

**RESOLUTION NO. 2031
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING WATER RATES**

WHEREAS, pursuant to Water Code sections 71614 and 71616, the Municipal Water District of Orange County ("MWDOC") is authorized 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 bonded debt; and,

WHEREAS, the Metropolitan Water District of Southern California ("Metropolitan"), adopted rates for water service consisting of a two-tiered water supply rate, and separate unbundled rates for system access, water stewardship, system power, water treatment, and fixed charges for system capacity and Readiness-to-Serve, which are imposed on MWDOC as a condition of receiving water deliveries from Metropolitan; and,

WHEREAS, pursuant to Section 1117 of the MWDOC Administrative Code, the MWDOC Board of Directors adopted Ordinance No. 53 establishing classes of water service, and terms and conditions of such service, and intends to adopt this Resolution fixing the rates and charges for said classes of water service (including Choice services in Section 6); and

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

WHEREAS, the Board of Directors has reviewed the water supply, water demand and replenishment conditions in the Orange County Water District (OCWD) Basin and the impact these conditions will have on MWDOC imported water purchases from Metropolitan; and

WHEREAS, MWDOC's Administration and Finance Committee and Board reviewed the issue of tiered or melded water rates for Tier-1 and Tier-2 purchases from Metropolitan in November 2004, and retained the melded rate, with a provision for further review should the OCWD's basin pumping percentage fall below 60% in the future; and

WHEREAS, Metropolitan continues to levy its Standby Charge within the MWDOC service area, which will be credited against Metropolitan's 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 the three preceding calendar years, ending on the year prior to the year of the charge being imposed; and

WHEREAS, MWDOC engaged Raftelis Financial Consultants, Inc. to prepare a cost of service and rate study (Rate Study) for MWDOC's rates and charges; and

WHEREAS, the Rate Study was completed in 2016 and affirmed MWDOC's Retail Meter Charge, and added a new Groundwater Customer Charge effective with the fiscal year 2016-17 rates and charges; 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 has directed staff to bill for those costs pursuant to Section 11 of this Resolution as part of MWDOC's water rates and charges; and

WHEREAS, there is a need to charge for costs associated with the transfer or

wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Municipal Water District of Orange County that, subject to the terms and conditions set forth herein, the rates and charges for the classes of water service provided by MWDOC to MWDOC's member agencies shall be as follows:

SECTION 1. 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, including water delivered for seawater barrier and groundwater replenishment purposes and for agricultural purposes.

Rate Component	July 1 through December 31, 2016	Beginning January 1, 2017
Untreated Full Service	\$594.00	\$666.00
Treated Full Service	\$942.00	\$979.00
Unbundled Rate By Component:		
System Access Rate	\$259.00	\$289.00
System Power Rate	\$138.00	\$124.00
Water Stewardship Rate	\$41.00	\$52.00
MWDOC Melded Supply Rate*	\$156.00	\$201.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
Subtotal Untreated Full Service:	\$594.00	\$666.00
Treatment Surcharge	\$348.00	\$313.00
Total Treated Full Service:	\$942.00	\$979.00

* Any unused revenue will be applied to the Tier 2 Contingency Fund as described in MWDOC's Administrative Code. As a result of MWDOC not applying the Tier 2 Contingency Fund rate, the MWDOC Melded Supply Rate is equal to MET's Tier-1 Supply Rate at this time.

(b) **Drought Allocation Surcharge**

Rates for a Drought Allocation Surcharge are established by Board action in accordance with the Water Supply Allocation Plan (WSAP), as required.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) **Amount Due to Metropolitan from MWDOC**

Metropolitan has notified MWDOC that for fiscal year 2016-17 Metropolitan estimates that the amount of Metropolitan's Readiness to Serve ("RTS") Charge applicable to MWDOC,

which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is \$11,532,284. The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge 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 Net Metropolitan RTS Charge to MWDOC's Member Agencies

The MWDOC method of apportioning the Net RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 2016-17 charges, the four-year average shall be based on fiscal years 2011-12 through 2014-15). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year 2016-17 MWDOC Readiness to Serve Charge Rate

