%
Overhead Reimbursement	-	-	-	(147,395)	(147,395)	0.00%
Director Benefits	75,186	80,957	5,771	82,586	1,629	2.01%
Health Insurance Coverage for Retirees	33,940	32,760	(1,180)	42,630	9,870	30.13%
Audit Expense	19,200	17,800	(1,400)	19,200	1,400	7.87%
Automotive & Toll Road Expenses	14,682	12,832	(1,850)	13,200	368	2.87%
Conference Expense - Staff	7,446	8,759	1,313	7,440	(1,319)	-15.06%
Conference Expense - Directors	5,040	11,007	5,967	10,258	(749)	-6.80%
Engineering Expense	241,000	214,894	(26,106)	195,000	(19,894)	-9.26%
Insurance Expense	105,000	105,000	-	106,000	1,000	0.95%
Legal Expense - General	268,000	318,799	50,799	238,000	(80,799)	-25.34%
Maintenance Expense	111,723	117,694	5,971	115,742	(1,952)	-1.66%
Membership / Sponsorship	75,486	77,952	2,466	85,580	7,628	9.79%
CDR Participation	38,000	38,000	-	38,000	-	0.00%
Miscellaneous Expense	72,150	95,033	22,883	85,510	(9,523)	-10.02%
Postage / Mail Delivery	19,076	22,076	3,000	23,000	924	4.19%
Professional Fees	575,200	530,633	(44,567)	253,400	(277,233)	-52.25%
Rents & Leases	18,508	17,200	(1,308)	19,198	1,998	11.62%
Outside Printing, Subscription & Books	40,340	45,978	5,638	41,900	(4,078)	-8.87%
Office Supplies	27,600	28,038	438	27,000	(1,038)	-3.70%

Exhibit A1
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CORE FUND

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
Computer Maintenance	6,000	6,000	(0)	8,000	2,000	33.34%
OPERATING EXPENSES: continued						
Software Support & Expense	31,000	31,000	0	32,000	1,000	3.22%
Telecommunications Expense	20,000	17,500	(2,500)	18,000	500	2.86%
Temporary Help Expense	3,000	1,912	(1,088)	2,000	88	4.60%
Training Expense	7,000	6,800	(200)	4,000	(2,800)	-41.18%
Tuition Reimbursement	8,000	4,800	(3,200)	5,000	200	4.17%
Travel & Accommodations - Staff	18,780	24,400	5,620	21,522	(2,878)	-11.80%
Travel & Accommodations - Directors	16,880	15,060	(1,820)	21,207	6,147	40.82%
Depreciation Expense	-	-	-	-	-	0.00%
MWDOC's Contribution to WEROC	90,359	90,359	-	90,359	-	0.00%
MWDOC's Contribution to Desalination	-	-	-	-	-	0.00%
Expenses billed to AMP, WFC	-	-	-	-	-	0.00%
Election Expense	-	-	-	-	-	0.00%
Capital Acquisition	20,000	16,000	(4,000)	11,400	(4,600)	-28.75%
Subtotal Expenses	\$ 5,583,814	\$ 5,654,231	\$ 70,417	\$ 4,816,547	\$ (837,684)	-14.82%
MWDOC/OCWD DWR Grant for Water Education	(105,200)	(105,200)	-	(30,000)	75,200	
TOTAL EXPENSES	\$ 5,478,614	\$ 5,549,031	\$ 70,417	\$ 4,786,547	\$ (762,484)	-13.74%

EFFECT ON RESERVES:						
Reserves Contribution (Draw) to cover for Operating expenses	\$ 9,141	\$ (189,828)	\$ (198,970)	\$ 173,112	\$ 362,940	
Reserves Draw to cover for Election Expenses	\$ -	\$ (128,328)	\$ (128,328)	\$ -	\$ (128,328)	
Reserves Draw for New Telephone System acquisition	\$ (50,000)	\$ (50,000)	\$ -	\$ -	\$ 50,000	
Contribution to OPEB Trust Fund	\$ (500,000)	\$ (500,000)	\$ -	\$ -	\$ 500,000	
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (540,859)	\$ (868,156)	\$ (327,298)	\$ 173,112	\$ 1,041,268	

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
REVENUES:						
Retail Meter Charge						
Water Increment Charge						
Interest Revenue						
Miscellaneous Income						
School Contracts						
Inter Fund In						
Choice Revenue	-	-	-	986,987	986,987	0.00%
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 986,987	\$ 986,987	0.00%

OPERATING EXPENSES:						
Salaries & Wages	\$ -	\$ -	\$ -	\$ 432,685	\$ 432,685	0.00%
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ (95,000)	(95,000)	
Director Compensation	-	-	-	-	-	0.00%
MWD Representation	-	-	-	-	-	0.00%
Employee Benefits	-	-	-	137,312	137,312	0.00%
OPEB Annual Contribution	-	-	-	-	-	0.00%
Overhead Reimbursement	-	-	-	147,395	147,395	0.00%
Director Benefits	-	-	-	-	-	0.00%
Health Insurance Coverage for Retirees	-	-	-	-	-	0.00%
Audit Expense	-	-	-	-	-	0.00%
Automotive & Toll Road Expenses	-	-	-	-	-	0.00%
Conference Expense - Staff	-	-	-	-	-	0.00%
Conference Expense - Directors	-	-	-	-	-	0.00%
Engineering Expense	-	-	-	-	-	0.00%
Insurance Expense	-	-	-	-	-	0.00%
Legal Expense - General	-	-	-	-	-	0.00%
Maintenance Expense	-	-	-	-	-	0.00%
Membership / Sponsorship	-	-	-	-	-	0.00%
CDR Participation	-	-	-	-	-	0.00%
Miscellaneous Expense	-	-	-	12,910	12,910	0.00%
Postage / Mail Delivery	-	-	-	-	-	0.00%
Professional Fees	-	-	-	329,692	329,692	0.00%
Rents & Leases	-	-	-	-	-	0.00%
Outside Printing, Subscription & Books	-	-	-	21,994	21,994	0.00%
Office Supplies	-	-	-	-	-	0.00%

Exhibit A2
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CHOICE FUNDS

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
Computer Maintenance	-	-	-	-	-	0.00%
OPERATING EXPENSES: continued	-	-		-		
Software Support & Expense	-	-	-	-	-	0.00%
Telecommunications Expense	-	-	-	-	-	0.00%
Temporary Help Expense	-	-	-	-	-	0.00%
Training Expense	-	-	-	-	-	0.00%
Tuition Reimbursement	-	-	-	-	-	0.00%
Travel & Accommodations - Staff	-	-	-	-	-	0.00%
Travel & Accommodations - Directors	-	-	-	-	-	0.00%
Depreciation Expense	-	-	-	-	-	0.00%
MWDOC's Contribution to WEROC					-	0.00%
MWDOC's Contribution to Desalination					-	0.00%
Expenses billed to AMP, WFC					-	0.00%
Election Expense					-	0.00%
Capital Acquisition					-	0.00%
Subtotal Expenses	\$ -	\$ -	\$ -	\$ 986,987	\$ 986,987	0.00%
MWDOC/OCWD DWR Grant for Water Education		-	-		-	
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ 986,987	\$ 986,987	0.00%

Exhibit A3
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
WATER FUND

	FY 2010-2011 ADOPTED BUDGET	FY 2010-2011 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2011-2012 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	% VAR TO PROJECTED ACTUALS
Water Revenues						
Water Sales	\$ 138,694,327	\$ 129,521,835	\$ (9,172,492)	\$ 134,106,912	\$ 4,585,077	3.54%
Readiness-To-Serve Charge	7,022,508	7,324,105	301,597	8,219,832	895,727	12.23%
Capacity Charge	3,378,240	3,451,320	73,080	3,524,400	73,080	2.12%
Tier 2 Contingency	-	-	-	-	-	0.00%
Interest Revenue - CC	900	900	-	460	(440)	-48.89%
Interest Revenue - Tier 2 Cont.	46,000	46,000	-	28,000	(18,000)	-39.13%
SCP Operation Surcharge	349,353	313,882	(35,471)	313,882	0	0.00%
TOTAL WATER REVENUES	\$ 149,491,328	\$ 140,658,042	\$ (8,833,286)	\$ 146,193,486	\$ 5,535,444	3.94%
Water Expenses						
Water Purchases	\$ 138,694,327	\$ 129,521,835	\$ (9,172,492)	\$ 134,106,912	\$ 4,585,077	3.54%
Readiness-To-Serve Charge	7,022,508	7,324,105	301,597	8,219,832	895,727	12.23%
Capacity Charge	3,378,240	3,451,320	73,080	3,524,400	73,080	2.12%
Tier 2 Surcharge	-	-	-	-	-	0.00%
SCP Operation Surcharge	349,353	313,882	(35,471)	313,882	0	0.00%
TOTAL WATER EXPENSES	\$ 149,444,428	\$ 140,611,142	\$ (8,833,286)	\$ 146,165,026	\$ 5,553,884	3.95%
Changes to Fund Balance:						
Capacity Charge	\$ 900	\$ 900	\$ -	\$ 460	\$ (440)	-48.89%
Tier 2 Contingency	\$ 46,000	\$ 46,000	\$ -	\$ 28,000	\$ (18,000)	-39.13%

**Exhibit B
Expenditures by Program**

Cost Center	PROGRAM	FY 2010-2011 BUDGET FTE	FY 2011-2012 BUDGET FTE	FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
11	Administrative - Board	1.45	1.88	\$ 866,963	\$ 918,302	\$ 941,063
12	Administrative - General	2.57	2.84	403,150	430,057	416,833
13	Personnel / Staff Development	1.30	1.17	191,249	138,998	172,642
19	Overhead	3.39	3.13	800,573	811,064	730,648
21	Planning & Resource Development	3.77	1.58	585,304	650,615	315,817
22	Research Participation	0.00	0.00	38,000	38,000	38,000
23	Met Issues and Special Projects	3.86	5.12	617,577	644,854	793,985
31	Governmental Affairs	1.26	1.76	293,432	265,272	318,652
34	Water Use Efficiency Program	6.47		680,633	582,446	CHOICE
35	Policy Development	0.00	0.45	-	-	73,707
32	Water Awareness	1.14	1.86	205,136	269,354	254,909
33	School Programs	0.86		169,573	176,412	CHOICE
41	Finance	3.77	3.98	458,335	451,561	482,421
45	Information Technology	1.09	1.13	183,529	186,937	187,510
	DWR Grant for Water Education	0.00	0.00	(105,200)	(105,200)	-
25	MWDOC's Contribution to WEROC ^{1]}	1.80	1.80	90,359	90,359	90,359
CORE TOTAL		32.73	26.70	\$ 5,478,614	\$ 5,549,031	\$ 4,816,547
62-4030	Water Use Efficiency Program		4.48	-	-	641,109
62-4040	School Programs		0.12	-	-	201,631
62-4050	Consumer Confidence		0.00	-	-	-
62-4060	Dana Point Desal		1.04	-	-	100,173
62-4070	Poseidon Desal ^{1]}		0.21	-	-	44,074
CHOICE TOTAL		0.00	5.86	\$ -	\$ -	\$ 986,987
CORE & CHOICE TOTAL		32.73	32.56	\$ 5,478,614	\$ 5,549,031	\$ 5,803,534
Includes:	Full-time employees	26.00	26.00			
	WEROC Full-time employee	1.00	1.00			
	Part-time employees	3.64	3.11			
	Interns	2.09	2.45			

^{1]}FTE accounts for WEROC, Manager Kelly Hubbard and 1 part time employee. Total cost of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton, and South Orange County Wastewater Authority. Dollars shown are MWDOC's share only.

Municipal Water District of Orange County
 2011-2012 FISCAL MASTER PLAN PROJECTIONS ¹

(in thousands)

	Projected ACTUALS FY10-11	BUDGET FY11-12	FISCAL MASTER PLAN PROJECTIONS ¹				
			FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Beginning Reserve Balance - MWDOC	\$3,913	\$ 3,045	\$ 3,218	\$ 3,342	\$ 3,430	\$ 3,518	\$ 3,507
Adjusted Reserve Balance	3,913	3,045	3,218	3,342	3,430	3,518	3,507
Revenues							
Water Rate Revenues:							
Retail Meter Fees	3,494	3,797	4,261	4,586	4,915	5,250	5,433
Water Rate Increment	1,629	1,017	799	559	330	-	-
Subtotal	5,122	4,814	5,060	5,144	5,245	5,250	5,433
Other Revenues:							
Choice Revenues	-	987	1,012	1,037	1,063	1,089	1,117
Interest Earnings	135	143	133	135	160	185	208
Misc./Reimbursements	102	3	5	5	5	5	5
Subtotal	237	1,133	1,150	1,177	1,228	1,279	1,330
Total Revenues	5,359	5,947	6,210	6,322	6,473	6,529	6,763
Expenses							
Core Expenses	5,533	4,775	4,895	5,017	5,142	5,271	5,403
Choice Expenses	-	987	1,012	1,037	1,063	1,089	1,117
Capital Acquisitions	16	11	30	30	30	30	30
Election Expense	-	-	150	150	150	150	150
Total Expenses	5,549	5,774	6,086	6,234	6,385	6,540	6,699
Effects on Reserves							
Reserves Contribution (Draw)	(190)	173	124	88	88	(11)	64
Election Expense	(128)						
New Telephone System	(50)						
MWDOC's Contribution to OPEB Trust Fund	(500)	-					
Ending Designated Reserve Balance	\$ 3,045	\$ 3,218	\$ 3,342	\$ 3,430	\$ 3,518	\$ 3,507	\$ 3,570

MWDOC Water Rates

Water Sales in Acre Feet	241,299	239,249	228,291	223,573	219,964	213,920	208,200
Total Retail Meters	607,572	607,496	608,770	611,400	614,410	617,660	620,910
OCWD BPP %	62%	65%	65%	62%	62%	62%	62%
Increment Rate	\$ 6.75	\$ 4.25	\$ 3.50	\$ 2.50	\$ 1.50	\$ -	\$ -
Connection Charge	\$ 5.75	\$ 6.25	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50	\$ 8.75
Fixed Charge %		79%	84%	89%	94%	100%	100%

1 Assumptions for FMP:

Inflation factor: 2.50% per year
 Rate of return on Investment of portfolio: 1.25% per year

Working Capital and Interest Revenue Projections

	FISCAL MASTER PLAN PROJECTIONS				
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Working Capital:					
Reserve Fund	3,218	3,342	3,430	3,518	3,507
General Fund Float	1,000	1,000	1,000	1,000	1,000
Conservation use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	4,850	4,875	4,900	4,925	4,950
Average Working Capital	8,868	9,017	9,130	9,243	9,257
Interest rate	1.50%	1.50%	1.75%	2.00%	2.25%
Interest Revenue Projections:					
Interest income - General	133	135	160	185	208
Total Interest Revenue Projections	133	135	160	185	208

Total Core and Choice Expenses

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,657,408	2,643,150	2,687,169
	S & W Reimb. DSC or Recov from Grants	(139,049)	(69,000)	(95,000)
6090	Directors Compensation - MWDOC	171,733	153,139	167,545
6095	Directors Compensation - MWD	75,000	87,763	85,103
6105	Benefits - Admin	850,126	849,936	898,619
	OPEB Annual Contribution	-	-	78,370
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	75,186	80,957	82,586
6120	Health Insurance Coverage for Retirees	33,940	32,760	42,630
6205	Training	7,000	6,800	4,000
6210	Tuition Reimbursement	8,000	4,800	5,000
6220	Temporary Help	3,000	1,912	2,000
7010	Engineering - Outside Services	241,000	214,894	195,000
7020	Legal - General	268,000	318,799	238,000
7030	Audit	19,200	17,800	19,200
7040	Other Professional Fees	447,000	364,038	425,592
	Other Professional Fees - DSC	128,200	166,595	157,500
7110	Conference - Employee	7,446	8,759	7,440
7115	Conference - Directors	5,040	11,007	10,258
7150	Travel & Accommodations - Employee	18,780	24,400	21,522
7155	Travel & Accommodations - Director	16,880	15,060	21,207
7210	Membership / Sponsorship	75,486	77,952	85,580
7250	CDR Participation	38,000	38,000	38,000
7310	Office Maintenance	111,723	117,694	115,742
7320	Rents & Leases	18,508	17,200	19,198
7330	Office Supplies	27,600	28,038	27,000
7340	Postal / Mail Delivery	19,076	22,076	23,000
7350	Subscriptions / Books	2,340	2,978	2,500
7360	Reproduction Expense	38,000	43,000	61,394
7410	Computer & Peripherals Maint	6,000	6,000	8,000
7430	Software Purchase	6,000	6,000	7,000
7440	Software Support	25,000	25,000	25,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Perishable Tools	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,952	12,291	12,600
7615	Toll Road Charges	730	541	600
7620	Insurance Expense	105,000	105,000	106,000
7640	Utilities - Telephone	20,000	17,500	18,000
7650	Bank Fees	9,100	9,400	9,400
7670	Miscellaneous Expenses	63,050	85,633	89,020
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	20,000	16,000	11,400
	Total Expenditure	5,493,455	5,563,872	5,713,175

MWDOC's Contribution to WEROC	90,359	90,359	90,359
MWDOC's Contribution to Desalination	-	-	-
	<u>5,583,814</u>	<u>5,654,231</u>	<u>5,803,534</u>

Total Core Expenses

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,657,408	2,643,150	2,254,484
	S & W Reimb. DSC or Recov from Grants	(139,049)	(69,000)	-
6090	Directors Compensation - MWDOC	171,733	153,139	167,545
6095	Directors Compensation - MWD	75,000	87,763	85,103
6105	Benefits - Admin	850,126	849,936	761,307
	OPEB Annual Contribution	-	-	78,370
	Overhead Reimbursement	-	-	(147,395)
6115	Benefits - Directors	75,186	80,957	82,586
6120	Health Insurance Coverage for Retirees	33,940	32,760	42,630
6205	Training	7,000	6,800	4,000
6210	Tuition Reimbursement	8,000	4,800	5,000
6220	Temporary Help	3,000	1,912	2,000
7010	Engineering - Outside Services	241,000	214,894	195,000
7020	Legal - General	268,000	318,799	238,000
7030	Audit	19,200	17,800	19,200
7040	Other Professional Fees	447,000	364,038	253,400
	Other Professional Fees - DSC	128,200	166,595	-
7110	Conference - Employee	7,446	8,759	7,440
7115	Conference - Directors	5,040	11,007	10,258
7150	Travel & Accommodations - Employee	18,780	24,400	21,522
7155	Travel & Accommodations - Director	16,880	15,060	21,207
7210	Membership / Sponsorship	75,486	77,952	85,580
7250	CDR Participation	38,000	38,000	38,000
7310	Office Maintenance	111,723	117,694	115,742
7320	Rents & Leases	18,508	17,200	19,198
7330	Office Supplies	27,600	28,038	27,000
7340	Postal / Mail Delivery	19,076	22,076	23,000
7350	Subscriptions / Books	2,340	2,978	2,500
7360	Reproduction Expense	38,000	43,000	39,400
7410	Computer & Peripherals Maint	6,000	6,000	8,000
7430	Software Purchase	6,000	6,000	7,000
7440	Software Support	25,000	25,000	25,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Perishable Tools	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,952	12,291	12,600
7615	Toll Road Charges	730	541	600
7620	Insurance Expense	105,000	105,000	106,000
7640	Utilities - Telephone	20,000	17,500	18,000
7650	Bank Fees	9,100	9,400	9,400
7670	Miscellaneous Expenses	63,050	85,633	76,110
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	20,000	16,000	11,400
	Total Expenditure	5,493,455	5,563,872	4,726,188

MWDOC's Contribution to WEROC	90,359	90,359	90,359
MWDOC's Contribution to Desalination	-	-	-
	<u>5,583,814</u>	<u>5,654,231</u>	<u>4,816,547</u>

Administrative - Board
11

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	168,379	165,281	229,736
6090	Directors Compensation - MWDOC	171,733	153,139	167,545
6095	Directors Compensation - MWD	75,000	87,763	85,103
6105	Benefits - Admin	50,039	51,284	72,428
6115	Benefits - Directors	75,186	80,957	82,586
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	260,000	315,799	233,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors	5,040	11,007	10,258
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director	16,880	15,060	21,207
7210	Membership / Sponsorship	25,000	24,843	25,000
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies		38	
7340	Postal / Mail Delivery	7,876	4,276	4,800
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage	9,300	7,541	7,800
7615	Toll Road Charges	430		
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,100	1,313	1,600
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	866,963	918,302	941,063

1,2 Based on 0% increase from Jan to Dec 2011. 0% increase from Jan to Jun 2012

3 See Exhibit F.

4 LAFCO Annual Assessment See Exhibit D.

5 Misc board expenses (supplies)

Administrative - General
12

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	205,150	215,744	215,266
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	56,206	64,181	63,610
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	3,000	1,912	2,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	60,000	60,000	48,000
7110	Conference - Employee	7,446	8,759	7,440
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	18,780	24,400	21,522
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	42,676	45,299	49,095
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	2,340	2,978	2,500
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage	4,652	4,750	4,800
7615	Toll Road Charges	300	541	600
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,600	1,493	2,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition	-		
	Total Expenditure	403,150	430,057	416,833

