

**MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
Jointly with the  
**ADMINISTRATION & FINANCE COMMITTEE**  
April 12, 2017, 8:30 a.m.  
MWDOC Conference Room 101

**Committee:**

Director J. Thomas, Chairman  
Director J. Finnegan  
Director B. Barbre

Staff: R. Hunter, K. Seckel, C. Harris,  
K. Davanaugh, H. Chumpitazi

Ex Officio Member: W. Osborne

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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**

1. TREASURER'S REPORT
  - a. Revenue/Cash Receipt Report – March 2017
  - b. Disbursement Approval Report for the month of April 2017
  - c. Disbursement Ratification Report for the month of March 2017
  - d. GM Approved Disbursement Report for the month of March 2017
  - e. Water Use Efficiency Projects Cash Flow – March 31, 2017
  - f. Consolidated Summary of Cash and Investment – February 2017
  - g. OPEB Trust Fund monthly statement

2. FINANCIAL REPORT
  - a. Combined Financial Statements and Budget Comparative for the Period ending February 28, 2017

### DISCUSSION ITEM

3. SECOND DRAFT OF MWDOC'S BUDGET FOR 2017-18
4. MWDOC RESERVE POLICY & PFM MEMO REPORT
5. COUNTY OF ORANGE – TREASURY OVERSIGHT COMMITTEE

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

6. INDIVIDUAL CHARGES DISCLOSURE FOR THE PERIOD JAN-DEC 2016
7. UPDATE REGARDING RECORDS MANAGEMENT PROGRAM
8. REBATE PROGRAM – 2016 1099-MISC FILING
9. DEPARTMENT ACTIVITIES REPORTS
  - a. Administration
  - b. Finance and Information Technology
10. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

### OTHER ITEMS

11. 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  
March 2017**

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
03/03/17	City of La Habra	January 2017 Water deliveries	7,827.31
03/03/17	City of Fountain Valley	January 2017 Water deliveries	13,712.14
03/03/17	City of Brea	January 2017 Water deliveries	19,587.68
03/03/17	City of Huntington Beach	January 2017 Water deliveries	630,957.03
03/03/17	City of San Clemente	January 2017 Water deliveries	320,366.83
03/07/17	City of La Palma	January 2017 Water deliveries	63,514.45
03/07/17	Serrano Water District	January 2017 Water deliveries	9,131.88
03/07/17	City of Newport Beach	January 2017 Water deliveries	443,384.41
03/07/17	City of Garden Grove	January 2017 Water deliveries	34,334.39
03/08/17	City of Westminster	January 2017 Water deliveries	42,291.76
03/10/17	City of Buena Park	January 2017 Water deliveries	216,247.44
03/10/17	Trabuco Canyon Water District	January 2017 Water deliveries	133,791.32
03/13/17	El Toro Water District	January 2017 Water deliveries	305,463.15
03/13/17	South Coast Water District	January 2017 Water deliveries	347,198.64
03/14/17	Santa Margarita Water District	January 2017 Water deliveries	865,209.23
03/14/17	City of San Juan Capistrano	January 2017 Water deliveries	294,993.93
03/14/17	City of Orange	January 2017 Water deliveries	41,799.47
03/14/17	City of Seal Beach	January 2017 Water deliveries	7,403.61
03/15/17	Laguna Beach County Water District	January 2017 Water deliveries	53,807.47
03/15/17	East Orange County Water District	January 2017 Water deliveries	57,975.70
03/15/17	Yorba Linda Water District	January 2017 Water deliveries	217,781.56
03/15/17	Moulton Niguel Water District	January 2017 Water deliveries	1,115,862.47
03/15/17	Irvine Ranch Water District	January 2017 Water deliveries	372,184.56
03/24/17	City of Huntington Beach	February 2017 Water deliveries	537,658.33
03/27/17	City of La Habra	February 2017 Water deliveries	7,827.31
03/31/17	Serrano Water District	February 2017 Water deliveries	9,131.88
03/31/17	City of Brea	February 2017 Water deliveries	19,391.88

TOTAL REVENUES \$ 6,188,835.83

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**March 2017**

**MISCELLANEOUS REVENUES**

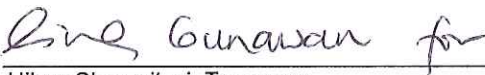
<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
03/07/17	Eastern Municipal Water District	3/30/17 Water Policy dinner	640.00
03/10/17	Michael Baker	3/30/17 Water Policy dinner	80.00
03/16/17	Orange County Water District	3/30/17 Water Policy dinner	160.00
03/20/17	Laguna Beach County Water District	3/30/17 Water Policy dinner	640.00
03/22/17	El Toro Water District	3/30/17 Water Policy dinner	640.00
03/27/17	Susan Hinman	3/30/17 Water Policy dinner	80.00
03/31/17	4 Checks	3/30/17 Water Policy dinner	650.00
03/31/17	Paypal	3/30/17 Water Policy dinner	6,878.20
03/07/17	Santa Margarita Water District	6/14/17 OC Water Summit sponsorship	1,600.00
03/31/17	Paypal	ISDOC Registrations	507.46
03/07/17	Stan Sprague	March 2017 Retiree Health insurance	234.00
03/14/17	Katie Davanaugh	Movie tickets	51.00
03/20/17	Laura Loewen	Movie tickets	17.00
03/22/17	Judy R Karlsen	Movie tickets	170.00
03/15/17	Colonial Life	Employee premium refund	100.66
03/24/17	Metropolitan Water District	Portion of Environmental Leader's Workshop expenses	1,660.16
03/20/17	Blytheco	Refund from file migration project	277.50
03/31/17	Western Municipal Water District	Reimbursement for 20% of cost for 3/1/17 DC Briefing lunch	385.48
03/15/17	ACWA JPIA	RPA Insurance refund	47,770.52
03/13/17	City of Newport Beach	January 2017 Turf Removal rebate program	376.05
03/13/17	Moulton Niguel Water District	January 2017 Turf Removal rebate program	84,041.00
03/20/17	City of Orange	January 2017 Turf Removal rebate program	1,665.00
03/22/17	Irvine Ranch Water District	January 2017 Turf Removal rebate program	23,531.63
03/27/17	El Toro Water District	January 2017 Turf Removal rebate program	575.00
03/10/17	Trabuco Canyon Water District	January 2017 So Cal Watersmart Residential rebate program	300.00
03/16/17	Irvine Ranch Water District	January 2017 So Cal Watersmart Residential rebate program	12,391.20
03/20/17	Laguna Beach County Water District	January 2017 So Cal Watersmart Residential rebate program	15.00
03/20/17	Moulton Niguel Water District	January 2017 So Cal Watersmart Residential rebate program	6,000.00
03/22/17	El Toro Water District	January 2017 So Cal Watersmart Residential rebate program	50.00
03/03/17	Orange County Water District	August 2016 SAWPA Drought Response program	2,247.70
03/03/17	City of Huntington Beach	FY 15-16 O & M Costs of the EOCF #2	12,608.63
03/24/17	Irvine Ranch Water District	FY 15-16 O & M Costs of the EOCF #2	96,884.09
03/07/17	Serrano Water District	FY 16-17 County Wide Communication choice program	2,139.55

TOTAL MISCELLANEOUS REVENUES **\$ 305,366.83**

**TOTAL REVENUES \$ 6,494,202.66**



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer



**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of April 2017**

Item 1b

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
1131	<b>Richard C. Ackerman</b> March 2017 Consulting for legal & regulatory matters	2,150.00
	*** Total ***	2,150.00
M005-2017PROP	<b>ACWA Joint Powers</b> April 2017 - March 2018 MWDOC annual property insurance	619.00
	*** Total ***	619.00
41036	<b>Aleshire &amp; Wynder LLP</b> February 2017 Legal services	180.00
	*** Total ***	180.00
517030904	<b>ALTA FoodCraft</b> 3/7/17 Coffee & tea supplies	361.74
	*** Total ***	361.74
170323MWD	<b>American Society of Civil Engineers</b> Job posting for Water Resource Analyst position	150.00
	*** Total ***	150.00
16114	<b>Awards &amp; Trophies Co., Inc.</b> Name plate for F. Soto	15.16
16163	Glass etching on 3/30/17 Water Policy dinner speaker's gift	30.00
	*** Total ***	45.16
55401-FEB17	<b>Best Best and Krieger LLP</b> February 2017 Legal services	14,035.58
791762	February 2017 State legislative advocacy services	7,784.52
	*** Total ***	21,820.10
G1-2017-168	<b>CA Urban Water Conservation Council</b> 2017 Membership renewal 50% partial payment	4,003.00
	*** Total ***	4,003.00
90011327	<b>CDM Smith</b> 1/15/17-2/18/17 Engineering services for O.C. Water Reliability Investigation	2,907.50
	*** Total ***	2,907.50
GZZ2926	<b>CDW Government</b> 5 Symantec anti-virus 3 year licenses	360.00
HFK7855	Black Box AlertWerks ServSensor environment monitoring device for server cabinet	405.05
	*** Total ***	765.05
APR-JUN17	<b>Hunter T. Cook</b> February-April 2017 Retiree medical premium	1,505.52
	*** Total ***	1,505.52

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of April 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b>Finley &amp; Cook PLLC</b>	
SI0020937	5/22/17-5/21/18 Serenic annual maintenance & enhancement for Navision software	17,095.90
	*** Total ***	17,095.90
	<b>Frank Pitman Designs</b>	
3.10.2017	Professional design assistance for hallway repair	900.00
	*** Total ***	900.00
	<b>Government Finance Officers Assoc.</b>	
0122001-2017	April 2017-March 2018 Membership renewal for H. Chumpitazi	160.00
	*** Total ***	160.00
	<b>Independent Special District of Orange County</b>	
ISDOC033017	March 2017 PayPal receipts for 3/30/17 meeting	507.46
ISDOC012617A	3/30/17 Meeting registration for Directors Barbare, Dick, Finnegan, Osborne and D. Micalizzi	85.00
	*** Total ***	592.46
	<b>James C. Barker, P.C.</b>	
105-0317	March 2017 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b>Karen's Detail Custom Frames</b>	
2901	Custom framing for resolution for R. Behrens	120.68
	*** Total ***	120.68
	<b>Lewis Consulting Group, LLC</b>	
2017-115	March 2017 Consulting services	3,062.50
	*** Total ***	3,062.50
	<b>Norco Delivery Services</b>	
708691	3/3/17 Delivery charges for Board packets	139.92
708993	3/31/17 Delivery charges for Board packets	169.36
	*** Total ***	309.28
	<b>Office Solutions</b>	
I-01122868	3/6/17 Office supplies	6.47
I-01126275	3/9/17 Office supplies	227.13
I-01135582	3/24/17 Office supplies	502.52
I-01137504	Ceres work chair for M. Conway	654.43
	*** Total ***	1,390.55
	<b>Orange County Water District</b>	
17269	February 2017 50% share of WACO expense	227.96
17288	February 2017 Postage, shared office & maintenance expense	9,754.74
17365	March 2017 50% share of WACO expense	573.21
	*** Total ***	10,555.91

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of April 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Ricoh USA, Inc.</i></b>	
1068788315	Ricoh Fiery Compose software license to assist with Board packet preparation	727.31
	*** Total ***	727.31
	<b><i>South Orange County Economic Coalition</i></b>	
10	2017 Annual membership renewal	1,500.00
	*** Total ***	1,500.00
	<b><i>Staffing Network, LLC</i></b>	
95696697	3/6/17-3/12/17 Temporary help for scanning records and front desk coverage	1,060.80
95697203	3/13/17-3/19/17 Temporary help for scanning records and front desk coverage	1,060.80
95697521	3/20/17-3/26/17 Temporary help for scanning records and front desk coverage	1,060.80
95698100	3/26/17-4/2/17 Temporary help for scanning records and front desk coverage	1,060.80
	*** Total ***	4,243.20
	<b><i>Steven Enterprises, Inc.</i></b>	
0372755-IN	Paper for plotter	113.51
0372847-IN	2 Ink cartridges for plotter	287.39
	*** Total ***	400.90
	<b><i>U. S. HealthWorks Medical Group</i></b>	
3076094-CA	2/23/17 Pre-employment exam	173.00
	*** Total ***	173.00
	<b><i>Union Bank, N.A.</i></b>	
1027855	December 2016- February 2017 Custodial bank fees	625.00
	*** Total ***	625.00
	<b><i>USAFact, Inc.</i></b>	
7021806	2/10/17 Pre-employment background check	69.56
7023091	2/22/17 Pre-employment background check	58.42
	*** Total ***	127.98
	<b><i>Water Systems Optimization, Inc.</i></b>	
1132	February 2017 Water Loss Control program	730.00
	*** Total ***	730.00
	<b><i>Pauline D. Wennerstrom</i></b>	
APR-JUN17	April-June 2017 Retiree medical premium	318.00
	*** Total ***	318.00
	<b><i>Total Core Expenditures</i></b>	<hr/> 85,539.74

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of April 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Choice Expenditures:</b>		
	<b><i>Discovery Science Center</i></b>	
DSOC/IV/000511	February 2017 for School program	35,513.20
	*** Total ***	35,513.20
	<b><i>Enterprise Information Sys Inc</i></b>	
MWDOC-22001	2017 Annual web hosting and January-June 2017 production support for California Sprinkler Adjustment Notification System program	8,400.00
	*** Total ***	8,400.00
	<b><i>Lithocraft Company</i></b>	
61834	123,950 Bill inserts for Water Use Efficiency programs	4,310.00
61835	2,000 Flyers printed for OC Coastkeepers to promote Water Use Efficiency rebate programs	879.24
	*** Total ***	5,189.24
	<b><i>Orange County Water District</i></b>	
17288	February 2017 Postage for Water Use Efficiency rebate programs	277.37
	*** Total ***	277.37
	<b><i>Top Hat Productions</i></b>	
92627	3/2/17 Lunch for Water Use Efficiency Workgroup meeting	453.95
92671	3/14/17 Lunch for Water Loss Technical Assistance program meeting	149.50
92680	3/16/17 Breakfast for Water Loss Technical Assistance program meeting	398.41
92676	3/15/17 Breakfast for Water Loss Technical Assistance program meeting	238.40
	*** Total ***	1,240.26
	<b><i>Total Choice Expenditures</i></b>	50,620.07
<b>Other Funds Expenditures:</b>		
	<b><i>ACWA Joint Powers</i></b>	
M005-2017PROP	April 2017-March 2018 Doheny Ocean Desal annual property insurance	350.00
	*** Total ***	350.00
	<b><i>AquaFicient Consulting</i></b>	
04-004	October 2016 Landscape Performance Certificate Program funded by IRWD	1,800.00
04-005	November 2016 Landscape Performance Certificate Program funded by IRWD	1,800.00
04-006	December 2016 Landscape Performance Certificate Program funded by IRWD	1,800.00
	*** Total ***	5,400.00
	<b><i>DeLorenzo International</i></b>	
20982	March 2017 Landscape Design Assistance program	26,550.00
	*** Total ***	26,550.00

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of April 2017**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Geoscience Support Services</i></b>	
15025-16-10	February 2017 Doheny Ocean Desal Slant Well decommissioning	13,669.51
	*** Total ***	13,669.51
	<b><i>Mission RCD</i></b>	
2197	February 2017 Field verifications for Water Use Efficiency rebate programs	17,811.39
2214	March 2017 Field verifications for Water Use Efficiency rebate programs	19,913.45
	*** Total ***	37,724.84
	<b><i>City of San Juan Capistrano</i></b>	
030617	Refund FY 15-16 deposit balance for Water Loss Control program technical assistance	17,344.50
	*** Total ***	17,344.50
	<b><i>Water Systems Optimization, Inc.</i></b>	
1132	February 2017 Water Loss Control program	16,547.80
	*** Total ***	16,547.80
	<b><i>Total Other Funds Expenditures</i></b>	<hr/> 117,586.65
	<b><i>Total Expenditures</i></b>	<hr/> <hr/> 253,746.46

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
136567	3/9/17	SPECTB 5210-MAR17	<b>Spectrum Business</b> March 2017 Telephone and internet expense ***Total ***	1,274.70 1,274.70
136568	3/9/17	VERIZO 9780905918	<b>Verizon Wireless</b> February 2017 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
136577	3/15/17	RICOHMA 5047322221	<b>Ricoh USA, Inc.</b> December 2016-February 2017 Reproduction costs ***Total ***	887.10 887.10
136579	3/15/17	IRONMO NNV6477	<b>Iron Mountain</b> March 2017 Archived document storage and withdrawal fees ***Total ***	1,243.02 1,243.02
136580	3/15/17	FLORES 022817	<b>Ivan Flores</b> February 2017 Business expense ***Total ***	23.54 23.54
136590	3/15/17	SPECTB 3564-MAR17	<b>Spectrum Business</b> March 2017 Telephone expense for 3 analog fax lines ***Total ***	106.88 106.88
136593	3/15/17	TAMARI 022817	<b>Satoru Tamaribuchi</b> February 2017 Business expense ***Total ***	266.74 266.74
ACH002425	3/15/17	ACKEEX 022817	<b>Linda Ackerman</b> February 2017 Business expense ***Total ***	74.90 74.90
ACH002428	3/15/17	BACATI 022417	<b>Tiffany Baca</b> January-February 2017 Business expense ***Total ***	107.70 107.70
ACH002429	3/15/17	BAEZHE 030317	<b>Heather Baez</b> February-March 2017 Business expense	296.65
ACH002430	3/15/17	030317A	March 2017 Business expense ***Total ***	50.40 347.05
ACH002431	3/15/17	BARBRE 022717	<b>Brett Barbre</b> February 2017 Business expense ***Total ***	212.93 212.93



**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>ACH002432</b>	<b>3/15/17</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		022817	February 2017 Business expense	128.71
			***Total ***	128.71
<b>ACH002439</b>	<b>3/15/17</b>	<b>DICKEK</b>	<b>Larry Dick</b>	
		022817	February 2017 Business expense	112.38
			***Total ***	112.38
<b>ACH002440</b>	<b>3/15/17</b>	<b>DINHPA</b>	<b>Patrick Dinh</b>	
		022817	February 2017 Business expense	32.10
			***Total ***	32.10
<b>ACH002442</b>	<b>3/15/17</b>	<b>FINNEG</b>	<b>Joan Finnegan</b>	
		022817	February 2017 Business expense	99.43
			***Total ***	99.43
<b>ACH002445</b>	<b>3/15/17</b>	<b>HOSTER</b>	<b>Kevin Hostert</b>	
		030817	February-March 2017 Business expense	200.03
			***Total ***	200.03
<b>ACH002447</b>	<b>3/15/17</b>	<b>MCKECO</b>	<b>Larry B. McKenney</b>	
		022817	February 2017 Business expense	372.28
			***Total ***	372.28
<b>ACH002448</b>	<b>3/15/17</b>	<b>LOEWEN</b>	<b>Laura Loewen</b>	
		022817	February 2017 Business expense	95.28
			***Total ***	95.28
<b>ACH002472</b>	<b>3/15/17</b>	<b>ROBERT</b>	<b>Bryce Roberto</b>	
		022817	February 2017 Business expense	95.42
			***Total ***	95.42
		<b>SCHNEI</b>	<b>Megan Yoo Schneider</b>	
<b>ACH002473</b>	<b>3/15/17</b>	022817	February 2017 Business expense	336.78
<b>ACH002474</b>	<b>3/15/17</b>	030217	March 2017 Business expense	544.70
			***Total ***	881.48
<b>ACH002476</b>	<b>3/15/17</b>	<b>THOMAS</b>	<b>Jeffery Thomas</b>	
		022817	February 2017 Business expense	276.06
			***Total ***	276.06
<b>136664</b>	<b>3/31/17</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		4140/5443-FEB17	1/23/17-2/22/17 Cal Card charges	11,154.45
			***Total ***	11,154.45
			(See attached sheet for details)	

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>ACH002478</b>	<b>3/31/17</b>	<b>BUSSLI 022817</b>	<b>Charles Busslinger</b> February 2017 Business expense ***Total ***	 162.08 162.08
<b>ACH002479</b>	<b>3/31/17</b>	<b>MICALI 022817</b>	<b>Damon Micalizzi</b> February 2017 Business expense ***Total ***	 210.55 210.55
<b>Total Core Disbursements</b>				<b>18,478.84</b>

**Choice Disbursements:**

<b>ACH002432</b>	<b>3/15/17</b>	<b>BERGJO 022817</b>	<b>Joseph Berg</b> February 2017 Business expense ***Total ***	 9.04 9.04
<b>136664</b>	<b>3/31/17</b>	<b>USBANK 4140-FEB17</b>	<b>U.S. Bank</b> 1/23/17-2/22/17 Cal Card charges ***Total *** (See attached sheet for details)	 100.84 100.84
<b>Total Choice Disbursements</b>				<b>109.88</b>