For fiscal year 2016-17, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,532,284. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 2016-17 is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS Charge 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 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 2017, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$3,544,800. The Metropolitan 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 Metropolitan's Capacity Charge to MWDOC's Member Agencies

The MWDOC Method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred 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 calendar year 2017 charges, the highest peak day flow shall be based on May 1 through September 30, 2013, 2014 and 2015). 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 member agencies' highest peak day flows. The amount of the 2017 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

SECTION 4. **MWDOC'S RETAIL METER CHARGE.**

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be \$10.95. MWDOC's Retail Meter Charge shall be collected in accordance with Section 11 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 5. **MWDOC Groundwater Customer Charge**

The annual charge to be imposed on OCWD for Core services provided by MWDOC for fiscal year 2016-17 shall be \$392,666.00. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 11 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2016-17 general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on the most recent 10-year historical water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

SECTION 6. CHOICE Services to the MWDOC Member Agencies 2016-17

The Choice services to the member agencies shall be provided and charged for as follows for 2016-17:

- (a) Water Use Efficiency Program – 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 from incentive payments received from Metropolitan and any other sources of funding from the program in calendar year 2015. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange 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 memorandum of understanding with each participating member agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) School Education Program – Each participating member agency may set a target number of students for which the School Education program for grades 1-6 (“basic program”) be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of \$3.91 per student. The School Education Program in fiscal year 2016-17 offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure. A High School Education Program is also offered for grades 9-12. The High School program is charged based on each member agency’s school participation in their service area. The costs to be charged

shall reflect any carry-over or deficit funds from the preceding fiscal year.

- (c) 2014 Doheny Desalination Program – During fiscal year 2014-15, given an uncertain scope of work for new Doheny activities, MWDOC requested \$10,000 from each of the five member agencies (City of San Juan Capistrano, Moulton Niguel WD, South Coast WD, Laguna Beach CWD, and San Clemente). Only three of the five agencies contributed funding (South Coast WD, Laguna Beach CWD and San Clemente). These funds were retained in fiscal year 2015-16. With the transition of the Doheny Project to South Coast Water District, the \$30,000 funds from fiscal year 2014-15 will be returned to the contributing agencies.
- (d) 2008 Fund for Doheny Desal (Phase 3 efforts) – The label 2008 is used to signify the year the efforts began. Funding for this Project has involved five participating member agencies (City of San Juan Capistrano, Moulton Niguel WD, South Coast WD, Laguna Beach CWD, and San Clemente), MWDOC and grants brought into the program such that the total revenue for the effort is \$6.2 million. MWDOC's latest accounting indicates that approximately \$31,194 of available revenue remains, plus the \$356,000 retained to remove the facilities at such time it is appropriate to do so. The combined total of \$387,194 is being used to carry out the operations for fiscal year 2015-16 (State Parks lease and electrical costs) and for the decommissioning work for the slant well, the mobile test facility and to restore the site. In the event additional funds are needed to complete this work, MWDOC will invoice all five participating member agencies, until such time as a close-out arrangement has been completed.
- (e) Poseidon Huntington Beach Ocean Desalination Program – The Poseidon Ocean Desalination project Choice activities for fiscal year 2016-17 are

uncertain at the time the Board is adopting the budgets and setting the rates and charges. During fiscal year 2014-15, 17 member agencies participated in the Poseidon Choice program. MWDOC will not charge the participating member agencies during fiscal year 2016-17, and will maintain the existing accumulation of funds that will be made available for such uses as decided by the Poseidon Workgroup. Approximately \$44,416 remains in the fund.

- (f) Value of Water Communications Program – The charge for the Value of Water Communications Program Choice activities for fiscal year 2016-17 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. The Core development phase of the program was initiated in fiscal year 2013-14. The first phase of implementation occurred in fiscal year 2014-15. Additional media buys and refinements of messaging and use of the public service announcement and other materials will be carried out by a combination of MWDOC and the member agencies. However, given the drought discussions occurring as the budget is being approved, the actual activities anticipated under the value of water have become uncertain this coming year. The actual work to be completed will have to be worked out between MWDOC and the participating agencies. Staff has developed and provided to the MWDOC member agencies a conceptual forecast of the CHOICE costs for the Value of Water Communications Plan for FY2016-17. It was noted that these dollar estimates are placeholders for determining the initial CHOICE selections for FY2016-17 and will not be billed with the other CHOICE selections. Instead, final decisions on the level of the CHOICE participation by the various agencies will be made later in the year. The charge for services will occur at that time.
- (g) Water Loss Control Program: The 2015 Urban Water Management Plan