3 Lewis Consulting \$48K

1 See Exhibit E.

2 See Exhibit D.

Personnel / Staff Development
13

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	114,655	80,709	108,215
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	36,194	27,089	36,828
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	7,000	6,800	4,000
6210	Tuition Reimbursement	8,000	4,800	5,000
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	8,000	3,000	5,000
7030	Audit			
7040	Other Professional Fees	8,000	7,600	6,200
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	9,400	9,000	7,400
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	191,249	138,998	172,642

- 1 • Staff Technical Training -- \$4,000
- 2 Liebert,Cassidy - personnel & others
-- \$5,000
- 3 • Semi-annual Review of Deferred Comp
and pension investment composition
- 4 • Employee Recognition program \$4,000
• Holiday Lunch \$1,400

Overhead
19

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	328,854	340,451	313,125
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	117,148	101,059	103,418
	OPEB Annual Contribution			78,370
	Overhead Reimbursement			(147,395)
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	33,940	32,760	42,630
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	9,000	9,200	10,200
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance	111,723	117,694	115,742
7320	Rents & Leases	18,508	17,200	19,198
7330	Office Supplies	27,600	28,000	27,000
7340	Postal / Mail Delivery	10,200	16,800	17,200
7350	Subscriptions / Books			
7360	Reproduction Expense	8,000	13,000	14,400
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense	105,000	105,000	106,000
7640	Utilities - Telephone	20,000	17,500	18,000
7650	Bank Fees	9,100	9,400	9,400
7670	Miscellaneous Expenses	1,500	3,000	3,360
8410	Overhead Reimbursement			
8610	Depreciation Expense	-		
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	800,573	811,064	730,648

- 1 Retirees:
 - Barbas -- \$7,062
 - Wennerstrom -- \$1,800
 - Cook -- \$4,954
 - Crowe -- \$11,215
 - Sprague -- \$10,893
 - Roy -- \$6,706
- 2 • Pension Plan administration by Dissinger Associates -- \$3,000
- Cafeteria Plan Wameworks -- \$2,000
 - ECS Records Management maintenance and support -- \$3,800
 - EAP -- \$1,400
- 3 • Site maintenance and receptionist
- Binding machine -- \$750
- Copier machine maint. -- \$2,580
- Contingency Building -- \$5,000
- Phone maintenance-- \$3,000
- 4 • Iron Mountain -- \$5,400
- Copier machine lease -- \$9,048
- Public Storage -- \$3,750
- El Toro Water District -- \$1,000 (South EOC site)

Planning Resource Development

21

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	429,694	442,180	154,160
	Salaries & Wages - Reimb. from Grants	(104,900)	(34,000)	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	137,510	143,355	56,657
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	120,000	90,800	100,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	3,000	8,281	5,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	585,304	650,615	315,817

Research Participation
22

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin			
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation	38,000	38,000	38,000
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	38,000	38,000	38,000

1 Center for Demographic Research at
Cal State University Fullerton -- \$38,000

Met Issues and Special Projects
23

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	375,140	390,373	518,347
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	121,437	130,387	180,638
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	121,000	124,094	95,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	617,577	644,854	793,985

- 1 Admin Staff hours & costs moved from 11 (40%), 12 (20%) to 23 to provide a better estimate of the costs of MET Activities.
- 2 Outside consulting assistance with MET Activities.

Government Affairs
31

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	97,633	76,292	109,128
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	41,049	34,907	44,474
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	138,000	138,000	140,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	6,000	6,000	6,000
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	10,750	10,073	19,050
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	293,432	265,272	318,652

- 1 • Federal & State Legislative Advocates
\$11,000/month for total of \$132,000
- Expenses -- \$2,500
- Travel/Miscellaneous -- \$5,500

- 2 • State & Federal Legislative Tracking
-- \$2,000
- Legislative Outreach & Briefings
-- \$7,000
- Water Policy Dinners -- \$10,050

Water Awareness
32

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	102,674	136,549	116,604	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	33,462	45,032	39,805	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	33,500	33,500	45,000	1
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	1,000	1,000	1,000	
7350	Subscriptions / Books				
7360	Reproduction Expense	11,000	11,000	19,000	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Perishable Tools				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	23,500	42,273	33,500	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	Total Expenditure	205,136	269,354	254,909	

- 1
- Resolutions -- \$5,000
 - Outreach -- \$10,000
 - Client Agency Workshops -- \$5,000
 - Consumer Confidence Reports -- \$25,000

- 2
- Poster/Slogan Contest -- \$3,500
 - MWDOC Merchandise:
 - Custom presentation folders
1000@\$3.75 = \$3,750
 - Thumb Drives 1000@9.25 = \$9,250
 - Inspection Trip Brochures
1000@\$2.50 = \$2,500

- 3
- OC Water Hero -- \$15,000
 - Children's Water Festival
Sponsorship -- \$3,500
 - Industry Events-- \$5,000
 - OC Water Summit-- \$0
 - 60th Anniversary Activities-- \$10,000

School Program
33
(FY 2011-2012 Proposed Budget moved to Choice)

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts	60,000	98,895	1
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	60,000	98,895	-

1 • including revenues collected for additional 12,044 students that were not budgeted for in FY 10-11.

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	30,234	3,692	
6010	Sal & Wages - Reimb. from DSC & Grants	(12,000)	(12,000)	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	6,140	1,125	
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - DSC	128,200	166,595	2
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	13,000	13,000	3
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	4,000	4,000	4
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	169,573	176,412	-

2 • Assemblies; including cost for additional 12,044 student that were not budgeted for in FY 10-11.

3 • School books and other printings

4 • Project WET - \$2,000
 • Demonstration supplies including new props for education presentation - \$2,000

Number of students	57,500	69,544
Cost per student	2.95	2.54

**Water Use Efficiency
(FY 10-11 Activities only)
34
(FY 2011-2012 Proposed Budget moved to Choice)**

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	379,064	362,635	
6010	Salaries & Wages - Recovery from Grants	(22,149)	(23,000)	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	122,408	119,263	
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	191,500	113,738	
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	7,810	7,810	
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	-		
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	2,000	
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	680,633	582,446	-

**Water Use Efficiency
Policy Development (Core)**

35

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	46,495
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	15,727
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			11,485
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	-	-	73,707

- CUWCC Dues -- \$7,810
(MWDOC portion only)
- South WMA Dues -- \$3,675
(MWDOC portion only)

General Finance
41

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	330,062	328,500	345,913
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	95,072	99,261	110,309
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit	19,200	17,800	19,200
7040	Other Professional Fees	6,000	2,000	3,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition	7,000	3,000	3,000
	Total Expenditure	458,335	451,561	482,421

1 • Custodial Bank fees -- \$3,000

2 Financial Management System software reporting & customized improvements

Information Technology
45

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	95,870	100,744	97,495
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	33,460	32,993	37,415
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	1,000		1,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint	6,000	6,000	8,000
7430	Software Purchase	6,000	6,000	7,000
7440	Software Support	25,000	25,000	25,000
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	3,200	3,200	3,200
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition	13,000	13,000	8,400
	Total Expenditure	183,529	186,937	187,510

- 1 • Management Information System
Consultant Fee --10 hrs @ \$100 -- \$1000
- 2 • Publication software -- \$2,000
• Misc software upgrades -- \$5,000
- 3 • Replace Exchange Server--\$4,000
• New Uninterruptible Power Supply -- \$1,000
• Upgrade 4 desktop computers -- \$2,400
• 1 new scanner-- \$1,000
- 4 • Misc repairs, maint & components \$7,000
• E-mail system security -- \$1,000
- 5 • Software support Sympro -- \$3,000
• Financial Management System -- \$22,000
- 6 • MWDOC Website hosting -- \$1,200
• Misc -- \$2,000

Total Choice Revenue and Expense

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
	Choice Revenue	-	-	926,987
4205	School Contracts	-	-	60,000
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	-	-	986,987

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	-	-	432,685
	S & W Reimb. DSC or Recov from Grants	-	-	(95,000)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	-	-	137,312
	OPEB Annual Contribution			
	Overhead Reimbursement	-	-	147,395
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	-	-	-
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	-	-	172,192
	Other Professional Fees - DSC	-	-	157,500
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7340	Postal / Mail Delivery	-	-	-
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	21,994
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Perishable Tools	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7615	Toll Road Charges	-	-	-
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	-
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	-	-	12,910
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	Total Expenditure	-	-	986,987

**Water Use Efficiency
62-4030**

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
	Choice Revenue	-	-	641,109
	Total Revenue	-	-	641,109

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	287,043
	Salaries & Wages - Recovery from Grants			(10,000) 2
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	94,608
	Overhead Reimbursement			94,266
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			172,192 1
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			-
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			3,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	-	-	641,109

- 1 • Project Audit -- \$10,000
- Printing of marketing materials for all WUE programs -- \$40,000
- MWDOC share of Evaluations required under Grant Agreements: Sprinkler Nozzle Water Savings Eval -- \$37,192
- Hotel Program (DWR) -- \$30,000
- Landscape Performance Certification -- \$55,000

- 2 Recovery from WUE Grants for some Salaries and Benefits

**Dana Point Desal
62-4060**

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
	Choice Revenue	-	-	100,173
	Total Revenue	-	-	100,173

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	111,685
	Salaries & Wages - Reimb. from Grants			(85,000)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	31,421
	Overhead Reimbursement			42,068
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	-	-	100,173

WEROC
25

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET	
4320	Revenues from MWDOC	90,359	90,359	90,359	
4210	WEROC Contracts	87,110	87,110	87,110	7
4705	Prior Years Carryover	4,587	5,252	10,221	
4205					
4220					
4240					
4410					
4805					
Total Revenue		182,056	182,721	187,690	

- 7 • OCSD -- \$16,543
- SOCWA -- \$6,613
- OCWD -- \$44,115
- 3 Cities -- \$6,613ea = \$19,839

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	105,546	105,542	106,602	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	38,809	39,673	42,052	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	2,000	2,000	2,000	6
7110	Conference - Employee	1,000	1,000	1,000	
7115	Conference - Directors				
7150	Travel & Accomodations - Employee	1,500	1,500	1,500	
7155	Travel & Accomodations - Director				
7210	Membership / Sponsorship	230	230	230	
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases	15,025	15,025	15,777	3
7330	Office & Radio Supplies	1,000	1,000	1,000	
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	250	250	200	
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance	1,000	1,000	1,000	4
7540	Perishable Tools				
7580	Maintenance Expense	2,000	2,000	2,000	2
7610	Automotive / Mileage	400	400	400	
7615	Toll Road Charges	50	100	100	
7620	Insurance Expense	1,500	1,000	1,500	
7640	Utilities - Telephone	10,746	11,000	11,330	5
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	1,000	1
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
Total Expenditure		182,056	182,721	187,690	

- 1 • WEROC Staff & Agencies trainings

- 2 • Generators -- \$1,000
- OA radios -- \$500
- Misc -- \$500

- 3 Catalina Repeater (5% increase)

- 4 Janitorial services for 2 EOCs.

- 5 Land-line and cellular phones, and DSL

AMP Proceeds Agreement Administration
61

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
4020	Interest Revenue	-	-	-
4050	O & M Maintenance Deposit	-	-	-
4230	Reimbursement and Carryover Funds	8,238	5,063	5,000
4680	Miscellaneous Income	-		-
4205				
4220				
4240				
4410				
4805				
	Total Revenue	8,238	5,063	5,000

		FY 2010-2011 BUDGET	FY 2010-2011 PROJECTED ACTUALS	FY 2011-2012 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,049	51	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	689	12	
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	2,500	2,500	2,500
7030	Audit	2,500	2,500	2,500
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Devlopment			
7510	Site Maintenance			
7540	Perishable Tools			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement	500		
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	8,238	5,063	5,000

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Memberships/Sponsorships Fiscal Year 2011-2012

Association	Budget	Projected	Budget	Approval included in Budget Approval
	FY 2010-2011	FY 2010-2011 Actuals	FY 2011-2012	
LAFCO	\$ 25,000	\$ 24,843	\$ 25,000	√
Subtotal Cost Center 11	25,000	24,843	25,000	
American Water Works Association (AWWA)	1,500	1,270	1,400	√
Association. of Calif. Water Agencies (ACWA)	14,000	14,652	15,000	√
Federal Affairs (Royce/Clark/Cordero)				
Local Government (Dick)				
Water Management (Royce)				
Joint Powers Ins. Auth. (Finnegan/Dick/Harris)				
ACWA Centennial Sponsorship		500		
CA Chamber of Commerce (HR California)		399	399	√
CALDESAL	5,000	5,000	5,000	√
California Municipal Treasurers Association	120	120	120	√
California Society of Municipal Finance Officers	110	110	110	√
CA Special Districts Assn. (CSDA)	4,000	4,456	4,500	√
CA Special Districts Assn. (CSDA) Co-Sponsorship		250		
Colorado River Water Users Assn. (CRWUA)	200	200	200	√
eCivis, LLC - Grants Locator	4,100	3,879	3,900	√
Government Finance Officers Association	150	150	150	√
Indep. Special Districts of Or. Co. (ISDOC)	200	200	200	√
National Ground Water Association	250	250	250	√
International Personnel Management Association	105	105	105	√
National Water Resources Assn., Mun. Caucus	500	500	500	√
Financial Management System User Group	350	350	350	√
Orange County Business Council (OC Chamber)	1,500	1,500	1,500	√
OC Chapter-Calif. Landscape Contractors Assoc.	600	600	600	√
OC Emplymnt Rtlns Consortium (Liebert, Cassidy & Whitmore)	2,800	2,800	2,800	√
Orange County Public Affairs Association	55	55	55	√
Orange County Water Association (OCWA)	193	193	193	√
OCWA Dinner Sponsorship		630		
Public Agency Risk Managers Association (PARMA)	105	100	100	√
Public Relations Society of America/O.C.	300	300	300	√
Santiago Aqueduct Commission	4,200	4,017	4,100	√
Society of Human Resources Management (SHRM)	160	160	160	√
Southern California Water Committee	500	500	500	√
Urban Water Institute	1,375	1,250	1,300	√
Water Education Foundation	303	303	303	√
Direct Potable Reuse Study			5,000	√
Western States Council Sponsorship		500		
Subtotal Cost Center 12	42,676	45,299	49,095	
CA Urban Water Conservation Council sponsorship	7,810	7,810	7,810	√
South OC Watershed Management Area Dues			3,675	√
Subtotal Cost Center 34/35	7,810	7,810	11,485	
General Fund Total	\$ 75,486	\$ 77,952	\$ 85,580	
California Emergency Services Association	230	230	230	√
California Utilities Emergency Association (CUEA)	-			√
Infragard	-			√
International Association of Emergency Managers	-			√
WEROC Program Total	230	230	230	
GRAND TOTAL	\$ 75,716	\$ 78,182	\$ 85,810	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2011-2012

<u>Conference / Meeting</u>	<u>Registration</u>	<u>Travel ⁽¹⁾</u>
ACWA - DC Conference	\$ 550	\$ 900
- Fall Conference (3 staff)	2,400	1,200
- Spring Conference (3 staff)	1,500	4,500
- Committees (8 meetings)	700	3,600
- Legislative Symposium (1 staff)	250	800
AWWA (2 staff)	600	
CA Soc. of Mun. Finance Officers (1 staff)	200	600
CRWUA - Fall (3 staff)	1,200	1,800
CSDA Annual Conference (1 staff)	550	900
CSDA Legislative Committee (10 meetings)	-	4,500
CSDA Legislative Days (1 staff)	200	720
CUWCC Plenary & Committee meetings (10 meetings)		3,000
Gov. Finance Officers Assoc. Seminar (1 staff)	300	600
Information Technology Seminar (1 staff)	300	600
International Personnel Management Assoc. Seminar (1 staff)	400	200
Lobbying Day in Sacramento (2 staff)	-	1,000
Meetings w/Legislators in Sacramento (6 trips)		2,250
Network & Computer Conference (1 staff)	300	600
Urban Water Institute (2 staff)	800	1,000
Washington DC Trip (2 trips)		4,200
Water Education Foundation Conference (2 staff)	500	600
Water Use Efficiency Conferences (2 staff)	600	1,100
Miscellaneous*	1,600	2,100
TOTAL **	<u>\$ 12,400</u>	<u>\$ 35,870</u>
 PROPOSED GENERAL FUND BUDGET ⁽²⁾	 <u>\$ 7,440</u>	 <u>\$ 21,522</u>

* Includes OCWA lunch meetings, Met legislative trips, Misc. Assoc/Committee meetings and related business meeting expenses.

** Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

(2) Based on 60% reduction from total amounts for registration and travel.

Exhibit F

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2011-2012

<u>Conference</u>	<u>Registration</u>	<u>Travel (1)</u>
ACWA Fall Conference (5 Directors)	\$ 4,000	\$ 2,000
ACWA Spring Conference (2 Directors)	1,400	3,000
ACWA Committee meetings (12 meetings)	600	2,400
ACWA Legis. Trip - DC (1 Director)	1,600	2,100
Bond Buyers Conference (2 Directors)	300	600
Calif. Public Finance (2 Directors)	200	
CRWUA Fall Conf (3 Directors)	1,200	2,000
CSDA Annual Conference (2 Directors)	1,100	1,800
Washington DC Legislative Trips (6 trips)		9,000
Fish & Game Hearing (1 Director)		295
Indep. Special District Assoc. (8 mtgs.)	192	
League of Cities Meetings (2 mtgs)	780	
Lobbying Day in Sacramento (3 Directors)		1,500
Meetings with Legislators in Sacramento (6 trips)		2,250
NWRA Summer Conf (1 Director)	700	2,400
NWRA Fall Conf (1 Director)	400	1,000
NWRA Legislative DC Trip (1 Director)	1,600	2,100
Southern Calif. Water Committee (2 Directors)	200	
Urban Water Institute (1 Director)	425	500
Miscellaneous	2,400	2,400
 TOTAL*	 <u>\$ 17,097</u>	 <u>\$ 35,345</u>
 PROPOSED GENERAL FUND BUDGET (2)	 <u>\$ 10,258</u>	 <u>\$ 21,207</u>

* Excludes automotive mileage.

(1) Includes all modes of travel (except automotive mileage), room accommodations, meals, and related misc. expenses.

(2) Actual amount used in budget based on 60% of estimated amounts for registration and travel

Exhibit H

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Schedule of Capital Expenditures Fiscal Year 2011-2012

	<u>Proposed Budget</u>
Finance - 41-8810:	
Financial management system (FMS) enhancement	\$ 3,000
Subtotal Cost Center 41	3,000
Computer Equipment - 45-8810:	
Upgrade 2 network servers	4,400
New Interruptible Power Supply (UPS)	1,000
Upgrade 4 desktop workstations	2,000
Scanner	1,000
Subtotal Cost Center 45	8,400
Total Capital Expenditures	\$ 11,400

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 10-11	Budget FY 11-12	Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Various Engineering/Technical Services	\$ 120,000	\$ 100,000	√
Met Issues & Special Projects (23)	Malcom Pirnie, Inc.	Consulting on Met Issues	121,000	95,000	√
Total Engineering Expenses			241,000	195,000	
Legal Expenses					
Administration (11 & 13)	*McCormick, Kidman & Behrens	General Legal Counsel Services	218,000	191,000	√
	Nossaman, LLP	Legal Counsel Services	42,000	42,000	
	Best, Best & Krieger	Legal Service regarding Pension Plan, Deferred Compensation	2,000		√
	*Liebert, Cassidy & Whitmore	Legal Service regarding Pension Plan, Deferred Compensation, Risk Management, Personnel Issues	6,000	5,000	√
Total Legal Expenses			268,000	238,000	
Audit Expenses					
Finance (41)	Diehl, Evans & Company, LLP	Annual Audit	19,200	19,200	√
Training					
Administration (13)	To be Determined	Staff Development/Training	7,000	4,000	√
Professional Fees					
Administration (12 & 13 & 19)	*Dissinger Associates	Pension Plan Administration	1,000	3,000	√
	*Arnerich & Associates	Evaluate fund portfolio on a semi annual basis for 401 and 457 Plan	8,000	6,200	√
	*Wage Works	Cafeteria Plan Administration	2,500	2,000	√
	*ACWA	Employee Assistance Program	1,500	1,400	√
	Lewis Consulting	County Issues Consulting	60,000	48,000	√
	ECS, Inc.	Info. Management Professional Services	4,000	3,800	√
Governmental Affairs (31)	Townsend Public Affairs	State Legislative Advocate	90,000	90,000	√
	James C. Barker	Federal Legislative Advocate	48,000	42,000 ¹⁾	√
	(To be determined)	Miscellaneous	-	8,000	√
Water Use Efficiency (34) FY10-11 only	(To be determined)	North Orange County SmartTimer Rebate Program	25,000	CHOICE	√
	*ConserVision Consulting, LLC	Landscape Performance Certification Program	56,500		√
	(To be determined)	Printing of marketing materials for all WUE programs	40,000		√
	(To be determined)	Landscape Programs database	10,000		√
	(To be determined)		-		
	Gilbert & Associates	Project Audit	10,000		√
	(To be determined)	The Reserve Water Savings Evaluation	50,000		√
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor		25,000	√
	(To be determined)	Public Outreach	20,000	10,000	√
	(To be determined)	Collateral materials update and resolutions	1,000	5,000	√
	(To be determined)				
	(To be determined)	Drought Messaging effort	7,500		√
	(To be determined)	Qrtly Surveys/Polls			√
	(To be determined)	Client Agency Workshops	5,000	5,000	√
	(To be determined)	Grants Training for Member Agencies			
School Program (33) FY10-11 only	Discovery Science Center	Assemblies	128,200	CHOICE	√
	Discovery Science Center	Water Quality 101 Classes			√
Finance & IT (41 & 45)	McClure Consulting	MIS consultant fees	3,000	1,000	√
	*Union Bank	Custodial Bank fees	3,000	3,000	√
	(To be determined)	Computer Network Consulting	1,000		√
Total Professional Fees			575,200	253,400	

1) Net of desalination federal lobby cost reimbursements of \$36,000

Exhibit J
Professional / Special Services Authorized
Trustee Activities

Department	Consultant	Service	Budget FY 10-11	Budget FY 11-12	Approval included in Budget Approval
Legal Expenses					
Water Emergency Response of Orange County (WEROC) (25)	*MKB or Stradling, Yocca, Carlson & Rauth	WEROC		-	√
AMP Administration (61)	*MKB or Stradling, Yocca, Carlson & Rauth	AMP Administration, 1996 COPS			√
Audit Expenses					
AMP Administration (61)	(To be determined)	Annual Audit			√

* Upon approval of the budget by the Board, staff is authorized to use these professional services. All other professional services will be brought before the Committees and Board pursuant to the procedures set out in Chapter 8, Contracts section of the MWDOC Administrative Code.