**Other Funds Disbursements:**

<b>136566</b>	<b>3/9/17</b>	<b>ATTEOC 4492-FEB17 8200-FEB17 0532-FEB17</b>	<b>AT&amp;T</b> February 2017 WEROC S. EOC telephone expense February 2017 WEROC N. EOC telephone expense February 2017 WEROC N. EOC telephone expense ***Total ***	 313.90 251.48 64.57 629.95
<b>136568</b>	<b>3/9/17</b>	<b>VERIZO 9780905918</b>	<b>Verizon Wireless</b> February 2017 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
<b>136571</b>	<b>3/15/17</b>	<b>ATTUVEOC 8599-MAR17</b>	<b>AT&amp;T</b> March 2017 U-verse internet service for WEROC N. EOC ***Total ***	 55.00 55.00
<b>136584</b>	<b>3/15/17</b>	<b>OCWD 17227</b>	<b>Orange County Water District</b> January 2017 GWRS MET credit ***Total ***	 857,196.63 857,196.63
<b>136589</b>	<b>3/15/17</b>	<b>SCHUNK 022817</b>	<b>Janine Schunk</b> February 2017 Business expense ***Total ***	 28.36 28.36

**Municipal Water District of Orange County**  
**Disbursement Ratification Report**  
**For the month of March 2017**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>ACH002432</b>	<b>3/15/17</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		022817	February 2017 Business expense	4.50
			***Total***	4.50
<b>ACH002450</b>	<b>3/15/17</b>	<b>MESAWA</b>	<b>Mesa Water</b>	
		9113	January 2017 Credit for Local Resources program	36,091.55
			***Total***	36,091.55
	<b>3/16/17</b>	<b>TURFRP</b>	<b>Turf Removal Program</b>	
<b>136597</b>		TR8A-R-IRWD-9078-9040	B. Lam (Re-issue)	599.99
			***Total***	599.99
	<b>3/28/17</b>	<b>TURFRP</b>	<b>Turf Removal Program</b>	
<b>136600</b>		TR8-R-IRWD-7411-7363	A. Ronaghi	1,990.00
<b>136601</b>		TR10-R-O-7333-7287	T. Buzzard	586.00
<b>136602</b>		TR8-R-IRWD-7479-7444	J. Chiang	6,000.00
<b>136603</b>		TR8A-R-IRWD-9106-9069	K. Aaron	3,442.00
<b>136604</b>		TR8-R-IRWD-7312-7252	G. Widly	6,000.00
<b>136605</b>		TR9A-R-MNT-12153-12109	M. Sappingfield	852.00
<b>136606</b>		TR8-R-IRWD-7546-7506	P. Julian	1,480.00
<b>136607</b>		TR8-R-IRWD-7549-7509	R. Ianniello	1,566.00
<b>136608</b>		TR8A-R-IRWD-7830-7790	R. Kustich	3,492.00
<b>136609</b>		TR8A-R-IRWD-7883-7850	M. Low	390.00
<b>136610</b>		TR9A-R-MNT-12142-12099	D. Schnee	2,004.00
<b>136611</b>		TR9A-R-MNT-12154-12110	N. Fujii	3,276.00
<b>136612</b>		TR8A-R-IRWD-12173-12127	L. Smith	908.00
<b>136613</b>		TR10-R-O-11747-701	H. Pinedo	1,000.00
<b>136614</b>		TR8A-R-IRWD-4789-4708	L. Botts	638.00
<b>136615</b>		TR8-R-IRWD-7414-7365	J. McCoy	1,428.00
<b>136616</b>		TR9A-R-MNT-7956-7920	A. Coupal	500.00
<b>136617</b>		TR8A-R-IRWD-7771-7725	T. Davies	500.00
<b>136618</b>		TR10-R-SOCO-4988-4916	H. Knotts	1,000.00
<b>136619</b>		TR10-R-SOCO-4918-4841	R. Henry	560.00
<b>136620</b>		TR8-R-IRWD-5015-4940	J. Wu	3,250.00
<b>136621</b>		TR8-R-IRWD-5175-5105	M. Campbell	1,198.00
<b>136622</b>		TR8A-R-MNT-5155-5084	R. Miller	1,448.00
<b>136623</b>		TR8-R-ETWD-6269-6197	R. Javan	544.00
<b>136624</b>		TR8-R-IRWD-5250-5181	M. Adnani	474.00
<b>136625</b>		TR9-R-MNT-7368-7327	N. Smith	4,980.00
<b>136626</b>		TR9A-R-MNT-11132-11089	V. Nguyen	844.00
<b>136627</b>		TR8-R-IRWD-7535-7495	P. Mariani	636.00
<b>136628</b>		TR8-R-IRWD-7725-7682	F. Akhavain	886.00
<b>136629</b>		TR10-R-SOCO-7807-7769	C. Green	750.00
<b>136630</b>		TR8A-R-IRWD-8081-8047	K. Lee	524.00
<b>136631</b>		TR8A-R-IRWD-9128-9085	K. Donohue	892.00
<b>136632</b>		TR8-R-IRWD-8028-7990	M. Hsu-Moon	542.00
<b>136633</b>		TR9A-R-MNT-8031-7993	A. Imada	1,226.00
<b>136634</b>		TR8A-R-IRWD-8040-8003	L. Boyd	2,498.00

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of March 2017**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
136635		TR8A-R-IRWD-8042-8005	M. Salerno	1,796.00
136636		TR9A-R-MNT-8073-8038	B. Avila	310.00
136637		TR8A-R-IRWD-8103-8067	L. Coss	1,788.00
136638		TR8A-R-ETWD-8105-8069	W. Liang	1,810.00
136639		TR9A-R-MNT-9069-9032	F. Naguib	1,270.00
136640		TR8A-R-IRWD-9063-9027	C. Tryon	980.00
136641		TR8A-R-IRWD-9117-9079	H. Truong	1,000.00
136642		TR8A-C-IRWD-5222-9036	Fairbanks Business Park Association (Irvine)	25,000.00
136643		TR9A-R-MNT-12143-12100	R. Chrsitie	4,618.00
136644		TR8A-R-IRWD-12145-12102	K. Hirata	2,130.00
136645		TR9A-R-MNT-11136-11094	A. Huerta	1,364.00
136646		TR9A-R-MNT-12180-12133	M. Mahan	2,594.00
136647		TR9A-R-MNT-12228-12184	T. Siegel	526.00
136648		TR8A-R-IRWD-12185-12139	H. Lee	1,246.00
136649		TR8A-R-IRWD-12227-12183	N. DiBacco	1,316.00
136650		TR8A-R-IRWD-12258-12212	C. Ballard	1,158.00
136651		TR8A-R-IRWD-12230-12186	L. Henderson	1,190.00
136652		TR10-R-MNT-12267-12220	D. Burrows	470.00
136653		TR10-R-MNT-12272-12224	P. Franzetta	1,520.00
136654		TR10-R-MNT-13299-13254	N. Stavros	504.00
			***Total ***	110,894.00
136656	3/31/17	ATTEOC	AT&T	
		4492-MAR17	March 2017 WEROC S. EOC telephone expense	253.08
		8200-MAR17	March 2017 WEROC N. EOC telephone expense	188.41
		0532-MAR17	March 2017 WEROC N. EOC telephone expense	64.59
			***Total ***	506.08
136658	3/31/17	CATALI	Catalina Island Conservancy	
		0013972	March 2017 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
136661	3/31/17	SANTI1	Santiago Aqueduct Commission	
		JAN2017	January 2017 SAC Pipeline operation surcharge	4,366.80
			***Total ***	4,366.80
136662	3/31/17	SCHUNK	Janine Schunk	
		030917	February 2017 Business expense	56.00
			***Total ***	56.00
136664	3/31/17	USBANK	U.S. Bank	
		4140-FEB17	1/23/17-2/22/17 Cal Card charges	82.47
			***Total ***	82.47
			(See attached sheet for details)	

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
	<b>3/31/17</b>	<b>HUBBAR</b>	<b>Kelly Hubbard</b>	
<b>ACH002480</b>		013117	January 2017 Business expense	171.86
<b>ACH002481</b>		022817	February 2017 Business expense	93.52
			***Total***	265.38
<b>ACH002486</b>	<b>3/31/17</b>	<b>SANTAM</b>	<b>Santa Margarita Water District</b>	
		JAN2017	January 2017 SCP Pipeline operation surcharge	19,292.63
			***Total***	19,292.63
<b>WIRE-170330</b>	<b>3/30/17</b>	<b>METWAT</b>	<b>Metropolitan Water District</b>	
		8932	January 2017 Water deliveries	4,698,081.24
			***Total***	4,698,081.24
			<b>Total Other Funds Disbursements</b>	<b>5,729,906.88</b>
			<b>Total Disbursements</b>	<b>5,748,495.60</b>

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

**Cal Card Statement Detail**  
**Statement Date: February 22, 2017**  
**Payment Date: March 31, 2017**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
01/23/17	Corporate head photo for Director Schneider	\$ 195.00
01/23/17	Lunch for MET Directors' meeting	190.94
01/24/17	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 8-10, 2017 - Registration for M. Baum-Haley	475.00
01/25/17	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 8-10, 2017 - Accommodations for Director Thomas	178.90
01/25/17	5 Year renewal for MWDOC.com domain name	194.95
01/25/17	Multi-State Salinity Coalition Annual Salinity summit in Las Vegas, NV from Feb.28 - Mar. 3, 2017 - Airfare for C. Busslinger	177.88
01/25/17	Multi-State Salinity Coalition Annual Salinity summit in Las Vegas, NV from Feb.28 - Mar.3, 2017 - Accommodations deposit for C. Busslinger	73.13
01/29/17	Roku Premiere streaming media player for WEROC office	82.47
01/30/17	UPS delivery charges for Board packets on Jan. 27, 2017	7.26
01/31/17	State Water Resource Control Board Public hearing in Sacramento, CA on Feb. 8, 2017 - Airfare for J. Berg	417.88
01/31/17	State Water Resource Control Board Public hearing in Sacramento, CA on Feb. 8, 2017 - Airfare for H. Baez	417.88
02/01/17	WSO: Water Transmission and Distribution and Wastewater Engineering: Treatment and Resource Recovery books	387.34
02/01/17	ACWA Legislative symposium in Sacramento, CA on Mar. 8, 2017 - Registration for Director Tamaribuchi	245.00
02/01/17	Legislative activities in Sacramento, CA on Feb. 10, 2017 - Airfare for H. Baez	454.38
02/01/17	ACWA Legislative symposium in Sacramento, CA on Mar. 8, 2017 - Airfare for Director Tamaribuchi	200.90
02/03/17	9/26/16 Corner Bakery duplicate charge disputed and refunded	(261.71)
02/03/17	4 Tripp Lite Basic power distribution units for new server cabinets	270.60
02/06/17	Bissell spot cleaner to clean Ricki Raindrop costume	107.74
02/06/17	UPS delivery charges for Board packets on Jan. 27, 2017	64.10
02/07/17	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 8-9, 2017 - Accommodations for R. Hunter	235.04
02/07/17	Legislative activities in Washington, DC from Apr. 19-21, 2017 - Airfare for Director Barbre	495.20 <sup>1</sup>
02/07/17	Legislative activities in Washington, DC from Nov. 16-19, 2016 - Refund accommodations for Director Barbre, hotel charged twice	(520.98)



**Cal Card Statement Detail**  
**Statement Date: February 22, 2017**  
**Payment Date: March 31, 2017**

Date	Description	Amount
02/09/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Airfare for Director Tamaribuchi	879.60
02/09/17	Legislative activities in Washington, DC from Feb. 28-Mar. 2, 2017 - Airfare for Director Thomas	749.92
02/10/17	Lunch for Boy Scout Merit Badge clinic on Feb. 11, 2017	446.00
02/10/17	California Society of Municipal Finance Officers meeting in Orange, CA on Mar. 2, 2017 - Registration H. Chumpitazi	30.00
02/10/17	Food for Staff development meeting	29.98
02/10/17	Public Relations Society of America Western District conference in Riverside, CA from Mar. 2-3, 2017 - Registration for J. Volzke	325.00
02/10/17	California Environmental Dialogue meeting in San Francisco, CA on Feb. 16, 2017 - Airfare for J. Berg	447.88
02/10/17	California Environmental Dialogue meeting in San Francisco, CA on Feb. 16, 2017 - Airfare for R. Hunter	447.88
02/11/17	Desk lamp	47.80
02/11/17	Facebook posts for Water Use Efficiency Turf Removal and Spray to Drip rebate programs	50.47
02/13/17	UPS delivery charges for Board packets on Feb. 10, 2017	6.12
02/13/17	Canon professional camcorder with protection plan and case	1,907.99 <sup>[2]</sup>
02/15/17	Facebook posts for Water Use Efficiency Turf Removal and Spray to Drip rebate programs	50.37
02/16/17	5 Computer cables	126.64
02/16/17	Lunch for Managers' meeting	437.87
02/16/17	7 Printer cartridges	318.29
02/17/17	Legislative activities in Washington, DC from Jan. 11-13, 2017 - Refunded accommodations for H. Baez, room snacks billed in error	(211.60)
02/18/17	Camcorder case	64.64
02/20/17	UPS delivery charges for Board packets on Feb. 10, 2017	62.47
<b>Total</b>		<b><u>10,306.22</u></b>

<sup>[1]</sup> Director Barbre to reimburse MWDOC \$200.00

<sup>[2]</sup> Camcorder case returned

**Cal Card Statement Detail**  
**Statement Date: February 22, 2017**  
**Payment Date: March 31, 2017**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
<b><u>R. Hunter Card</u></b>		
1/24/16-2/22/17	Meals for R. Hunter's meetings	\$ 364.31
01/25/17	MWDOC Special Board meeting in Costa Mesa, CA on Jan. 28, 2017 - Balance due for meeting	319.85
02/09/17	Urban Water Institute Spring Water conference in Palm Springs, CA on Feb. 8, 2017 - Meal for Director Dick, Director Tamaribuchi, R. Hunter & M. Baum-Haley	273.38
02/10/17	Urban Water Institute Spring Water conference in Palm Springs, CA on Feb. 9, 2017 - Parking for R. Hunter	18.00
02/16/17	California Environmental Dialogue meeting in San Francisco, CA on Feb. 16, 2017 - Transportation for R. Hunter & J. Berg	36.00
02/16/17	California Environmental Dialogue meeting in San Francisco, CA on Feb. 16, 2017 - Parking for R. Hunter	20.00
		<b>1,031.54</b>
<b>Total</b>		

**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
136592	3/15/17	STAFFI 95695304	<b>Staffing Network, LLC</b> 2/20/17-2/26/17 Temporary help for scanning records and front desk coverage ***Total ***	848.64  848.64
136596	3/16/17	FRANKP 3.10.2017	<b>Frank Pitman Designs, Inc.</b> Carpet and base cove for hallway repair work ***Total ***	2,891.08 2,891.08
136598	3/23/17	METOTH 020217	<b>Metropolitan Water District</b> OC-79 Electrical modifications project for Moulton Niguel Water District ***Total ***	6,800.00 6,800.00
136599	3/23/17	PDCINTE 031317	<b>PDC Integrators</b> Services to install television cable to 3 offices ***Total ***	586.17 586.17
136657	3/31/17	AYALAS 031417	<b>Sam Ayala</b> March 2017 Atrium landscape maintenance ***Total ***	95.00 95.00
136663	3/31/17	STAFFI 95696034	<b>Staffing Network, LLC</b> 2/27/17-3/5/17 Temporary help for scanning records and front desk coverage ***Total ***	1,060.80 1,060.80
<b>Total Core Disbursements</b>				<b>12,281.69</b>

**Choice Disbursements:**

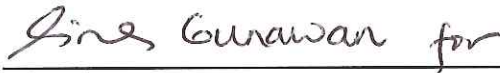
**Total Choice Disbursements**

**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of March 2017**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Other Funds Disbursements:</b>				
136660	3/31/17	MEGAMA 8455	<b>Mega Maids Cleaning Service</b> February 2017 Cleaning services for WEROC S. EOC	85.00
			***Total ***	85.00
			<b>Total Other Funds Disbursements</b>	<u>85.00</u>
			<b>Total Disbursements</b>	<u><u>12,366.69</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

**Municipal Water District of Orange County  
WATER USE EFFICIENCY PROJECTS  
Cash Flow as of 3/31/17**

Cash - Beginning Balance	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	TOTALS
\$	(2,257,237.25)	\$ (3,224,747.37)	\$ (2,270,840.96)	\$ (400,006.46)	\$ (100,015.28)	\$ (92,342.95)	\$ 32,509.77	\$ 36,819.09	\$ (28,391.53)	\$ 115,707.35	\$ 115,707.35	\$ 115,707.35	
<b>REVENUES:</b>													
BUREC				36,748.36			95,010.00						\$ 131,758.36
City of Brea	339.97		144.99		294.99								779.95
City of Buena Park	332.10		111.00	222.00	111.00		111.00	333.00					1,220.10
City of Fountain Valley													-
City of Fullerton		75.00											75.00
City of Garden Grove			222.00	666.00			777.00						1,665.00
City of Huntington Beach	640.85	49.99	519.99	117.96	557.99		1,116.13						3,002.91
City of La Habra	111.00		111.00										222.00
City of San Clemente		111.00			1,110.00			125.00					1,346.00
City of San Juan Capistrano	111.00		111.00	402.70									1,049.58
City of Tustin	11,583.00	25,459.59			424.88								40,413.59
City of Newport Beach		450.00	238.99		3,371.00		7,516.00		376.05				8,957.03
City of Orange	2,869.43		333.00	291.00	375.99		111.00		1,665.00				5,380.43
City of Westminster													-
County of Orange		40,479.67		25,297.04			3,777.75	1,697.75					25,297.04
Department of Water Resources													45,955.17
East Orange County Water District													-
El Toro Water District	75.00	75.00	75.00	2,552.00	366.99			15.00	625.00				3,783.99
East Orange County Water District													-
Golden State Water Company	1,980.00		75.00	50.00									2,105.00
Invine Ranch Water District	93,764.10	542,331.88	132,095.59	309,490.34	45,597.19		32,010.98	56,012.38	35,922.83				1,260,725.29
Laguna Beach County Water District	1,110.00	1,041.00		396.00					15.00				2,562.00
Mesa Water District	1,127.37		80.00	209.99	149.99		70,484.98	1,050.00					2,617.35
Metropolitan Water District			1,934,765.85	28,195.82					158,687.96				2,192,134.61
Moulton Niguel Water District	459,396.32		17,279.42	102,026.49	96,834.06		4,400.00	35,654.00	90,041.00				1,593,691.54
Orange County Water District									2,247.70				2,247.70
Santa Margarita Water District	6,821.55	3,703.49	10,737.34	8,062.96			4,215.84	12,326.00					47,561.15
Serrano Water District	75.00												75.00
South Coast Water District													-
Trabuco Canyon Water District	475.00	150.00	200.00	100.00	100.00		100.00		300.00				1,625.00
Yorba Linda Water District					596.00		596.00						596.00
<b>Miscellaneous Revenues</b>													-
Miscellaneous		103.68		884.00									987.68
Interest Revenue													-
<b>Total Revenues</b>	580,811.69	1,297,325.91	2,097,100.17	515,712.66	149,294.08	219,110.55	124,466.49	104,132.38	289,880.54	-	-	-	\$ 5,377,834.47
<b>EXPENDITURES:</b>													
Aquaficient	5,400.00					5,400.00							\$ 10,800.00
Bryton Printing					2,500.00								2,500.00
Conservation Consulting, LLC				28,894.25									28,894.25
El Toro WD					100.00								100.00
Golden State Water Company					100.00								100.00
Laguna Beach CWD						240.00		560.00					800.00
Metropolitan Water District	229,162.49	111,028.73			19,364.33		13,053.16						372,608.71
Mesa RCD	18,300.13	14,225.68	38,367.35		8,770.78	24,081.46		9,322.50	28,525.40				141,593.30
Reprints UCI Medical								18,684.00					18,684.00
Stacy Gizmo					675.00								675.00
Tuck Removal	1,287,489.27	214,655.09	175,786.98	179,854.83	110,111.64	57,547.37	102,895.83	140,776.50	110,756.26				2,379,873.77
UCI Medical									6,500.00				6,500.00
<b>Miscellaneous Expenses</b>													
Interest Expense	7,579.92			5,087.40				178.18					12,845.50
Salary & Benefit	390.00	3,510.00	12,111.34	1,885.00		6,989.00	4,030.00						28,915.34
<b>Total Expenditures</b>	1,548,321.81	343,419.50	226,265.67	215,721.48	141,621.75	94,257.83	120,157.17	169,343.00	145,781.66	-	-	-	\$ 3,004,889.87
<b>Cash - Ending Balance</b>	\$ (3,224,747.37)	\$ (2,270,840.96)	\$ (400,006.46)	\$ (100,015.28)	\$ (92,342.95)	\$ 32,509.77	\$ 36,819.09	\$ (28,391.53)	\$ 115,707.35	\$ 115,707.35	\$ 115,707.35	\$ 115,707.35	



# Item 1f

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

February 28, 2017

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](http://www.mwdoc.com)

Wayne S. Osborne  
President

Brett R. Barbre  
Vice President

Larry D. Dick  
Director

Joan C. Finnegan  
Director

Megan Yoo Schneider  
Director

Sat Tamaribuchi  
Director

Jeffery M. Thomas  
Director

Robert J. Hunter  
General Manager

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

Fund	Book Value	% of Portfolio
<b>Designated Reserves</b>		
General Operations	\$2,715,630	22.44%
Grant & Project Cash Flow	1,500,000	12.39%
Election Expense	475,000	3.92%
Building Repair	350,407	2.90%
OPEB	209,006	1.73%
<b>Total Designated Reserves</b>	<b>5,250,043</b>	<b>43.38%</b>
General Fund	5,836,515	48.22%
Water Fund	1,125,209	9.30%
Conservation Fund	(31,762)	(0.26%)
Desalination Feasibility Study Fund	(193,201)	(1.60%)
WEROC Fund	196,993	1.63%
WEROC Fuel Trailers	(109,024)	(0.90%)
Trustee Activities	28,047	0.23%
<b>Total</b>	<b>\$12,102,820</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.43%	\$172,779	\$172,779
Short-term investment			
• LAIF	4.65%	\$563,258	\$563,258
• OCIP	69.11%	8,364,193	8,364,193
Long-term investment			
• Corporate Bond	6.22%	752,590	753,988
• Certificates of Deposit	18.59%	2,250,000	2,266,942
<b>Total</b>	<b>100.00%</b>	<b>\$12,102,820</b>	<b>\$12,121,160</b>

The average number of days to maturity/call as of February 28, 2017 equaled 172 and the average yield to maturity is 1.116%. During the month, the District's average daily balance was \$18,038,256.11. 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 February 2017.