("UWMP") requires a water loss control effort to be included as a new component within one's UWMP. MWDOC hired a consultant on December 3, 2015 for the water loss control effort, and will ask for member agency commitments towards participation for the next three years. It is estimated that the cost for the completion of this effort will range from \$9,400 to \$49,000 per year for each participating member agency based on their elected level of consultant assistance.

The details on these Choice options and charges to the member agencies are included in Section 11 and are set forth in **Exhibit C**, attached hereto and by this reference incorporated herein and made an operative part hereof .

SECTION 7. **AMP SURCHARGE.**

The surcharge on water delivered through the Allen-McColloch Pipeline, in accordance with the Diemer Agreements (the "AMP Surcharge"), shall continue to 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 8. RATES AND CHARGES FOR WHEELED, EXCHANGED OR TRANSFERRED WATER

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the member agencies for water wheeled, exchanged or transferred through exchanges with Metropolitan into the MWDOC service area in accordance with the provisions below. Wheeled, exchanged or transferred water will also be assessed, unless otherwise specified by written agreement, at the then-applicable rates for wheeling services set by Metropolitan's Board of Directors from time to time pursuant to its Administrative Code for the use of Metropolitan's facilities to transport water not owned or controlled by Metropolitan to Metropolitan's member agencies. Metropolitan's rates for "wheeling service" are defined in the Metropolitan Administrative Code. Metropolitan's rate for wheeling service does not include power utilized for delivery, which the wheeling party must provide or pay directly at its own cost (if power can be scheduled by Metropolitan) or pay to Metropolitan at Metropolitan's actual (not system average) cost.

In addition to these charges, MWDOC shall assess the following charges related to costs, pursuant to applicable law:

- (a) A one-time administrative charge, based on actual time spent to account for the staff time and legal counsel time required for preparation of an agreement or agreements to establish the legal and administrative framework for water to be wheeled or transferred through exchanges with Metropolitan.
- (b) Unless otherwise specified by written agreement with MWDOC, an annual charge will be assessed, based on actual time spent in any year

in which water is wheeled or transferred through exchanges with Metropolitan, to cover staff time to account for and bill for the water.

- (c) Other charges established by written agreement between MWDOC and a Member Agency.

SECTION 9. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)

In the event that a regional water shortage is declared, the MWDOC Board can implement, adjust, or adopt an updated Water Supply Allocation Plan (“Plan”). This Plan, as adopted in 2009, updated in 2014 and 2016, and as amended from time to time, established procedures allowing MWDOC to assess an allocation surcharge to its member agencies in the event MWDOC is assessed an allocation surcharge under Metropolitan’s own “Water Supply Allocation Plan.” Under MWDOC’s Plan, surcharges may be assessed according to a particular member agency’s prorated share of its over usage relative to the MWDOC surcharge amount assessed by Metropolitan. However, the rates set forth in this Resolution do not include or otherwise account for potential surcharges that may be assessed by MWDOC under its Water Supply Allocation Plan.

SECTION 10. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 2016 or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 11. BILLING AND PAYMENT.

Billing Schedule. MWDOC member agencies shall be billed for water delivered and

for other charges as follows:

- (a) MWDOC's cost of acquisition of the water, 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's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. and referred to in Section 5 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 12. EXEMPTION FROM CEQA.

The Board of Directors finds that the adoption of the rates and charges as set forth in this Resolution are 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 13. **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2016-17 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 14. **SUPERSEDES PRIOR RESOLUTIONS.**

All resolutions, ordinance or administrative actions by the Board or parts thereof that are inconsistent with any provision of this Resolution are hereby superseded only to the extent of such inconsistency.