**Exhibit J1
Professional / Special Services Authorized
Choice Funds**

Department	Consultant	Service	Budget FY 10-11	Budget FY 11-12	Approval included in Budget Approval
Professional Fees					
Water Use Efficiency	(To be determined)	North Orange County SmartTimer Rebate Program	25,000		√
	*ConserVision Consulting, LLC	Landscape Performance Certification Program	56,500	45,000	√
	(To be determined)	Printing of marketing materials for all WUE programs	40,000	40,000	√
	(To be determined)	Landscape Programs database	10,000	10,000	√
	(To be determined)	Hotel Program (DWR)		30,000	√
	(To be determined)	Sprinkler Nozzle Water Savings Evaluation	-	37,192	√
	Gilbert & Associates	Project Audit	10,000	10,000	√
(To be determined)	The Reserve Water Savings Evaluation	50,000		√	
School Program (33)	Discovery Science Center	Assemblies	128,200	157,500	√
	Discovery Science Center	Water Quality 101 Classes			√
Total Professional Fees			319,700	329,692	

* Upon approval of the budget by the Board, staff is authorized to use these professional services. All other professional services will be brought before the Committees and Board pursuant to the procedures set out in Chapter 8, Contracts section of the MWDOC Administrative Code.

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee General Manager

Department			FY11-12 Hours	FY11-12 FTE
General Fund:				
ADMIN / BOARD	Hunt	Meszaros		
2000 11 General Board	729	200	929	0.45
2000 12 General Administration	729	400	1,129	0.54
2000 13 Personnel / Staff Development	-	-	-	-
Total Admin / Board	1,458	600	2,058	0.99
PLANNING & COORDINATION	Hunt	Meszaros		
2000 21 General P & C	-	612	612	0.29
2000 22 Research Participation	-	-	-	-
Total Planning & Coordination	-	612	612	0.29
MET ISSUES & SPECIAL PROJECTS	Hunt	Meszaros		
2000 23 Met Issues	366	612	978	0.47
2000 23 Special Projects	-	-	-	-
Total Met Issues and Special Projects	366	612	978	0.47
GOVERNMENT / PUBLIC AFFAIRS	Hunt	Meszaros		
2000 31 Government Affairs	-	-	-	-
2000 32 Water Awareness	-	-	-	-
Total Public Affairs	-	-	-	-
WUE - Policy Development	Hunt	Meszaros		
2000 35 WUE - Policy Development	-	-	-	-
Total Policy Development	-	-	-	-
FINANCE & INFORMATION TECHNOLOGY	Hunt	Meszaros		
2000 41 Finance & Accounting	-	-	-	-
2000 45 Network / Computers	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-
OVERHEAD	Hunt	Meszaros		
Vacation / Admin Leave	120	120	240	0.12
Sick Leave (1/2)	48	48	96	0.05
Holiday	88	88	176	0.08
Total Overhead	256	256	512	0.25
General Fund Total	2,080	2,080	4,160	2.00
Choice, WEROC & Trustee Activities:				
Water Use Efficiency	Hunt	Meszaros		
4030 62 Water Use Efficiency	-	-	-	-
School Programs	Hunt	Meszaros		
4040 62 School Programs	-	-	-	-
Dana Point Desal	Hunt	Meszaros		
4060 62 Dana Point Desal	-	-	-	-
Poseidon Desal	Hunt	Meszaros		
4070 62 Poseidon Desal	-	-	-	-
WEROC	Hunt	Meszaros		
2010 25 WEROC Contract	-	-	-	-
AMP	Hunt	Meszaros		
4000 61 Proceed Agreement	-	-	-	-
Choice, WEROC & Trustee Act. Total	-	-	-	-
	Hunt	Meszaros		FTE
TOTAL HOURS	2,080	2,080	4,160	2.00

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Planning and Coordination

Department	Planning and Coordination					FY11-12 Hours	FY11-12 FTE
General Fund:							
ADMIN / BOARD	Bell	Jacobi	Seckel	Intern	Vergara		
2000 11 General Board	100	37	230	-	-	367	0.18
2000 12 General Administration	-	-	230	-	-	230	0.11
2000 13 Personnel / Staff Development	-	16	16	-	-	32	0.02
Total Admin / Board	100	53	476	-	-	629	0.30
PLANNING & COORDINATION	Bell	Jacobi	Seckel	Intern	Vergara		
2000 21 General P & C	342	865	530	900	-	2,637	1.27
2000 22 Research Participation	-	-	-	-	-	-	-
Total Planning & Coordination	342	865	530	900	-	2,637	1.27
MET ISSUES & SPECIAL PROJECTS	Bell	Jacobi	Seckel	Intern	Vergara		
2000 23 Met Issues	342	865	530	-	-	1,737	0.84
2000 23 Special Projects	-	-	-	-	-	-	-
Total Met Issues and Special Projects	342	865	530	-	-	1,737	0.84
GOVERNMENT / PUBLIC AFFAIRS	Bell	Jacobi	Seckel	Intern	Vergara		
2000 31 Government Affairs	-	-	-	-	-	-	-
2000 32 Water Awareness	-	1	-	-	-	1	0.00
Total Public Affairs	-	1	-	-	-	1	0.00
WUE - Policy Development	Bell	Jacobi	Seckel	Intern	Vergara		
2000 35 WUE - Policy Development	-	-	-	-	-	-	-
Total Policy Development	-	-	-	-	-	-	-
FINANCE & INFORMATION TECHNOLOGY	Bell	Jacobi	Seckel	Intern	Vergara		
2000 41 Finance & Accounting	-	-	-	-	-	-	-
2000 45 Network / Computers	-	-	-	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-	-	-	-
OVERHEAD	Bell	Jacobi	Seckel	Intern	Vergara		
Vacation / Admin Leave	120	120	120	-	-	360	0.17
Sick Leave (1/2)	48	48	48	-	-	144	0.07
Holiday	88	88	88	-	-	264	0.13
Total Overhead	256	256	256	-	-	768	0.37
General Fund Total	1,040	2,040	1,792	900	-	5,772	2.78
Choice, WEROC & Trustee Activities:							
Water Use Efficiency	Bell	Jacobi	Seckel	Intern	Vergara		
4030 62 Water Use Efficiency	-	-	-	-	-	-	-
School Programs	Bell	Jacobi	Seckel	Intern	Vergara		
4040 62 School Programs	-	-	-	-	-	-	-
Dana Point Desal	Bell	Jacobi	Seckel	Intern	Vergara		
4060 62 Dana Point Desal	1,040	-	208	-	800	2,048	0.98
Poseidon Desal	Bell	Jacobi	Seckel	Intern	Vergara		
4070 62 Poseidon Desal	-	40	80	-	-	120	0.06
WEROC	Bell	Jacobi	Seckel	Intern	Vergara		
2010 25 WEROC Contract	-	-	-	-	-	-	-
AMP	Bell	Jacobi	Seckel	Intern	Vergara		
4000 61 Proceed Agreement	-	-	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	1,040	40	288	-	800	2,168	1.04
	Bell	Jacobi	Seckel	Intern	Vergara	Total Hours	FTE
TOTAL HOURS	2,080	2,080	2,080	900	800	7,940	3.82

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee WEROC

Department	WEROC		FY11-12 Hours	FY11-12 FTE
General Fund:				
ADMIN / BOARD	Hubbard	Boteler		
2000 11 General Board	-	-	-	-
2000 12 General Administration	-	-	-	-
2000 13 Personnel / Staff Development	-	-	-	-
Total Admin / Board	-	-	-	-
PLANNING & COORDINATION	Hubbard	Boteler		
2000 21 General P & C	-	-	-	-
2000 22 Research Participation	-	-	-	-
Total Planning & Coordination	-	-	-	-
MET ISSUES & SPECIAL PROJECTS	Hubbard	Boteler		
2000 23 Met Issues	-	-	-	-
2000 23 Special Projects	-	-	-	-
Total Met Issues and Special Projects	-	-	-	-
GOVERNMENT / PUBLIC AFFAIRS	Hubbard	Boteler		
2000 31 Government Affairs	-	-	-	-
2000 32 Water Awareness	-	-	-	-
Total Public Affairs	-	-	-	-
WUE - Policy Development	Hubbard	Boteler		
2000 35 WUE - Policy Development	-	-	-	-
Total Policy Development	-	-	-	-
FINANCE & INFORMATION TECHNOLOGY	Hubbard	Boteler		
2000 41 Finance & Accounting	-	-	-	-
2000 45 Network / Computers	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-
OVERHEAD	Hubbard	Boteler		
Vacation / Admin Leave	-	-	-	-
Sick Leave (1/2)	-	-	-	-
Holiday	-	-	-	-
Total Overhead	-	-	-	-
General Fund Total	-	-	-	-
Choice, WEROC & Trustee Activities:				
Water Use Efficiency	Hubbard	Boteler		
4030 62 Water Use Efficiency	-	-	-	-
School Programs	Hubbard	Boteler		
4040 62 School Programs	-	-	-	-
Dana Point Desal	Hubbard	Boteler		
4060 62 Dana Point Desal	-	-	-	-
Poseidon Desal	Hubbard	Boteler		
4070 62 Poseidon Desal	-	-	-	-
WEROC	Hubbard	Boteler		
2010 25 WEROC Contract	2,080	1,664	3,744	1.80
AMP	Hubbard	Boteler		
4000 61 Proceed Agreement	-	-	-	-
Choice, WEROC & Trustee Act. Total	2,080	1,664	3,744	1.80
	Hubbard	Boteler	Total Hours	FTE
TOTAL HOURS	2,080	1,664	3,744	1.80

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Administration and Board

Department											FY11-12 Hours	FY11-12 FTE
General Fund:												
ADMIN / BOARD	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 11 General Board	510	970	66	19	13	-	-	-	-	12	1,589	0.76
2000 12 General Administration	80	-	450	1,190	978	556	396	236	80	500	4,465	2.15
2000 13 Personnel / Staff Development	894	10	1,176	10	5	5	5	5	-	5	2,115	1.02
Total Admin / Board	1,484	980	1,692	1,218	995	561	401	241	80	517	8,170	3.93
PLANNING & COORDINATION	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 21 General P & C	-	-	-	-	-	-	-	-	-	-	-	-
2000 22 Research Participation	-	-	-	-	-	-	-	-	-	-	-	-
Total Planning & Coordination	-	-	-	-	-	-	-	-	-	-	-	-
MET ISSUES & SPECIAL PROJECTS	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 23 Met Issues	360	647	44	310	253	139	99	59	20	133	2,063	0.99
2000 23 Special Projects	-	-	-	-	-	-	-	-	-	-	-	-
Total Met Issues and Special Projects	360	647	44	310	253	139	99	59	20	133	2,063	0.99
GOVERNMENT / PUBLIC AFFAIRS	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 31 Government Affairs	-	-	-	-	-	-	-	-	-	-	-	-
2000 32 Water Awareness	-	-	-	-	-	-	-	-	-	-	-	-
Total Public Affairs	-	-	-	-	-	-	-	-	-	-	-	-
WUE - Policy Development	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 35 WUE - Policy Development	-	-	-	-	-	-	-	-	-	-	-	-
Total Policy Development	-	-	-	-	-	-	-	-	-	-	-	-
FINANCE & INFORMATION TECHNOLOGY	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2000 41 Finance & Accounting	-	-	-	-	-	-	-	-	-	-	-	-
2000 45 Network / Computers	-	-	-	-	-	-	-	-	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-	-	-	-	-	-	-	-	-
OVERHEAD	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
Vacation / Admin Leave	120	122	208	64	-	-	-	-	-	-	514	0.25
Sick Leave (1/2)	48	43	48	38	-	-	-	-	-	-	177	0.09
Holiday	88	80	88	70	-	-	-	-	-	-	326	0.16
Total Overhead	256	245	344	172	-	-	-	-	-	-	1,017	0.49
General Fund Total	2,100	1,872	2,080	1,700	1,248	700	500	300	100	650	11,250	5.41
Choice, WEROC & Trustee Activities:												
Water Use Efficiency	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
4030 62 Water Use Efficiency	-	-	-	-	-	-	-	-	-	-	-	-
School Programs	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
4040 62 School Programs	-	-	-	-	-	-	-	-	-	-	-	-
Dana Point Desal	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
4060 62 Dana Point Desal	-	-	-	-	-	-	-	-	-	-	-	-
Poseidon Desal	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
4070 62 Poseidon Desal	-	-	-	-	-	-	-	-	-	-	-	-
WEROC	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
2010 25 WEROC Contract	-	-	-	-	-	-	-	-	-	-	-	-
AMP	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker		
4000 61 Proceed Agreement	-	-	-	-	-	-	-	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	-	-	-	-	-	-	-	-	-	-	-	-
	Davanaugh	Goldsby	Harris	Sherman	Frazier	Lee	J. Davanaugh	Pester	Manny	Baker	Total Hours	FTE
TOTAL HOURS	2,100	1,872	2,080	1,700	1,248	700	500	300	100	650	11,250	5.41

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Met Issues and Special Projects

Department				FY11-12 Hours	FY11-12 FTE
General Fund:					
ADMIN / BOARD	Lyon	Greco	De La Torre		
2000 11 General Board	-	100	260	360	0.17
2000 12 General Administration	-	-	-	-	-
2000 13 Personnel / Staff Development	16	18	8	42	0.02
Total Admin / Board	16	118	268	402	0.19
PLANNING & COORDINATION	Lyon	Greco	De La Torre		
2000 21 General P & C	-	-	-	-	-
2000 22 Research Participation	-	-	-	-	-
Total Planning & Coordination	-	-	-	-	-
MET ISSUES & SPECIAL PROJECTS	Lyon	Greco	De La Torre		
2000 23 Met Issues	1,496	1,246	1,556	4,298	2.07
2000 23 Special Projects	-	200	-	200	0.10
Total Met Issues and Special Projects	1,496	1,446	1,556	4,498	2.16
GOVERNMENT / PUBLIC AFFAIRS	Lyon	Greco	De La Torre		
2000 31 Government Affairs	-	100	-	100	0.05
2000 32 Water Awareness	-	-	-	-	-
Total Public Affairs	-	100	-	100	0.05
WUE - Policy Development	Lyon	Greco	De La Torre		
2000 35 WUE - Policy Development	-	200	-	200	0.10
Total Policy Development	-	200	-	200	0.10
FINANCE & INFORMATION TECHNOLOGY	Lyon	Greco	De La Torre		
2000 41 Finance & Accounting	-	-	-	-	-
2000 45 Network / Computers	-	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-	-
OVERHEAD	Lyon	Greco	De La Torre		
Vacation / Admin Leave	120	80	120	320	0.15
Sick Leave (1/2)	48	48	48	144	0.07
Holiday	88	88	88	264	0.13
Total Overhead	256	216	256	728	0.35
General Fund Total	1,768	2,080	2,080	5,928	2.85
Choice, WEROC & Trustee Activities:					
Water Use Efficiency	Lyon	Greco	De La Torre		
4030 62 Water Use Efficiency	-	-	-	-	-
School Programs	Lyon	Greco	De La Torre		
4040 62 School Programs	-	-	-	-	-
Dana Point Desal	Lyon	Greco	De La Torre		
4060 62 Dana Point Desal	-	-	-	-	-
Poseidon Desal	Lyon	Greco	De La Torre		
4070 62 Poseidon Desal	312	-	-	312	0.15
WEROC	Lyon	Greco	De La Torre		
2010 25 WEROC Contract	-	-	-	-	-
AMP	Lyon	Greco	De La Torre		
4000 61 Proceed Agreement	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	312	-	-	312	0.15
	Lyon	Greco	De La Torre	Total Hours	FTE
TOTAL HOURS	2,080	2,080	2,080	6,240	3.00

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Water Use Efficiency

Department								FY11-12 Hours	FY11-12 FTE
General Fund:									
ADMIN / BOARD	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 11 General Board	125	42	24	24	-	-	24	239	0.11
2000 12 General Administration	-	-	-	-	-	-	-	-	-
2000 13 Personnel / Staff Development	8	8	8	8	-	-	8	40	0.02
Total Admin / Board	133	50	32	32	-	-	32	279	0.13
PLANNING & COORDINATION	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 21 General P & C	-	-	-	-	-	-	-	-	-
2000 22 Research Participation	-	-	-	-	-	-	-	-	-
Total Planning & Coordination	-	-	-	-	-	-	-	-	-
MET ISSUES & SPECIAL PROJECTS	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 23 Met Issues	535	24	32	16	-	-	24	631	0.30
2000 23 Special Projects	-	-	-	-	-	-	-	-	-
Total Met Issues and Special Projects	535	24	32	16	-	-	24	631	0.30
GOVERNMENT / PUBLIC AFFAIRS	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 31 Government Affairs	-	-	-	-	-	-	-	-	-
2000 32 Water Awareness	-	-	-	-	-	-	-	-	-
Total Public Affairs	-	-	-	-	-	-	-	-	-
WUE - Policy Development	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 35 WUE - Policy Development	534	-	-	-	-	-	-	534	0.26
Total Policy Development	534	-	-	-	-	-	-	534	0.26
FINANCE & INFORMATION TECHNOLOGY	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2000 41 Finance & Accounting	-	-	-	-	-	-	-	-	-
2000 45 Network / Computers	-	-	-	-	-	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-	-	-	-	-	-
OVERHEAD	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
Vacation / Admin Leave	208	120	136	-	-	-	80	544	0.26
Sick Leave (1/2)	48	48	48	-	-	-	48	192	0.09
Holiday	88	88	88	-	-	-	88	352	0.17
Total Overhead	344	256	272	-	-	-	216	1,088	0.52
General Fund Total	1,546	330	336	48	-	-	272	2,532	1.22
Choice, WEROC & Trustee Activities:									
Water Use Efficiency	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
4030 62 Water Use Efficiency	534	1,750	1,744	992	900	900	1,808	8,628	4.15
School Programs	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
4040 62 School Programs	-	-	-	-	-	-	-	-	-
Dana Point Desal	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
4060 62 Dana Point Desal	-	-	-	-	-	-	-	-	-
Poseidon Desal	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
4070 62 Poseidon Desal	-	-	-	-	-	-	-	-	-
WEROC	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
2010 25 WEROC Contract	-	-	-	-	-	-	-	-	-
AMP	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez		
4000 61 Proceed Agreement	-	-	-	-	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	534	1,750	1,744	992	900	900	1,808	8,628	4.15
	Berg	Fahl	Hedges	Baum-Haley	Intern	Intern	Ramirez	Total Hours	FTE
TOTAL HOURS	2,080	2,080	2,080	1,040	900	900	2,080	11,160	5.37