The \$18,340 difference between the book value and the market value on February 28, 2017 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter  
General Manager

Hilary Chumpitazi  
Treasurer

### MEMBER AGENCIES

City of Brea  
City of Buena Park  
East Orange County Water District  
El Toro Water District  
Emerald Bay Service District  
City of Fountain Valley  
City of Garden Grove  
Golden State Water Co.  
City of Huntington Beach  
Irvine Ranch Water District  
Laguna Beach County Water District  
City of La Habra  
City of La Palma  
Mesa Water District  
Moulton Niguel Water District  
City of Newport Beach  
City of Orange  
Orange County Water District  
City of San Clemente  
City of San Juan Capistrano  
Santa Margarita Water District  
City of Seal Beach  
Serrano Water District  
South Coast Water District  
Trabuco Canyon Water District  
City of Tustin  
City of Westminster  
Yorba Linda Water District



# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



## Portfolio Management - Portfolio Summary February 28, 2017

2/28/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	2,250,000.00	2,266,942.50	2,250,000.00	18.86	525	1.726
Corporate Bond	750,000.00	753,987.50	752,589.98	6.29	1,145	2.238
Local Agency Investment Funds	563,257.38	563,257.38	563,257.38	4.72	1	0.777
Orange County Investment Pool	8,364,193.36	8,364,193.36	8,364,193.36	70.13	1	0.874
<b>Total Investments</b>	<b>11,927,450.74</b>	<b>11,948,380.74</b>	<b>11,930,040.72</b>	<b>100.00</b>	<b>172</b>	<b>1.116</b>

<b>Cash</b>						
Cash	172,778.94	172,778.94	172,778.94		1	0.00
<b>Total Cash and Investments</b>	<b>12,100,229.68</b>	<b>12,121,159.68</b>	<b>12,102,819.66</b>		<b>172</b>	<b>1.116</b>

<b>Total Earnings</b>	<b>Month Ending February</b>	<b>Fiscal Year to Date</b>
<b>Current Year</b>	<b>13,587.48</b>	<b>132,692.78</b>
<b>Average Daily Balance</b>	<b>18,038,256.11</b>	
<b>Effective Rate of Return</b>	<b>1.116%</b>	

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditure. The source for the market values are from Union Bank.

  
Robert J. Hunter, General Manager

Date

4-3-17

  
Hilary Chumpitazi, Treasurer

Date

3/31/17

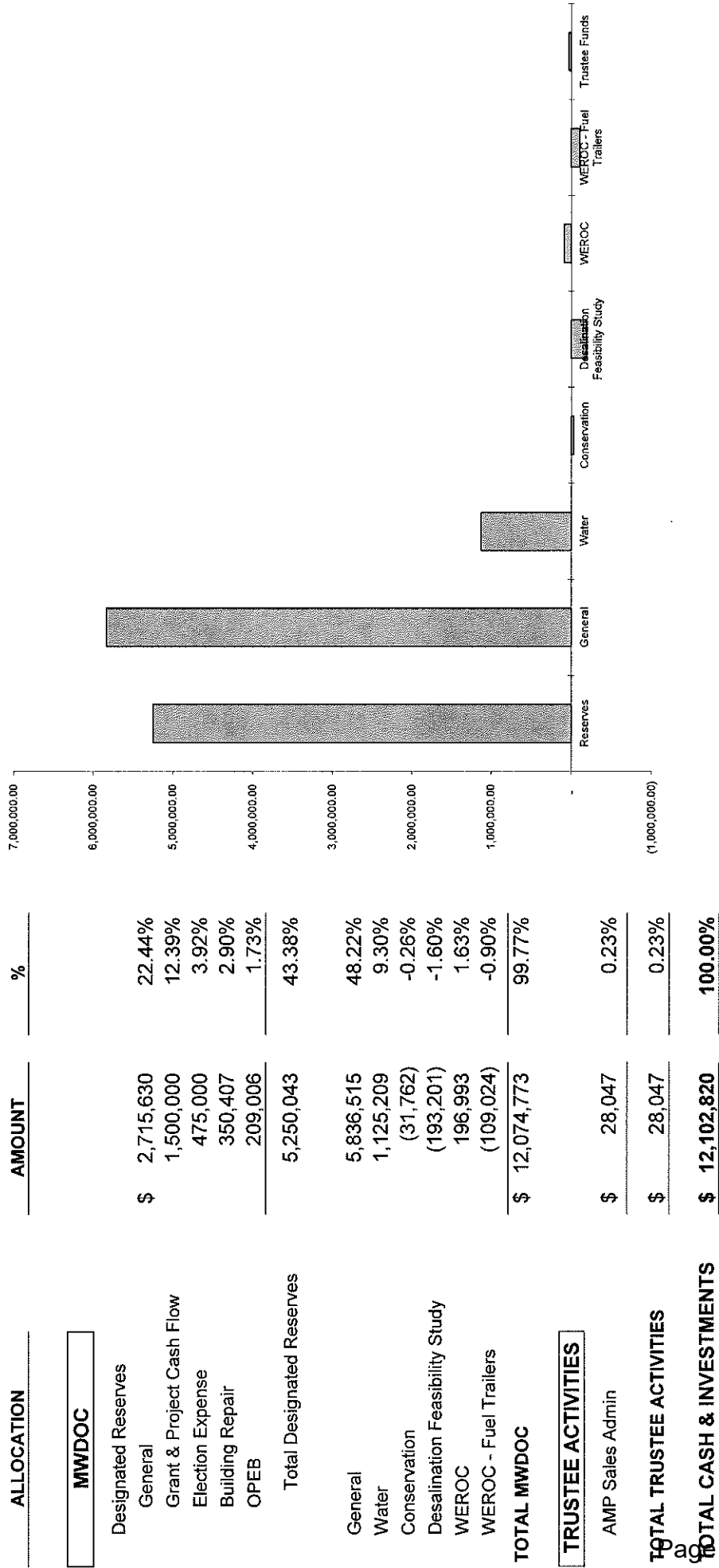
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**February 28, 2017**

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Negotiable Certificate Of Deposit</b>									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,475.00	250,000.00	1.150	1.150	146	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	251,185.00	250,000.00	1.450	1.450	335	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	253,335.00	250,000.00	1.900	1.900	937	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	251,442.50	250,000.00	1.700	1.700	524	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	253,637.50	250,000.00	1.950	1.950	917	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	251,350.00	250,000.00	1.600	1.600	510	7/23/2018
Goldman Sachs Bank	36163FJC8	7/25/2014	250,000.00	250,477.50	250,000.00	1.200	1.200	147	7/25/2017
HSBC Bank	40434AK65	1/21/2016	250,000.00	251,622.50	250,000.00	1.550	2.534	327	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	253,437.50	250,000.00	2.050	2.050	882	7/30/2019
<b>Sub Total</b>			<b>2,250,000.00</b>	<b>2,266,942.50</b>	<b>2,250,000.00</b>	<b>1.617</b>	<b>1.726</b>	<b>525</b>	
<b>Corporate Bond</b>									
JP Morgan Chase	46825HKA7	11/2/2015	500,000.00	502,625.00	501,348.63	2.250	2.152	1,028	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,362.50	251,241.35	2.550	2.409	1,378	12/7/2020
<b>Sub Total</b>			<b>750,000.00</b>	<b>753,987.50</b>	<b>752,589.98</b>	<b>2.350</b>	<b>2.238</b>	<b>1,145</b>	
<b>Total Investments</b>			<b>3,000,000.00</b>	<b>3,020,930.00</b>	<b>3,002,589.98</b>	<b>1.800</b>	<b>1.854</b>	<b>680</b>	
<b>Total Earnings</b>									
Current Year		Month Ending September	4,051.40	Fiscal Year To Date	35,935.96				

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**February 28, 2017**

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Local Agency Investment Funds</b>									
LAIF LGIP	LAIF	6/30/2010	563,257.38	563,257.38	563,257.38	0.777	0.777	1	N/A
<b>Sub Total</b>			<b>563,257.38</b>	<b>563,257.38</b>	<b>563,257.38</b>	<b>0.777</b>	<b>0.777</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	8,364,193.36	8,364,193.36	8,364,193.36	0.874	0.874	1	N/A
<b>Sub Total</b>			<b>8,364,193.36</b>	<b>8,364,193.36</b>	<b>8,364,193.36</b>	<b>0.874</b>	<b>0.874</b>	<b>1</b>	
<b>Total Investments</b>			<b>8,927,450.74</b>	<b>8,927,450.74</b>	<b>8,927,450.74</b>	<b>0.868</b>	<b>0.868</b>		
<b>Cash</b>									
Bank of America Cash	CASH0547	7/1/2011	172,278.94	172,278.94	172,278.94	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2011	500.00	500.00	500.00	0.000	0.000	1	N/A
<b>Total Cash</b>			<b>172,778.94</b>	<b>172,778.94</b>	<b>172,778.94</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>9,100,229.68</b>	<b>9,100,229.68</b>	<b>9,100,229.68</b>	<b>0.868</b>	<b>0.868</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year		Month Ending September	9,536.08	Fiscal Year To Date	96,756.82				

# Municipal Water District of Orange County Cash and Investments at February 28, 2017



**MUNICIPAL WATER DIST OF ORANGE COUNTY**  
**PARS OPEB Trust Program****Monthly Account Report for the Period**  
**2/1/2017 to 2/28/2017**Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 2/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 2/28/2017
OPEB	\$1,868,288.63	\$0.00	\$33,671.26	\$1,177.31	\$0.00	\$0.00	\$1,900,782.58
<b>Totals</b>	<b>\$1,868,288.63</b>	<b>\$0.00</b>	<b>\$33,671.26</b>	<b>\$1,177.31</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,900,782.58</b>

**Investment Selection****Moderate HighMark PLUS****Investment Objective**

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

**Investment Return**

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
1.80%	4.13%	13.90%	4.25%	6.68%	-	10/26/2011

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value

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

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

Account balances are inclusive of Trust Administration, Trustee and Investment Management fees

Item 2

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
COMBINED FINANCIAL STATEMENTS  
AND  
BUDGET COMPARATIVE  
JULY 1, 2016 THRU FEBRUARY 28, 2017**



**Municipal Water District of Orange County  
Combined Balance Sheet  
As of February 28, 2017**

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	172,778.94
Investments	11,930,040.72
Accounts Receivable	12,646,724.52
Accounts Receivable - Other	28,732.90
Accrued Interest Receivable	19,976.15
Prepays/Deposits	510,068.64
Leasehold Improvements	3,415,059.92
Furniture, Fixtures & Equipment	447,719.37
Less: Accum Depreciation	(2,657,971.81)
Net OPEB Asset	117,085.00
<b>TOTAL ASSETS</b>	<b><u>\$26,630,214.35</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	11,817,765.79
Accounts Payable - Other	907.22
Accrued Salaries and Benefits Payable	424,239.91
Other Liabilities	714,425.46
Unearned Revenue	2,076,778.49
Total Liabilities	<u>15,034,116.87</u>
<b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	967,674.96
Total Restricted Fund Balances	<u>967,674.96</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,832,714.74
Grant & Project Cash Flow	1,500,000.00
Election Expense	475,000.00
Building Repair	350,407.45
OPEB	209,006.00
Total Designated Reserves	<u>5,367,128.19</u>
GENERAL FUND	2,244,103.41
WERO	101,241.62
Total Unrestricted Fund Balances	<u>7,712,473.22</u>
Excess Revenue over Expenditures	
Operating Fund	3,180,283.35
Other Funds	(264,334.05)
Total Fund Balance	<u>11,596,097.48</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$26,630,214.35</u></b>

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2016 thru February 2017**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>REVENUES</u></b>						
Retail Connection Charge	0.00	6,786,864.75	6,786,865.00	100.00%	0.00	0.25
Ground Water Customer Charge	0.00	392,666.00	392,666.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,179,530.75	7,179,531.00	100.00%	0.00	0.25
Interest Revenue	12,826.68	132,501.67	123,000.00	107.72%	0.00	(9,501.67)
Subtotal	12,826.68	7,312,032.42	7,302,531.00	100.13%	0.00	(9,501.42)
Choice Programs	782.00	1,288,729.70	1,494,789.00	86.21%	0.00	206,059.30
Choice Prior Year Carry Over	0.00	0.00	44,416.00	0.00%	0.00	44,416.00
Miscellaneous Income	567.72	1,746.48	3,000.00	58.22%	0.00	1,253.52
School Contracts	9,524.76	47,866.22	70,000.00	68.38%	0.00	22,133.78
Transfer-In From Reserve	0.00	0.00	535,873.00	0.00%	0.00	535,873.00
Subtotal	10,874.48	1,338,342.40	2,148,078.00	62.30%	0.00	809,735.60
<b>TOTAL REVENUES</b>	<b>23,701.16</b>	<b>8,650,374.82</b>	<b>9,450,609.00</b>	<b>91.53%</b>	<b>0.00</b>	<b>800,234.18</b>

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2016 thru February 2017**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	244,739.77	2,042,262.59	3,437,120.00	59.42%	0.00	1,394,857.41
Salaries & Wages - Grant Recovery	0.00	(11,447.26)	(31,600.00)	36.23%	0.00	(20,152.74)
Salaries & Wages - Recovery	(3,767.40)	(16,052.40)	0.00	0.00%	0.00	16,052.40
Directors' Compensation	17,536.70	138,501.85	231,937.00	59.72%	0.00	93,435.15
MWD Representation	11,314.00	81,581.81	132,535.00	61.55%	0.00	50,953.19
Employee Benefits	76,166.38	586,727.15	968,160.00	60.60%	0.00	381,432.85
OPEB Annual Contribution	0.00	400,000.00	105,249.00	380.05%	0.00	(294,751.00)
Employee Benefits - Grant Recovery	0.00	(2,843.08)	0.00	0.00%	0.00	2,843.08
Employee Benefits - Recovery	(717.60)	(3,057.60)	0.00	0.00%	0.00	3,057.60
Director's Benefits	7,294.31	43,318.35	66,297.00	65.34%	0.00	22,978.65
Health Ins \$'s for Retirees	2,474.65	22,924.71	50,326.00	45.55%	0.00	27,401.29
Training Expense	0.00	5,379.00	12,000.00	44.83%	575.00	6,046.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	1,180.14	12,351.69	0.00	0.00%	2,648.31	(15,000.00)
Personnel Expenses	356,220.95	3,299,646.81	4,977,024.00	66.30%	3,223.31	1,674,153.88
Engineering Expense	8,091.83	93,814.98	405,000.00	23.16%	70,757.14	240,427.88
Legal Expense	14,215.58	118,501.41	320,000.00	37.03%	201,498.59	0.00
Audit Expense	0.00	18,437.00	24,000.00	76.82%	0.00	5,563.00
Professional Services	103,940.35	486,414.29	1,504,497.00	32.33%	481,853.95	536,228.76
Professional Fees	126,247.76	717,167.68	2,253,497.00	31.82%	754,109.68	782,219.64
Conference-Staff	830.00	11,008.13	22,125.00	49.75%	0.00	11,116.87
Conference-Directors	245.00	7,264.00	10,725.00	67.73%	0.00	3,461.00
Travel & Accom.-Staff	2,998.79	22,628.83	71,130.00	31.81%	0.00	48,501.17
Travel & Accom.-Directors	2,377.13	11,640.82	38,250.00	30.43%	0.00	26,609.18
Travel & Conference	6,450.92	52,541.78	142,230.00	36.94%	0.00	89,688.22
Membership/Sponsorship	4,503.00	123,436.51	134,458.00	91.80%	0.00	11,021.49
CDR Support	9,992.88	29,978.64	39,972.00	75.00%	9,992.86	0.50
Dues & Memberships	14,495.88	153,415.15	174,430.00	87.95%	9,992.86	11,021.99
Business Expense	383.31	3,168.63	6,000.00	52.81%	0.00	2,831.37
Maintenance Office	9,048.44	60,239.15	123,185.00	48.90%	61,130.85	1,815.00
Building Repair & Maintenance	1,898.10	7,702.03	11,000.00	70.02%	1,555.47	1,742.50
Storage Rental & Equipment Lease	372.03	4,215.52	7,000.00	60.22%	2,784.48	0.00
Office Supplies	3,727.54	23,298.14	38,280.00	60.86%	1,167.74	13,814.12
Postage/Mail Delivery	766.12	8,509.03	11,400.00	74.64%	913.12	1,977.85
Subscriptions & Books	415.40	720.86	2,000.00	36.04%	0.00	1,279.14
Reproduction Expense	1,098.21	3,712.27	36,225.00	10.25%	6,598.07	25,914.66
Maintenance-Computers	949.51	5,391.22	10,000.00	53.91%	810.50	3,798.28
Software Purchase	554.95	23,259.99	31,300.00	74.31%	675.00	7,365.01
Software Support	1,300.78	31,056.32	46,000.00	67.51%	0.00	14,943.68
Computers and Equipment	2,776.00	25,856.34	32,500.00	79.56%	0.00	6,643.66
Automotive Expense	1,737.10	11,480.67	13,828.00	83.02%	0.00	2,347.33
Toll Road Charges	64.58	467.98	1,100.00	42.54%	0.00	632.02
Insurance Expense	8,786.21	71,777.16	90,000.00	79.75%	0.00	18,222.84
Utilities - Telephone	1,583.10	12,899.11	19,200.00	67.18%	0.00	6,300.89
Bank Fees	1,040.30	8,082.69	10,500.00	76.98%	0.00	2,417.31
Miscellaneous Expense	2,258.99	45,700.89	114,020.00	40.08%	2.40	68,316.71
MWDOC's Contrb. To WEROC	12,532.50	100,260.00	150,390.00	66.67%	0.00	50,130.00
Depreciation Expense	425.35	4,131.66	0.00	0.00%	0.00	(4,131.66)
Other Expenses	51,718.52	451,929.66	753,928.00	59.94%	75,637.63	226,360.71
Election Expense	521,577.61	521,577.61	592,000.00	88.10%	0.00	70,422.39
MWDOC's Building Expense	3,552.25	251,013.73	495,000.00	50.71%	13,809.84	230,176.43
Capital Acquisition	0.00	22,799.05	62,500.00	36.48%	0.00	39,700.95
<b>TOTAL EXPENSES</b>	<b>1,080,263.89</b>	<b>5,470,091.47</b>	<b>9,450,609.00</b>	<b>57.88%</b>	<b>856,773.32</b>	<b>3,123,744.21</b>
<b>NET INCOME (LOSS)</b>	<b>(1,056,562.73)</b>	<b>3,180,283.35</b>	<b>0.00</b>			

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**Water Fund**  
**From July 2016 thru February 2017**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<b><u>WATER REVENUES</u></b>					
Water Sales	2,922,420.00	89,543,097.00	121,881,702.00	73.47%	32,338,605.00
Readiness to Serve Charge	866,439.80	8,066,525.44	12,674,093.00	63.65%	4,607,567.56
Capacity Charge CCF	295,400.00	3,005,695.00	4,829,790.00	62.23%	1,824,095.00
SCP Surcharge	18,741.99	209,164.77	365,000.00	57.31%	155,835.23
Interest	712.50	5,263.33	4,800.00	109.65%	(463.33)
<b>TOTAL WATER REVENUES</b>	<b>4,103,714.29</b>	<b>100,829,745.54</b>	<b>139,755,385.00</b>	<b>72.15%</b>	<b>38,925,639.46</b>
<b><u>WATER PURCHASES</u></b>					
Water Sales	2,922,420.00	89,543,097.00	121,881,702.00	73.47%	32,338,605.00
Readiness to Serve Charge	866,439.80	8,066,525.44	12,674,093.00	63.65%	4,607,567.56
Capacity Charge CCF	295,400.00	3,005,695.00	4,829,790.00	62.23%	1,824,095.00
SCP Surcharge	18,741.99	209,164.77	365,000.00	57.31%	155,835.23
<b>TOTAL WATER PURCHASES</b>	<b>4,103,001.79</b>	<b>100,824,482.21</b>	<b>139,750,585.00</b>	<b>72.15%</b>	<b>38,926,102.79</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>712.50</b>	<b>5,263.33</b>	<b>4,800.00</b>		

**Municipal Water District of Orange County**  
**WUE Revenues and Expenditures (Actuals vs Budget)**  
**From July 2016 thru February 2017**