SECTION 15. **RATES SUBJECT TO ORDINANCE.**

The rates for water service established herein are subject to Ordinance No. 53 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. 2031 was adopted May 18, 2016 by the following roll call vote:

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



MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2016-17

Agency	Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2016/17 = \$ 18,578,669.15										Net RTS	Monthly Charge July - December	Monthly Charge January - June
	Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectibles FY 2016/17 = \$ (7,046,385.00)												
	2011-12	2012-13	2013-14	2014-15	14-15 CPTP Variance	4-Yr Ave	AF Share (%)	Net RTS	FY 2014-15 RTS Adjustment	Net RTS			
Brea	2,812	3,163	3,459	3,285	0.00	3,180	1.45%	\$ 167,735.50	\$ -	\$ 167,735.50	\$ 15,353.68	\$ 12,602.25	
Buena Park	4,998	5,252	4,571	2,782	0.00	4,401	2.01%	\$ 232,139.58	\$ -	\$ 232,139.58	\$ 21,248.90	\$ 17,441.03	
East Orange County Water District	4,108	3,512	4,765	3,365	243.40	3,938	1.80%	\$ 207,704.11	\$ -	\$ 207,704.11	\$ 19,012.19	\$ 15,605.16	
El Toro Water District	9,005	9,420	10,165	8,631	0.00	9,305	4.26%	\$ 490,845.87	\$ -	\$ 490,845.87	\$ 44,929.57	\$ 36,878.07	
Fountain Valley	3,373	3,201	2,644	2,618	2616.00	2,959	1.35%	\$ 156,089.64	\$ -	\$ 156,089.64	\$ 14,287.66	\$ 11,727.28	
Garden Grove	8,775	6,893	5,183	5,928	0.00	6,695	3.06%	\$ 353,148.81	\$ -	\$ 353,148.81	\$ 32,325.48	\$ 26,532.66	
Golden State Water Company	9,285	8,793	8,209	5,863	171.10	8,037	3.68%	\$ 423,966.89	\$ -	\$ 423,966.89	\$ 38,807.81	\$ 31,853.34	
Huntington Beach	10,431	9,545	9,342	7,692	(3455.20)	9,253	4.23%	\$ 488,073.86	\$ -	\$ 488,073.86	\$ 44,675.84	\$ 36,669.80	
Irvine Ranch Water District	17,633	23,516	21,127	16,479	0.00	19,689	9.01%	\$ 1,038,585.17	\$ -	\$ 1,038,585.17	\$ 95,066.89	\$ 78,030.64	
La Habra	1,976	938	42	232	0.00	797	0.36%	\$ 42,045.64	\$ -	\$ 42,045.64	\$ 3,848.65	\$ 3,158.96	
La Palma	756	505	663	539	538.70	616	0.28%	\$ 32,480.76	\$ -	\$ 32,480.76	\$ 2,973.13	\$ 2,440.33	
Laguna Beach County Water District	3,556	3,637	3,926	3,641	0.00	3,690	1.69%	\$ 194,641.91	\$ -	\$ 194,641.91	\$ 17,816.55	\$ 14,623.77	
Mesa Water District	6,169	2,900	0	0	(1997.80)	2,267	1.04%	\$ 119,590.65	\$ -	\$ 119,590.65	\$ 10,946.73	\$ 8,985.05	
Moulton Niguel Water District	27,551	28,361	28,869	26,792	0.00	27,893	12.76%	\$ 1,471,369.21	\$ -	\$ 1,471,369.21	\$ 134,681.77	\$ 110,546.43	
Newport Beach	5,536	4,651	6,045	4,338	0.00	5,143	2.35%	\$ 271,269.08	\$ -	\$ 271,269.08	\$ 24,830.61	\$ 20,380.90	
Orange	9,065	8,583	7,796	6,516	0.00	7,990	3.65%	\$ 421,470.50	\$ -	\$ 421,470.50	\$ 38,579.30	\$ 31,665.78	
Orange County Water District	2	24,360	55,215	65,759	1883.80	36,334	16.62%	\$ 1,916,603.55	\$ -	\$ 1,916,603.55	\$ 175,436.30	\$ 143,997.63	
San Clemente	9,118	9,014	9,654	8,917	0.00	9,176	4.20%	\$ 484,022.67	\$ -	\$ 484,022.67	\$ 44,305.01	\$ 36,365.43	
San Juan Capistrano	3,876	4,731	5,189	5,166	0.00	4,741	2.17%	\$ 250,064.93	\$ -	\$ 250,064.93	\$ 22,889.69	\$ 18,787.80	
Santa Margarita Water District	26,532	27,929	28,779	26,725	0.00	27,491	12.57%	\$ 1,450,145.28	\$ -	\$ 1,450,145.28	\$ 132,739.04	\$ 108,951.84	
Seal Beach	1,287	1,188	1,164	787	0.00	1,107	0.51%	\$ 58,369.10	\$ -	\$ 58,369.10	\$ 5,342.82	\$ 4,385.37	
Serrano Water District	0	501	4,034	4,682	0.00	2,304	1.05%	\$ 121,545.04	\$ -	\$ 121,545.04	\$ 11,125.62	\$ 9,131.88	
South Coast Water District	5,558	5,625	6,030	5,714	0.00	5,732	2.62%	\$ 302,349.33	\$ -	\$ 302,349.33	\$ 27,675.54	\$ 22,716.01	
Trabuco Canyon Water District	2,187	2,832	3,183	2,968	0.00	2,793	1.28%	\$ 147,306.51	\$ -	\$ 147,306.51	\$ 13,483.70	\$ 11,067.38	
Westminster	4,179	3,980	3,760	2,356	0.00	3,568	1.63%	\$ 188,235.43	\$ -	\$ 188,235.43	\$ 17,230.13	\$ 14,142.44	
Yorba Linda Water District	10,807	10,820	10,881	5,595	0.00	9,526	4.36%	\$ 502,485.14	\$ -	\$ 502,485.14	\$ 45,994.98	\$ 37,752.55	
Sum of MWDOC Agencies	188,574	213,850	244,694	227,369	0.00	218,622	100%	\$ 11,532,284.15	\$ -	\$ 11,532,284.15	\$ 1,055,607.59	\$ 866,439.78	