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Government / Public Affairs

Department								FY11-12 Hours	FY11-12 FTE
General Fund:									
ADMIN / BOARD									
2000 11 General Board	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	424	0.20
2000 12 General Administration	-	-	-	-	80	-	-	80	0.04
2000 13 Personnel / Staff Development	18	20	18	-	24	-	-	80	0.04
Total Admin / Board	218	220	42	-	104	-	-	584	0.28
PLANNING & COORDINATION									
2000 21 General P & C	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	40	0.02
2000 22 Research Participation	-	-	-	-	-	-	-	-	-
Total Planning & Coordination	-	40	-	-	-	-	-	40	0.02
MET ISSUES & SPECIAL PROJECTS									
2000 23 Met Issues	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	750	0.36
2000 23 Special Projects	40	420	-	-	290	-	-	-	-
Total Met Issues and Special Projects	40	420	-	-	290	-	-	750	0.36
GOVERNMENT / PUBLIC AFFAIRS									
2000 31 Government Affairs	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	3,556	1.71
2000 32 Water Awareness	1,526	80	-	450	750	450	300	3,862	1.86
Total Public Affairs	1,566	880	1,102	900	1,470	900	600	7,418	3.57
WUE - Policy Development									
2000 35 WUE - Policy Development	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	200	0.10
Total Policy Development	-	200	-	-	-	-	-	200	0.10
FINANCE & INFORMATION TECHNOLOGY									
2000 41 Finance & Accounting	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	-	-
2000 45 Network / Computers	-	-	-	-	-	-	-	-	-
Total Finance & Info. Tech.	-	-	-	-	-	-	-	-	-
OVERHEAD									
Vacation / Admin Leave	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	360	0.17
Sick Leave (1/2)	120	80	80	-	80	-	-	192	0.09
Holiday	48	48	48	-	48	-	-	352	0.17
Total Overhead	256	216	216	-	216	-	-	904	0.43
General Fund Total	2,080	1,976	1,360	900	2,080	900	600	9,896	4.76
Choice, WEROC & Trustee Activities:									
Water Use Efficiency									
4030 62 Water Use Efficiency	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	450	0.22
School Programs	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	250	0.12
4040 62 School Programs	-	-	250	-	-	-	-	-	-
Dana Point Desal	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	124	0.06
4060 62 Dana Point Desal	-	104	20	-	-	-	-	-	-
Poseidon Desal	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	-	-
4070 62 Poseidon Desal	-	-	-	-	-	-	-	-	-
WEROC	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	-	-
2010 25 WEROC Contract	-	-	-	-	-	-	-	-	-
AMP	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	-	-
4000 61 Proceed Agreement	-	-	-	-	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	-	104	720	-	-	-	-	824	0.40
	Cordero	Burke	Hanley	Intern	Baca	Intern	Intern	Total Hours	FTE
TOTAL HOURS	2,080	2,080	2,080	900	2,080	900	600	10,720	5.15

Exhibit I

Municipal Water District of Orange County Proposed Budget Hours by Department and Employee Finance and Information Technology

Department							FY11-12 Hours	FY11-12 FTE
General Fund:								
ADMIN / BOARD	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 11 General Board	-	-	-	-	-	-	-	-
2000 12 General Administration	-	-	-	-	-	-	-	-
2000 13 Personnel / Staff Development	20	32	20	20	20	20	132	0.06
Total Admin / Board	20	32	20	20	20	20	132	0.06
PLANNING & COORDINATION	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 21 General P & C	-	-	-	-	-	-	-	-
2000 22 Research Participation	-	-	-	-	-	-	-	-
Total Planning & Coordination	-	-	-	-	-	-	-	-
MET ISSUES & SPECIAL PROJECTS	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 23 Met Issues	-	-	-	-	-	-	-	-
2000 23 Special Projects	-	-	-	-	-	-	-	-
Total Met Issues and Special Projects	-	-	-	-	-	-	-	-
GOVERNMENT / PUBLIC AFFAIRS	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 31 Government Affairs	-	-	-	-	-	-	-	-
2000 32 Water Awareness	-	-	-	-	-	-	-	-
Total Public Affairs	-	-	-	-	-	-	-	-
WUE - Policy Development	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 35 WUE - Policy Development	-	-	-	-	-	-	-	-
Total Policy Development	-	-	-	-	-	-	-	-
FINANCE & INFORMATION TECHNOLOGY	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2000 41 Finance & Accounting	1,830	1,412	1,724	1,494	1,820	-	8,280	3.98
2000 45 Network / Computers	-	300	-	200	-	1,854	2,354	1.13
Total Finance & Info. Tech.	1,830	1,712	1,724	1,694	1,820	1,854	10,634	5.11
OVERHEAD	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
Vacation / Admin Leave	80	160	160	120	80	80	680	0.33
Sick Leave (1/2)	48	48	48	48	48	48	288	0.14
Holiday	88	88	88	88	88	88	528	0.25
Total Overhead	216	296	296	256	216	216	1,496	0.72
General Fund Total	2,066	2,040	2,040	1,970	2,056	2,090	12,262	5.90
Choice, WEROC & Trustee Activities:								
Water Use Efficiency	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
4030 62 Water Use Efficiency	24	40	40	120	24	-	248	0.12
School Programs	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
4040 62 School Programs	-	-	-	-	-	-	-	-
Dana Point Desal	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
4060 62 Dana Point Desal	-	-	-	-	-	-	-	-
Poseidon Desal	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
4070 62 Poseidon Desal	-	-	-	-	-	-	-	-
WEROC	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
2010 25 WEROC Contract	-	-	-	-	-	-	-	-
AMP	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh		
4000 61 Proceed Agreement	-	-	-	-	-	-	-	-
Choice, WEROC & Trustee Act. Total	24	40	40	120	24	-	248	0.12
	Gunawan	Letrong	Pfister	Stalvey	Snow	Dinh	Total Hours	FTE
TOTAL HOURS	2,090	2,080	2,080	2,090	2,080	2,090	12,510	6.01



ACTION ITEM

May 18, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact:
Phil Letrong

SUBJECT: Annual Review of District Investment Policy and Guidelines

STAFF RECOMMENDATION

Staff recommends the Board of Directors: Adopt Resolution establishing the District's Investment Policy and Guidelines, and incorporate these changes to the District's Administrative Code accordingly.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The Board adopted Resolution No. 1736 in May of 2004 and the Administrative Code requires that the Board conduct an annual review of its investment policies and guidelines. We have reviewed the policy each year, but only some minor changes have been made since 2004.

Staff had a chance to work with Mr. Michael Swan from Mutual Securities on reviewing and updating the District Investment Policy. Mr. Swan is a reviewer on the Investment Policy Review and Certification Committee for the Association of Public Treasurers of the U.S. and Canada and offered to review our policy in that capacity.

The proposed changes made to the Investment Policy can be summarized as follow:

- 1. Investment officer responsibility is more clearly defined based on standard industry practice.

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

2. Surplus Funds (Reserves) terminology is replaced with Reserve Funds to be consistent with the Administrative Code.
3. Investment Objectives are clearly defined in section 2105.
4. Permissible investment compositions are revised to eliminate redundancy and repetition.
5. In order to obtain a better return on investment, staff recommends to extend the maturity of the following Permissible investments for the Operating and Fiduciary funds such as:
 - a) U.S. Treasury obligations maturity changes from one year to two years.
 - b) U. S. Government Agency obligations maturity changes from one year to two years.
 - c) Prime Commercial Paper maturity changes from 31 days to 90 days.
6. Stricter guidelines are proposed on Repurchase Agreements, U.S. Treasury and Agency collateral markets requiring that the value should be at least 102% of the value of the Repurchase Agreement.
7. "National Association of Security Dealers" is replaced with its new name "Financial Industry Regulatory Authority (FINRA)" in section 2108.

Staff recommends the revised Resolution be adopted (superseding Resolution 1736) and incorporated into the District's Administrative Code.

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

INVESTMENT POLICY AND GUIDELINES	§2100-§2109
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§2100 PURPOSE

The purpose of this policy ~~statement~~ is to set forth the investment and operational policies for the management of the public funds of Municipal Water District of Orange County. These policies have been adopted by, and can be changed only by a majority vote of the Board of Directors.

These policies are designed to ensure the prudent management of public funds, the safety of principal, the availability of operating funds when needed, and an investment return competitive with those of comparable funds and financial market indexes.

A copy of this statement will be provided to all investment dealers and investment managers doing business with the Municipal Water District of Orange County. Receipt of this policy, including confirmation that it has been reviewed by persons dealing directly with the Municipal Water District of Orange County's account will be received prior to any organization providing investment services to the Municipal Water District of Orange County.

§2101 STATUTORY AND DELEGATED AUTHORITY

Authority to manage the investment of surplus funds is derived from California Government Code Sections 53601, et seq. In accordance with Section 53607 of the Government Code of the State of California, the authority of the Board of Directors to invest public funds may be delegated to the Treasurer.

The Municipal Water District of Orange County Board of Directors has expressly delegated the investment authority of the Board of Directors to the Treasurer pursuant to Resolution No. 1166. By Resolution No. 1277, the Board of Directors created the office of Deputy Treasurer and delegated to the Deputy Treasurer the authority to direct investment of MWDOC funds under the circumstances set forth in said Resolution. The Board of Directors created the office of Alternate Deputy Treasurer by Resolution No. 1434 and specified circumstances under which the Alternate Deputy Treasurer would have authority to direct the investment of MWDOC funds.

No person may engage in an investment transaction on behalf of MWDOC unless he or she has been duly appointed by the Board of Directors to the office of Treasurer, Deputy Treasurer, or Alternate Deputy Treasurer, and subject to the limitations and conditions set forth in the Resolutions establishing those offices and the terms of this policy. Notwithstanding the foregoing, upon the occurrence of a vacancy in the office of Treasurer, the Board of Directors may appoint an Acting Treasurer, who shall have and

exercise the authority delegated to the Treasurer until appointment of a successor Treasurer by the Board of Directors.

The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials.

§2102 ORGANIZATION

The organizational structure of the investment functions of MWDOC shall consist of the Board of Directors, the Administration & Finance Committee, the Treasurer and Deputy Treasurers. The responsibilities of these groups are as follows:

Board of Directors - the elected body responsible for the administration and investment of the assets of MWDOC. The Board may acquire, hold, manage, purchase, sell, assign, trade, transfer and/or dispose of any security, evidence of debt, or other investment in which MWDOC's assets may be invested by law. To assist them in discharging their responsibilities, the Board shall appoint a Treasurer, Deputy Treasurers and custodians of assets.

Administration & Finance Committee - appointed by the Board to review transactions, performance and asset mix, monitor, recommend policy, and propose adjustments for Board approval.

Treasurer ~~is~~ responsible for the administration ~~of the funds~~ and the investment of ~~these the~~ funds, subject to the policies and restrictions set by the Board. The Treasurer as investment officer of MWDOC is granted full authority and responsibility by the Board in the purchase, sale, assignment, exchange and transfer of securities and for the safe custody of security holdings, subject to Board policies, rules, regulations and directives consistent with regulatory and statutory limitations. The Treasurer is responsible for interpreting, administering and advising on legal requirements, investment policies and strategies; collecting income, preparation of reports. Also responsible for ~~the~~ Deputy Treasurers, and ~~other~~ investment staff compliance with ~~the~~ this investment policy and guidelines.

Deputy Treasurers - act in the absence of the Treasurer as specified within the Resolution of appointment to fulfill the duties and responsibilities as assigned by the Treasurer.

§2103 INVESTMENT PHILOSOPHY

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the ~~prudent-person rule~~ Prudent Investor Standard (California Government Code Section 53600.3). Those with investment responsibility for public funds are trustees and as such shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that persons' of prudence discretion and intelligence, exercise in the conduct of funds of a

like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This standard shall be applied in the context of managing the overall investment portfolio. Investment officers, acting in accordance with written procedures and this investment policy and exercising the above standard of diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

§2104 SCOPE

It is intended that this Investment Policy cover all funds and investment activities of MWDOC. Any reference to the portfolio shall mean the collection of MWDOC securities held by the Treasurer. Those securities held in Trust or escrow by a third-party Trustee or escrow agent on behalf of MWDOCWFC are invested under the Treasurer's direction in accordance with this investment policy and the ~~authority and~~ terms of the specific escrow or trust agreements related to the funds.

MWDOC funds are divided into two categories, and the investment objectives and policies vary with the nature of the fund.

- Operating and Fiduciary -- Funds - These funds are to provide for the ordinary annual operating expenses of MWDOC (General Fund, Water Fund) and Funds to provide for trustee functions and expenditures (WFC, with the exception of the Debt Service Reserve) and other specified reoccurring and non-reoccurring purposes where MWDOC serves in a fiduciary role. ~~Portfolio management shall have as a primary objective to preserve principal, second, to ensure that funds are available as needed due to the short-term nature of the inflows and outflows of the principal of the fund, and third, to generate a return as a supplementary source of income.~~ These funds are considered "short-term" for investment purposes and will be invested to provide the safety and liquidity to meet all anticipated expenditures.
- ~~Surplus funds (Reserves)~~ Reserve Funds -- These funds are Funds that have no immediate use but may be designated and set aside for contingencies or emergencies ~~or and~~ may be used to supplement the other funds as necessary. ~~Portfolio management is designed primarily to preserve principal so that it will be available when needed and secondarily to generate income.~~ These funds may be invested "longer-term" as defined in this investment Policy.

§2105 INVESTMENT OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing MWDOC's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of the District. The third objective is

to achieve a maximum return on invested funds. It is the policy of MWDOC to invest funds in a manner to obtain the highest yield possible while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of the District's funds.

Safety of Principal.

Safety of principal is the foremost objective of MWDOC. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. MWDOC shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security's issuer or backer. Interest Rate Risk is the risk that the market value of the MWDOC's portfolio will change due to an increase/decrease in general interest rates.

1) Credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of securities;
- (b) By pre-qualifying the financial institutions with which the Agency will do business; and
- (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

2) Interest rate risk will be mitigated by:

- (a) Structuring the portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (b) Investing primarily in shorter term securities.

Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized.

Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout budgetary and economic cycles, taking into account the MWDOC's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

The investment objectives of the two funds differ:

° Operating and Fiduciary Funds

° Objective – The primary objective of this fund is preservation of principal and liquidity; income is a secondary objective.

° Risk Tolerance – Because most of the principal of the fund will be paid out over the course of the current fiscal year, minimal volatility of principal is tolerated, but enough of the fund will be invested in non-volatile, liquid investment to ensure payments will be made. Moderate income volatility can be tolerated. Financial risk is not acceptable, and because of the short investment time horizon of the funds, exposure to interest rate risk and purchasing power risk will be minimal.

° Rate of Return – The annual time-weighted rate of return of this fund should equal or exceed the quoted rate at the State of California Local Agency Investment Fund as its benchmark goal.

° Surplus (Reserve) Funds

° Objective – The primary investment objective is to safeguard principal then to provide income for the operating fund, emergency requirements and future uses.

° Risk Tolerance – Minimal volatility of principal is acceptable in order to obtain additional income. Financial risk is unacceptable, and interest rate risk and purchasing power risk must be minimal.

° Rate of Return – The rate of return should equal or exceed the return on an index of government securities with an equal duration measured over a complete market cycle.

§2106 INVESTMENT POLICY GUIDELINES

The MWDOC investment portfolio may include the following investments subject to

Government Code Section 53601 (as periodically amended), and with the following exceptions noted below.

- Collective Investment (Pools) - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 6-2105 of this statement of investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk.
- Money Market Mutual Funds - Investment in shares of money market mutual ~~investment~~ funds may be made if the investments meet the same restrictions as those of collective investment pools described in Section 62105. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two of the three largest ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser ~~and must have had at least~~ with not less than five years experience with investment portfolios of \$500 million or greater.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other Permissible investments for the Operating and Fiduciary funds are:
 - Bank checking accounts, time deposits or certificates of deposit not to exceed the \$250,000 Federal Deposit Insurance Corporation (FDIC) limit without being collateralized. (Negotiated certificates of deposit shall not exceed 20% of portfolio in effect immediately after such investment.)
 - U.S. Treasury obligations with maturities of one two years or less.
 - ~~U.S. Government obligations,~~ U.S. Government agency obligations and, U.S. Government instrumentality obligations with ~~a~~ maturities of one two years or less.
 - Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment and have a maximum maturity not greater than 90 days from the date of purchase provided the dollar-weighted average maturity does not exceed 31 days).
 - Prime Banker's Accptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch with a maturity not greater than 180 days (shall not exceed 20% of portfolio in effect immediately after such investment).
 - Corporate Securities with a rating of "A" or better by a nationally recognized

rating service with a maturity of two years or less.

- ~~◦ Money market mutual funds that restrict investments to short-term U.S. Treasury and Agency securities (shall not exceed 15% of portfolio in effect immediately after such investment).~~
- ~~◦ State and other government agency collective investment pools, where the investment policies are compatible with those of Municipal Water District of Orange County.~~
- Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements), with a maturity not to exceed six months; the amount of such instruments will not exceed 10 percent of the market value of the portfolio. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the for a Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for ~~Surplus~~ (Reserve Funds) are:
 - All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval ~~three months~~ prior to investment.
 - Corporate ~~securities~~ Securities with a rating of "A" or better by a nationally recognized rating service with a remaining term to maturity of five years or less, not to exceed 20% of portfolio.
- Prohibited Investments and Investment Practices - The following are prohibited:
 - Purchases on ~~the~~ margin or short sales.
 - "Derivative" securities of any type.
 - Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).
 - Futures, Options and Margin Trading
 - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a total return basis.
 - Investments are limited to maturities of five years or less without express authorization of the Board ~~three months~~ prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
- Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or

liquidation, such monies shall be reinvested only as provided by the current policy.

§2107 EXECUTION

The responsibility for the execution of security transactions shall rest with such qualified members of the investment staff as designated by the Board. The selection of the broker-dealer for a specific transaction shall be based on price and yield quotations. Every effort shall be made to obtain appropriate discounts on individual orders.

Security orders shall be placed on the basis of accepted investment practices. All security transactions, including for repurchase agreements, entered into by MWDOC shall be on a delivery-vs.-payment (DVP) basis, i.e. payment will be made upon receipt of the securities to the safekeeping or trust account or custodial facility. All securities shall be held in MWDOC's name pursuant to an agreement and all financial institutions are instructed to mail confirmation and safekeeping receipts directly to MWDOC within three business days after the trade.

Receipts for the confirmation of trades of authorized securities will include information on trade date, par value, maturity, interest rate, price, yield, settlement date, description of securities purchased, agency's name, amount due, and third party custodial information.

§2108 PERSONAL CONDUCT

The Board of Directors of Municipal Water District of Orange County is acutely aware of the responsibilities the staff has in administering the investment assets of MWDOC. Therefore, the integrity of the staff and all others involved in making investment decisions must be unquestioned.

Members of the Board of Directors, the Treasurer, Deputy Treasurers and members of the investment staff may not have a direct or indirect interest in the gains or profits of any investment made by MWDOC and may not receive any pay or emolument (profit arising from office or employment usually in the form of compensation or perquisites) for services other than as designated by MWDOC for compensation and authorized expenses.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of conduct established by the applicable state statutes, the ~~National Association of Securities Dealers~~ Financial Industry Regulatory Authority (FINRA), ~~and~~ the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that

could conflict with the proper execution and management of the MWDOC investment program, or that could impair their ability to make impartial investment decisions.

§2109 REPORTING

The Treasurer shall prepare an investment report monthly, including a management summary that provides the status of the current investment portfolio and transactions made over the last month. The Report shall be submitted within thirty (30) days following the quarter ended. The report should be provided to and reviewed by the General Manager, the Administration & Finance Committee and provided to the Board of Directors. The report will include the following:

- A listing of individual securities held at the end of the reporting period;
- Average weighted yield to maturity of portfolio on MWDOC investments;
- Listing of investments by maturity date;
- Market values of current investments;
- Percentage of the total portfolio which each type of investment represents.

This policy shall be reviewed on an annual basis and as frequently as necessary to enable the investment program to respond to changing economic and market conditions.

GLOSSARY

Volatility of Principal - caused by changes in the market value or the prices of the securities.

Financial Risk - risk that the debtor will fail to make timely payments of principal or interest when due or that the company will fail.

Interest Rate Risk - interest rate change that may cause the market price or the yield to decline; includes reinvestment risk.

Cash Equivalents - instruments or investments of such high liquidity and safety that they are virtually as good as cash. Examples are a Money Market Fund and a Treasury Bill.

Broker/Dealer- individual or firm acting as a principal in a securities transaction. Principals trade for their own account and risk. When buying from a broker acting as a dealer, a customer receives securities from the firm's inventory; the confirmation must disclose this. When specialists trade for their own account, as they must as a part of their responsibility for maintaining an orderly market, they act as dealers. Since most brokerage firms operate both as brokers and as principals, the term broker-dealer is commonly used.