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	10,911.95	118,900.00	9.18%
Expenses	10,807.23	118,900.00	9.09%
Excess of Revenues over Expenditures	104.72	0.00	
<b>Industrial Water Use Reduction</b>			
Revenues	95,009.98	91,236.00	104.14%
Expenses	25,184.00	91,236.00	27.60%
Excess of Revenues over Expenditures	69,825.98	0.00	
<b>Spray To Drip Conversion</b>			
Revenues	675.00	468,552.34	0.14%
Expenses	681.52	468,552.34	0.15%
Excess of Revenues over Expenditures	(6.52)	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	0.00	168,588.80	0.00%
Expenses	0.00	168,588.80	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	1,120.00	150,000.00	0.75%
Expenses	1,120.00	150,000.00	0.75%
Excess of Revenues over Expenditures	0.00	0.00	
<b>ULFT Rebate Program</b>			
Revenues	34,246.40	205,000.00	16.71%
Expenses	34,246.40	205,000.00	16.71%
Excess of Revenues over Expenditures	0.00	0.00	
<b>HECW Rebate Program</b>			
Revenues	222,592.67	432,000.00	51.53%
Expenses	222,618.54	432,000.00	51.53%
Excess of Revenues over Expenditures	(25.87)	0.00	
<b>CII Rebate Program</b>			
Revenues	225,690.00	325,000.00	69.44%
Expenses	274,840.00	325,000.00	84.57%
Excess of Revenues over Expenditures	(49,150.00)	0.00	
<b>Large Landscape Survey</b>			
Revenues	440.30	30,000.00	1.47%
Expenses	323.72	30,000.00	1.08%
Excess of Revenues over Expenditures	116.58	0.00	

**Municipal Water District of Orange County**  
**WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)**  
**From July 2016 thru February 2017**

	Year to Date Actual	Annual Budget	% Used
<b>Indoor-Outdoor Survey</b>			
Revenues	1.53	3,500.00	0.04%
Expenses	14.06	3,500.00	0.40%
Excess of Revenues over Expenditures	(12.53)	0.00	
<b>Turf Removal Program</b>			
Revenues	1,286,555.45	1,750,000.00	73.52%
Expenses	1,105,985.94	1,750,000.00	63.20%
Excess of Revenues over Expenditures	180,569.51	0.00	
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	119,161.61	399,751.00	29.81%
Expenses	151,476.20	399,751.00	37.89%
Excess of Revenues over Expenditures	(32,314.59)	0.00	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	-	121,210.00	0.00%
Expenses	42,448.14	121,210.00	35.02%
Excess of Revenues over Expenditures	(42,448.14)	0.00	
<b>WUE Projects</b>			
Revenues	1,996,404.89	4,263,738.14	46.82%
Expenses	1,869,745.75	4,263,738.14	43.85%
Excess of Revenues over Expenditures	126,659.14	0.00	
<b>WEROC</b>			
Revenues	254,953.79	300,780.00	84.76%
Expenses	161,228.01	293,780.00	54.88%
Excess of Revenues over Expenditures	93,725.78	7,000.00	
<b>WEROC - Fuel Trailers</b>			
Revenues	109,023.79	146,140.80	74.60%
Expenses	109,023.79	146,140.80	74.60%
Excess of Revenues over Expenditures	0.00	0.00	



**DISCUSSION ITEM**

April 12, 2017

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

**FROM: Robert Hunter, General Manager**

**SUBJECT: SECOND DRAFT OF MWDOC'S BUDGET FOR 2017-18**

**STAFF RECOMMENDATION**

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Staff recommends the A & F Committee, Board of Directors, Member Agencies and the public review, discuss and provide input and comments on the SECOND DRAFT of MWDOC's budget for Fiscal Year 2017-18. The form of findings of the SECOND DRAFT budget include the following:

1. Adopt the budget Resolutions as proposed (will be attached to the May or June Action Item), with a budget total of \$182,561,984 and a consolidated general fund budget of \$9,035,874 (Revenue).
2. The total revenue amount for the baseline consolidated budget (CORE + CHOICE) represents an increase of \$121,139 or 1.36% over the current year's budget. However there is a shift from CHOICE to CORE budget items.
3. The baseline budget includes a planned draw on reserves of \$417,578.
4. The treatment of the FIRST DRAFT budget Government Affairs staff positions has been modified in accordance with the directions of the A&F Committee. In the SECOND DRAFT budget the Washington, D.C. focused position has been included as a new fulltime position and the grants position has been changed to a consulting service contract. A review of the costs and revenues (i.e., grants) for the Federal lobbying activity over the last 13.5 years indicated revenues exceeded costs (\$1.57 million versus \$1.18 million). However, grants from the competitive proposal process great exceeded either category at \$4.56 million.
5. The building improvements expense is estimated at \$356,400.
6. The total amount of Water Use Efficiency (WUE) outside funding for rebates and grants will decrease from a FY2016-17 budget of approximately \$4.26 million to a

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

proposed budget of \$4.18 million. This is directly related to the decrease in grant funding from the U.S. Bureau of Reclamation and the CA Department of Water Resources. However, this is approximately a 13% increase over the FY2014-15 budget levels.

7. The total outside funding from WUE and Local Resource Project (LRP) sources will be approximately \$20.8 million in FY2017-18. This means that MWDOC will be bringing in outside revenue that is approximately 2.3 times its total consolidated operating budget.
8. OPEB has been fully funded with the target of 85%-95% of the liability in the irrevocable trust and the balance in a reserve account.
9. WEROC is entering a period of increased capital needs. The magnitude of those needs and alternative approaches to meet them will be researched and implemented during the next 16 months. Preliminary estimates of the capital needs have been made and are included in this budget. The WEROC reserve fund has been split into an Operations & Maintenance Reserve Fund and a Capital Reserve Fund. As the amount of capital and the institutional arrangements for the capital investment are unclear at this time, the first year of the capital requirement is included in the MWDOC budget.
10. For dealing with the Pension Liability issue, staff is recommending continuation of the practice of increasing the staff contribution towards pension payments by 1% each year until a total of 7% as been achieved. This year, the budget was developed assuming that the staff contribution would be 6%.
11. The draft budget includes an increase in the Total Full-Time Equivalent (FTE) staff of 1.85 FTEs, with the total number of full-time MWDOC and WEROC employees increasing from 31 to 33. One additional employee in the baseline budget is for an administrative assistant for database management and the second is the DC-focused Government Affairs employee.
12. A merit pool amount of 5% is included in the budget of which 4% is for merit increases and 1% is for the PERS employee offset for the increased employee contribution amount (from 5% to 6%).
13. The budget is based on the same number of holidays (11) as in previous years.
14. The SECOND DRAFT budget for FY2017-18 incorporates the 100% fixed rate structure, which was implemented from last year's rate study for the Core Budget. The OCWD component has been updated for the ten-year rolling average calculation.
15. For the SECOND DRAFT budget, the proposed increase in the fixed rate is \$0.65 per retail meter (5.94%) to a total retail service charge of \$11.60 per retail meter. OCWD's contribution increases \$42,384 to \$435,050 per year.
16. Significant project activities in FY2017-18 will include:



- Orange County Reliability Study continuing actions, including an update and work on the emergency connection between OCWD and South Orange County
- Communication outreach programs related to the California WaterFix (Bay Delta), MET activities and regulatory/legislative activities
- Water Use Efficiency efforts on long-term efficiency standards beyond 20% by 2020, water savings potential, cost efficient programs, water loss control and landscape design assistance
- Metropolitan activities and communication of those activities to our Member Agencies including policy issues from the Integrated Resource Plan Policy discussion, Water Supply Allocation Plan modifications, MET business and investment model, water conservation policy, the Carson IRP project, Local Resource Program (LRP) funding, Biennial Budget, and Groundwater replenishment including storage issues (e.g. Cyclic Storage)
- Governmental Affairs activities at the local, state, and federal levels focusing on both legislative and regulatory developments.
- WEROC will be initiating a 1.5 year exercise and training program focused on an unknown contaminate of OC water systems. The program will require over 40 hours of training for many Member Agency staff, not including planning and exercise development. The exercise program will include staff from 4 fire agencies, law enforcement, Division of Drinking Water, OC Health Care Agency, OC Emergency Management Division, as well as other local, state and federal partners.

17. The CHOICE Activities for this year will include:

- School Programs
- Water Use Efficiency
- Water Loss Control Program

With a planned CORE Communications Campaign focused on the California WaterFix and EcoRestore, MWDOC is not planning a CHOICE Communications offering this year.

We are closing the CHOICE accounts for Doheny and Poseidon during the current fiscal year and they are not carried forward into this budget.

A reminder to the Board that Memberships outlined in the Budget (Exhibit D) are approved by the Board with approval of the budget and therefore, each membership will NOT be brought to the Board for approval. Any NEW memberships not included in the budget will be brought to the Board for Consideration.

Similar to Memberships, budget approval for conferences includes Board and Staff approval for attendance at "standard conferences". Standard conferences are those listed on Exhibits E and F; approval includes staff travel/attendance at any out of state conferences listed on Exhibits E and F. Any NEW conferences will be brought to the Board for consideration.

## **COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

### **CHANGES FROM THE PRIOR DRAFT TO THE CURRENT DRAFT**

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This is the **SECOND DRAFT** of the budget. The following changes have been made from the prior draft budget:

- The proposed Government Affairs positions which had been outside the baseline budget were added to the budget as one fulltime, DC-focused employee (\$116,000) and one grants-focused consultant contract (\$70,000).
- The Communications Program in Public Affairs has been consolidated from both a Core and Choice budget to only a Core budget
- Adjustments were made to partition the existing WEROC reserve into O&M and Capital components with an increase in the O&M component. Overall, MWDOC has included an additional \$160,000 in the capital estimate for WEROC in this budget.
- An additional \$100,000 was included in the WUE budget as potential matching funds for a leak detection grant application.
- Corrections were made to the Conference/Meeting schedule and budget to reflect updated travel costs and staff representation.
- Sponsorship Contingency Fund (\$5,000)

## **DETAILED REPORT**

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The FY2017-18 MWDOC budget is developed through a transparent and iterative process. Key topics discussed below include:

1. MWDOC Budget Process & Schedule
2. Budget Principles
3. Budget Input from Member Agencies
4. MWDOC Priorities & Practices Overview
5. Key Initiatives
6. Core/Choice Programs
7. Reserves
8. Water Rates and Charges

A short discussion on each item follows:

### **1. MWDOC Budget Process & Schedule**

MWDOC's budget is developed in a process that begins in December with initial notification to the Member Agencies, and is planned to conclude with the formal budget approval by the Board of Directors in May or June. A budget must be approved prior to the beginning of the fiscal year on July 1<sup>st</sup>. Feedback from the Member Agency staff indicates a preference for MWDOC to approve rates sooner rather than later to facilitate the incorporation of the costs into the Member Agency budgets and rates. The Metropolitan Water District of Southern California (MET) budget and rates for the FY2016-17 were passed on May 18, 2016. The general budget schedule is outlined below.

<b>December 2016</b>
<ul style="list-style-type: none"> <li>Notification to Member Agencies of start of budget process and solicitation of input.</li> </ul>
<b>January 2017</b>
<ul style="list-style-type: none"> <li>MWDOC staff begins preparation of budget hours and costs on program and line-item basis.</li> <li>Review of five month actuals and fiscal year-end projections.</li> <li>Review budget adjustments for current fiscal year.</li> <li>Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year)</li> </ul>
<b>February 2017</b>
<ul style="list-style-type: none"> <li>Initial review of budget issues with A &amp; F Committee for feedback.</li> <li>Initial discussion of budget issues with Member Agencies for feedback.</li> <li>Request for Member Agencies' preliminary indication of participation in CHOICE.</li> </ul>
<b>March 2017</b>
<ul style="list-style-type: none"> <li>Publish and post the FIRST DRAFT Budget in the packet for the A&amp;FCommittee</li> <li>Review Full Draft Budget with A &amp; F Committee (3-8-17)</li> <li>Formally request comments from all Member Agencies.</li> <li>DRAFT information completed on prior year CHOICE WUE program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for CHOICE WUE activities.</li> <li>Member Agencies' initial confirmation of participation in CHOICE Services by March 15 the Final Agreement by the end of April and after the Elected Officials Meeting.</li> <li>Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting (3-16-17)</li> <li>Meet with Member Agencies as requested or scheduled.</li> </ul>
<b>April 2017</b>
<ul style="list-style-type: none"> <li>FINAL information completed on prior year CHOICE WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.</li> <li>Discuss SECOND DRAFT Budget in A &amp; F Committee (4-12-17)</li> <li>Member Agencies' submit Formal Comments about the Budget before April 15.</li> <li>Review SECOND DRAFT Budget at Member Agency Managers' Meeting (4-20)</li> <li>Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics before the end of April.</li> <li>Confirm CHOICE Participation.</li> </ul>
<b>May 2017</b>

• Final Draft Budget and Rates presented to A & F Committee (5-10-17)
• Member Agencies' Formal Comments presented to A & F Committee.
• Discussion at Member Agency Manager's meeting (5-18-17)
• Board approval of FY2017-18 Final Budget and Rates.

## 2. MWDOC Budget Principles for FY2017-18

Staff continues to utilize the following Budget Principles to develop the draft budget:

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Value**  
The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders.
- **Principle #2: Activities Based on a County-wide Perspective**  
MWDOC's service area extends to Orange County's borders and the budgeted activities must comprehensively address issues, needs, and benefits for the entire service area.
- **Principle #3: Efficient Program Design & Performance**  
The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.
- **Principle #4: Full Cost Recovery**  
The budget will be developed so as to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves.
- **Principle #5: Compliance with Administrative Code**  
The Proposed budget and budget process should fully comply with applicable sections of the MWDOC Administrative Code.

## 3. Budget Input from Member Agencies

Budget input has been received at the A&F Committee meeting and the Member Agency Manager's meeting. A limited number of presentations have been made to Member Agency Boards. In general, the response has been supportive. A significant number of comments have been made questioning the proposed duties and value of the DC-focused Government Affairs position as well as the configuration of the grants position or contract. One written comment was received from Santa Margarita Water District immediately prior to the date of the posting of the committee package. SMWD's letter indicated that they supported the first draft of the budget and had comments on a couple of issues. As to the Federal Grants effort, SMWD can support a Choice consulting budget approach. With regard to the additional DC-focused Government Affairs position, SMWD has requested a summary of duties and proposed priorities prior to taking a firm position. Their expressed concern is related to identifying enough DC efforts for the California-based position. While not part of this budget, SMWD also expressed that they have no issue with the change in the calculation method for MWDOC reserves. They also support the development of a policy on MWDOC's purchasing of alternative water supplies or developing a project as the first step in the process to determine the need for developing project reserves.

A survey was initiated at the March Manager's meeting with the representatives from the Member Agencies regarding the Governmental Affairs position and the consultant contract to assist in Federal grants or funding. The survey indicated a lack of support from the Member Agencies for either the position or for the grant services as outlined.

#### **4. Priorities & Practices Overview**

Key priorities and practices include MWDOC's major areas of concentration:

- Metropolitan as a main source of reliability
- Regional Reliability and the OC Water Reliability Study and spin-off efforts
- Water Use Efficiency (WUE)
- Water Emergency Response
- Communications
- Governmental Affairs

These are discussed below.

#### **Metropolitan Water District of Southern California (MET)**

MWDOC's number one effort remains ensuring that policies, supplies, programs and projects developed and implemented by MET have significant value to the residents and ratepayers in Orange County and to Southern California.

- MET is key in providing and underwriting supply reliability and regional system reliability in Southern California. Many of MWDOC's initiatives are aimed at maintaining a close working relationship with MET and other MET member agencies to guide the efforts at MET in a constructive manner; in the best interest of the region and Orange County. Key issues will include IRP policy discussions, local and regional resource investments, water supply allocations, supply and system reliability projects and programs, Groundwater replenishment and storage, the State Water Project investments, including the California WaterFix, Colorado River Aqueduct, Water Quality, water use efficiency, and Communication activities and legislation.
- MWDOC appoints four MET Directors who sit on the MET Board and directly advocate on behalf of the district and its member agencies. These four MET Directors work with the other three Directors from Orange County (Anaheim, Fullerton, and Santa Ana) as well as MET Directors from outside of Orange County. Our Orange County MET contingent and the overall MET Board are faced with ensuring the economic health of MET which directly impacts the economic health of Orange County, the region and the State. To this end, our Directors have advocated for financial issues at MET to ensure its viability over the long run, maintain an appropriate level of reserves, and preserve financial policies that minimize and level long-term costs and rates impacts, while allowing new investments to be made. Significant upcoming investments include the California WaterFix and potentially the Carson IPR project.
- Over the past year, the advocacy of our MET Directors has resulted in MET significantly improving its position with respect to pension liability, OPEB liability,

investments in rehabilitation and repair of facilities locally and regionally, (i.e. State Water Project and the Colorado River Aqueduct), and in incorporating future long term investments such as the California WaterFix while remaining strong financially.

- When MET becomes involved in a lawsuit, particularly such as the SDCWA lawsuit, the results can be a zero sum game where the outcome results in winners and losers within the MET family. MWDOC will continue its involvement in the lawsuit between SDCWA and MET as it moves through the appeal process, as well as other litigation that protects the interest of Orange County and its ratepayers. The outcome of this lawsuit is critically important to Orange County and our involvement is to ensure the ratepayers of Orange County are fully represented.
- The coming year involves a number of critically important issues at MET, such as the review of MET's Integrated Resources Plan (IRP) policies and MET's role in both local supplies and imported supplies to meet total Southern California demands over the next 20 years. In particular the decision to move forward on the Carson Demonstration Project will be an active consideration. In addition, creating the opportunity to see how we can better integrate imported supplies with groundwater basin management will be an important undertaking.

Later this year the CA WaterFix permits and operating criteria could be approved clearing the way to initiate the design and construction contracts. A key action involves the project cost allocation commitments among the State and Federal contractors. Moreover, a thorough review of SWP infrastructure and repair or replacement of Oroville Dam's spillway will be brought forward. There also will be possible adoption of a Colorado River Drought Contingency Plan among the lower basin states that will seek to mitigate the decline of Lake Mead over the long run.

This coming fiscal year will involve the review and approval of MET's biennial budget for FY2018-19 & 2019-20. Included in these discussions will be discussion of MET's water conservation program, potential revisions to LRP funding protocols and how MET's assistance to its member agencies will help agencies meet the upcoming State permanent conservation regulations.

### **Regional Water Reliability and the OC Water Reliability Study**

The improvement of water supply and system reliability is key for the ratepayers and residents of the County and is of primary concern in MWDOC's budget. Reliability cannot be improved by OC investments alone and it is imperative that our reach in this area is both local and regional to MET and DWR. This current year included completion and publication of the OC Water Reliability Study (Study) with excellent participation by our Member Agencies. For this coming year, the goals of the OC Water Reliability Study are:

1. To provide outreach and communication of the implications of the 2016 study.
2. Follow-up regarding potential reliability improvements within Orange County. An update of the 2016 Study is planned to incorporate new information on the forecast of supplies from the State Water Project and the Colorado River and will provide further insight into up-coming decision-making.

3. Provide regional assistance to the San Juan Watershed Project and the Doheny Project that both are critical to South Orange County.
4. Work with MET and DWR to better understand the risks and duration of import systems to determine if recommendations for emergency storage reserves are needed.
5. A new initiative is planned for 2017-18 that involves entering into electrical load aggregation contracts that will translate into a cost-savings for our agencies and will improve their emergency operations by having energy storage devices at key facilities. These actions include the possibility of securing state of the art emergency generator back-ups that meet AQMD standards. This is an extremely exciting proposition that is just now being kicked off at the start of the budget preparation.

### **Water Use Efficiency (WUE)**

Sound water management policy requires a continuing effort to improve water use efficiency. This requirement is intensified by the upcoming proposals for permanent water use efficiency standards beyond our current 20% by 2020 framework. Providing the technical expertise and the program support along with securing funds for water use efficiency efforts is a priority for MWDOC and our Member Agencies. The initial MET budget indicates funding for WUE rebates and other activities at approximately the same level as last fiscal year. However the anticipated WUE outside funding is expected to be 13% greater than in FY2014-15. The WUE group also has a continuing project on assessing and recovering distribution system water loss. Additional focus is being given to water loss control and landscape design assistance.

### **Water Emergency Response**

MWDOC made significant changes towards the preparedness of the Water Emergency Response Organization of Orange County (WEROC) this past year to improve and strengthen it's state of readiness to assist in a time of emergency. WEROC will continue to develop resources, tools, trainings and grant funding targeted at enhancing member agency and WEROC EOC Staff preparedness and resilience. Much of this training effort will focus on the Emergency Water Quality Sample Kit (EWQSK) response protocols and ensuring multi-discipline approaches to this training effort. Additionally, staff will be identifying how to incorporate the new California Office of Emergency Services' EOC Position Credential program into the WEROC training program. The WEROC Administrative Assistant will continue to update and enhance the WEROC communication and sharing tools, including AlertOC and Safety Center. The WEROC Coordinator will spend significant time on updates to the Orange County Regional Water and Wastewater Multi-Hazard Mitigation Plan, the WEROC Emergency Response Plan and related support documents and tools to ensure the program is meeting state and national requirements for planning. The WEROC Manager will focus in on the Radio System replacement, Points of Distribution planning, continued advocacy for our member agencies, and implementation of the WEROC EOC Assessment recommendations has been included in this budget.

### **Communication**

Communication with our Member Agencies and the public we serve is a critical component of MWDOC's core function. Communication related to critical water resource issues, water supply and system reliability, and water resource projects and investments are all essential elements of the Communications Program. To maximize both effectiveness and efficiency MWDOC is working with our Member Agencies on coordinated communication efforts.