	2016 July - December	2017 January - June
6 Month RTS Charge	9,856,838	8,721,831
Estimated Standby Charge Revenue	(3,523,193)	(3,523,193)
6 Month Net RTS Charge	6,333,646	5,198,639
Monthly Net RTS Charge	1,055,608	866,440

	CY 2016	CY 2017
MWDOC Share	12.88%	12.92%
RTS Total	\$ 153,000,000	\$ 135,000,000
MWDOC RTS	\$ 19,713,676	\$ 17,443,662

EXHIBIT B
Capacity Charge for MWDOC Member Agencies for CY 2017

	2013	2014	2015	Peak
MWDOC's Peak to MWD (cfs)	379.4	443.1	293.0	443.1
Date	8/30/13	7/25/14	7/3/15	7/25/14

Two shared connections not yet allocated

Metropolitan Capacity Charge to MWDOC for CY 2017 \$ **3,544,800** *

Agency	Capacity Charge Eligible Flows (CFS)			3-Yr Peak	CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2013	2014	2015				
City of Brea	12.1	12.4	8.5	12.4	2.31%	\$ 81,722	\$ 6,810
City of Buena Park	8.7	4.9	7.6	8.7	1.62%	\$ 57,397	\$ 4,783
City of San Juan Capistrano	18.8	14.8	15.4	18.8	3.50%	\$ 123,911	\$ 10,326
East Orange County Water District	21.2	18.9	11.4	21.2	3.95%	\$ 139,982	\$ 11,665
El Toro Water District	18.1	20.2	15.9	20.2	3.75%	\$ 133,047	\$ 11,087
City of Fountain Valley	3.3	0.0	3.6	3.6	0.67%	\$ 23,890	\$ 1,991
City of Garden Grove	14.1	14.2	9.0	14.2	2.65%	\$ 93,904	\$ 7,825
City of Huntington Beach	29.2	29.7	25.0	29.7	5.53%	\$ 196,020	\$ 16,335
Irvine Ranch Water District	41.6	43.3	41.2	43.3	8.07%	\$ 285,924	\$ 23,827
City of La Habra	8.5	0.0	2.3	8.5	1.59%	\$ 56,190	\$ 4,682
City of La Palma	3.4	0.0	1.4	3.4	0.63%	\$ 22,203	\$ 1,850
Laguna Beach County Water District	7.3	7.5	7.0	7.5	1.40%	\$ 49,776	\$ 4,148
Mesa Consolidated Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	\$ -
Moulton Niguel Water District	56.4	55.5	49.0	56.4	10.50%	\$ 372,334	\$ 31,028
City of Newport Beach	13.4	11.8	10.3	13.4	2.49%	\$ 88,107	\$ 7,342
Orange County Water District	0.6	101.4	61.0	101.4	18.88%	\$ 669,208	\$ 55,767
City of Orange	18.0	18.5	15.8	18.5	3.44%	\$ 121,973	\$ 10,164
City of San Clemente	20.0	20.0	20.0	20.0	3.72%	\$ 131,978	\$ 10,998
Santa Margarita Water District	60.5	61.1	53.9	61.1	11.38%	\$ 403,458	\$ 33,621
City of Seal Beach	5.4	5.5	5.5	5.5	1.02%	\$ 36,329	\$ 3,027
Serrano Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	\$ -
Golden State Water Company	14.8	14.1	7.9	14.8	2.75%	\$ 97,357	\$ 8,113
South Coast Water District	11.4	10.9	10.7	11.4	2.12%	\$ 75,078	\$ 6,257
Trabuco Canyon Water District	6.3	6.5	6.0	6.5	1.21%	\$ 43,028	\$ 3,586
City of Westminster	5.2	4.8	5.3	5.3	0.98%	\$ 34,799	\$ 2,900
Yorba Linda Water District	31.4	15.1	12.6	31.4	5.84%	\$ 207,186	\$ 17,265
Total			537.2	537.2	100%	\$ 3,544,800	\$ 295,400
			MWDOC Capacity Charge Per CFS:			\$ 6,599	

* Based on MWDOC's aggregate peak flow of 443.1 cfs on 7/25/2014 charge at MET's rate of \$8,000 per cfs 2012 & 2013 peak flows adjusted for MET OC-88 metering error.

Exhibit C
MWDOC Member Agency Choice Services Program Summary
 Cost Allocations by Agencies for FY 2016-17