The investment policy shall be reviewed by the Administration & Finance Committee annually, and as frequently as necessary, to enable the Treasurer to respond to changing market conditions.

R1166 - 3/23/83; R1277 - 12/18/85; R1345 - 3/2/88; R1398 - 11/1/89; R1429 - 1/16/91; R1434 - 4/3/91; R1460 - 4/1/92; R1483 - 3/17/93; R1503 - 2/16/94; R1508 - 3/16/94; R1538 - 4/19/95; R1541 - 5/17/95; R1560 - 5/15/96; R1566; - 10/16/96; Motion - 11/25/96; R1584 - 5/21/97; R1694 - 4/17/02; R1718 - 6/18/03; R1736 - 5/19/04; R1880 - 5/19/10



DISCUSSION ITEM

May 11, 2011

TO: Board of Directors

FROM: **Administration & Finance Committee**
(Directors Thomas, Royce, Barbre)

Kevin Hunt
General Manager

Staff Contact: Karl Seckel

SUBJECT: DRAFT MWDOC Water Ordinance and Water Rate Resolution Changes Proposed for June 2011 Including Choice Items and Charges for Water Wheeling or Transfers – Only for Discussion This Month, for Action Next Month

STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss and provide input into the DRAFT Water Ordinance and Water Rate Resolutions that were modified to include Choice services and other updates and a NEW section on charges for Water Wheeling and Transfers. No action is to be taken this month. Both items will be scheduled for action in June.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY REPORT

Staff and legal counsel have taken a first shot at changes required to MWDOC's Water Ordinance and its Water Rate Resolution. Changes are required for:

- Adding Choice services
- Clean up changes to be consistent with changes at MET
- Rate updates
- Addition of a NEW section on charges for Wheeling and Transfers of Water

Staff is requesting input from the Board and member agencies this month and will schedule both of these documents for adoption at our June meeting. Specific input has been requested from IRWD and SMWD on the charges for Wheeling and Transfers of Water.

ORDINANCE NO 510

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING CLASSES OF WATER SERVICE AND
TERMS AND CONDITIONS OF WATER SERVICE
WITHIN THE DISTRICT**

WHEREAS, Municipal Water District of Orange County (hereinafter "MWDOC") is a member agency of the Metropolitan Water District of Southern California (hereinafter "Metropolitan") and the sole purveyor of imported water purchased from Metropolitan to retail water agencies and municipalities within MWDOC's service area; and

WHEREAS, MWDOC is authorized and directed by §71616 of the Water Code of the State of California to establish water rates and charges for the sale of such 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, Metropolitan has established classes of service for water service available to MWDOC consisting of Full ~~s~~Service, ~~Replenishment~~~~Interim Agricultural Water service, Seasonal Storage~~ Service (for groundwater and reservoirs), and has established rates and charges and conditions of service applicable to each class of service as set forth in the Metropolitan Water District Administrative Code; and

WHEREAS, on March 12, 2002, Metropolitan adopted a revised rate structure to become effective January 1, 2003, which eliminated or changed the method of

calculation of various existing charges and added new charges for water service, consisting of a two tier water supply rate, and separate unbundled charges for system access, water stewardship, system power, water treatment; and a new charge for capacity; in addition to Metropolitan's existing Readiness-to-Serve Charge, which will be imposed on MWDOC as a condition of receiving water deliveries from Metropolitan; and,

WHEREAS, Metropolitan took action to eliminate effective January 1, 2003, Metropolitan's New Demand Charge, Connection Maintenance Charge, and Short Term Seasonal Storage (seasonal shift) rates; and

~~WHEREAS, the Board of Directors of MWDOC desires to establish classifications for water service which will enable MWDOC to fix water rates and charges which will cover MWDOC's cost of water and other operating expenses and financial requirements; and~~

WHEREAS, in 2002 and again in 2003, the MWDOC Administration and Finance Committee and the Board of Directors of MWDOC reviewed several options for implementation of Metropolitan's rates within MWDOC's service area; and

WHEREAS, MWDOC's 2001 Strategic Plan [and the 2010 Update](#) emphasizes MWDOC's role in pursuing a regional approach to providing a reliable water supply to the residents of MWDOC and Orange County; 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 Bay-Delta pumping restrictions; and

WHEREAS, the Board views MWDOC's service area (and Orange County) as a single economic unit in which water supply reliability in one area of the County has an economic impact to the entire County; and

WHEREAS, beginning with the budget year commencing July 1, 2011, 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 others (such as the cities of Anaheim, Fullerton and Santa Ana) electing to receive such services; and

WHEREAS, the Board of Directors of MWDOC desires to establish classifications for water service that will enable MWDOC to fix water rates and charges that will cover MWDOC's cost of water and other operating expenses and financial requirements; and

WHEREAS, the Board of Directors of MWDOC desires to adopt terms and conditions for the provision of the various classes of water service and to provide for the fixing of water rates and charges from time to time by resolution; and

WHEREAS, Orange County Water District ("OCWD") has entered into an agreement with MWDOC whereby OCWD has agreed to pay, on behalf of member agencies within OCWD's basin, MWDOC's incremental rate on water delivered by MWDOC which directly or indirectly results in groundwater replenishment; and

WHEREAS, on January 17, 2001, MWDOC, as it existed prior to 2001, was consolidated with the Coastal Municipal Water District ("Coastal") into a single agency

which comprises the combined territories formerly within Coastal and MWDOC. The combined agency is referred to herein as Municipal Water District of Orange County or "MWDOC," and the territory within the former Coastal Municipal Water District is referred to herein as "Coastal."

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors that Ordinance No. 5049 is hereby repealed and superseded and Ordinance No. 501 is adopted and enacted as follows:

SECTION 1. SCOPE:

This Ordinance establishes classes of water service, ~~and~~ the terms and conditions for water delivery by MWDOC for imported water ~~which is~~ sold to customers of the District, ~~and establishes the concept of "CHOICE" services in which the member agencies and the cities of Anaheim, Fullerton and Santa Ana can choose to participate.~~ This Ordinance shall apply to customers of MWDOC after the effective date of the Ordinance.

SECTION 2. DEFINITIONS:

2.1 Whenever used in this Ordinance, the following terms shall have the meaning indicated herein:

2.2 "Board" shall mean the Board of Directors of Municipal Water District of Orange County.

2.3 "MWDOC" shall mean the Municipal Water District of Orange County. 2.4

"MWDOC Member Agency" shall mean any city, county, water district, county water

board, or other entity which receives water from MWDOC, directly or indirectly, the corporate area of which, in whole or in part, is included in MWDOC.

2.4.1 "Retail Water Meter" or "Retail Water Measuring Device" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is sold to any residential, agricultural, commercial, industrial, municipal, or other consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within the preceding calendar year. Meters on dedicated fire lines shall not be considered as being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

2.5 "Customer" shall mean any MWDOC Member Agency or other purchaser of water [or services](#) from MWDOC [and shall include the cities of Anaheim, Fullerton and Santa Ana](#).

2.6 "General Manager" shall mean the General Manager of MWDOC.

2.7 "Groundwater Basin" shall mean any managed groundwater basin located entirely or partially within the boundaries of MWDOC.

2.7.1 "Groundwater Basin Manager" shall mean the agency that manages a groundwater basin.

2.8 "State" shall mean the State of California.

2.9 "Metropolitan" shall mean the Metropolitan Water District of Southern California.

2.10 "Treated Water" shall mean water that is treated at any Metropolitan water treatment facility.

2.11 "Untreated Water" shall mean water that is not treated water.

2.12 "Imported Water" shall mean water which is acquired by MWDOC from Metropolitan, except for recycled water.

2.13 "Surface Water" shall mean water which is not groundwater or recycled water.

2.14 "Domestic and Municipal Purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes commonly, but not exclusively, serviced by the water supply of a city, town, or other similar population group, but shall not include water used for agricultural purposes.

2.15 "Agricultural Purposes" shall mean the growing or raising, in conformity with recognized practice of husbandry, for the purposes of commerce, trade, or industry, or for use by public educational or correctional institutions, of agricultural, horticultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) the feeding of fowl or livestock for the purpose of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefor.

~~2.15.1 "Agricultural purposes limited to the growing of field and nursery crops and row crops" shall mean those agricultural purposes related to the growing of crops generally planted and harvested annually or more frequently, and other agricultural purposes not included in the definitions of Sections 2.15.2 and 2.15.3.~~

~~2.15.2 "Agricultural purposes limited to the growing of trees and vines" shall mean those agricultural purposes limited to the growing of crops which are planted less frequently than annually in the expectation of long term yield therefrom.~~

~~2.15.3 "Agricultural purposes limited to the feeding of fowl or livestock" shall mean those agricultural purposes encompassing the raising of animals for human consumption or for the market or for the purposes of obtaining their products for human consumption or for the market.~~

2.16 "~~Groundwater replenishment~~Groundwater Replenishment" shall mean, and since 1958 has meant, the act of spreading or injecting or causing to be spread or injected, water for the purpose of replenishing natural groundwater basins, without regard to subsequent use of the water.

2.16.1 "Groundwater Replenishment by Spreading or Injecting" shall mean groundwater replenishment that results from the act of spreading or injecting, other than water used for seawater barrier groundwater replenishment.

2.16.2 "Seawater Barrier Groundwater Replenishment" shall mean groundwater replenishment by injection of water for the principal purpose of

maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

2.17 "In-lieu groundwater replenishment" shall mean maintenance or replenishment of water supplies in groundwater basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to consumers from imported water distribution facilities in-lieu of such extraction.

2.18 "Reservoir storage" shall mean the act of storing water in surface reservoirs or the maintenance of reservoir storage either by delivering water directly into a reservoir or reducing or eliminating reservoir withdrawals through substitution of deliveries of imported water to consumers from imported water distribution facilities in-lieu of such withdrawals.

2.19 ~~"Interim Agricultural Water Program" or "IAWP" water used for agricultural purposes that is delivered and certified under Metropolitan's Interim Agricultural Water Program as defined in Metropolitan's Administrative code.~~ Not Used Blank

2.20 "Full ~~s~~Service" shall mean service of water for domestic or municipal purposes, ~~and~~ agricultural purposes and groundwater replenishment or reservoir storage purposes that does not request or qualify for the ~~IAWP Replenishment Service~~ discount and is (as defined in Section 9) not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act or by application of the then effective MWDOC Water Supplyheritage Management Allocation Plan (WSAMP) or other shortage allocation plan as adopted by the Board.

2.21 "Emergency service" shall mean service of water for domestic and municipal purposes when a determination has been made by the General Manager that serious hardship would result to a MWDOC Member Agency in the event of the MWDOC Member Agency's inability to sustain all or any part of a reduction or interruption in the delivery of water to the extent and for the time mandated by the Board pursuant to Section 6.3 and such inability results from a cause other than an unforeseeable catastrophic event or loss of water supplies from sources other than MWDOC, or due to circumstances determined by the General Manager to be exceptional. If the inability to sustain an interruption is determined by the General Manager to be due to a catastrophic event, loss of water source or exceptional circumstances, then the water service provided to avoid hardship shall be treated as ~~Full service~~ Full Service.

2.22 "Recycled water"; which is sometimes referred to as sub-potable water, is water that does not meet criteria established by the State Department of Health Services for domestic use, and shall mean wastewater which has been collected in a sanitary sewer system and treated within a water reclamation plant or is untreated low quality water extracted from groundwater basins, both types of water being suitable for selected non-potable uses.

2.23 "~~Seasonal Replenishment~~ Storage Service" shall mean service of water for groundwater replenishment by spreading or injection, in-lieu groundwater replenishment, in-lieu reservoir storage, and direct reservoir storage available during periods designated

by the General Manager that qualifies within the certification criteria as described in Metropolitan's User Handbook for [Replenishment Seasonal Storage Service](#).

2.23.1 "~~Replenishment Service~~[Long-Term Seasonal Storage](#)" (LTSS) shall mean deliveries of water by MWDOC to a MWDOC Member Agency, for groundwater replenishment by spreading or injecting or in-lieu of water which would otherwise have been produced from local sources, as certified by the MWDOC Member Agency and/or the Groundwater Basin Manager using the Metropolitan [Replenishment Seasonal Storage Service Program](#) guidelines. ~~Only that amount of water delivered by MWDOC which exceeds the quantity of water of which the MWDOC Member Agency would have taken delivery during the winter period, and which is not offset by pumping during the winter period as calculated in the certification form, will qualify for long-term seasonal storage.~~ Local production is reduced ~~over throughout~~[during the fiscal year](#) ~~winter period~~ and MWDOC deliveries are increased under this program. ~~LTSS may be made available at other times based on terms and conditions established by the General Manager.~~

2.23.2 "~~Short-Term Seasonal Shift~~" (STSS) shall mean deliveries of water by MWDOC to a MWDOC Member Agency in the winter period for groundwater replenishment by spreading or injecting or in-lieu of water which would have otherwise been produced from local sources, and which replaces local storage depleted by increased pumping from local sources during the preceding summer period to reduce, by an equivalent amount, the water deliveries from MWDOC

~~which would otherwise have been taken by the MWDOC Member Agency during the preceding summer period, as calculated in the certification form. Local production and MWDOC deliveries remain the same for the combined summer and winter periods under this program. The Short Term Seasonal Shift program shall continue through the winter period of the 2002/03 fiscal year, after which discounts on seasonal shift water deliveries will be available only by individual agreements with Metropolitan.~~

~~2.23.3 "Short-Term Reservoir Seasonal Storage" (STRSS) shall mean deliveries of water by MWDOC to a MWDOC Member Agency in the winter period which is put into reservoir storage or taken in lieu of reservoir withdrawals and which is used during the following summer period to reduce, by an equivalent amount, the water deliveries from MWDOC which would otherwise have been taken by the MWDOC Member Agency in the following summer period, as calculated in the certification form. The Short-Term Reservoir Seasonal Storage program shall continue through the winter period of the 2002/03 fiscal year, after which discounts on short term reservoir seasonal storage water deliveries will be available only by individual agreements with Metropolitan.~~

2.23.42 "Replenishment Long-Term for Reservoir Seasonal Storage" (LTRSS) shall mean deliveries of water by MWDOC to a MWDOC Member Agency during a fiscal year in the winter period which is put into reservoir storage or taken in lieu of reservoir withdrawals and remains in reservoir storage past the end of the

~~fiscal year~~ ~~summer period following the winter period~~ in which it was delivered, as calculated in the certification form. ~~LTRSS may be made available at other times based on terms and conditions established by the General Manager.~~

2.24 ~~"Winter period" shall mean the consecutive period beginning October 1 and ending April 30 of the same fiscal year.~~ Blank

2.25 "Summer period" shall mean May 1 through September 30 of a calendar year. Blank

2.26 "Fiscal year" shall mean the fiscal year which commences July 1 of each calendar year and ends June 30 of the following calendar year.

2.27 "Eight-Year Average" shall mean the adjusted average quantity of groundwater replenishment water deliveries used to calculate the total amount of MWDOC's Incremental Rate to be charged to OCWD for groundwater replenishment and in-lieu replenishment which shall be a fixed charge in addition to the acquisition cost of replenishment deliveries (calculated pursuant to Section 5.23.42). The Eight-Year Average is calculated for each fiscal year as the average of all groundwater replenishment deliveries to the OCWD basin, including in-lieu replenishment to OCWD, Coastal (prior to January 17, 2001) and the cities of Anaheim, Fullerton and Santa Ana for the preceding eight years, adjusted to exclude the percentage of such deliveries attributable to the Cities of Anaheim, Fullerton and Santa Ana calculated on the basis of proportionate production of groundwater from the OCWD basin. The purpose of the calculation is to exclude the three Cities' share of replenishment deliveries from MWDOC's Incremental Rate, whether

acquired by the Cities directly or by OCWD, because as members of Metropolitan, the three Cities should not be subject to MWDOC's incremental rate.

The Eight-year Average is calculated as follows:

1. The Unadjusted Eight-Year Average is the average annual total of all seawater barrier, direct and in-lieu replenishment deliveries, for the benefit of the OCWD basin, from Metropolitan to MWDOC, Coastal (prior to January 17, 2001), and the Cities of Anaheim, Fullerton and Santa Ana (3 Cities) for the preceding eight years. (Note: This amount includes replenishment water ultimately purchased or stored by OCWD through MWDOC).
2. The 3 Cities Groundwater Production Average is the average annual combined groundwater production, and in-lieu replenishment deliveries taken by the 3 Cities within the OCWD basin for the preceding eight years.
3. The Total Basin Production Average is the average annual total groundwater production, and in-lieu replenishment deliveries within OCWD's jurisdiction for the preceding eight years.
4. The 3 Cities Production Percentage is the 3 Cities Groundwater Production Average divided by the Total Basin Production Average.
5. The Eight-Year Average is calculated by reducing the Unadjusted Eight-Year Average by the 3 Cities Production Percentage of the total OCWD basin production attributable to groundwater production by the 3 Cities.

6. The Eight-Year Average will be calculated prior to July 1 of each year using the final delivery and production data for the preceding eight full fiscal years, i.e., data for the year in which the calculation is made will not be used because such data would not be available until after the close of the fiscal year.

2.28 "New AMP Connection" shall mean a service connection to the Allen-McColloch Pipeline requested by a MWDOC Member Agency which is not a party to the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline.

2.29 "Metropolitan Readiness-to-Serve Charge" or "MET RTS Charge" shall mean the total monetary charge imposed by Metropolitan on MWDOC and collected either (1) by Metropolitan as a standby charge on property within MWDOC's boundaries or (2) directly from MWDOC.

2.30 "Net Metropolitan Readiness-to-Serve Charge" or "Net MET RTS Charge" shall mean that portion of the Metropolitan Readiness-to-Serve Charge which is not collected as a standby charge on property within MWDOC's boundaries, ~~which and~~ is billed by Metropolitan directly to MWDOC, and which, if no standby charge is levied, shall constitute the entire RTS Charge.

2.31 "MWDOC Member Agency Readiness-to-Serve Charge" or "MWDOC Member Agency RTS Charge" shall mean the apportionment of the Net MET RTS Charge

to the MWDOC Member Agencies based upon the rolling average water sales, as may be established from time to time by the MWDOC Board.

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2.37 "MWDOC Water ~~Supply~~Shortage Management Allocation Plan (WSAMP)"

shall mean a plan, established by the Board of Directors, to allocate water among the MWDOC agencies during times of water shortage.

2.38 "CHOICE" services shall mean those services made available by MWDOC to its Customers on an elective basis. Each Customer Member Agency will ~~ies~~ make an ~~get to s~~decision ~~elect~~ whether they participate and the and to what extent it will engage the services and ~~to which they participate in some of the activities~~ (depending on the nature of the services and the manner in which they ~~and specifics of the are charged~~s for the activities).

2.39 "Water Rate Resolution" shall mean a Resolution adopted by MWDOC from time to time that establishes MWDOC's water rates and other charges.

SECTION 3. MWDOC's WATER RATE:

The water rate shall be established in an amount ~~that, which~~ in combination with revenues from other charges collected by MWDOC, will result in revenues sufficient for the purposes set forth in §71616 of the California Water Code. ~~The water rate, and~~ shall include components for:

(a) The cost of acquisition of water or wheeling service (i.e. for water acquired from Metropolitan, the cost of acquisition would include, a per acre foot rate based on a melding of Metropolitan's Tier 1 and Tier 2 supply rates, plus Metropolitan's System Access Charge, Capacity Charge (if collected as a water rate, otherwise cost will be recovered at time the Capacity Charge is assessed annually), Water Stewardship Rate, System Power Rate, and, for treated water deliveries, Metropolitan's Treatment Surcharge); the cost of acquisition of ~~IAWP or Seasonal Replenishment Service Storage~~ water; and including any penalties and other applicable charges; and

(b) An incremental water rate (hereinafter MWDOC's Incremental Rate) applied per acre-foot of water delivered by MWDOC (except as to direct and in-lieu groundwater replenishment deliveries to OCWD, in which case MWDOC's Incremental Rate shall be a fixed annual charge calculated in accordance with Section 5.3.2); and

(c) Retail Meter Charge - an annual basic rate for each retail water meter (as defined in Section 2.4.1) served by a MWDOC Member Agency which is "in

service" as of January 1 of each year (hereinafter referred to as "MWDOC's Retail Meter Charge").

MWDOC's Retail Meter Charge shall be set to generate revenue, that, in combination with revenues derived from MWDOC's Incremental Rate, shall cover MWDOC's operating expenses and financial requirements, including reserves for repair and depreciation of works, a reasonable surplus for improvements, extensions, and enlargements, and funds to cover principal and interest payments and costs associated with bonded debt).

(d) A per acre-foot surcharge on water delivered through the Allen-McColloch Pipeline ("AMP Surcharge") to cover repair, maintenance and operation costs for the Allen-McColloch Pipeline to the extent such costs are not fully assumed and paid by Metropolitan, pursuant to the Agreement for Sale and Purchase of the Allen-McColloch Pipeline.