MWDOC generally provides program efforts at the regional level and above while providing necessary assistance to the retail agencies for communications with the local ratepayers. Crucial issues in the coming year will be the SWRCB permanent efficiency regulations, issues surrounding Bay Delta, and regional reliability.

MWDOC will continue its partnership with the Orange County Council of the Boy Scouts to hold “Soil and Water Conservation Merit Badge” clinics. After three of five planned clinics in FY 16/17, more than 200 Scouts had earned their Soil & Water badge, and about 60 percent who responded to post-clinic surveys said they would not have sought the badge if the clinics were not offered. Meetings are underway with Orange County Girl Scout leaders, to design and launch a patch program for the Girl Scouts in FY 17/18.

Building on the success of the high school choice program, staff has worked with the Orange County Department of Education to develop a core high school program that would be offered to high school teachers countywide. With a budget of \$64,000, the CORE High School Program would meet the requirements of mandated teaching subjects and provide teachers with lesson plans and materials to encourage their participation. The lesson plans will be tailored for science, political science and history classes, to ensure the program reaches as many students as possible. The core program would work hand-in-hand with the choice offering, and is expected to grow participation in that program as well.

### **Governmental Affairs**

Governmental Affairs continues to work at the local, state and national levels with our Member Agencies, organizations, delegations, agencies and bureaus to advance Orange County’s agenda. Central to this effort are policy, legislative and regulatory developments and opportunities. In FY2017-18 there will be tremendous activity in the legislative session in Sacramento for water issues including the proposals in support of the Permanent Water Efficiency framework and the California WaterFix and EcoRestore. Enhanced activities have been requested on two fronts. There has been a request to increase MWDOC’s federal activities with the addition of a staff position to solely focus on federal issues and activities. There has also been a request to increase MWDOC’s program in obtaining project grant funds and financial strategy development and implementation.

### **5. MWDOC Key Initiatives**

Besides the items previously discussed above, the key initiatives from staff for FY2017-18 that are included in the budget include:

- Continue to work closely with MET on rate/stability issues, support for the California WaterFix, completion of the IRP policy review and management of water in Southern California.
- Advance projects from the OC Water Reliability Study. The following work is anticipated:
  - A conjunctive use program between OCWD and South Orange County
  - Consideration of ocean desalination
  - Improvements to respond to emergency outages
  - On-going work with OCWD on basin issues (In Lieu delivery, cyclic storage, SARRCUP)
  - A key element is to obtain concurrence for the introduction and conveyance



of local water in the East Orange County Feeder No. 2 (EOCF#2). This has never been done, but when accomplished opens up a number of options for Orange County.

- Continue to examine opportunities for local or regional reliability via banking programs.
- Continue with implementation of the Water Use Efficiency Master Plan including methods to firm up local funding options for local agencies. Begin integrating recycled water use into the Water Use Efficiency Programs by accelerating recycled water connections through customer incentives.
- Staff is projecting \$23,000 in Water Use Efficiency Department staff time reimbursement from state and federal grants
- Continue Rebate Programs and emphasize landscape opportunities
- Expand Water Loss Control effort to include sales meter accuracy testing  
Continue to convene the Water Loss Control Work Group and evaluate the feasibility of in-house MWDOC Water Loss Control services including meter accuracy testing, leak detection, shared sounding equipment, etc. for access by member agencies.
- MWDOC will continue to use the Droplet rebate administration platform for both Turf Removal and Spray-to-Drip rebate processing including electronic signatures. These programs will be implemented in partnership with member agencies. In the coming year, emphasis will be on identifying and implementing program refinements that streamline the participation process for both water agencies and program participants.
- Started late in FY2016-17 budget cycle, Landscape Design Assistance will be fully operational in the coming year targeting residential turf removal rebate program participants. This new program is designed to break down barriers to program participation and ensure turf replacement projects are attractive examples to others. Proper maintenance of California Friendly landscapes materials will be developed and posted on our website.
- Currently on pause pending a water savings evaluation, the Water Smart Landscape Program that provides monthly irrigation performance reports for dedicated landscape meters is anticipated to restart with an overhauled implementation framework. This is not only one of MWDOC's longest standing programs but will be instrumental in helping agencies to comply with the proposed long-term water efficiency standards proposed by state agencies.
- In the coming year the Water Loss Control Technical Assistance will transition from Year II to Year III. MWDOC will continue to partner with Water Systems Optimization in providing this assistance to member agencies.
- The States' new Long Term Water Use efficiency framework will require significant

research to better understand and inform stakeholders on the standard setting. As a result, research funding has been budgeted in the Core WUE program. This research may be focused locally or through partnerships beyond Orange County such as the California Water Efficiency Partnership (previously known as the California Urban Water Conservation Council).

- Metropolitan WUE policy development will be a main focus for the department especially in helping to prepare agencies for compliance with new state mandates. Staff will also seek to maximize access to Metropolitan Water Use Efficiency program funding for regional and local program implementation. Staff will advocate for Program refinements that ensure Orange County program needs are met and continue to evolve.
- Staff will provide a leadership for the California Water Efficiency Partnership (previously known as the California Urban Water Conservation Council) as they transition the organization in FY2017-18.
- Secure MET funding; over the past several years, MWDOC has brought in about \$4 million annually for WUE funding. This year funding will be approximately at that level. Identification and procurement of funding for OC will be a greater emphasis. Our WUE staff continues to perform for the benefit of Orange County.
- The Public Affairs Department looks to amplify efforts to facilitate community awareness and involvement with issues and challenges related to the reliable delivery of potable water. The recently completed MWDOC Orange County Reliability Study deemed the California WaterFix as the single most cost effective project to ensure Orange County's long-term water reliability.
  - As such, MWDOC is preparing to launch a robust communications campaign focusing on the WaterFix and EcoRestore. Social media will be the heart of this campaign - with new graphics, videos and newsfeeds and articles. This will also coincide with the launch of the MWDOC's new website. The District's new website will feature a Member Agency Portal that will be the central hub for all supporting tools and materials.
  - The proposed education and outreach plan for the California WaterFix and EcoRestore is budgeted at \$100,000. The yearlong campaign will emphasize the need to finish the State Water Project with the twin tunnels, which are essentially a storm water capture project. The EcoRestore would also be included in the messaging and campaign, to educate leaders and the public that environmentalists agree doing nothing is not an option and the combined projects are best for the state water infrastructure and for the Delta ecosystem.
  - The campaign will primarily target decision-makers and those with influence upon the decision-makers, although local government and grass root elements are included in the plan, as well.

- The plan has an emphasis on social media, targeting specific audiences with pinpoint accuracy, as well as “listening” to public sentiment about the project and identify any growing concerns or opposition.
  - Gaining endorsements of the projects from remaining OC water agencies and cities is part of the proposed plan, then building on that success to business and other groups. Staff also proposes print advertising in the Sacramento region, in the Sacramento Bee, which carries influence with the California Legislature.
  - Staff is aware other agencies and organizations are preparing outreach campaigns as well, and would communicate with them and coordinate when appropriate.
- MWDOC’s renewed efforts on Governmental Affairs will focus on funding and regulatory programs at the state and federal level. We are accelerating efforts with the Orange County and California delegations and select Committee Members to marshal support, funding and beneficial modifications for national programs. At the state level, significant efforts will be made in tracking and obtaining funding opportunities for Orange County projects. A large volume of legislation is already evident which will require actions to either support or oppose. The scope of activities will be partially dependent on the resolution of staffing alternatives.
  - Monitor and track the State Water Resources Control Board and Department of Water Resource proposed water efficiency regulations and program funding plans/proposals.
  - Protect MWDOC and local agency interests in MET via continued participation in the SDCWA lawsuit against MET.
  - Participate in other water-related lawsuits, as appropriate, in support of our Member Agencies and the residents of Orange County.
  - Continue to seek areas of efficiency in the District’s operations.
  - WEROC will be starting a multiple year training and exercise program that focuses on responding to an unknown contamination of our water supplies and utilizing protocols for the Emergency Water Quality Sample Kits (EWQSK). This program will involve the participation of 4 Fire Hazardous Materials Teams, law enforcement, Division of Drinking Water, cities, the County and our member agencies. A consultant for coordination of the field and functional components of the program will be critical to developing and supporting a successful training and exercise year. Again this coming year, each of the WEROC EOC staff members will participate in about 40 hours of training to participate in the training program and help WEROC remain at a high state of readiness.

- Staff are researching and looking to implement a new WEROC Radio system in FY 2017/2018. The system being considered (through OC Sheriff's Department) is estimated to cost about \$200,000 initially and would reduce the annual radio maintenance and repeater budget by as much as \$7,000 to \$12,000.
- WEROC staff will be spending a significant amount of time implementing the recommendations of the WEROC EOC Site Study; including seismic evaluation, electrical evaluation and generator sharing at the South EOC site. Some of these assessments may result in additional recommendations, of which will be discussed with the WEROC funding group, member agencies and the Board.
- Utilizing the WEROC EOC Assessment, staff have identified capital costs for the WEROC program that are proposed to mostly occur in the next 2 fiscal years. Staff believes that these projects are critical to the reliability of the WEROC South EOC. Staff are proposing that the WEROC capital program be funded by MWDOC. Modifications to the MWDOC Administration Building to facilitate it's use as a back-up EOC are being incorporated into MWDOC Building Improvements and will provide additional functionality of the space for trainings and meetings.
- Promoting Orange County positions in the policy formation based on the MET update of its Integrated Resources Plan. Work from the OC Water Reliability Study positioned us well to provide input into the IRP policy discussion. Topics are likely to include MET investments in supply projects like the Carson IRP project, LRP funding policy and decisions, modifications to allocation policies and procedures, and MET's groundwater policies.
- Tracking progress on the California WaterFix and education of local, state and federal officials, including key organizations.
- Review of staffing levels and succession planning issues.

## **6. Core/Choice Programs for 2017-18**

The Choice Programs for FY2017-18 include:

- School Program-The current contracts for the school program will continue with program modifications where appropriate. The grade school program will be run in conjunction with the Discovery Science Center with the keypad program for all of the assembly programs in grades 1-6. The High School Program will be conducted in conjunction with the County's Inside the Outdoors program and continues to evolve through the curriculum development and expanded in-class activities
- Water Use Efficiency-Will continue to access MET WUE funding and grants from other sources for implementation programs for OC.
- 2015 Water Loss Control Audits-Follow-up activities will continue from the water audits including leak detection and repair.

## **7. MWDOC's Reserve Funds**

MWDOC is currently performing a review of the Reserve Fund Policy and has retained PFM for the purpose. The results of that review are not included in the SECOND DRAFT budget and it is not anticipated that MWDOC's Board of Directors will modify the reserve policy during the development of this budget. The MWDOC Reserve Policy includes the following categories:

- General District
- Cash Flow
- Election Expense
- Building Expense
- OPEB Reserves

### **General District Reserves**

The General District Reserves were set at \$1.85 million as of July 1, 2010 and increase by the inflation rate each year. In FY2017-18 the target reserve balance will be \$2,104,485. The general district reserve balance will be above but near the target.

### **Cash Flow Reserve:**

Cash flow reserves were set at \$1.00 million in 2010 and this amount is reviewed from time to time for appropriateness, based on the District's current operational needs. Due to the tremendous increase in WUE rebates, the cash flow reserve was increased to \$1.5 million in the FY2015-16 budget.

### **Election Expense:**

MWDOC's election reserve is managed to fund seven elections every four years. Based on previous election costs, we have determined that \$1.22 million (or \$174,000 per division) is sufficient to cover seven elections. This requires that an average of \$304,000 be contributed to the election reserve annually. No election expenses will be incurred in FY2017-18.

### **Building Expense Reserve:**

MWDOC's Building Reserves were set in 2010 to be kept at a minimum of \$350,000 and adjusted from time to time to reflect the improvement needs of the office facility. It is now over 25 years since the building was refurbished and MWDOC moved to this location. Ongoing and projected building expenses are increasing as systems are repaired or replaced. We will be completing a comprehensive evaluation of the office space and implementing necessary improvements. As became exceedingly clear over this wet winter, the building roof is beyond its useful life. There are also a number of office improvements planned including office space and office furniture modifications or replacements.

### **OPEB Reserve:**

In managing MWDOC's OPEB liability, the Board has taken the following actions:

- Employees hired after July 1, 2012 are not eligible to receive District-paid retiree and elective health and welfare benefits. This will substantially reduce future OPEB costs after dealing with the existing employees who qualified for prior benefits.
- The Board of Directors implemented an OPEB Reserve Policy whereby 100% of the liability is funded through a combination of placing 85%-95% of the required amount in the irrevocable trust (approximately 1.7 million) and the balance in a reserve fund (approximately \$209,000). These amounts are adjusted with the updated actuarial study.

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## **8. Water Rates and Charges**

Historically, MWDOC's revenue funding its Core Budget had been derived from charges associated with a retail meter charge (fixed) and a water volume increment charge (variable). However, in FY 2015-16, MWDOC's Core Budget was supported only by the retail meter charge. During that fiscal year, MWDOC completed a water rate study whereby the Board adopted a methodology for a retail meter charge along with a new groundwater customer charge.

The total amount of revenue from water sales also includes charges to cover the cost of MET water purchases and MET's associated charges. The proposed Total Water Sales for FY 2017-18 are \$185,673,707.

For FY 2017-18 the proposed Retail Meter Charge is \$11.60.

For FY 2017-18 the proposed Groundwater Customer Charge is \$435,050.

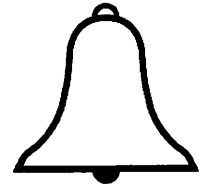
### **Attachments:**

Attached hereto is the detailed, draft, baseline budget for this coming year.

**BOARD OF DIRECTORS**

BETTY H. OLSON, PH.D    CHARLEY WILSON  
CHARLES T. GIBSON    SAUNDRA F. JACOBS  
JUSTIN McCUSKER

DANIEL R. FERONS  
GENERAL MANAGER



## **Santa Margarita Water District**

April 5, 2017

Mr. Wayne Osborne, President  
Municipal Water District of Orange County  
PO Box 20895  
Fountain Valley, CA 92728

**Subject: Comments on the First Draft of the MWDOC Fiscal Year 2017-18 Budget**

Dear President Osborne:

The District appreciates the opportunity to review the draft annual budget and extends a sincere thanks to Director Thomas and Mr. Seckel for attending our Board meeting and presenting it. Overall, we want to compliment the MWDOC Board, you and your staff for a concise budget with a reasonable overall increase of 2.1%. During these interesting times for water purveyors, we genuinely appreciate that you have taken a judicious approach to forecasting your expenses and needed revenue.

As noted above, we support the first draft of the budget. During the presentation at our Board and at the March manager's meeting, we discussed a couple of primary issues and want to provide our comments on those below:

### **Federal Affairs**

At the November Elected Officials meeting, I broadly requested that MWDOC consider aiding its member agencies' pursuit of federal funding. The request came considering the potential for new opportunities with the incoming Administration and MWDOC having forces on the ground in Washington through its current contracts.

Based on the ongoing discussion, we understand that MWDOC has determined that its existing resources in Washington and Fountain Valley are fully subscribed and propose to add additional resources with a grant funding consulting budget and an additional staff person focused on federal legislation.

We can support a choice program for the grant fund consulting, with MWDOC taking the lead to establish an "on-call" consultant relationship that member agencies can utilize for specific projects and MWDOC pulling together regional support.

We would like to see a summary of duties and proposed priorities for the federal legislative support person before we are able to take a firm position on this. The concern is identifying enough efforts for a full-time position located in California to interface with a consultant in Washington. This may include a broader discussion of the focus of MWDOC in Washington to help us understand the on-going efforts and how those efforts dovetail with MET's efforts. We appreciate the

summaries provided by your consultant team and want to better understand the specific goals and objectives that you are driving towards in support of the Orange County water family.

**MWDOC Reserves**

We understand that the current budget proposal does not contemplate a change in the reserve amounts and may include a change in the methodology to establishing the calculation of the amount based on the PFM report. We have no issue with the proposed revision.

We are also pleased that there will be ongoing conversation on establishment of additional reserves for purchase of water resources and/or development of projects. We support development of a policy on MWDOC's purchasing alternative water supplies or developing a project as the first step in the process and that will identify the need for reserves and subsequently determination of the interest in participation by various member agencies.

Very Truly Yours,  
SANTA MARGARITA WATER DISTRICT

A handwritten signature in blue ink, appearing to read "Charles T. Gibson". The signature is fluid and cursive, with the first name "Charles" being more prominent.

Charles T. Gibson  
President

CC MWDOC Board of Directors  
SMWD Board of Directors  
Mr. Robert Hunter, General Manager





## **Annual Budget for Fiscal Year 2017-18**

### **Draft 2 Budget**

**MWDOC's mission is:**

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

**Exhibit A2**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CORE FUND**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 2,943,115	\$ 2,794,148	\$ (148,968)	\$ 3,240,192 <sup>1</sup>	\$ 446,045	\$ 297,077
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	834,890	844,102	9,212	961,602 <sup>2</sup>	117,500	126,712
Director Compensation	231,937	224,016	(7,921)	243,197	19,181	11,260
Director Benefits	66,297	75,746	9,449	81,728	5,982	15,431
MWD Representation	132,535	129,209	(3,326)	138,969	9,760	6,434
OPEB Annual Contribution	105,249	400,000	294,751	-	(400,000)	(105,249)
Overhead Reimbursement	(193,712)	(138,460)	55,252	(151,910)	(13,450)	41,802
Health Insurance Coverage for Retirees	50,326	32,683	(17,643)	59,554	26,871	9,228
Audit Expense	24,000	18,437	(5,563)	40,000	21,563	16,000
Automotive & Toll Road Expenses	14,928	16,490	1,562	17,400	910	2,472
Conference Expense - Staff	22,125	18,000	(4,125)	35,705	17,705	13,580
Conference Expense - Directors	10,725	9,500	(1,225)	15,210	5,710	4,485
Engineering Expense	405,000	270,509	(134,491)	360,000	89,491	(45,000)
Insurance Expense	90,000	105,000	15,000	110,250	5,250	20,250
Legal Expense - General	320,000	208,751	(111,249)	250,000	41,249	(70,000)
Maintenance Expense	123,185	92,000	(31,185)	123,500	31,500	315
Membership / Sponsorship	134,458	133,770	(688)	142,102	8,332	7,644
CDR Participation	39,972	39,972	-	48,803	8,831	8,831
Miscellaneous Expense	111,020	90,210	(20,810)	119,650	29,440	8,630
Postage / Mail Delivery	11,400	8,800	(2,600)	9,700	900	(1,700)
Professional Fees	705,677	497,100	(208,577)	993,678	496,578	288,001
Rents & Leases	7,000	6,500	(500)	8,400	1,900	1,400
Outside Printing, Subscription & Books	38,225	27,177	(11,048)	28,775	1,598	(9,450)
Office Supplies	38,280	26,345	(11,935)	35,580	9,235	(2,700)
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	10,000	9,950	(50)	10,000	50	-
Business Expense	6,000	4,981	(1,019)	5,200	219	(800)
Software Support & Expense	77,300	76,220	(1,080)	89,454	13,234	12,154
Computers and Equipment	32,500	31,490	(1,010)	33,050	1,560	550
Telecommunications Expense	19,200	19,226	26	21,300	2,074	2,100
Temporary Help Expense	-	12,000	12,000	5,000	(7,000)	5,000
Training Expense	12,000	7,500	(4,500)	10,000	2,500	(2,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

**Exhibit A2**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CORE FUND**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>						
Travel & Accommodations - Staff	71,130	55,000	(16,130)	89,000	34,000	17,870
Travel & Accommodations - Directors	38,250	34,526	(3,724)	43,350	8,824	5,100
MWDOC's Contribution to WEROC: Operations	150,390	150,390	0	179,217	28,827	28,827
and to WEROC Capital Improvements			-	234,447	234,447	0.00%
Capital Acquisition (excluding building)	62,500	62,500	-	249,500	187,000	187,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 6,761,902</b>	<b>\$ 6,403,289</b>	<b>\$ (358,614)</b>	<b>\$ 7,897,604</b>	<b>\$ 1,494,315</b>	<b>\$ 1,135,702</b>
MWDOC's Building Expense	\$ 495,000	\$ 280,000	\$ (215,000)	\$ 356,400	\$ 76,400	\$ (138,600)
Election Expense	592,000	521,578	(70,422)	-	(521,578)	(592,000)
<b>TOTAL EXPENSES</b>	<b>\$ 7,848,902</b>	<b>\$ 7,204,867</b>	<b>\$ (644,035)</b>	<b>\$ 8,254,004</b>	<b>\$ 1,049,137</b>	<b>\$ 405,102</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,786,865	\$ 6,786,865	\$ 0	\$ 7,248,376	\$ 461,511	\$ 461,511
Ground Water Customer Charge	392,666	392,666	-	435,050	42,384	42,384
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	123,000	158,365	35,365	150,000	(8,365)	27,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
<b>TOTAL REVENUES</b>	<b>\$ 7,305,530</b>	<b>\$ 7,340,896</b>	<b>\$ 35,365</b>	<b>\$ 7,836,426</b>	<b>\$ 495,530</b>	<b>\$ 530,896</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ (543,372)</b>	<b>\$ 136,029</b>	<b>\$ 679,401</b>	<b>\$ (417,578)</b>	<b>\$ (553,607)</b>	<b>\$ 125,794</b>

- 1 Total Salaries & Wages includes \$37,156 for intern support
- 2 Total Benefits includes \$3,934 for intern support
- 2 Includes a \$83,410 lump sum payment (CALPERS unfunded Liability)
- 2 Total Benefits assumes a Calpers contribution for full time employees of 9.92% for legacy classic employees, 8.921% for classic employees and 6.533% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2017.