Program Budget	Water Use Efficiency	School Education (Elementary) [6]	School Education (High School) [6]	County Wide Communications Program [7]	Poseidon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 Refund [5]	Water Loss Control Program [8]	AMP Administration [9]	Total Choice Allocation
Draft Budget (4/13/2016) [1]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Year Adjustment [2]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Project Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Agency										
Brea	\$ 14,213	\$ 5,574	\$ 4,594	\$ 6,792				\$ 34,292	\$ -	\$ 65,464
Buena Park	\$ 5,041	\$ 8,223	\$ 615	\$ 9,247				\$ 30,092	\$ -	\$ 53,218
East Orange County WD	\$ 1,526	\$ 1,104	\$ 2,000	\$ 4,207				\$ 39,032	\$ 605	\$ 48,474
El Toro WD	\$ 41,261	\$ 5,628	\$ 4,022	\$ 7,304				\$ 27,032	\$ 922	\$ 86,169
Fountain Valley	\$ 8,560	\$ 4,908	\$ 1,716	\$ 7,671				\$ 9,432	\$ -	\$ 32,288
Garden Grove	\$ 15,521	\$ 18,231	\$ 3,230	\$ 15,319				\$ 9,432	\$ -	\$ 61,734
Golden State Water Company	\$ 39,026	\$ 4,885	\$ 11,418	\$ 14,785				\$ 27,032	\$ -	\$ 97,146
Huntington Beach	\$ 45,867	\$ 21,504	\$ 2,983	\$ 16,606				\$ 48,672	\$ -	\$ 135,632
Irvine Ranch WD	\$ 205,611	\$ -	\$ -	\$ 19,000				\$ -	\$ 8,356	\$ 232,967
La Habra	\$ 4,167	\$ 7,026	\$ 1,401	\$ 7,911				\$ 34,292	\$ -	\$ 54,797
La Palma	\$ 5,798	\$ 2,708	\$ 684	\$ 4,973				\$ 27,032	\$ -	\$ 41,196
Laguna Beach County WD	\$ 9,471	\$ 1,057	\$ 4,246	\$ 5,267				\$ 27,032	\$ -	\$ 37,072
Mesa Water	\$ 22,494	\$ 3,327	\$ 4,762	\$ 10,786				\$ 27,032	\$ -	\$ 68,402
Moulton Niguel WD	\$ 156,398	\$ 18,329	\$ 6,979	\$ 14,783				\$ -	\$ 2,707	\$ 199,197
Newport Beach	\$ 37,403	\$ -	\$ -	\$ 8,170				\$ 27,032	\$ -	\$ 72,605
Orange	\$ 27,606	\$ 8,756	\$ 1,598	\$ 12,697				\$ 27,032	\$ 1,051	\$ 78,739
Orange County WD	\$ -	\$ -	\$ -	\$ -				\$ -	\$ -	\$ -
San Clemente	\$ 45,381	\$ 1,581	\$ 4,910	\$ 7,238				\$ 27,032	\$ -	\$ 76,142
San Juan Capistrano	\$ 17,832	\$ 7,652	\$ 1,054	\$ 6,474				\$ 34,292	\$ -	\$ 67,304
Santa Margarita WD	\$ 88,222	\$ 14,548	\$ 6,102	\$ 14,061				\$ -	\$ 5,528	\$ 128,462
Seal Beach	\$ 2,664	\$ 2,391	\$ -	\$ 5,531				\$ 9,432	\$ -	\$ 20,019
Serrano WD	\$ 7,323	\$ 1,640	\$ 737	\$ 4,404				\$ 27,032	\$ -	\$ 41,135