The Board shall establish said rates by resolution and shall adjust said rates from time to time by resolution. Written notice of the proposed establishment of water rates or amendment of water rates shall be given to all member agencies not less than 10 days prior to the meeting at which such resolution will be considered.

SECTION 4. OTHER CHARGES:

In addition to the water rate provided in Section 3, each MWDOC Member Agency shall be assessed charges as follows:

4.1 MWDOC Readiness-to-Serve Charge - an annual charge which shall be assessed to each MWDOC Member Agency ~~and which shall be~~ calculated as described in the rate resolution adopted pursuant to this Ordinance.

4.2 MWDOC Capacity Charge – Beginning in Calendar Year 2003 the MWDOC Capacity Charge was recovered by a water rate applied to purchases of Full Service water and water wheeling service sufficient to recover MWDOC's cost of Capacity Charges incurred from Metropolitan. Beginning in Calendar Year 2007, the MWDOC Capacity Charge ~~is will be~~ assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service ~~and; Wheeling and Met Interim Agricultural Water program deliveries~~) as a fixed charge on each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance.

4.3 MWDOC Connection Maintenance Charge – ~~T~~his charge was discontinued by Metropolitan and MWDOC after December 2002.

4.4 The MWDOC Readiness-to-Serve Charge and the MWDOC Capacity Charge, shall be set by the Board by resolution and shall be established at a level which, in the judgment of the Board, will yield revenues sufficient to cover the charges imposed by Metropolitan upon MWDOC under Metropolitan's rates and charges for water service, provided that MWDOC's charges may provide for collection in advance of expected invoice

by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges ~~which~~ that cannot be calculated in advance.

4.5 AMP Connection Charge

(a) As a condition to the approval for any request for a New AMP Connection, the agency requesting the New AMP Connection shall pay, in addition to the cost of constructing the service connection and all costs and fees imposed by Metropolitan, a connection charge (AMP Connection Charge). The AMP Connection Charge shall be calculated upon the maximum potential flow through the requested service connection, multiplied by the average unreimbursed 1993 replacement cost, less depreciation of a cubic foot per second (cfs) of capacity at all points along the AMP, calculated to be \$109,700 per cfs.

(b) The proceeds of AMP Connection Charges collected by MWDOC shall be used to reimburse those MWDOC Member Agencies and those agencies outside MWDOC's service area which acquired leasehold interests in the AMP, prior to the sale of the AMP to Metropolitan, for a portion of their acquisition costs, which were not recovered through the ~~s~~ Sale of the AMP to Metropolitan, in proportion to their cfs-foot ownership in the AMP system.

(c) The AMP Connection Charge shall terminate and shall not be applied to any New AMP Connections requested after Metropolitan completes a project which augments the capacity of the AMP in any amount. Notwithstanding the foregoing, an agency that has requested and obtained a new connection to the

AMP shall not be entitled to reimbursement of all or any portion of the AMP Connection Charges already paid, by reason of Metropolitan's subsequent augmentation of the AMP.

(d) The payment of the AMP Connection Charge shall not entitle the agency requesting the New AMP Connection to any rights or benefits under the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline, nor to any portion of the payments to be made by Metropolitan in consideration of the sale of the Allen-McColloch Pipeline, nor to any interest in the AMP Facilities.

4.6 Charges for CHOICE services. The categories, budget levels and methodology for allocating the costs to MWDOC's Customers for CHOICE services shall be set each year by the Board in its adoption of the Water Rate Resolution.

SECTION 5. CLASSES OF SERVICE:

The rates per acre-foot for water sold and delivered for each class of service on order of any MWDOC Member Agency for use therein shall be as established from time to time by resolution of the Board. The classes of service for water are as follows:

5.1 Full Service (for domestic and municipal purposes, which may include groundwater replenishment, in-lieu groundwater replenishment, reservoir storage and for Agricultural Purposes that does not receive ~~the IAWP a~~ discount).

5.2 Emergency Service (for domestic and municipal purposes) as defined in Section 2.21.

5.3 ~~Seasonal Replenishment Storage Service (for groundwater and reservoir Long-Term Seasonal Storage (LTSS) and Short-Term Seasonal Shift (STSS), Long-Term Reservoir Seasonal Storage (LTRSS) and Short-Term Reservoir Seasonal Storage (STRSS)).~~

5.3.1 ~~MWDOC's Incremental Rate shall be applied on all deliveries in the STSS, LTRSS and STRSS classes of service.~~

~~5.3.2 Long-Term Seasonal Storage.~~ MWDOC's Incremental Rate shall be applied to each acre-foot of water delivered under this class of service, except for water delivered under this class of service within OCWD's service area for groundwater replenishment to any MWDOC Member Agency. Water deliveries within OCWD's service area under this class of service shall not have MWDOC's Incremental Rate applied, instead such water shall be sold at MWDOC's cost of acquisition of water for this class of service.

By agreement with OCWD, OCWD shall pay a fixed annual charge calculated by multiplying the Eight-Year Average by MWDOC's Incremental Rate as the charge for replenishment and in-lieu replenishment service (Section 2.27).

5.4 Recycled Water (for selected non-potable uses). MWDOC's Incremental Rate shall not be applied to water delivered to a ~~member agency~~ Member Agency in this

class of service; instead such water shall be sold at MWDOC's cost of acquisition for recycled water. (Section 2.22).

5.5 ~~MWDOC Interim Agricultural Water Service (IAWP) - (available to eligible MWDOC Member Agencies for Agricultural Purposes, based upon historical agricultural use). MWDOC's incremental water rate shall be applied to each acre-foot of water delivered under this class of service.~~Not Used

5.6 Wheeled or Transfer Water

MWDOC ~~'s Incremental Water Rate~~ shall charge the member agencies for water apply to wheeled or transferred into the MWDOC service area in accordance with the Water Rate Resolution. ~~water delivered through any MWDOC connection to a Metropolitan facility unless otherwise agreed prior to the delivery of the water.~~ Wheeled or transferred water will also be assessed pay the rates for System Access, Water Stewardship, ~~and~~ Capacity Charges and, if the water is treated by Metropolitan, ~~the~~ Treatment Surcharge. Metropolitan will assess actual power costs and may assess an administrative fee for wheeling transactions.

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of whether

or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

All sales and deliveries of water in classes established by Section 5 shall be subject to all applicable statutes and administrative regulations, including the Metropolitan Water District of Southern California Administrative Code, as they may be amended from time to time, and to MWDOC policy.

SECTION 6. ESTIMATES OF WATER REQUIREMENTS, SCHEDULES OF DELIVERIES AND CERTIFICATION:

6.1 General. Each year or at such time as the General Manager may specify, each MWDOC Member Agency shall furnish MWDOC, in a form provided by MWDOC, a five-year estimate of the amounts of water to be furnished to such MWDOC Member Agency by MWDOC, and an estimate of the quantity of water anticipated to be obtained from local sources to meet MWDOC Member Agency needs. ~~Each MWDOC Member Agency shall also provide MWDOC an estimated maximum peak day capacity at all of the connections through which water furnished by MWDOC is delivered to the Member Agency. The estimates will be used by MWDOC for the purposes of scheduling water deliveries through available capacity, determining the appropriate amount of peak~~

~~capacity to reserve from Metropolitan, and ordering water from Metropolitan.~~ The estimate shall constitute the MWDOC Member Agency's request for deliveries for the first of the five years covered therein.

6.2 Contents of Estimates and Certification.

6.2.1 Each estimate furnished by a ~~member agency~~Member Agency pursuant to Section 6.1 shall contain, as a minimum, for each service connection and for each month of the fiscal year beginning with the succeeding July 1, and for the entire MWDOC Member Agency for each month of the succeeding four fiscal years, the following information:

(a) The quantity of treated and untreated water to be delivered by MWDOC to the MWDOC Member Agency in ~~Full service~~Full Service.

~~(b) The quantity of water to be delivered by MWDOC to the MWDOC Member Agency in Interim Agricultural Water Service.~~

~~(c)~~ The quantity of water to be delivered by MWDOC to the MWDOC Member Agency in ~~Seasonal Replenishment~~Storage Service, broken down between groundwater and reservoir storage.

~~(d) With regard to water estimated to be delivered in Seasonal Storage Service, the quantity of water to be delivered by MWDOC for LTSS, STSS, LTRSS, and STRSS.~~

~~(e) An estimated aggregate peak day flow rate for all connections through which the MWDOC Member Agency received water from MWDOC during the May through September summer period.~~

6.3 Obligations in Event of Shortage.

The Board may provide for a method of allocation of available supplies as the Board may determine necessary, through adoption of a Water Supply Shortage Management Allocation Plan (WSAP) for all classes of service. MWDOC shall provide any notice required by law for implementation of a reduction or interruption of any class or classes of service; however, no additional or special notice shall be required for any particular class of service as a condition of implementing a reduction or interruption of service.

SECTION 7. BILLING AND PAYMENT, CERTIFICATIONS AND REPORTING OF WATER SALES AND TRANSFERS

7.1 Billing Schedule. The MWDOC Member Agencies shall be billed for water delivered and for other charges as provided by resolution of the Board.

7.2 Delinquent Payment. In the event any MWDOC Member Agency which receives deliveries of water from MWDOC is delinquent in payment of bills for water rates and charges, an additional charge equal to two percent (2%) of such delinquent amount shall be assessed to the MWDOC Member Agency for each month or fraction thereof in which the delinquent amount is not paid. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to

one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

Additional charges provided herein for delinquent payments may be waived by the Board upon written request by the MWDOC Member Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the MWDOC Member Agency, provided that the delinquent ~~member agency~~Member Agency reimburses MWDOC for all costs and penalties actually incurred by MWDOC as a result of the delinquent payment. In the event that any MWDOC Member Agency which receives deliveries of water from MWDOC shall be delinquent for more than thirty (30) days in the payment of billings for MWDOC's charges, the Board, in its discretion and upon other conditions as it may prescribe, after giving the MWDOC Member Agency a twenty-day (20-day) notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to MWDOC, and may authorize such other action as may be appropriate.

7.3 Certification of Retail Meters. On or before the first day of March of each year, each of MWDOC's Member Agencies shall certify the number of retail water service meters that were "in service" (see 2.4.1) within the territory of each agency which is within MWDOC as of January 1st of that year on a form provided by MWDOC. The number of

meters specified thereon shall be subject to MWDOC confirmation and shall be used to calculate billings for MWDOC's Retail Meter Charge.

7.4 Disputed Bills. If a MWDOC Member Agency disputes the amount of any billing, the MWDOC Member Agency shall pay the disputed bill. Corrections to the billing, if deemed necessary, shall be made on the succeeding month's water bill without interest.

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency in any Seasonal Replenishment Storage Service, IAWP or other MWDOC or Metropolitan water programs (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each fiscal year to determine what quantity of water qualifies for the pricing discount or incentive. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

7.6 Certifications. In the event water is delivered to a MWDOC Member Agency under the Seasonal Replenishment Storage Service classification for other than direct groundwater replenishment purposes or under the Interim Agricultural Water Service classification, the MWDOC Member Agency must submit the required certifications, in a format provided by MWDOC, documenting the quantity of water used for such purposes.

7.7 blank

7.8 Reporting of Water Transfers. Transfers of imported water between MWDOC Member Agencies affecting the calculation of the RTS Charge or other charges

imposed by Metropolitan or MWDOC must be reported within sixty (60) days following the month of delivery, in order to qualify for an adjustment of the RTS Charge or other charges.

SECTION 8. WATER EXCHANGES, CONSERVATION AND EQUITABLE ALLOCATION OF COST SAVINGS:

8.1 Water exchange arrangements between two or more MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent. Water Exchange Agreements with agencies or entities outside MWDOC's boundaries will not be allowed if such exchange would result in a detriment to any MWDOC Member Agency or area within MWDOC's service area. Any such agreements which affect waters of a non-adjudicated groundwater basin shall be subject to the consent of such Groundwater Basin Manager. Any such agreements ~~which~~ that affect MWDOC's purchases of Metropolitan water and related charges, or payment of Metropolitan's Readiness to Serve Charge, or Capacity Charge, shall be subject to the consent of MWDOC.

SECTION 9. ~~Not Used~~ — ~~INTERIM AGRICULTURAL WATER PROGRAM.~~

~~9.1 MWDOC Interim Agricultural Water Program (IAWP). Metropolitan has implemented a program to phase out rate preferences for agricultural water which it has designated the Interim Agricultural Water Program ("MET Program"). In order to carry out the purpose and intent of the MET Program, MWDOC will offer Interim Agricultural Water Program pricing to MWDOC Member Agencies based upon the same eligibility criteria~~

applied by Metropolitan, i.e., on historical use of agricultural water service ("MWDOC Program").

~~9.2~~ Maximum Amount of Annual Water Deliveries. The maximum amount of water delivered annually under the MWDOC Program which is available to each eligible MWDOC Member Agency under the MWDOC Program is as follows:

MWDOC MEMBER AGENCY	MAXIMUM ANNUAL AMOUNT OF AGRICULTURAL DISCOUNT WATER MWDOC MEMBER AGENCY MAY PURCHASE (ACRE-FEET)
Brea	281
Capistrano Valley WD	232
East Orange County WD	4
Irvine Ranch WD	6,597
Los Alisos WD	165
Orange	85
Trabuco Canyon WD	188
Yorba Linda WD	106
TOTAL	7,657

~~9.3~~ MWDOC Member Agency Certifications and Annual Reports. MWDOC Member Agencies shall provide monthly IAWP water certifications in conformance with Section 7.6. In addition, MWDOC Member Agencies shall provide to MWDOC, not later than December 15 of each year, an annual report summarizing the following monthly information: (1) total retail water use, (2) MWDOC deliveries, (3) local water use, (4)

~~MWDOC deliveries to agriculture, and (5) local deliveries to agriculture, for the previous Fiscal Year.~~

~~9.4 MWDOC Program Audits. The MWDOC Program may be audited at the end of each fiscal year.~~

~~9.5 MWDOC Member Agency Plan to Meet Mandatory Cuts to Agriculture. Prior to receiving water deliveries under this Program, each MWDOC Member Agency, which plans to participate in the Program, shall submit a written plan to MWDOC showing how it will meet the mandatory cuts to IAWP water service during a shortage. The plan shall describe the MWDOC Member Agency's drought management strategy and how it plans to either cut back IAWP deliveries or use local resources to supply agriculture during a shortage.~~

~~9.6 IAWP Reductions During a Shortage. Should a supply shortage occur, the General Manager may exercise discretion to reduce IAWP deliveries up to 30 percent prior to imposing the Water Shortage Management mandatory reduction targets for Full Service deliveries. The required reduction would be measured against the previous 12 month's actual IAWP certifications under the MWDOC program and would be used in establishing the MWDOC Member Agency's shortage allocation target amount. As soon as practical after the General Manager makes a determination to reduce or interrupt delivery of water for interim agricultural water service, the General Manager shall give written notice of such determination to affected MWDOC Member Agencies.~~

~~9.7 MWDOC Member Agencies to Pass Through Entire IAWP Discount. As a condition of participation in the MWDOC Interim Agricultural Water Program, each MWDOC Member Agency shall agree to pass the entire IAWP discount through to its agricultural water users.~~

SECTION 10. SEVERABILITY:

If any provision of this Ordinance is for any reason held to be unlawful, such decision shall not affect the remaining portions of the Ordinance. The Board of Directors hereby declares that it would have passed each and every section and each and every phrase thereof irrespective of the fact that one or more provisions be declared invalid.

SECTION 11. EFFECTIVE DATE:

This Ordinance shall be effective July 1, 2011. Said Ordinance was adopted, on roll call, by the following vote:

AYES: Directors Barbre, Clark, Dick, [Finnegan](#), Hinman, Royce & [Thomas](#)

NOES: None

ABSENT: [None](#)

ABSTAIN: None

I certify the foregoing is a true and correct copy of Ordinance No. [501](#), adopted by the Board of Directors at its meeting held on [June 15, 2011](#).

Maribeth Goldsby,
District Secretary

RESOLUTION NO. 18

**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;

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 \$4.25 per acre foot from July 1, 2011 through June 30, 2012, 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, 20 <u>11</u>	Beginning January 1, 20 <u>12</u>
Untreated Full Service	\$ <u>531.25</u>	\$ <u>564.25</u>
Treated Full Service	\$ <u>748.25</u>	\$ <u>798.25</u>

Unbundled Rate By Component:		
System Access Rate	\$ <u>204.00</u>	\$ <u>217.00</u>
Capacity Charge	N/A [1]	N/A [1]
System Power Rate	\$ <u>127.00</u>	\$ <u>136.00</u>
Water Stewardship Rate	\$41.00	\$ <u>43.00</u>
Delta Surcharge	\$ <u>51.00</u>	\$ <u>58.00</u>
MWDOC Melded Supply Rate*	\$ <u>104.00</u>	\$10 <u>6.00</u>
Tiered Supply Rate (Tier 1/Teir 2)	N/A	N/A
MWDOC Incremental Rate	\$ <u>4.25</u>	\$ <u>4.25</u>
Subtotal Untreated Full Service:	\$<u>531.25</u>	\$<u>564.25</u>
Treatment Surcharge	\$217.00	\$ <u>234.00</u>
Total Treated Full Service:	\$<u>748.25</u>	\$<u>798.25</u>

* 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](#)**

(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 ₁	Beginning January 1, 201 ₂
Untreated	\$ <u>413.25</u>	\$ <u>446.25</u>
Treated	\$ <u>605.25</u>	\$ <u>655.25</u>

- (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 ₁	Beginning January 1, 201 ₂
Untreated	\$ <u>409.00</u>	\$ <u>442.00</u>
Treated	\$ <u>601.00</u>	\$ <u>651.00</u>

- (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 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 2011-12

The CHOICE services to the member agencies shall be provided and charged for as follows for 2011-12.

- (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 - 2010 is the most recent year data is available and will be used for 2011-12 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.
- (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 \$2.90 per student.
- (c) South Orange Coastal Ocean Desalination Program – Currently there are five participants in the project. The estimated cost of MWDOC’s staff time to manage the project shall be apportioned among the five participants in equal proportions, the five Participants 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 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 details on these charges to the agencies are included in Section 12, 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 \$[6.25](#). 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[1-12](#), 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 \$9,549,905. The Net RTS 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 Net RTS on a monthly installment basis. The MWDOC 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 2011-12 charges, the four-year average shall be based on 2006-07 through 2009-10). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of firm sales.

(c) Fiscal Year 2011-12 MWDOC Readiness to Serve Charge Rate

For fiscal year 2011-12, MWDOC will charge the MWDOC member agencies total Net RTS charges of \$9,549,905. **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 2011-12 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 201², the amount of the Metropolitan Capacity Charge applicable to MWDOC will be \$[3,622,300](#). 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 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 201² charges, the highest peak day flow shall be based on 200⁸, 200⁹ and 201⁰). 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 201² Capacity Charge apportioned to each [member agency](#).

SECTION 10. **RATES AND CHARGES FOR WHEELED OR TRANSFERRED**
WATER

MWDOC shall charge the member agencies for water wheeled or transferred into the MWDOC service area in accordance with the provisions below. Wheeled or transferred water will also be assessed the rates imposed by Metropolitan for such service for System Access, Water Stewardship, and Capacity Charges and if the water is treated by Metropolitan, the Treatment Surcharge. Metropolitan will assess actual power costs and may assess an administrative fee for wheeling transactions. In addition to these charges, MWDOC shall assess the following charges:

- (a) A one time charge, based on actual time spent, not to exceed \$20,000 as an administrative charge to account for the staff time and legal counsel time for preparation of an agreement or agreements for the initial set-up of the water transfer through Metropolitan and/or among the other parties.
- (b) An annual charge, based on actual time spent, not to exceed \$5,000 in any year in which water transfer water moves through the Metropolitan or Orange County billing system to cover approximately 80 hours of staff time to monitor, track, account and bill for the transfer water as it moves through the system.