**Exhibit A3**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CHOICE FUNDS**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 501,505	\$ 386,893	\$ (114,612)	\$ 427,946 <sup>1</sup>	\$ 41,053	\$ (73,559)
less for Recovery from Grants	\$ (31,600)	\$ (29,886)	\$ 1,714	\$ (23,279) <sup>1</sup>	6,607	8,321
Employee Benefits	133,269	113,794	(19,475)	127,111 <sup>2</sup>	13,316	(6,158)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	193,712	138,460	(55,252)	151,910	13,450	(41,802)
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	-	-	-	-	-	-
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
CDR Participation	-	-	-	-	-	-
Miscellaneous Expense	13,500	13,500	-	13,500	-	-
Postage / Mail Delivery	-	2,821	2,821	800	(2,021)	800
Professional Fees	798,819	522,611	(276,208)	501,461	(21,150)	(297,358)
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	-	-	-
Telecommunications Expense	-	-	-	-	-	-
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-
Training Expense	-	-	-	-	-	-
Tuition Reimbursement	-	-	-	-	-	-

**Exhibit A3**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CHOICE FUNDS**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ (461,012)</b>	<b>\$ 1,199,448</b>	<b>\$ 51,255</b>	<b>\$ (409,757)</b>

<b>REVENUES:</b>						
Choice Revenue	1,609,205	1,148,193	(461,012)	1,199,448	51,255	(409,757)
<b>TOTAL REVENUES</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ (461,012)</b>	<b>\$ 1,199,448</b>	<b>\$ 51,255</b>	<b>\$ (409,757)</b>

① Total Salaries & Wages includes \$51,387 for intern support

② Total Benefits includes \$5,529 for intern support

② Total Benefits assumes a Calpers contribution for full time employees of 9.92% for legacy classic employees, 8.921% for classic employees and 6.533% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2017.

**Exhibit A4**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CONSOLIDATED**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 3,444,620	\$ 3,181,040	\$ (263,580)	\$ 3,668,138 <sup>1</sup>	\$ 487,097	\$ 223,518
less for Recovery from Grants	\$ (31,600)	\$ (29,886)	\$ 1,714	\$ (23,279)	6,607	8,321
Employee Benefits	968,159	957,897	(10,262)	1,088,713 <sup>2</sup>	130,816	120,554
Director Compensation	231,937	224,016	(7,921)	243,197	19,181	11,260
Director Benefits	66,297	75,746	9,449	81,728	5,982	15,431
MWD Representation	132,535	129,209	(3,326)	138,969	9,760	6,434
OPEB Annual Contribution	105,249	400,000	294,751	-	(400,000)	(105,249)
Overhead Reimbursement	-	-	-	-	-	0
Health Insurance Coverage for Retirees	50,326	32,683	(17,643)	59,554	26,871	9,228
Audit Expense	24,000	18,437	(5,563)	40,000	21,563	16,000
Automotive & Toll Road Expenses	14,928	16,490	1,562	17,400	910	2,472
Conference Expense - Staff	22,125	18,000	(4,125)	35,705	17,705	13,580
Conference Expense - Directors	10,725	9,500	(1,225)	15,210	5,710	4,485
Engineering Expense	405,000	270,509	(134,491)	360,000	89,491	(45,000)
Insurance Expense	90,000	105,000	15,000	110,250	5,250	20,250
Legal Expense - General	320,000	208,751	(111,249)	250,000	41,249	(70,000)
Maintenance Expense	123,185	92,000	(31,185)	123,500	31,500	315
Membership / Sponsorship	134,458	133,770	(688)	142,102	8,332	7,644
CDR Participation	39,972	39,972	-	48,803	8,831	8,831
Miscellaneous Expense	124,520	103,710	(20,810)	133,150	29,440	8,630
Postage / Mail Delivery	11,400	11,621	221	10,500	(1,121)	(900)
Professional Fees	1,504,496	1,019,711	(484,785)	1,495,139	475,428	(9,357)
Rents & Leases	7,000	6,500	(500)	8,400	1,900	1,400
Outside Printing, Subscription & Books	38,225	27,177	(11,048)	28,775	1,598	(9,450)
Office Supplies	38,280	26,345	(11,935)	35,580	9,235	(2,700)
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	10,000	9,950	(50)	10,000	50	-
Business Expense	6,000	4,981	(1,019)	5,200	219	(800)
Software Support & Expense	77,300	76,220	(1,080)	89,454	13,234	12,154
Computers and Equipment	32,500	31,490	(1,010)	33,050	1,560	550
Telecommunications Expense	19,200	19,226	26	21,300	2,074	2,100
Temporary Help Expense	-	12,000	12,000	5,000	(7,000)	5,000
Training Expense	12,000	7,500	(4,500)	10,000	2,500	(2,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

**Exhibit A4**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**CONSOLIDATED**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	71,130	55,000	(16,130)	89,000	34,000	17,870
Travel & Accommodations - Directors	38,250	34,526	(3,724)	43,350	8,824	5,100
MWDOC's Contribution to WEROC: Operations	150,390	150,390	0	179,217	28,827	28,827
and to WEROC Capital Improvements	-	-	-	234,447	234,447	234,447
Capital Acquisition (excluding building)	62,500	62,500	-	249,500	187,000	187,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 8,371,107</b>	<b>\$ 7,551,481</b>	<b>\$ (819,626)</b>	<b>\$ 9,097,052</b>	<b>\$ 1,545,571</b>	<b>\$ 725,945</b>
MWDOC's Building Expense	\$ 495,000	\$ 280,000	\$ (215,000)	\$ 356,400	\$ 76,400	\$ (138,600)
Election Expense	592,000	521,578	(70,422)	-	(521,578)	(592,000)
<b>TOTAL EXPENSES</b>	<b>\$ 9,458,107</b>	<b>\$ 8,353,059</b>	<b>\$ (1,105,048)</b>	<b>\$ 9,453,452</b>	<b>\$ 1,100,393</b>	<b>\$ (4,655)</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,786,865	\$ 6,786,865	\$ -	\$ 7,248,376	\$ 461,511	\$ 461,511
Ground Water Customer Charge	392,666	392,666	-	435,050	42,384	42,384
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	123,000	158,365	35,365	150,000	(8,365)	27,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
Choice Revenue	1,609,205	1,148,193	(461,012)	1,199,448	51,255	(409,757)
<b>TOTAL REVENUES</b>	<b>\$ 8,914,735</b>	<b>\$ 8,489,089</b>	<b>\$ (425,647)</b>	<b>\$ 9,035,874</b>	<b>\$ 546,785</b>	<b>\$ 121,139</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ (543,372)</b>	<b>\$ 136,029</b>	<b>\$ 679,401</b>	<b>\$ (417,578)</b>	<b>\$ (553,607)</b>	<b>\$ 125,794</b>

- 1 Total Salaries & Wages includes \$88,543 for intern support
- 2 Total Benefits includes \$9,463 for intern support
- 2 Includes a \$83,410 lump sum payment (CALPERS unfunded Liability)
- 2 Total Benefits assumes a Calpers contribution for full time employees of 9.92% for legacy classic employees, 8.921% for classic employees and 6.533% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2017.

**Exhibit A5**  
**SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS**  
**WATER FUND**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>Water Revenues</b>						
Water Sales	\$ 137,953,560	\$ 146,426,863	\$ 8,473,303	\$ 171,308,629	\$ 24,881,766	\$ 33,355,069
Local Resource Program Incentives	(16,071,858)	(16,566,364)	(494,506)	(16,574,748)	(8,385)	(502,890)
Readiness-To-Serve Charge	12,674,093	11,208,647	(1,465,447)	10,397,278	(811,369)	(2,276,815)
Capacity Charge	4,829,790	4,187,295	(642,495)	3,544,800	(642,495)	(1,284,990)
Tier 2 Contingency	-	-	-	-	-	-
Interest Revenue - CC			-		-	-
Interest Revenue - Tier 2 Cont.	4,800	9,200	4,400	9,400	200	4,600
SCP/SAC Pipeline Surcharge	365,000	382,512	17,512	423,000	40,488	58,000
<b>TOTAL WATER REVENUES</b>	<b>\$ 139,755,385</b>	<b>\$ 145,648,153</b>	<b>\$ 5,892,768</b>	<b>\$ 169,108,359</b>	<b>\$ 23,460,206</b>	<b>\$ 29,352,974</b>
<b>Water Expenses</b>						
Water Purchases	\$ 137,953,560	\$ 146,426,863	\$ 8,473,303	\$ 171,308,629	\$ 24,881,766	\$ 33,355,069
Local Resource Program Incentives	(16,071,858)	(16,566,364)	(494,506)	(16,574,748)	(8,385)	(502,890)
Readiness-To-Serve Charge	12,674,093	11,208,647	(1,465,447)	10,397,278	(811,369)	(2,276,815)
Capacity Charge	4,829,790	4,187,295	(642,495)	3,544,800	(642,495)	(1,284,990)
Tier 2 Surcharge	-	-	-	-	-	-
SCP/SAC Pipeline Surcharge	365,000	382,512	17,512	423,000	40,488	58,000
<b>TOTAL WATER EXPENSES</b>	<b>\$ 139,750,585</b>	<b>\$ 145,638,953</b>	<b>\$ 5,888,368</b>	<b>\$ 169,098,959</b>	<b>\$ 23,460,006</b>	<b>\$ 29,348,374</b>
<b>Changes to Fund Balance:</b>						
Capacity Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Contingency	\$ 4,800	\$ 9,200	\$ 4,400	\$ 9,400	\$ 200	\$ 4,600



**Exhibit A6**  
**SUMMARY OF FUNDING AND EXPENSES**  
**For All Water Use Efficiency Programs**

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>Funding</b>						
Metropolitan Water District	\$ 823,323	\$ 1,030,531	\$ 207,209	\$ 1,001,682	\$ (28,850)	\$ 178,359
USBR	368,788	225,852	(142,937)	258,749	32,897	(110,039)
DWR	1,145,602	1,592,954	447,352	708,833	(884,121)	(436,769)
Member Agencies	1,877,025	2,061,665	184,640	2,210,331	148,666	333,306
MWDOC	50,000	0	(50,000)	0	0	(50,000)
						0
<b>TOTAL OUTSIDE FUNDING</b>	<b>\$ 4,264,738</b>	<b>\$ 4,911,001</b>	<b>\$ 646,264</b>	<b>\$ 4,179,594</b>	<b>\$ (731,407)</b>	<b>\$ (85,143)</b>
<b>Program Expenses Funded from Outside Sources</b>						
Project Administration - Staff Time	\$ 9,920	\$ 29,886	\$ 19,966	\$ 23,279	\$ (6,607)	\$ 13,359
Consultant Administration	118,900	5,400	(113,500)	0	(5,400)	(118,900)
Monitoring and Evaluation	22,056	7,056	(15,000)	0	(7,056)	(22,056)
Installation Verification	62,190	122,300	60,110	65,000	(57,300)	2,810
Rebate Incentives	4,016,075	4,635,710	619,635	4,091,316	(544,394)	75,241
Surveys and Audits	33,500	130	(33,370)	0	(130)	(33,500)
Databasing	1,097	1,097	0	0	(1,097)	(1,097)
Marketing and Outreach	0	2,418	2,418	0	(2,418)	0
Engineering Assistance	0	0	0	0	0	0
<b>TOTAL PROGRAMS EXPENSES</b>	<b>\$ 4,263,738</b>	<b>\$ 4,803,997</b>	<b>\$ 540,259</b>	<b>\$ 4,179,595</b>	<b>\$ (624,402)</b>	<b>\$ (84,143)</b>

**Exhibit B  
Expenditures by Program**

Cost Center	PROGRAM	FY 2016-2017 BUDGET FTE	FY 2017-2018 BUDGET FTE	FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
11	Administrative - Board	1.97	1.89	\$ 1,264,229	\$ 1,045,706	\$ 1,133,394 <sup>2</sup>
12	Administrative - General	2.62	3.86	541,237	591,083	635,306
13	Personnel / Staff Development	1.42	1.40	286,546	237,815	335,590
19	Overhead	3.53	3.92	1,204,533	1,167,004	1,475,349 <sup>3</sup>
21	Planning & Resource Development	3.78	3.58	816,876	607,321	738,946
22	Research Participation	0.00	0.00	39,972	39,972	48,803
23	Met Issues and Special Projects	4.68	4.48	907,844	815,692	900,499
31	Governmental Affairs	1.18	2.03	479,535	417,206	649,210
35	Water Use Efficiency (Core)	0.58	0.58	171,239	178,835	417,986
32	Public Affairs	2.90	3.74	571,671	447,873	677,010
41	Finance	3.18	3.13	521,660	419,350	552,106
45	Information Technology	1.00	0.99	285,672	285,042	275,742
25	MWDOC's Contribution to WEROC <sup>1</sup>	2.00	2.00	150,390	150,390	413,664
<b>CORE TOTAL</b>		<b>28.82</b>	<b>31.61</b>	<b>\$ 7,241,403</b>	<b>\$ 6,403,289</b>	<b>\$ 8,253,604</b>
62	Water Use Efficiency Program	6.48	5.77	928,798	700,006	835,106
63	School Programs	0.15	0.10	358,691	357,998	364,342
67	Outreach	0.19	0.00	277,300	90,189	-
65	Poseidon Desal	0.00	0.00	44,416	-	-
<b>CHOICE TOTAL</b>		<b>6.82</b>	<b>5.88</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ 1,199,448</b>
<b>CORE &amp; CHOICE TOTAL</b>		<b>35.64</b>	<b>37.49</b>	<b>\$ 8,850,608</b>	<b>\$ 7,551,481</b>	<b>\$ 9,453,052</b>
Includes:	Full-time employees	29.00	31.00			
	WEROC Full-time employee	2.00	2.00			
	Part-time employees	1.68	1.99			
	Interns	2.96	2.50			

<sup>1</sup> FTE accounts for WEROC, Manager Kelly Hubbard and 1 full 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.

<sup>2</sup> Includes Net Revenue Requirement for Elections.

<sup>3</sup> Includes Net Revenue Requirement for Building Expense.

**Municipal Water District of Orange County**  
**2017-2018 FISCAL MASTER PLAN PROJECTIONS**  
(in thousands)

	Projected ACTUALS FY16-17	BUDGET FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Beginning Designated Reserve Balance - MWDOC	\$5,367	\$ 5,503	\$ 5,085	\$ 4,583	\$ 4,839	\$ 4,845	\$ 5,458
OPEB Contribution above the ARC	117	117	117	117	117	117	117
OPEB Reserve	209	209	209	209	209	209	209
Adjusted Reserve Balance	5,041	5,177	4,759	4,257	4,513	4,519	5,132
<b>Revenues</b>							
Water Rate Revenues:							
Retail Meter Agency Charge	6,787	7,248	7,655	8,082	8,383	8,463	8,517
Ground Water Customer Charge	393	435	446	457	469	480	492
Subtotal	7,180	7,683	8,100	8,539	8,852	8,943	9,009
Other Revenues:							
Choice Revenues	1,148	1,199	1,229	1,260	1,292	1,324	1,357
Interest Earnings	158	150	130	124	153	179	218
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,310	1,352	1,363	1,387	1,448	1,506	1,578
<b>Total Revenues</b>	8,489	9,036	9,463	9,927	10,300	10,450	10,587
<b>Expenses</b>							
Core Expenses	6,341	7,648	7,839	8,035	8,236	8,442	8,653
Choice Expenses	1,148	1,199	1,229	1,260	1,292	1,324	1,357
Capital Acquisitions (not including building)	63	250	20	20	20	20	20
<b>Total Expenses w/o Building &amp; Election</b>	7,551	9,097	9,089	9,315	9,548	9,786	10,030
<b>Revenue Over Expenses w/o Building &amp; Election</b>	938	(61)	374	611	752	664	557
<b>ELECTION Reserve Beginning Balance</b>	475	257	257	39	343	-	304
<b>Annual Election Reserve Contribution</b>	304	-	304	304	304	304	304
<b>Annual Election Expense</b>	522	-	522		696		522
<b>Election Reserve Ending Balance</b>	257	257	39	343	-	304	86
<b>BUILDING Reserve Beginning Balance</b>	350	350	350	350	350	350	350
<b>Annual Building Reserve Contribution</b>	280	356	355	355	50	50	50
<b>Annual Building Expense</b>	280	356	355	355	50	50	50
<b>Building Reserve Ending Balance</b>	350	350	350	350	350	350	350
<b>CASH FLOW Reserve Beginning Balance</b>	1,500						
<b>Annual Cash Flow Reserve Contribution</b>	-	-	-	-	-	-	-
<b>Cash Flow Reserve Ending Balance</b>	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Ending General Fund &amp; Cash Flow Reserves</b>	\$ 4,570	\$ 4,152	\$ 3,868	\$ 3,820	\$ 4,169	\$ 4,478	\$ 4,681
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
<b>MWDOC Water Rates</b>							
Water Sales in Acre Feet	165,813	184,270	186,221	188,218	190,118	190,254	191,334
Total Retail Customer Meters	619,805	624,860	627,421	631,421	635,111	641,151	645,211
OCWD BPP %	75%	75%	73%	73%	73%	73%	73%
<b>Increment Rate</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Connection Charge</b>	\$ 10.95	\$ 11.60	\$ 12.20	\$ 12.80	\$ 13.20	\$ 13.20	\$ 13.20
Fixed Charge %		100%	100%	100%	100%	100%	100%

1 Assumptions for FMP:

Inflation factor:

Rate of return on Investment of portfolio:

2.50% per year

1.25% per year

## Total Core Expenses

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,943,113	2,794,148	3,240,192
	S & W Reimb. DSC or Recov from Grants	-	-	-
6090	Directors Compensation - MWDOC	231,937	224,016	243,197
6095	Directors Compensation - MWD	132,535	129,209	138,969
6105	Benefits - Admin	834,891	844,102	961,602
	OPEB Annual Contribution	105,249	400,000	-
	Overhead Reimbursement	(193,712)	(138,460)	(151,910)
6115	Benefits - Directors	66,297	75,746	81,728
6120	Health Insurance Coverage for Retirees	50,326	32,683	59,554
6205	Training	12,000	7,500	10,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	12,000	5,000
7010	Engineering - Outside Services	405,000	270,509	360,000
7020	Legal - General	320,000	208,751	250,000
7030	Audit	24,000	18,437	40,000
7040	Other Professional Fees	705,678	497,100	993,678
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	22,125	18,000	35,705
7115	Conference - Directors	10,725	9,500	15,210
7150	Travel & Accommodations - Employee	71,130	55,000	89,000
7155	Travel & Accommodations - Director	38,250	34,526	43,350
7210	Membership / Sponsorship	134,208	133,770	142,102
7250	CDR Participation	39,972	39,972	48,803
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance	123,185	92,000	123,500
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	7,000	6,500	8,400
7330	Office Supplies	38,280	26,345	35,580
7340	Postal / Mail Delivery	11,400	8,800	9,700
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense	36,225	26,377	27,275
7410	Computer & Peripherals Maint	10,000	9,950	10,000
7430	Software Purchase	31,300	31,110	40,560
7440	Software Support	46,000	45,110	48,894
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	32,500	31,490	33,050
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,828	15,740	16,400
7615	Toll Road Charges	1,100	750	1,000
7620	Insurance Expense	90,000	105,000	110,250
7640	Utilities - Telephone	19,200	19,226	21,300
7650	Bank Fees	10,500	11,711	11,000
7670	Miscellaneous Expenses	100,520	78,499	108,650
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	62,500	62,500	249,500
	<b>Total Expenditure</b>	<b>6,611,262</b>	<b>6,252,899</b>	<b>7,483,940</b>

MWDOC's Contribution:

to WEROC Capital improvements	-	-	234,447
to WEROC Operations	150,390	150,390	179,217
MWDOC's Election Expense	592,000	521,578	-
MWDOC's Building Expense	495,000	280,000	356,400
	<u>7,848,652</u>	<u>7,204,867</u>	<u>8,254,004</u>

**Total Choice Revenue and Expense**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
	Choice Revenue	1,494,789	1,287,948	928,859
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry Over	44,416	-	200,589
		-	-	-
	Choice billing over/under	-	(209,755)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	<b>Total Revenue</b>	1,609,205	1,148,193	1,199,448

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	501,505	386,893	427,946
	S & W Reimb. DSC or Recov from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	133,269	113,794	127,111
	Overhead Reimbursement	193,712	138,460	151,910
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	463,330	187,122	165,972
	Other Professional Fees - School Programs	335,489	335,489	335,489
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7220	CUWA Participation	-	-	-
7240	AWWARF Participation	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7340	Postal / Mail Delivery	-	2,821	800
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7615	Toll Road Charges	-	-	-
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	-
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	13,500	13,500	13,500
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	<b>Total Expenditure</b>	1,609,205	1,148,193	1,199,448