South Coast WD	\$ 36,109	\$ 4,619	\$ 4,811	\$ 6,334				\$ 27,032	\$ -	\$ 68,905
Trabuco Canyon WD	\$ 8,625	\$ 1,898	\$ 20	\$ 4,776				\$ 27,032	\$ 337	\$ 42,688
Tustin	\$ 12,732	\$ 11,151	\$ 3,426	\$ 8,036				\$ 27,032	\$ -	\$ 62,377
Westminster	\$ 7,869	\$ 9,143	\$ 1,421	\$ 9,992				\$ -	\$ -	\$ 28,425
Yorba Linda WD	\$ 25,899	\$ 5,413	\$ -	\$ 8,794				\$ 34,292	\$ 184	\$ 74,583
Anaheim	\$ 950	\$ 29,089	\$ 10,140	\$ 19,000				\$ -	\$ 215	\$ 59,393
Fullerton	\$ 252	\$ 10,302	\$ 2,618	\$ 12,981				\$ 27,032	\$ -	\$ 53,184
Santa Ana	\$ 5,105	\$ 42,402	\$ 5,154	\$ 19,000				\$ 27,032	\$ -	\$ 98,693
Orange County Total	\$ 898,928	\$ 253,089	\$ 90,640	\$ 292,140	\$ 44,416	\$ 387,194	\$ (30,000)	\$ 661,708	\$ 19,905	\$ 2,186,410

Note: Totals may not foot due to rounding.

** These numbers are draft and subject to change

[1] These numbers are from the MWDOC Draft Budget dated 4/13/2016

[2] The adjustment amounts reflect prior year revenue overage or (shortfall) to be reconciled with participating member agencies

[3] The activity for Poseidon Desal for FY 2015-16 remain uncertain at this time. The funds in the account are from prior years and are recommended to remain to assist with efforts that may arise in this coming Fiscal Year

[4] The activity for Doheny 2008 is utilizing existing remaining funds (\$34,194) to pay the state lease and the power costs at the pilot plant site and \$365,000 retained for decommissioning

[5] The activity for Doheny 2014 was uncertain. MWDOC collected \$10,000 each from the agencies to cover potential work. With the transition of the Doheny Project to South Coast W.D. the funds are being returned

[6] Preliminary cost, To be confirmed on an agency by agency basis

[7] Preliminary cost, To be confirmed by an agency by agency basis, white board cost (water education video) allocated by agency percent of population with in Orange County

[8] Participation in the Water Loss Control Program is estimated at \$9k to \$46k per agency. The actual cost will vary based on the select of the firm and the scope of work. Line items were based on 15-16 participation

[9] Administration of AMP sales Agreement only paid by AMP Participants