SECTION 11. **EFFECTIVE DATE.**

The rates set forth in this Resolution shall become effective as of July 1, 2011 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 agency](#)s 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 the MWDOC CHOICE services shall be billed once annually \(with a year end reconciliation\) 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 2011-12 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.18__ was adopted this 15th day of [June](#) 2011 by the following roll call vote:

- AYES: Directors [Barbre](#), Clark, Dick, [Finnegan](#), Hinman, Royce & Thomas
- NOES: None
- ABSENT: [None](#)
- ABSTAIN: None

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

Exhibit A (Revised DRAFT April 29)
Readiness-to-serve Charge for MWDOC Client Agencies for FY 2011-12

Metropolitan Readiness-to-serve (RTS) Charge to MWDOC for FY 2011/12=	\$ 16,606,616
Expected Standby Revenue Less Met Administrative Charge Plus Delinquencies & Uncollectables FY 2011/12=	\$ 7,056,711
Net RTS Charge =	\$ 9,549,905

Agency	RTS Eligible Purchases					4-Yr Ave	AF Share (%)	Net RTS	2011	2012
	2006-07	2007-08	2008-09	2009-10	Monthly Charge July - December				Monthly Charge January - June	
City of Brea	5,723	6,347	6,105	2,733	5,227	2.22%	\$ 212,012	\$ 15,202	\$ 20,133	
City of Buena Park	5,978	4,196	5,065	5,612	5,212	2.21%	\$ 211,430	\$ 15,160	\$ 20,078	
City of Fountain Valley	3,674	2,269	3,271	3,688	3,225	1.37%	\$ 130,827	\$ 9,381	\$ 12,424	
City of Garden Grove	9,426	5,812	8,508	9,872	8,404	3.57%	\$ 340,904	\$ 24,444	\$ 32,373	
City of Huntington Beach	11,273	6,285	9,796	11,197	9,638	4.09%	\$ 390,929	\$ 28,031	\$ 37,124	
City of La Habra	4,466	3,745	2,969	1,942	3,281	1.39%	\$ 133,072	\$ 9,542	\$ 12,637	
City of La Palma	616	667	703	773	690	0.29%	\$ 27,971	\$ 2,006	\$ 2,656	
City of Newport Beach	6,568	3,739	5,846	6,181	5,583	2.37%	\$ 226,477	\$ 16,239	\$ 21,507	
City of Orange	10,041	6,183	8,054	10,272	8,638	3.67%	\$ 350,358	\$ 25,122	\$ 33,271	
City of San Clemente	11,068	10,593	9,732	8,554	9,987	4.24%	\$ 405,085	\$ 29,046	\$ 38,468	
City of San Juan Capistrano	5,901	7,557	6,825	6,379	6,665	2.83%	\$ 270,361	\$ 19,386	\$ 25,674	
City of Seal Beach	1,160	929	1,256	1,500	1,211	0.51%	\$ 49,127	\$ 3,523	\$ 4,665	
City of Westminster	4,393	2,660	4,053	4,726	3,958	1.68%	\$ 160,536	\$ 11,511	\$ 15,245	
East Orange County Water District	3,895	5,161	5,271	1,710	4,009	1.70%	\$ 162,629	\$ 11,661	\$ 15,444	
El Toro Water District	11,539	11,043	10,319	8,574	10,369	4.40%	\$ 420,580	\$ 30,157	\$ 39,940	
Golden State Water Company	10,441	10,243	10,793	9,969	10,362	4.40%	\$ 420,290	\$ 30,136	\$ 39,912	
Irvine Ranch Water District	37,572	34,373	34,153	20,614	31,678	13.45%	\$ 1,284,939	\$ 92,135	\$ 122,022	
Laguna Beach County Water District	4,517	4,189	4,179	4,067	4,238	1.80%	\$ 171,904	\$ 12,326	\$ 16,324	
Mesa Consolidated Water District	1,119	3,004	3,064	2,388	2,394	1.02%	\$ 97,086	\$ 6,961	\$ 9,220	
Moulton Niguel Water District	36,679	35,091	33,812	29,491	33,768	14.34%	\$ 1,369,726	\$ 98,214	\$ 130,073	
Orange County Water District	7,544	4,581	22,240	20,713	13,770	5.85%	\$ 558,530	\$ 40,049	\$ 53,040	
Santa Margarita Water District	34,758	32,803	30,879	28,077	31,629	13.43%	\$ 1,282,954	\$ 91,993	\$ 121,833	
Serrano Water District	0	1,108	1,500	0	652	0.28%	\$ 26,445	\$ 1,896	\$ 2,511	
South Coast Water District	7,819	7,268	6,273	5,444	6,701	2.85%	\$ 271,803	\$ 19,489	\$ 25,811	
Trabuco Canyon Water District	3,273	2,939	2,652	2,334	2,799	1.19%	\$ 113,550	\$ 8,142	\$ 10,783	
Yorba Linda Water District	12,338	10,963	11,264	10,835	11,350	4.82%	\$ 460,378	\$ 33,011	\$ 43,719	
Sum of MWDOC Agencies	251,778	223,745	248,582	217,642	235,437	100%	\$ 9,549,905	\$ 684,764	\$ 906,887	

	2011 July - December	2012 January - June
6 Month RTS Charge	7,636,940	8,969,677
Estimated Standby Charge Revenue	3,528,356	3,528,356
6 Month Net RTS Charge	4,108,584	5,441,321
Monthly Net RTS Charge	684,764	906,887

	CY 2011	CY 2012
MWDOC Share	12.22%	12.29%
2012 RTS Total	\$ 125,000,000	\$ 146,000,000
MWDOC RTS	15,273,901	17,939,354

EXHIBIT B

Capacity Charge for MWDOC Member Agencies for CY 2012

DRAFT 5/6/11

	2008	2009	2010	Peak
MWDOC's Peak to MWD (cfs)	453.7	489.5	425.5	489.5
Date	7/16/08	8/3/09	5/26/10	8/3/09

Issues with CM-10 & SC-5B remain to be resolved.

Metropolitan Capacity Charge to MWDOC for CY 2010 **\$ 3,622,300***

Agency	Capacity Charge Eligible Flows (CFS)				CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2008	2009	2010	3-Yr Peak			
City of Brea	19.7	9.9	20.5	20.5	2.89%	\$ 104,854	\$ 8,738
City of Buena Park	6.4	8.7	10.9	10.9	1.53%	\$ 55,512	4,626
City of San Juan Capistrano	20.3	17.8	20.0	20.3	2.87%	\$ 104,007	8,667
East Orange County Water District	23.9	14.3	18.9	23.9	3.38%	\$ 122,279	10,190
El Toro Water District	24.5	19.5	21.1	24.5	3.45%	\$ 125,091	10,424
City of Fountain Valley	4.7	6.4	7.2	7.2	1.02%	\$ 36,998	3,083
City of Garden Grove	16.0	15.0	14.0	16.0	2.26%	\$ 81,722	6,810
City of Huntington Beach	27.2	25.2	28.8	28.8	4.07%	\$ 147,546	12,295
Irvine Ranch Water District	44.4	43.7	45.2	45.2	6.39%	\$ 231,330	19,278
City of La Habra	9.4	11.4	9.5	11.4	1.62%	\$ 58,520	4,877
City of La Palma	2.0	2.1	3.2	3.2	0.46%	\$ 16,501	1,375
Laguna Beach County Water District	7.7	7.6	8.0	8.0	1.13%	\$ 40,998	3,416
Mesa Consolidated Water District	16.9	17.4	11.3	17.4	2.45%	\$ 88,788	7,399
Moulton Niguel Water District	66.0	60.1	61.5	66.0	9.33%	\$ 337,806	28,151
City of Newport Beach	27.0	13.1	11.5	27.0	3.81%	\$ 138,146	11,512
Orange County Water District	13.0	170.0	92.5	170.0	24.00%	\$ 869,386	72,449
City of Orange	24.8	25.1	22.4	25.1	3.54%	\$ 128,366	10,697
City of San Clemente	18.8	20.0	20.0	20.0	2.82%	\$ 102,308	8,526
Santa Margarita Water District	71.7	70.7	61.9	71.7	10.12%	\$ 366,641	30,553
City of Seal Beach	6.6	6.3	5.9	6.6	0.93%	\$ 33,851	2,821
Serrano Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	-
Golden State Water Company	22.9	12.4	24.1	24.1	3.40%	\$ 123,279	10,273
South Coast Water District	16.6	14.7	11.8	16.6	2.34%	\$ 84,892	7,074
Trabuco Canyon Water District	8.4	8.1	6.2	8.4	1.18%	\$ 42,840	3,570
City of Westminster	6.3	4.1	5.8	6.3	0.89%	\$ 32,244	2,687
Yorba Linda Water District	26.4	21.2	29.0	29.0	4.10%	\$ 148,394	12,366
Total			708.1		100%	\$ 3,622,300	
MWDOC Capacity Charge Per CFS:						\$ 5,115	

* Based on MWDOC's aggregate peak flow of 489.5 cfs on 8/3/2009 charge at MET's rate of \$7,400 per cfs

Exhibit C
MWDOC Choice Program Budgets
Cost Allocations by Agency for FY 2011-12

Program Budget	FY 2011-
Water Use Efficiency Program	\$ 650,603
School Program	\$ 201,631
South Coastal Ocean Desal	\$ 98,340
Huntington Beach Desal	\$ 43,637
Program Total	\$ 994,211

By Retail Agencies	Water Use Efficiency	School Program	South Coastal Ocean Desal	Huntington Beach Desal	Total Choice Program
Brea, City of	\$ 4,630	\$ 5,742	\$ -	\$ -	\$ 10,372
Buena Park, City of	\$ 17,342	\$ 8,474	\$ -	\$ -	\$ 25,816
East Orange County WD	\$ 308	\$ -	\$ -	\$ -	\$ 308
El Toro WD	\$ 13,998	\$ 5,797	\$ -	\$ 2,297	\$ 22,092
Fountain Valley, City of	\$ 6,880	\$ 4,710	\$ -	\$ 2,297	\$ 13,886
Garden Grove, City of	\$ 9,366	\$ 11,736	\$ -	\$ 2,297	\$ 23,399
Golden State Water Company	\$ 15,225	\$ 8,294	\$ -	\$ 2,297	\$ 25,816
Huntington Beach, City of	\$ 32,960	\$ 22,571	\$ -	\$ 2,297	\$ 57,827
Irvine Ranch WD	\$ 218,630	\$ -	\$ -	\$ 2,297	\$ 220,927
La Habra, City of	\$ 8,963	\$ 3,584	\$ -	\$ -	\$ 12,547
La Palma, City of	\$ 2,827	\$ 3,051	\$ -	\$ -	\$ 5,878
Laguna Beach CWD	\$ 10,331	\$ 1,088	\$ 19,668	\$ 2,297	\$ 33,383
Mesa Consolidated WD	\$ 7,205	\$ 6,305	\$ -	\$ 2,297	\$ 15,806
Moulton Niguel WD	\$ 74,152	\$ 11,867	\$ 19,668	\$ 2,297	\$ 107,983
Newport Beach, City of	\$ 25,225	\$ 1,766	\$ -	\$ 2,297	\$ 29,288
Orange, City of	\$ 10,187	\$ 7,320	\$ -	\$ -	\$ 17,507
OCWD	\$ -	\$ -	\$ -	\$ 2,297	\$ 2,297
San Clemente, City of	\$ 25,935	\$ 2,804	\$ 19,668	\$ -	\$ 48,408
San Juan Capistrano, City of	\$ 23,179	\$ 3,364	\$ 19,668	\$ -	\$ 46,211
Santa Margarita WD	\$ 76,545	\$ 9,625	\$ -	\$ 2,297	\$ 88,466
Seal Beach, City of	\$ 2,957	\$ 1,183	\$ -	\$ 2,297	\$ 6,437
Serrano WD	\$ 1,611	\$ 931	\$ -	\$ -	\$ 2,542
South Coast WD	\$ 9,095	\$ 4,759	\$ 19,668	\$ 2,297	\$ 35,819
Trabuco Canyon WD	\$ 2,646	\$ 1,955	\$ -	\$ 2,297	\$ 6,898
Tustin, City of	\$ 17,300	\$ 10,950	\$ -	\$ -	\$ 28,251
Westminster, City of	\$ 7,878	\$ 8,810	\$ -	\$ 2,297	\$ 18,985
Yorba Linda WD	\$ 17,444	\$ 4,022	\$ -	\$ -	\$ 21,466
Member Agency Total	\$ 642,820	\$ 150,707	\$ 98,340	\$ 36,747	\$ 928,615
Anaheim, City of	\$ 2,890	\$ 21,219	\$ -	\$ 2,297	\$ 26,406
Fullerton, City of	\$ 3,184	\$ 8,485	\$ -	\$ 2,297	\$ 13,966
Santa Ana, City of	\$ 1,709	\$ 21,219	\$ -	\$ 2,297	\$ 25,225
Orange County Total	\$ 650,603	\$ 201,631	\$ 98,340	\$ 43,637	\$ 994,211



DISCUSSION ITEM

May 11, 2011

TO: Board of Directors

FROM: Administration & Finance Committee
(Directors Thomas, Royce, Barbre)

Kevin Hunt, General Manager

Staff Contact: Phil Letrong

SUBJECT: Review Draft Policy on District Bill Payment (Ratification vs. Authorization)

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the change in procedures for bill payment starting in July 2011.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

On March 9th 2011, the Administrative and Finance committee instructed staff to develop a procedure for the committee to approve the District's bills before they are paid instead of ratifying them.

The District issues an average of 130 checks a month to pay its vendors, employees and directors. Presently, checks are processed weekly with most of the checks being processed on the 15th and last working day of the month. The majority of invoices are paid Net 30 days from date of service.

Since the Administrative and Finance committee meets once a month and in order to avoid late penalties and interruption of service from some of the vendors, staff proposes to have the following recurring payments excluded from the committee's monthly Bill Payment approval. The monthly recurring payments will be submitted to the committee for review. In addition, staff also proposes to have checks issued upon approval from the committee.

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

Director and staff expenses:

- Met Directors per Diem
- MWDOC Directors business expenses
- Director's Health and Prescription insurance payment
- Staff business expenses

Water Billing:

- Met Water Bill
- SCP Operation Surcharge – Pass through to SMWD
- Agencies Water credit refund

Utilities:

- MWDOC Telephone and Internet bill from Time Warner
- WEROC Telephone bill from AT&T
- WEROC Cell phone bill from Nextel
- SOCOD San Diego Gas & Electric

Credit cards:

- Calcard
- Bank of America
- Staples
- Home Depot

Others:

- Iron Mountain
- Public Storage
- Ricoh Copier lease
- WEROC Radio Repeater site lease – Catalina Island Conservancy

There are unforeseen circumstances and emergency situations where the District may need to cut a vendor check before the A & F committee meeting to avoid missing a deadline (such as emergency replacement of the network switch, operating permit for SOCOD, additional hotel deposit for the Water Forum dinners...). In these situations, the General Manager can approve the payment which will be submitted to the A & F committee for review.

Starting from July 2011, staff will submit to the A & F committee the following three reports:

1. Monthly recurring disbursement report from previous month (including credit card statement details).
2. Monthly disbursement report to be approved by the A & F committee.
3. Monthly emergency disbursement report from previous month, if any.



INFORMATION ITEM
Committee Meeting 05/11/2011

TO: Board of Directors

FROM: **Administration and Finance Committee**
Directors Thomas, Royce, Barbre

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.

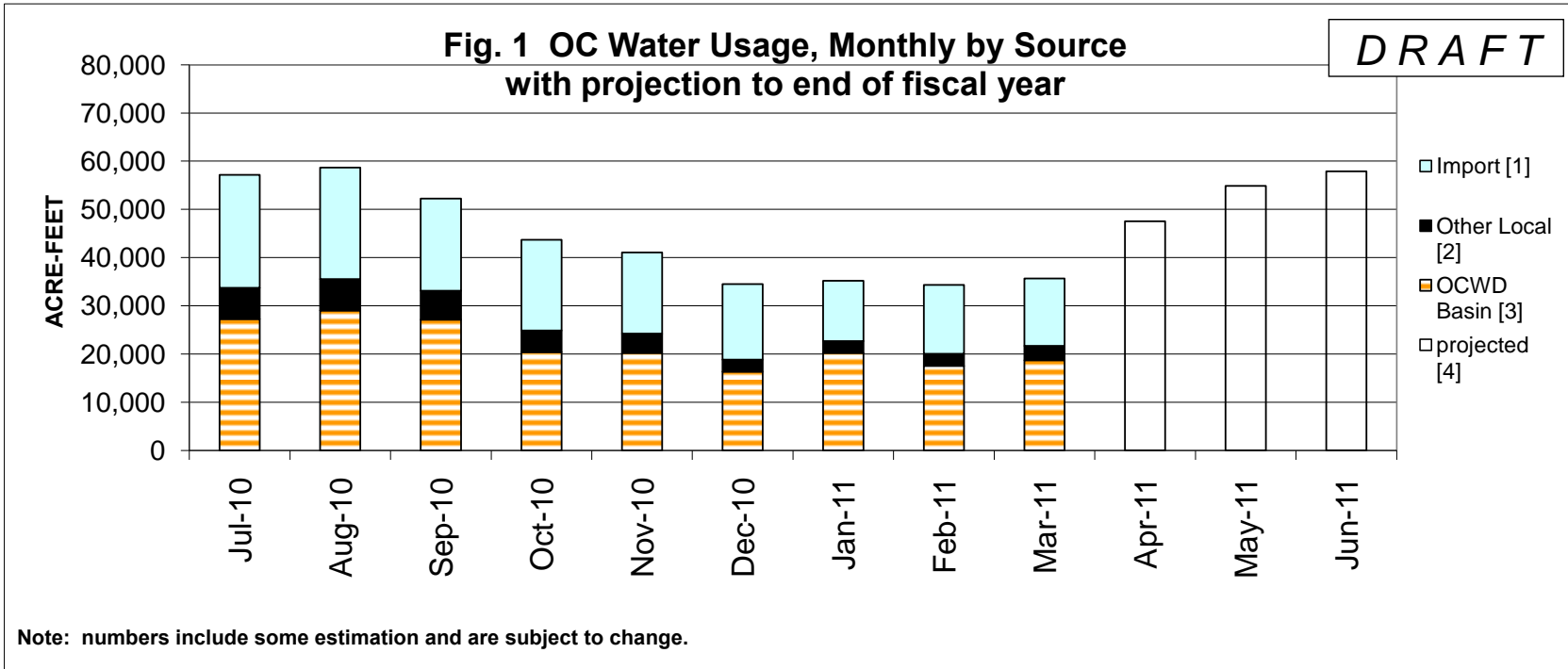
COMMITTEE RECOMMENDATION

Committee recommends (to be determined at Committee Meeting)

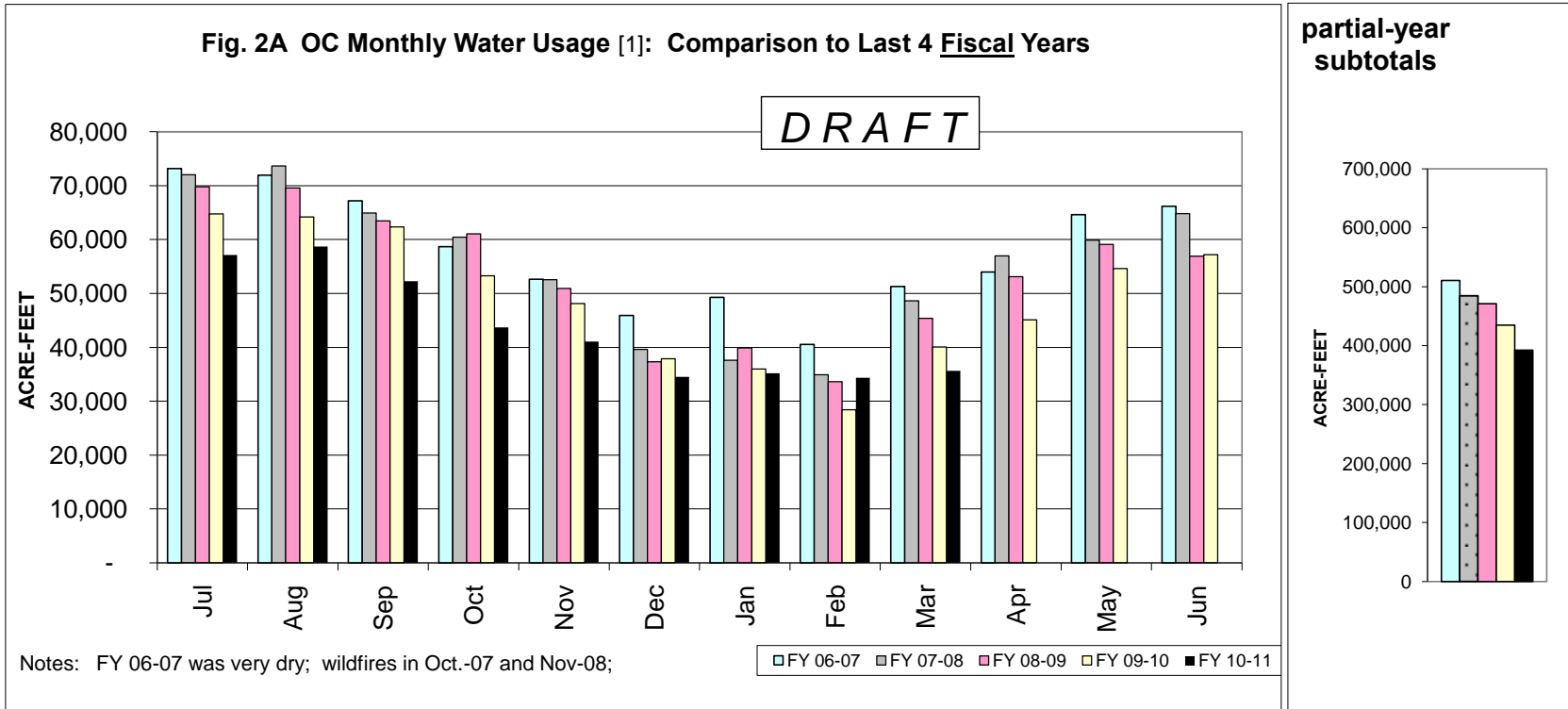
REPORT

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 March water usage was below the projection that was accumulated from the water agencies that included the assumption of MET water Allocations being in effect.
- Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in Mar. 2011 was lower than in the last three Marches. This is due to a combination of factors— rainfall, retail water rate increases, and the economic recession.
- Fig. 3 Historical OC Water Consumption OC water consumption has been in a generally declining trend since peaking in FY1999-00 (a dry year) even though population has increased over the past decade. The long-term decreasing water usage 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 precipitation data; the State Water Project (SWP) Allocation, and Colorado, State and MET storage volumes.