### Total Core and Choice Expenses

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,444,618	3,181,040	3,668,138
	S & W Reimb. DSC or Recov from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWDOC	231,937	224,016	243,197
6095	Directors Compensation - MWD	132,535	129,209	138,969
6105	Benefits - Admin	968,160	957,897	1,088,713
	OPEB Annual Contribution	105,249	400,000	-
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	66,297	75,746	81,728
6120	Health Insurance Coverage for Retirees	50,326	32,683	59,554
6205	Training	12,000	7,500	10,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	12,000	5,000
7010	Engineering - Outside Services	405,000	270,509	360,000
7020	Legal - General	320,000	208,751	250,000
7030	Audit	24,000	18,437	40,000
7040	Other Professional Fees	1,169,008	684,222	1,159,650
	Other Professional Fees - School Programs	335,489	335,489	335,489
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	22,125	18,000	35,705
7115	Conference - Directors	10,725	9,500	15,210
7150	Travel & Accommodations - Employee	71,130	55,000	89,000
7155	Travel & Accommodations - Director	38,250	34,526	43,350
7210	Membership / Sponsorship	134,208	133,770	142,102
7250	CDR Participation	39,972	39,972	48,803
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance	123,185	92,000	123,500
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	7,000	6,500	8,400
7330	Office Supplies	38,280	26,345	35,580
7340	Postal / Mail Delivery	11,400	11,621	10,500
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense	36,225	26,377	27,275
7410	Computer & Peripherals Maint	10,000	9,950	10,000
7430	Software Purchase	31,300	31,110	40,560
7440	Software Support	46,000	45,110	48,894
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	32,500	31,490	33,050
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,828	15,740	16,400
7615	Toll Road Charges	1,100	750	1,000
7620	Insurance Expense	90,000	105,000	110,250
7640	Utilities - Telephone	19,200	19,226	21,300
7650	Bank Fees	10,500	11,711	11,000
7670	Miscellaneous Expenses	114,020	91,999	122,150
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	62,500	62,500	249,500
	<b>Total Expenditure</b>	<b>8,220,467</b>	<b>7,401,091</b>	<b>8,683,388</b>

MWDOC's Contribution:

to WEROC Capital improvements	-	-	234,447
to WEROC Operations	150,390	150,390	179,217
MWDOC's Election Expense	592,000	521,578	-
MWDOC's Building Expense	495,000	280,000	356,400
	<u>9,457,857</u>	<u>8,353,059</u>	<u>9,453,452</u>

**Administrative - Board**

11

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	263,608	250,749	265,231	
6090	Directors Compensation - MWDOC	231,937	224,016	243,197	1
6095	Directors Compensation - MWD	132,535	129,209	138,969	2
6105	Benefits - Admin	71,508	69,642	72,968	
6115	Benefits - Directors	66,297	75,746	81,728	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	285,000	200,251	220,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	10,725	9,500	15,210	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	38,250	34,526	43,350	5
7210	Membership / Sponsorship	25,040	25,141	25,141	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,500	3,800	3,900	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	9,828	9,500	9,800	
7615	Toll Road Charges	700	500	600	
7620	Insurance Expense				
7640	Utilities - Telephone	1,100	1,226	1,300	
7650	Bank Fees				
7670	Miscellaneous Expenses	6,200	11,900	12,000	7
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	1,147,228	1,045,706	1,133,394	

1&2 Based on 5% increase from Jan to June 2018.

3	Best, Best & Krieger	\$	175,251
	Aleshire & Wynder	\$	25,000
		\$	200,251

4	Best, Best & Krieger	\$	195,000
	Aleshire & Wynder	\$	25,000
		\$	220,000

5 See Exhibit F.

6 LAFCO Annual Assessment  
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Election Expense

592,000	521,578
1,739,228	1,567,284
	1,133,394

**Administrative - General**  
**12**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	208,804	263,883	291,603
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	58,591	78,534	98,842
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help		12,000	5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	72,900	60,900	5,000
7110	Conference - Employee	22,125	18,000	35,705
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	71,130	55,000	89,000
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	93,037	88,495	94,356
7250	CDR Participation			
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	4,000	6,240	6,600
7615	Toll Road Charges	400	250	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	2,000	2,100
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	540,987	591,083	635,306

1 See Exhibit J.

2 See Exhibit E.

3 See Exhibit D.



**Personnel / Staff Development**  
**13**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	168,504	152,176	173,664	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	49,292	46,239	51,625	1 • Staff Technical Training & Leadership Development Training
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	12,000	7,500	10,000	1
6210	Tuition Reimbursement	5,000	-	5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	35,000	8,500	30,000	2 • Best, Best & Krieger
7030	Audit				
7040	Other Professional Fees	7,500	7,500	49,000	3
7110	Conference - Employee				3 • Eval 401a, 457 plans \$ 9,000 • Salary Benchmark Study \$ 40,000 \$ 49,000
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	Computers and Equipment				
7580	Maintenance Expense				4 • Applicant Background Checks & Physical \$ 2,500 • Team Building, Lunch meetings \$ 2,500 • Holiday Lunch \$ 2,400 • OCWD Health Fair \$ 200 • Employee Flu Shots \$ 200 • Job Ads Recruiting \$ 4,000 • TAD Executive Assessments \$ 4,500 \$ 16,300
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	16,750	15,900	16,300	4
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	294,046	237,815	335,590	

**Overhead  
19**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	399,696	417,312	480,599	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	111,408	133,156	137,775	
6109	OPEB Annual Contribution	105,249	400,000	-	
6111	Overhead Reimbursement from Choice	(193,712)	(138,460)	(151,910)	
6115	Benefits - Directors				1 Retirees:
6120	Health Insurance Coverage for Retirees	50,326	32,683	59,554	• 11 Retirees
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				2 • Pension Plan administration by
7010	Engineering - Outside Services				Dissinger Associates \$ 4,500
7020	Legal - General				• Cafeteria Plan Wageworks \$ 2,000
7030	Audit				6,500
7040	Other Professional Fees	6,100	6,300	6,500	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7250	CDR Participation				
7310	Office Maintenance	123,185	92,000	123,500	3
7315	Building Repair & Maintenance	11,000	9,500	11,000	3 • Site maintenance and receptionist
7320	Rents & Leases	7,000	6,500	8,400	from OCWD \$ 116,200
7330	Office Supplies	38,280	26,345	35,580	• Plant Maintenance \$ 2,700
7340	Postal / Mail Delivery	6,900	5,000	5,800	• Landscape/Maintenance Atrium \$ 2,500
7350	Subscriptions / Books				• Binding Machine Renewal \$ 700
7360	Reproduction Expense	9,000	3,457	3,800	• Carpet Cleaning \$ 1,400
7410	Computer & Peripherals Maint				\$ 123,500
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				4 • Iron Mountain \$ 5,000
7540	Computers and Equipment				• El Toro Water District \$ 1,000
7580	Maintenance Expense				(South EOC site)
7610	Automotive / Mileage				• Off Site Storage Unit 200 x 12 2,400
7615	Toll Road Charges				\$ 8,400
7620	Insurance Expense	90,000	105,000	110,250	
7640	Utilities - Telephone	18,100	18,000	20,000	
7650	Bank Fees	10,500	11,711	11,000	5 • Misc equipment repairs, fees etc.
7670	Miscellaneous Expenses	8,000	5,000	8,000	5
8410	Overhead Reimbursement				
8610	Depreciation Expense				6 • Office Furniture/Displays/Vault File Cabinets
8710	Election Expenses				See Exhibit H
8810	Capital Acquisition	33,500	33,500	249,500	6
	<b>Total Expenditure</b>	834,532	1,167,004	1,119,349	7 • Bldg Improvements - Eval / Design /
					Space Planning / Rendering
	MWDOC's Building Expense (8811)	495,000	280,000	356,400	7
		1,329,532	1,447,004	1,475,749	

**Planning and  
Resource Development  
21**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	486,651	396,030	460,941
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,725	104,291	116,005
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	197,500	100,000	155,000
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	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,000	7,000	7,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	<b>816,876</b>	<b>607,321</b>	<b>738,946</b>

1 Includes general consulting, reliability of MET, conjunctive use, climate change and value of being reliable. \$5,000 to cover Hazard Mitigation Plan.

**Research Participation**  
**22**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 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	39,972	39,972	48,803
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	39,972	39,972	48,803

1 Center for Demographic Research at  
Cal State University Fullerton

1

**Met Issues and Special Projects**  
23

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	544,550	497,802	536,677
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	155,794	147,381	158,822
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	207,500	170,509	205,000
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	907,844	815,692	900,499

**Government Affairs**  
**31**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	136,892	100,924	211,427
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	43,903	36,974	71,363
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	275,000	263,000	344,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	420	420	420
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	23,320	15,888	22,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	479,535	417,206	649,210

1	• BB&K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 8,000
	• Lewis Consulting	\$ 39,000
	• Ackerman	\$ 30,000
		<u>\$ 263,000</u>

2	• BB & K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 10,000
	• Lewis Consulting	\$ 42,000
	• Ackerman	\$ 36,000
	• Grant Research & Acquisition	\$ 70,000
		<u>\$ 344,000</u>

3	• Legislative Outreach & Briefings	\$ 7,000
	• Legislative Staff Trip Travel Costs	\$ 10,000
	• WACO	\$ 5,000
		<u>\$ 22,000</u>

**Public Affairs**  
**32**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	250,473	237,379	320,239	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	69,965	69,373	97,288	
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	191,178	101,400	199,178	1
7047	Prof Service-Grant Recovery				
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	26,805	22,500	23,055	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	33,250	17,221	37,250	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	<b>571,671</b>	<b>447,873</b>	<b>677,010</b>	

1 Public Affairs Activities:

• Resolutions	\$ 2,000
• Member Agency Workshops PAW	\$ 7,000
• Consumer Confidence Reports	\$ 34,178
• Website Hosting & Maintenance	\$ 8,000
• Event Registration Fees	\$ 2,500
• PAW meeting materials	\$ 1,500
• High School Program	\$ 64,000
<b>Subtotal</b>	<b>\$ 119,178</b>

Communications Plan Activities:

• Advertising	\$ 20,000
• CA Water Fix PSA Campaign	\$ 60,000
<b>Subtotal</b>	<b>\$ 80,000</b>
	<b>\$ 199,178</b>

2

• Promo Attire	\$ 3,000
• Promotional Items	\$ 14,555
• Poster Slogan Award & Ceremony	5,500
	\$ 23,055

3

• Ricki Maint and Repair	\$ 2,750
• Children's Water Festival Sponsorship	\$ 3,500
• Industry Events	\$ 5,000
• Event Display Materials	\$ 2,500
• Speaker Recognition	\$ 500
• Wyland Mayor's Challenge	\$ 10,000
• Scouting Programs	\$ 8,000
• Sponsorship Contingency Fund	5,000
	\$ 37,250

**Water Use Efficiency  
(Core)  
35**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	91,137	91,742	93,037
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	25,971	33,960	27,344
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	38,000	33,000	275,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	16,131	20,134	22,605
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	171,239	178,835	417,986

1 • General Research	\$ 75,000
• Landscape Education and Outreach Program	\$ 50,000
• Water Loss Control Work Grp	\$ 50,000
• Leak Detection Equipment	100,000
	<u>\$275,000</u>
2 • CUWCC Dues	\$ 12,009
• South O.C. Watershed Mngmt Area Dues	\$ 9,096
• OC CLCA	\$ 1,500
	<u>\$ 22,605</u>



**General Finance**  
**41**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	294,702	287,534	304,554
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	86,958	87,779	91,553
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	24,000	18,437	40,000
7040	Other Professional Fees	115,000	25,000	115,000
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	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	600	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	521,660	419,350	552,106

1 • Custodial Bank fees	\$ 3,000
• Financial Consulting	\$ 112,000
	<hr/> \$ 115,000

1

**Information Technology**  
**45**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	98,096	98,618	102,221	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	35,776	36,773	38,017	
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 • Misc repairs, maint & components
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				3 • Email Management Support \$ 5,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Financial Management System \$ 23,773
7330	Office Supplies				• Cisco Smartnet support \$ 3,300
7340	Postal / Mail Delivery				• Misc NAV development \$ 2,000
7350	Subscriptions / Books				• Jet Reports support \$ 1,521
7360	Reproduction Expense				• Blythco ABRA \$ 900
7410	Computer & Peripherals Maint	10,000	9,950	10,000	1 • ECS Laserfiche Annual Support \$ 9,100
7430	Software Purchase	31,300	31,110	40,560	2 • JMP Software Maintenance \$ 960
7440	Software Support	46,000	45,110	48,894	3 \$ 48,894
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment	32,500	31,490	33,050	4 • 1 iPad/Surface Pro \$ 1,000
7580	Maintenance Expense				• 5 desktop computers w/ 9 monitors \$ 5,000
7610	Automotive / Mileage				• 2 Cisco Switches and 1 Router \$ 7,700
7615	Toll Road Charges				• RICOH color printer support \$ 350
7620	Insurance Expense				• 2 UPS for Server Room \$ 5,500
7640	Utilities - Telephone				• Data Server \$ 13,500
7650	Bank Fees				
7670	Miscellaneous Expenses	3,000	2,990	3,000	5 \$ 33,050
8410	Overhead Reimbursement				
8610	Depreciation Expense				5 • Misc supplies \$ 1,700
8710	Election Expenses				• MWDOC Website \$ 1,200
8810	Capital Acquisition	29,000	29,000		• Amazon Prime Membership \$ 100
	<b>Total Expenditure</b>	285,672	285,042	275,742	\$ 3,000

**Water Use Efficiency  
(choice)  
62**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4215	Choice Revenue	928,797	928,798	615,480
4705	Prior Year Carry over			219,626
	Choice billing over/under		(228,792)	
	<b>Total Revenue</b>	928,797	700,006	835,106

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2017 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	475,474	366,026	415,020
6012	Salaries & Wages - Recovery from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWD			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,895	106,988	123,678
	Overhead Reimbursement	184,114	131,661	146,916
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	168,914	116,397	165,972
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery		2,821	800
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	928,797	700,006	835,106

1 Recovery from WUE Grants for some Salaries and Benefits:

• USBR (8119)	\$ 9,179
• Comprehensive Landscape (9109)	\$ 9,600
• DWR Strategic Turf - So. Cnty (9111)	\$ 4,500
	<u>\$ 23,279</u>

2 • Marketing of WUE programs	\$ 40,000
• Landscape Budget Reports	\$ 50,000
• CSANS & Base Schedule Calculator Web	\$ 14,400
• Turf Rebate Processing Platform - Droplet	\$ 39,072
• Drip Rebate Processing Platform - Droplet	\$ 6,000
• E-Signature	\$ 16,500
	<u>\$ 165,972</u>

**School Program  
(choice)  
63**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4215	Choice Revenue	288,691	290,425	291,915
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry over			2,427
	Choice billing over/under		(2,427)	
	<b>Total Revenue</b>	358,691	357,998	364,342

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2017 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	9,505	9,085	12,925
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	3,069	3,491	3,433
	Overhead Reimbursement	3,128	2,432	4,994
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 - School Programs	335,489	335,489	335,489
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
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	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,500	7,500	7,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	358,691	357,998	364,342

- 1 • Assemblies: FY17-18  
Goal is 60,000 students  
• High School Program

- 2 • Demonstration supplies including new Ricki Pencils and Stickers for education presentation

**Poseidon Desal  
(choice)  
65**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4215	Choice Revenue			
4705	Prior Year Carry over	44,416		
	Choice billing over/under		-	
	<b>Total Revenue</b>	44,416	-	-

MWDOC is planning on returning the carried over \$44,416 to the agencies it belongs to.

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	-
	Overhead Reimbursement		-	-
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	44,416		
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	44,416	-	-

No more expenses are foreseen at this time

**Public Affairs  
(choice)  
67**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4215	Choice Revenue	277,301	68,725	21,464
4705	Prior Year Carry over			(21,464)
	Choice billing over/under		21,464	
	<b>Total Revenue</b>	277,301	90,189	-

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2017 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	16,526	11,782	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	4,305	3,315	-
	Overhead Reimbursement	6,470	4,367	-
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	250,000	70,725	1
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	277,301	90,189	-

1 • OC Register Value of Water Page

**WEROC**  
**25**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	150,390	150,390	179,217
4210	WEROC Contracts	150,390	150,390	179,216
	Capital Reserve Contribution		28,692	843
	Grants		4,304	
4205				
4230	Reimbursements			
4240				
4410				
4805				
	<b>Total Revenue</b>	300,780	333,776	359,277

1 • OCSD \$ 35,127  
 • SOCWA \$ 13,620  
 • OCWD \$ 89,608  
 • 3 Cities -- \$13,620 ea \$ 40,861  
 \$ 179,216

2 • WEROC Reserves

MWDOC Contribution to Capital Improvements 234,447  
593,724

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	168,740	148,086	197,354
6012	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	58,513	55,793	64,892
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	3,000	52,262	30,000
7110	Conference - Employee	2,180	2,221	3,835
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	4,300	4,405	3,900
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	390	320	620
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	20,046	20,046	21,049
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	9,798	1,000
7410	Computer & Peripherals Maint	4,373	4,373	5,805
7430	Software Purchase			
7440	Software Support	7,088	6,750	6,750
7450	Software Development			
7510	Site Maintenance	850	594	710
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	3,000	2,000
7581	Maintenance - Radios	2,000	2,000	2,000
7582	Maintenance - EOC's	3,000	3,000	3,000
7610	Automotive / Mileage	1,700	1,000	1,700
7615	Toll Road Charges	100	100	100
7620	Insurance Expense	1,500	1,500	1,500
7640	Utilities - Telephone	9,000	7,528	7,218
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
7671	Miscellaneous Training	2,000	2,000	3,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	293,780	326,776	358,434
	Capital Improvements			235,290
	Contribution to Operating Reserves	7,000	7,000	
		300,780	333,776	593,724

3 Exhibit J

4 Catalina Repeater (5% increase)

5 Updated WEROC Map Printing

**AMP Proceeds Agreement Administration**  
**61**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4020	Interest Revenue	-		-
4050	O & M Maintenance Deposit	-	-	-
4230	Reimbursement	19,505	19,505	19,505
4680	Miscellaneous Income	-		-
	Billing over/under		(19,505)	3,448
	<b>Total Revenue</b>	19,505	-	22,953

Participating Member agencies will be billed annually per the AMP sales admin agreement to cover legal and audit expenses.