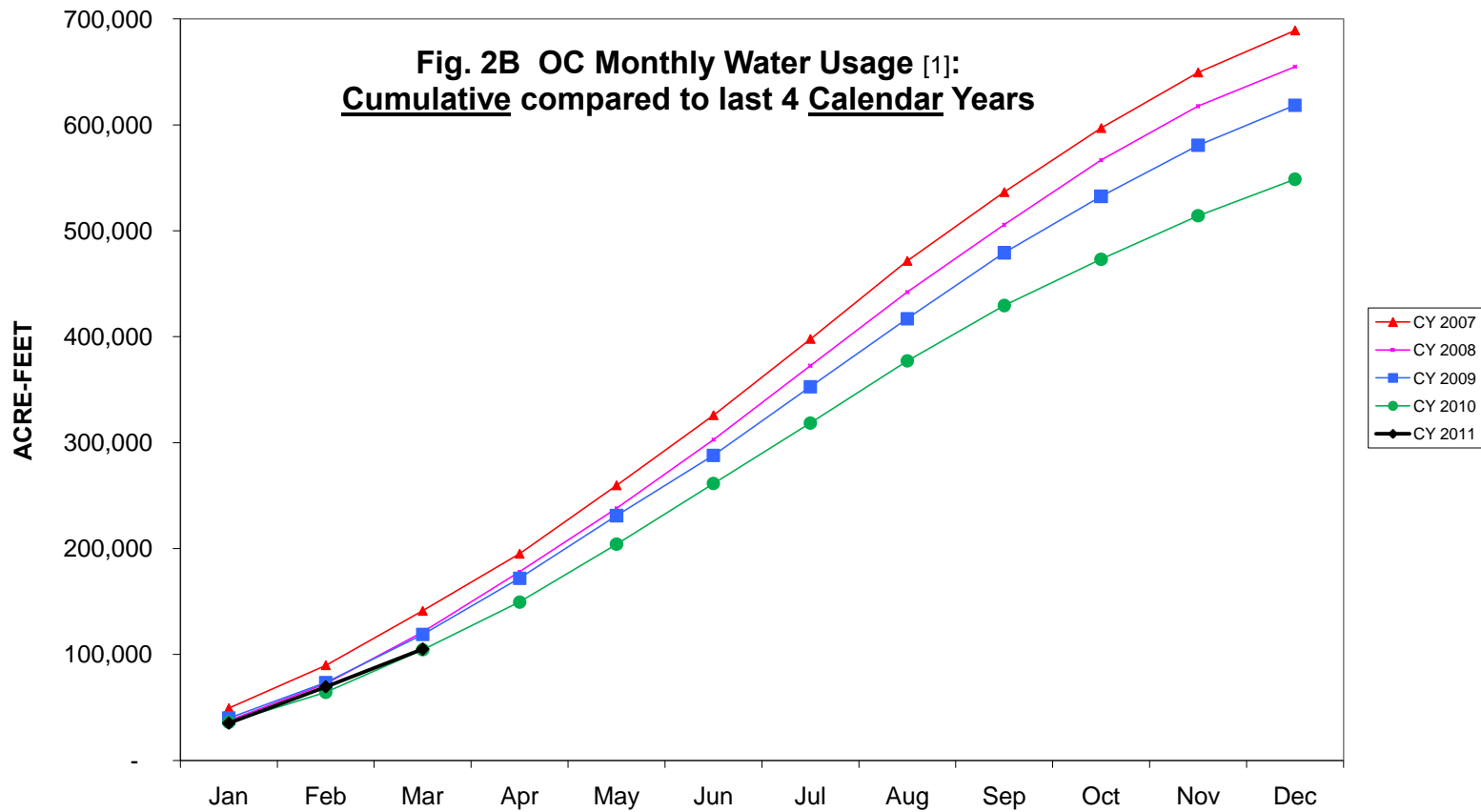


- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment", "Barrier Replenishment", and deliveries into Irvine Lake.
- [2] Other local includes recycled water, local basin water, Irvine Lake water extraction, and Cal Domestic deliveries. Excludes recycled water used for Barrier recharge. Numbers are estimates until data collection is completed.
- [3] GW for consumptive use only. Excludes extraction of CUP water that is counted with Import. BPP in FY '10-11 is 62%.
- [4] MWDOC estimate of monthly demand is based on the projected FY 09-10 "Retail" water demand and historical monthly demand pattern.



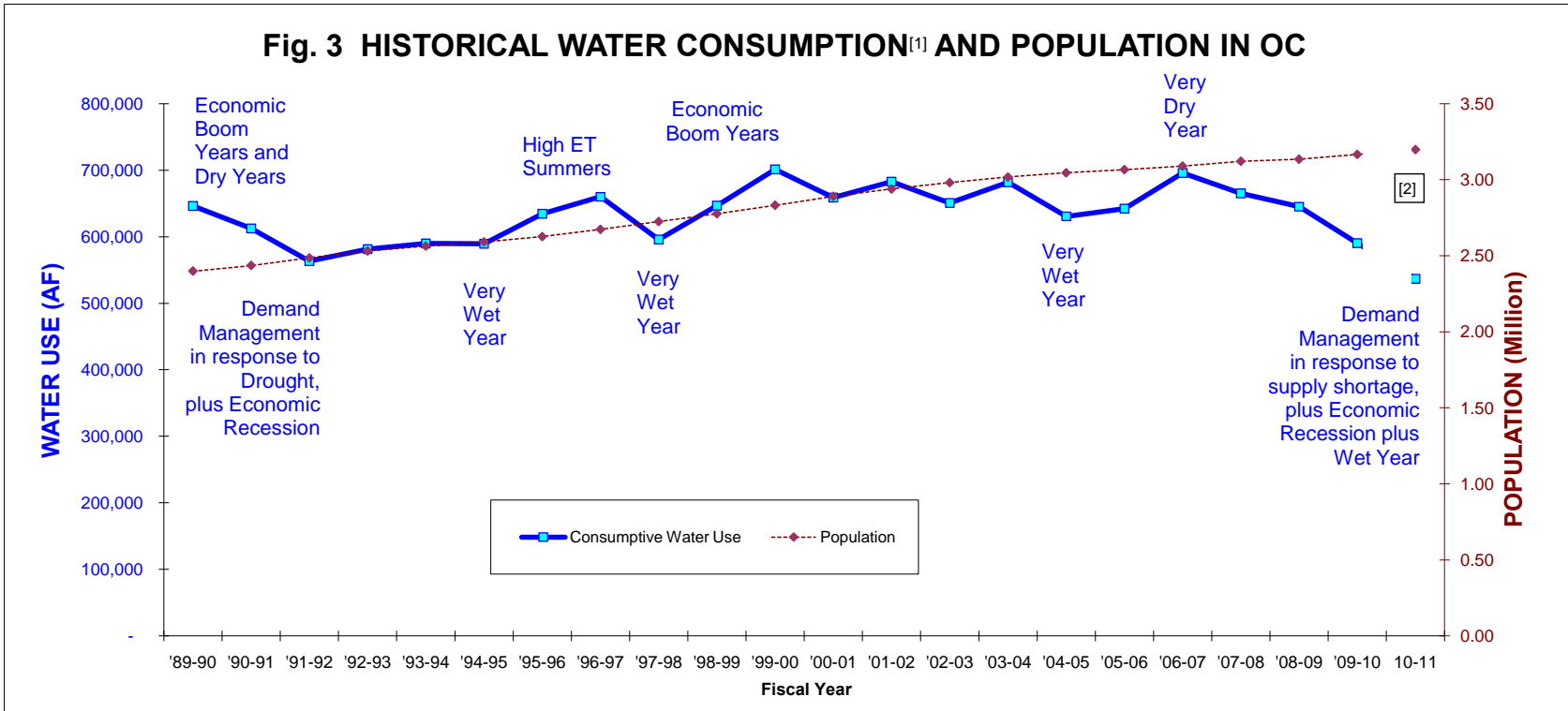
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment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

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[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 IN OC

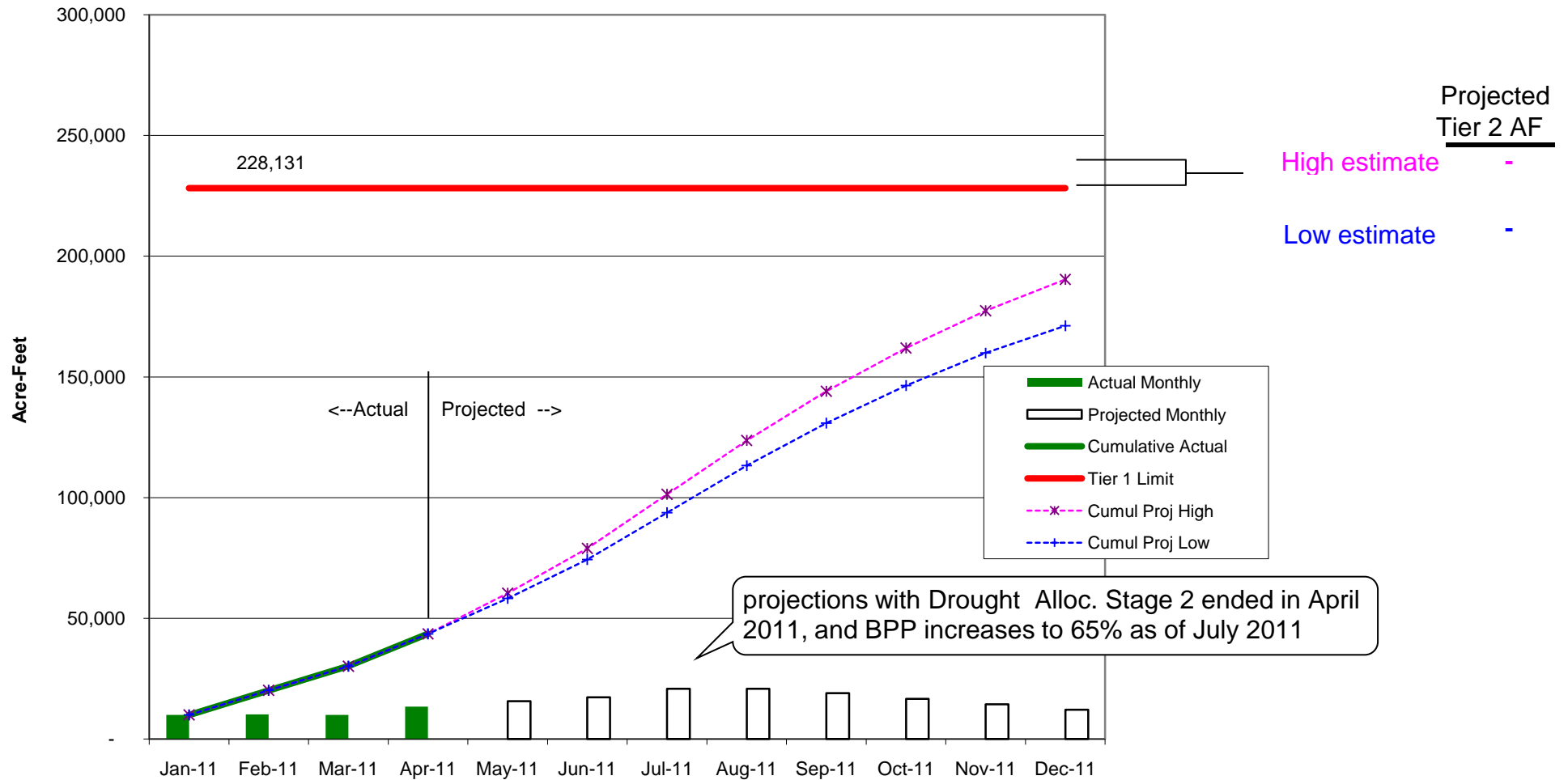


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier water and Spreading water.

[2] Projection of FY 10-11 water use estimated by MWDOC based on partial-year data. Projection of FY 10-11 population estimated by MWDOC continues historical trend.

Fig. 4 MWDOC's Firm Water Purchases, CY 2011

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Notes

1. "Firm" includes Full and Barrier; excludes Long-Term Replenishment (both In-Lieu and Direct).
2. Import demands for Jan.-Jun. projected by MWDOC with BPP 62%.
 Import demands for Jul.-Dec. projected by MWDOC with BPP 65%.

Figure 5. Selected Water Supply Information

Rainfall in Orange County [1]	FY 08-09	FY 09-10	FY 10-11
as of date	6/30/2009	6/30/2010	4/30/2011
Cumulative Rainfall (inches) since July 1st	9.88 final	16.82 final	20.87
Percent of Normal for this date	78%	133%	170%

[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 6/30/2008	as of 6/30/2009	as of 6/30/2010	projected for 6/30/2011
Accumulated Overdraft (AF)	306,000	347,000	323,000	280,000
MET storage in Basin (AF)	49,000	23,000	-	16,500
Accum. Overdraft absent MET storage (AF)	355,000	370,000	323,000	296,500

[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	113%	3/31/2011	173%	4/1/2011	
Colorado R. Basin- above Lk. Powell			115%	4/15/2011	

[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			
SWP Allocation [5] as of date	5/20/2009	6/23/2010	4/20/2011
	40% final **	50% final **	80% preliminary **

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

Colorado and Calif. Reservoir Storage	Colorado Basin		Northern Sierras	
	Lk. Mead	Lk. Powell	Lk. Shasta	Lk. Oroville
as of date	4/30/2011	4/30/2011	4/30/2011	4/30/2011
Volume now in Storage (Million AF)	11.1	12.9	4.28	3.31
Pct. of Full	43%	53%	94%	93%

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	4/28/2011	as of date Jan-2011
Volume in Storage (AF)	769,700	Million AF 1.7
Pct. of Full	95%	

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

Activity	Summary	Target Date
Board (continued)	<ul style="list-style-type: none"> • Maribeth assisted with the setting and logistics of the recently held Elected Officials Forum (pursuant to the terms of the recently approved agreement between MWDOC and its agencies). • Maribeth participated on interviews for the part-time Administrative Clerk position (to fill the vacancy created by the departure of Janice Lee) • She has also been busy responding to a public records request that was received by the District. 	Ongoing
Human Resources		
Benefits	No activity to report.	
Retirement	A representative from Social Security presented very informative information regarding Social Security Benefits and the Government Offset Provision (GOP) and the Windfall Elimination Provision (WEP), which was well received by employees.	4/14/11
CalPERS	<p>A Special Board Election is being held to fill the vacant Member-At-Large Position B representative on the Board of Administration. The new Board member will take office immediately upon certification of the official election results by the Secretary of State. The term ends January 15, 2014.</p> <p>All active CalPERS members are eligible to vote in this election. Active CalPERS members as of March 1, 2011 or a retired member (excluding survivors and beneficiaries) whose effective date of retirement is on or before March 1, 2011, are eligible to vote. Ballot packages were mailed April 21, 2011 and you can vote for a candidate through May 20, 2011.</p>	5/20/11
Job Classifications/Career Progression	Katie and Cathy continue the evaluation of all job descriptions and classifications to allow for growth, career progression and succession planning.	7/30/11
Personnel Manual	Staff is undergoing a complete review of the Personnel Manual to assure legal compliance and consistency with internal processes and procedures.	10/31/11
Recruitment	<p>Katie evaluated and implemented a testing module for skills assessment for new hire candidates.</p> <p>Recruitment efforts underway to fill the part-time Administrative Clerk position, to primarily cover the afternoon responsibilities.</p>	<p>5/31/11</p> <p>5/31/11</p>

Outside Requests for Information	Cathy and Katie responded to the following: <ul style="list-style-type: none"> • Provided leave policies to West Basin Water District. • Provided information to MWD regarding employee health insurance and retiree coverage. • Provided information to IEDA (Industrial Employers' Distributors Association) regarding management positions and corresponding salary data. 	Ongoing
Special Projects/Other Tasks	<ul style="list-style-type: none"> • Katie is continuing to input data into the HR module that was recently updated. • Red Cross Blood Drive has been scheduled on May 17th by OCWD and MWDOC staff will participate. 	Ongoing
Leadership Meetings	The Leadership group met on April 8 and May 3 to evaluate and discuss the recommendations of the Organizational Assessment Committee. The group is scheduled to meet on May 6 to continue its review.	Ongoing
Meeting with Dr. Jim Gates	Cathy met with Dr. Jim Gates regarding the Water Utility Program at Santiago Canyon College and building relationships with agencies to provide internships to students. Cathy invited Dr. Gates to speak at the next Human Resources Group meeting to speak about the opportunities for both the Districts and the students.	5/2011



INFORMATION ITEM

(May 11, 2011)

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

FROM: Kevin Hunt
General Manager

Staff Contact: Phil Letrong

SUBJECT: Finance and Information Technology Pending items

SUMMARY

Attached is a list of **Special Tasks** that are in-progress or to be completed within fiscal year 2010-11. Items highlighted below reflect changes from last month.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Budget preparation process for FY 2011-12 to be tentatively submitted for final Board approval on May 18, 2011	90%	05-18-11	In Progress
Customized improvements of Financial Management System (Serenic)	60%	07-31-11	In Progress
Selection of OPEB Funding Trustee	10%	06-30-11	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.
Assist WUE with new Database application (including testing, history conversion and on-going reporting requirements)	15%	07-31-11	In Progress

<u>Information Technology</u>			
Replace Primary Domain Server hardware	40%	06-30-11	In Progress
Migrate to Windows Server 2008	10%	12-31-11	In Progress
Upgrade workstations to Windows 7	50%	06-31-11	In Progress
Installation of overhead projector in Conference room 102	10%	06-30-11	In Progress
Implement IT Disaster Recovery Plan (including Backup Executive software upgrade)	60%	07-31-11	In Progress
Replace workstation Anti-virus / spyware system	50%	6-30-11	In Progress
Network security issues (hackers, viruses and spam emails).	On-going	Unknown	Constantly monitoring system vulnerability.

FY 2010-11 Completed Special Tasks

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
State Controller Report preparation	100%	11-30-10	Completed
State Tax filing for Water Facilities	100%	11-30-10	Completed
State Mandated Cost filling	100%	01-31-11	Completed
Create Database application to merge water usage from MET and local source to be used in Urban Water Management Plan and other planning needs	100%	10-30-10	Completed
Survey with member agencies on monthly Disbursement Report Approval versus Ratification	100%	11-15-10	Completed
Annual District financial audit	100%	11-30-10	Completed
Preparation of Audited Financial	100%	11-30-10	Completed
Local Government Compensation Report for Calendar 2009 (reported to State Controller Office)	100%	12-15-10	Completed

<u>Information Technology</u>			
Upgrade WEROC EOC multimedia	100%	11-30-10	Completed
MWDOC Website Redesign–Phase2	100%	12-31-10	Completed
Laptop purchase and secured storage setup at WEROC EOC	100%	12-31-10	Completed
DID lines transition from XO to	100%	12-10-10	Completed
Re-cabling voice and data lines to prepare for future IP telephone system implementation.	100%	12-31-10	Completed
IP telephone system- Phase 1: Review & negotiated vendor quotes	100%	12-31-10	Completed
Installation of Ricoh Color Printer	100%	12-31-10	Completed
Installation of Cisco Firewall appliance for increased network security & virtualization.	100%	ASAP	Completed
Installation of Cisco VPN	100%	1-31-11	Completed
Installation of Overhead Paging system in office hallways	100%	1-31-11	Completed
Replace Multifunction Fax machine for HR/Admin	100%	2-28-11	Completed
Upgrade Abra HR software	100%	04-30-11	Completed
Replace Uninterruptible Power Supply	100%	03-31-11	Completed

Evaluate Exchange Server 2010 software	100%	04-30-11	Completed
Select and Install Multi-feed Scanner for Accounting	100%	03-31-11	Completed
Replace Cloud Email filtering system	100%	04-30-11	Completed
Installation of District hosted WUE Database Website	100%	5-31-11	Completed