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,626	-	6,403
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	879	-	1,548
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	15,000		15,000
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	Computers and Equipment			
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			
	<b>Total Expenditure</b>	19,505	-	22,952



## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2017-2018

	Budget	Projected	Budget	Approval included in
	FY 2016-2017	FY 2016-2017	FY 2017-2018	Budget Approval
		Actuals		
<b>Required Participation or Service</b>				
LAFCO	25,000	25,101	25,101	√
<b>Subtotal Cost Center 11</b>	25,000	25,101	25,101	
Association. of Calif. Water Agencies (ACWA)	18,000	17,484	18,000	√
<b>Subtotal Cost Center 12</b>	18,000	17,484	18,000	
South OC Watershed Management Area Dues	6,625	6,625	9,096	√
<b>Subtotal Cost Center 35</b>	6,625	6,625	9,096	
<b>Subtotal - Required Participation or Service</b>	<b>\$ 49,625</b>	<b>\$ 49,210</b>	<b>\$ 52,197</b>	
<b>Elective Participation</b>				
Colorado River Water Users Assn. (CRWUA 2-Director's)	40	40	40	√
<b>Subtotal Cost Center 11</b>	40	40	40	
Association of California Cities- Orange County (ACCOC)	\$ 5,000	\$ 5,000	\$ 5,000	√
American Water Works Association (AWWA)	1,550	1,589	1,589	√
Association of Metropolitan Water Agencies (AMWA)	17,000	17,645	17,645	√
CA Chamber of Commerce (HR California)	499	459	499	√
CALDESAL	5,000	5,000	5,000	√
California Municipal Treasurers Association (CMTA)	155	155	155	√
California Society of Municipal Finance Officers (CSMFO)	125	110	125	√
CA Special Districts Assn. (CSDA)	6,100	6,485	6,485	√
Colorado River Water Users Assn. (CRWUA 3-staff)	60	30	60	√
Government Finance Officers Association (GFOA)	165	165	165	√
Indep. Special Districts of Or. Co. (ISDOC)	200	200	200	√
International Personnel Management Association	105	105	105	√
California Ass. Of Public Information Officers (CAPIO)			250	√
Municipal Information Systems Association of California (MISAC)	200	200	200	√
National Water Resources Assn., Mun. Caucus	500	500	500	√
Orange County Business Council (OC Chamber)	5,000	5,000	5,000	√
Orange County Public Affairs Association	200	200	200	√
California Council for Environmental & Economic Balance	29,500	24,500	29,500	√
Orange County Water Association (OCWA)	100	100	100	√
Public Agency Risk Managers Asociation (PARMA)	100	100	100	√
Public Relations Society of America/O.C.	300	300	300	√
Society of Human Resources Management (SHRM)	200	190	200	√
Southern California Personnel Management Assoc. (SCPMA)	50	50	50	√
South Orange County Economic Coalition	1,500	1,500	1,500	√
Southern California Water Committee	850	850	850	√
Water Education Foundation	578	578	578	√
<b>Subtotal Cost Center 12</b>	75,037	71,011	76,356	
OC Chapter-Calif. Landscape Contractors Assoc.	1,500	1,500	1,500	√
CA Urban Water Conservation Council Dues	8,006	12,009	12,009	√
<b>Subtotal Cost Center 35</b>	9,506	13,509	13,509	
<b>Subtotal - Elective Participation</b>	<b>\$ 84,543</b>	<b>\$ 84,520</b>	<b>\$ 89,905</b>	

## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2017-2018

	Budget	Projected	Budget	Approval included in
	FY 2016-2017	FY 2016-2017	FY 2017-2018	Budget Approval
		Actuals		
<b>(Exhibit D Continued..)</b>				
International Association of Emergency Managers	\$ 185	\$ 190	\$ 380	√
InfraGard	55	55	55	√
California Emergency Services Association	150	75	185	√
<b>WEROG Program Total</b>	<b>390</b>	<b>320</b>	<b>620</b>	
<b>GRAND TOTAL</b>	<b>\$ 134,558</b>	<b>\$ 134,050</b>	<b>\$ 142,722</b>	

<b>New Memberships for 2017-18</b>				
	Budget	Projected	Budget	Approval included in
	FY 2016-2017	FY 2016-2017	FY 2017-2018	Budget Approval
		Actuals		
<b>Association</b>				
California Assoc. Of Public Information Officers (CAPIO)			250	√
<b>Total of New or Increased Memberships</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250</b>	

# Exhibit E

## MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget <sup>(1)</sup> Fiscal Year 2017-2018

Conference / Meeting	Registration	Travel <sup>(1)</sup>	Approval included in Budget Approval
ACWA - DC Conference (2 staff)	\$ 1,935	\$ 7,500	✓
- Fall Conference, Anaheim (7 staff)	5,075	700	✓
- Spring Conference, Northern California (4 staff)	2,900	5,000	✓
- Legislative Symposium (1 staff)	275	650	✓
ACC-OCBC Legislative Advocacy Trip - Sacramento (2 staff)	1,900	1,200	✓
ACC-OCBC Legislative Advocacy Trip - Washington DC (1 staff)	1,785	900	✓
ACWA Region 10 (2 Staff)	100	200	✓
Assoc. of Metrop. Water Agencies Misc. Conference (AMWA) (1 staff)	1,600	2,500	✓
Assoc. of Metrop. Water Agencies Exec. Conference, St. Simons, Georgia (AMWA) (1 staff)	1,600	2,500	✓
Assoc. of Metrop. Water Agencies Water Policy Conference, DC (AMWA) (1 staff)	1,600	2,500	✓
AWWA Cal Nevada & National Conf, Reno, Nevada (3 Staff)	1,500	3,000	✓
AWWA Cal Nevada & National Conf, Spring, Northern Calif. (3 Staff)	1,500	3,000	✓
AWWA ACE Annual Conference, Las Vegas, Nevada (2 staff)	1,600	3,000	✓
Bond Buyers Conference (1 Staff)	200	-	✓
California Dept. of Water Resources (USC & ITP) (1 staff)	-	600	✓
Calif. Soc. of Mun. Finance Officers (2 staff)	200	400	✓
Cal Desal Conference (1 staff)	250	800	✓
CRWUA, Las Vegas - Fall (3 staff)	1,485	3,750	✓
CSDA Annual Conference (2 staff)	1,200	2,000	✓
CSDA Legislative Days (2 staff)	400	1,200	✓
California Council for Environmental & Economic Balance (6 Trips)	1,200	5,000	✓
CUWCC Board Plenary & Committee Meetings (13 meetings)	-	6,500	✓
DWR Stakeholder Meetings (4 trips)	-	1,600	✓
Gov. Finance Officers Assoc. Seminar (1 staff)	200	400	✓
Information Technology Seminar (2 staff)	500	1,000	✓
Irrigation Association Annual Conference, Orlando Florida (1 staff)	400	1,000	✓
Liebert Cassidy & Whitmore Employment Law Conference (2 Staff)	950	-	✓
Sacramento Legislative Advocacy (18 trips)	-	10,500	✓
Urban Water Institute Annual Conference, San Diego (3 Staff)	1,125	3,000	✓
Urban Water Institute Spring Conference, Palm Springs (3 Staff)	1,125	3,000	✓
Washington Legislative Advocacy (6 trips)	-	10,800	✓
North American Water Loss Conference (1 staff), San Diego	300	500	New
Water Smart Innovations, Las Vegas Nevada (2 Staff)	800	1,800	✓
Miscellaneous*	2,000	2,500	✓
<b>General Fund Total **</b>	<b>\$ 35,705</b>	<b>\$ 89,000</b>	
International Assoc. of Emergency Managers (Long Beach) (2 Staff)	\$ 1,600	\$ -	✓
California State Training Institute (1 WEROC staff)	600	1,500	✓
Enhanced Incident Management / Unified Command (MGT 314) ***	0	0	New
American Red Cross Disaster Academy	135		✓
California Emergency Services Association (2 staff)	1,500	2,400	✓
<b>WEROC Program Total</b>	<b>\$ 3,835</b>	<b>\$ 3,900</b>	
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 35,705</b>	<b>\$ 89,000</b>	

\* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, Misc. Assoc/Committee meetings and related business meeting expenses.

\*\* Excludes automotive mileage.

\*\*\* Fully grant funded program for registration, travel and all costs.

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

## Exhibit F

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2017-2018

Conference	Registration	Travel (1)	Approval included in Budget Approval
ACC-OCBC Legislative Advocacy Trip - Sacramento	\$ 950	\$ 600	√
ACC-OCBC Legislative Advocacy Trip - Washington DC	\$ 1,785	\$ 900	√
ACWA DC Conference (2 Directors)	\$ 1,935	\$ 7,500	√
ACWA Fall Conference, Anaheim (3 Directors)	\$ 2,175	\$ 500	√
ACWA Spring Conference, Northern Calif. (3 Directors)	\$ 2,175	\$ 3,750	√
ACWA Region 10 (2 Directors)	\$ 100	\$ 200	√
Bond Buyers Conference (2 Directors)	\$ 400	\$ -	√
CRWUA Fall Conf, Las Vegas (2 Directors)	\$ 990	\$ 2,500	√
CSDA Annual Conference (1 Director)	\$ 600	\$ 1,000	√
CSDA Legislative Day (1 Director)	\$ 200	\$ 600	√
California Council for Environmental & Economic Balance (6 Trips)	\$ 1,200	\$ 5,000	√
Sacramento Legislative Advocacy (8 Trips)	-	\$ 4,600	√
Washington DC Legislative Advocacy ( 6 trips)	-	\$ 10,800	√
Urban Water Institute Annual Conference, San Diego (2 Directors)	750	\$ 2,000	√
Urban Water Institute Spring Conference, Palm Desert (2 Directors)	750	\$ 2,000	
Miscellaneous*	\$ 1,200	\$ 1,400	√
<b>TOTAL**</b>	<b>\$ 15,210</b>	<b>\$ 43,350</b>	
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 15,210</b>	<b>\$ 43,350</b>	

\* Includes OCWA lunch meetings, ISDOC, OCBC, SCWC, League of Cities, 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.

## Exhibit H

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Schedule of Capital Expenditures Fiscal Year 2017-2018

	<b>Proposed Budget</b>	<b>Approval included in Budget Approval</b>
<b>Furniture and Fixtures- 19-8810:</b>		
Office Furniture	212,000	√
Entrance Area Displays	25,000	√
Vault File Cabinets	12,500	√
<b>Subtotal Cost Center 19</b>	<b>249,500</b>	
<b>Total Capital Expenditures</b>	<b>\$ 249,500</b>	

**Exhibit J**  
**Professional / Special Services Authorized**  
**Core Fund**

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Engineering Expenses</b>					
<b>Planning &amp; Operation (21)</b>	(To be determined)	Various Engineering/Technical Services	197,500	155,000	
<b>Met Issues &amp; Special Projects (23)</b>	Ed Means Consulting	Consulting on MET issues	50,000	50,000	✓
	(To be determined)	MET and Reliability Planning	157,500	155,000	
<b>Total Engineering Expenses</b>			<b>405,000</b>	<b>360,000</b>	
<b>Legal Expenses</b>					
<b>Administration (11 &amp; 13)</b>	Best, Best & Krieger	General Legal Counsel Services	260,000	195,000	✓
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	25,000	25,000	✓
	Best, Best & Krieger	Labor Counsel Services	35,000	30,000	✓
<b>Total Legal Expenses</b>			<b>320,000</b>	<b>250,000</b>	
<b>Audit Expenses</b>					
<b>Finance (41)</b>	(To be determined)	Annual Financial Audit and Federal Single Audit	24,000	40,000	
<b>Training</b>					
<b>Administration (13)</b>	TBD/Cal State University Fullerton Leadership	Staff Development/Training/indiv. Employee training	12,000	10,000	✓
<b>Building Expense</b>					
<b>Overhead (19)</b>	(To be determined)	Bldg Improvements - Eval / Design / Space Planning /Architect/Construction Mgmt. Costs		100,000	
<b>Professional Fees</b>					
<b>Administration (12 &amp; 13 &amp; 19)</b>	Dissinger Associates	Pension Plan Administration	4,200	4,500	✓
	(To be determined)	Evaluate fund portfolios for 401 and 457 Plans	7,500	9,000	
	Wage Works	Cafeteria Plan Administration	1,900	2,000	✓
	(To be determined)	Scanning services staffing	48,000		
	(To be determined)	Benchmark Study		40,000	
<b>Governmental Affairs (31)</b>	Gladwell Services	Records Management Consulting	24,900	5,000	✓
	BBK Legislation	State Legislative Advocate	94,000	90,000	✓
	James C. Barker	Federal Legislative Advocate	94,000	96,000	✓
	Lewis Consulting	County Issues Consulting	48,000	42,000	✓
	(To be determined)	Grant Research and Acquisition Assistance		70,000	
<b>Public Affairs (32)</b>	Ackerman	Legal and Regulatory	36,000	36,000	✓
	(To be determined)	Miscellaneous	3,000	10,000	
	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	34,178	34,178	✓
	(To be determined)	Public Outreach	2,000		
	(To be determined)	Collateral materials update and resolutions	5,000	2,000	
<b>WUE - Core (35)</b>	(To be determined)	Event Registration Fees	2,500	2,500	
	(To be determined)	PAW Meeting Materials	2,500	1,500	
	(To be determined)	Client Agency Workshops for PAW	15,000	7,000	
	(To be determined)	CA Water Fix PSA Campaign		60,000	
	(To be determined)	Surveys - Phone and IPSO	35,000		
<b>Finance &amp; IT (41 &amp; 45)</b>	(To be determined)	Advertising	20,000	20,000	
	(To be determined)	Core High School Program	15,000	64,000	
	(To be determined)	Website updates and Maintenance	60,000	8,000	
	(To be determined)	General WUE Research		75,000	
	(To be determined)	Landscape Education and Outreach Program		50,000	
<b>WUE - Core (35)</b>	Water Systems Optimization	Water Loss Control Work Grp	33,000	50,000	✓
	(To be determined)	Leak Detection Equipment		100,000	
	Gilbert & Associates	Project Audit	5,000		✓
	Union Bank	Custodial Bank fees	3,000	3,000	✓
	(To be determined)	Financial Consulting	112,000	112,000	
<b>Total Professional Fees</b>			<b>705,678</b>	<b>1,068,678</b>	

**WEROC**

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>WEROC (25)</b>	(To be determined)	SEOC Space Planning		15,000	
	(To be determined)	SEOC Seismic Retrofit		30,000	
	(To be determined)	New Radio System OC Sheriff's Dept		180,000	
	(To be determined)	Exercise Consultant		30,000	
<b>Total Professional Fees</b>			<b>-</b>	<b>255,000</b>	

**Trustee Activities**

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Legal Expenses</b>					
<b>AMP Administration (61)</b>	Best, Best & Krieger	AMP Administration, 1996 COPS	15,000	15,000	✓

\* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

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

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>Water Use Efficiency (62)</b>	Various Printers	Printing of marketing materials for all WUE programs	50,000	40,000	√
	(To be determined)	CSANS & Base Schedule Calculator Web		14,400	
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	66,514	45,072	√
	Droplet	E-Signature		16,500	√
	(To be determined)	Water Smart Landscape Budget Reports	50,000	50,000	
	Enterprise Information Systems	California Sprinkler Adjustment Program (Web Hosting)	2,400		√
<b>Public Affairs (67)</b>	(To be determined)	Communications Plan	250,000		√
<b>Poseidon Desal (65)</b>	(To be determined)	(To be determined)	44,162		
<b>School Program (63)</b>	Discovery Science Center	Assemblies (Grades 1-6)	253,089	253,089	√
	(To be determined)	Assemblies (Grades 9-12)	82,400	82,400	
<b>Total Professional Fees</b>			<b>798,565</b>	<b>501,461</b>	

\* Approval of the budget constitutes authorization for spending within the policy guidelines set out in Chapter 8, Contracts section of the Administrative code including authorization limitations. A check mark indicates final board approval of the expenditure.

Municipal Water District of Orange County  
Fiscal Year 2016-2017 Consolidated Budget Summary

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI <sup>1</sup>	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>2</sup>	Consolidated Budget Total
<b>Revenues:</b>									
Water Sales		\$ 155,822,443					\$ 155,822,443		\$ 155,822,443
Local Resource Program Incentives		\$ (16,071,858)					\$ (16,071,858)		\$ (16,071,858)
Retail Meter Charge	6,786,865						6,786,865		6,786,865
Ground Water Customer Charge	392,666						392,666		392,666
Water Increment Charge	-						-		-
Interest Revenue	123,000	4,800					127,800		127,800
MWDOC's Contribution			49,000	150,390			199,390	(199,390)	-
Outside Fundings			4,214,738	150,390	19,505	4,746	4,389,379		4,389,379
Carryover Funds	-			(0)			(0)		(0)
Choice Revenue	1,609,205						1,609,205		1,609,205
Miscellaneous Income	3,000						3,000		3,000
<b>Total Revenues</b>	<b>8,914,735</b>	<b>139,755,385</b>	<b>4,263,738</b>	<b>300,780</b>	<b>19,505</b>	<b>4,746</b>	<b>153,258,889</b>	<b>(199,390)</b>	<b>153,059,499</b>
<b>Expenses:</b>									
Water Purchases		139,750,585					139,750,585		139,750,585
Salaries & Wages	3,444,620			168,740	3,626		3,616,986		3,616,986
less S & W Reimb. DSC or Recov from Grants	(31,600)						(31,600)		(31,600)
Employee Benefits	1,073,408			58,513	879		1,132,800		1,132,800
Engineering Expense	405,000						405,000		405,000
Professional Fees	1,496,997			3,000			5,763,735	(49,000)	5,714,735
Election Expense (annualized)	592,000						592,000		592,000
Legal Expense - General	320,000			-	15,000		335,000		335,000
Maintenance Expense	134,185			4,850			139,035		139,035
Insurance Expense	90,000			1,500			91,500		91,500
Membership / Sponsorship	134,458			390			134,848		134,848
Director Compensation	231,937						231,937		231,937
MWDOC Contribution to WEROC							150,390	(150,390)	-
MWDOC Contribution to Desalination							-		-
RPOI Distribution to Member Agencies						4,746	4,746		4,746
<b>Others:</b>									
MWD Representation	132,535						132,535		132,535
Director Benefits	66,297						66,297		66,297
Health Insurance Coverage for Retirees	50,326				-		50,326		50,326
Audit Expense	24,000				-		24,000		24,000
Automotive & Toll Road Expenses	14,928			1,800			16,728		16,728
Conference Expense - Staff	22,125			2,180			24,305		24,305
Conference Expense - Directors	10,725						10,725		10,725
CDR Participation	39,972						39,972		39,972
Business Expense	6,000						6,000		6,000
Miscellaneous Expense	124,520			6,000	-		130,520		130,520
Postage / Mail Delivery	11,400						11,400		11,400
Rents & Leases	7,000			20,046			27,046		27,046
Outside Printing, Subscription & Books	38,225			1,000			39,225		39,225
Office Supplies	38,280			1,000			39,280		39,280
Computer Maintenance	10,000			4,373			14,373		14,373
Software Support & Expense	77,300			7,087			84,387		84,387
Computers and Equipment	32,500			-			32,500		32,500
Telecommunications Expense	19,200			9,000			28,200		28,200
Temporary Help Expense	-						-		-
Training Expense	12,000						12,000		12,000
Tuition Reimbursement	5,000						5,000		5,000
Travel & Accommodations - Staff	71,130			4,300			75,430		75,430
Travel & Accommodations - Directors	38,250						38,250		38,250
MWDOC Building Expense	495,000						495,000		495,000
WEROC Sinking Fund Expense (generator & radios)				7,000			7,000		7,000
Capital Acquisition	62,500						62,500		62,500
All Other Expenses	1,409,213	-	-	63,786	-	-	1,472,999	-	1,472,999
<b>Total Expenses</b>	<b>9,450,608</b>	<b>139,750,585</b>	<b>4,263,738</b>	<b>300,780</b>	<b>19,505</b>	<b>4,746</b>	<b>153,769,962</b>	<b>(199,390)</b>	<b>153,570,572</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ (535,873)</b>	<b>\$ 4,800<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (531,073)</b>	<b>\$ -</b>	<b>\$ (531,072)</b>

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 interest revenue.



Municipal Water District of Orange County  
Fiscal Year 2017-2018 Consolidated Budget Summary

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>1</sup>	Consolidated Budget Total
<b>Revenues:</b>								
Water Sales		\$ 185,673,707				\$ 185,673,707		\$ 185,673,707
Local Resource Program Incentives		(16,574,748)				(16,574,748)		(16,574,748)
Retail Meter Charge	7,248,376					7,248,376		7,248,376
Ground Water Customer Charge	435,050					435,050		435,050
Water Increment Charge	-					-		-
Interest Revenue	150,000	9,400				159,400		159,400
MWDOC's Contribution			49,000	413,664		462,664	(462,664)	-
Outside Fundings			4,214,738	179,216	22,953	4,416,907		4,416,907
Carryover Funds	-			843		843		843
Choice Revenue	1,199,448					1,199,448		1,199,448
Miscellaneous Income	3,000					3,000		3,000
<b>Total Revenues</b>	<b>9,035,874</b>	<b>169,106,359</b>	<b>4,263,738</b>	<b>593,724</b>	<b>22,953</b>	<b>183,024,648</b>	<b>(462,664)</b>	<b>182,561,984</b>
<b>Expenses:</b>								
Water Purchases		169,098,959				169,098,959		169,098,959
Salaries & Wages	3,668,138			197,354	6,403	3,871,895		3,871,895
less S & W Reimb. DSC or Recov from Grants	(23,279)					(23,279)		(23,279)
Employee Benefits	1,088,713			64,892	1,548	1,155,154		1,155,154
Engineering Expense	360,000					360,000		360,000
Professional Fees	1,495,139			30,000		5,788,877	(49,000)	5,739,877
Election Expense (annualized)	-					-		-
Legal Expense - General	250,000			-	15,000	285,000		285,000
Maintenance Expense	134,500			4,710		139,210		139,210
Insurance Expense	110,250			1,500		111,750		111,750
Membership / Sponsorship	142,102			620		142,722		142,722
Director Compensation	243,197					243,197		243,197
MWDOC Contribution to WEROC Operations	179,217					179,217	(179,217)	-
MWDOC Contribution to WEROC Capital Improv	234,447					234,447	(234,447)	-
RPOI Distribution to Member Agencies						-		-
<b>Others:</b>								
MWD Representation	138,969					138,969		138,969
Director Benefits	81,728					81,728		81,728
Health Insurance Coverage for Retirees	59,554			-		59,554		59,554
Audit Expense	40,000			-		40,000		40,000
Automotive & Toll Road Expenses	17,400			1,800		19,200		19,200
Conference Expense - Staff	35,705			3,835		39,540		39,540
Conference Expense - Directors	15,210					15,210		15,210
CDR Participation	48,803					48,803		48,803
Business Expense	5,200					5,200		5,200
Miscellaneous Expense	133,150			7,000		140,150		140,150
Postage / Mail Delivery	10,500					10,500		10,500
Rents & Leases	8,400			21,049		29,449		29,449
Outside Printing, Subscription & Books	28,775			1,000		29,775		29,775
Office Supplies	35,580			1,000		36,580		36,580
Computer Maintenance	10,000			5,805		15,805		15,805
Software Support & Expense	89,454			6,750		96,204		96,204
Computers and Equipment	33,050			-		33,050		33,050
Telecommunications Expense	21,300			7,218		28,518		28,518
Temporary Help Expense	5,000					5,000		5,000
Training Expense	10,000					10,000		10,000
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	89,000			3,900		92,900		92,900
Travel & Accommodations - Directors	43,350					43,350		43,350
MWDOC Building Expense	356,400					356,400		356,400
WEROC Sinking Fund Expense (generator & radios)				234,447		234,447		234,447
Capital Acquisition	249,500					249,500		249,500
All Other Expenses	1,571,028	-	-	293,804	-	1,864,832	-	1,864,832
<b>Total Expenses</b>	<b>9,453,452</b>	<b>169,098,959</b>	<b>4,263,738</b>	<b>592,881</b>	<b>22,952</b>	<b>183,431,981</b>	<b>(462,664)</b>	<b>182,969,317</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ (417,578)</b>	<b>\$ 9,400 <sup>2</sup></b>	<b>\$ -</b>	<b>\$ 843</b>	<b>\$ 1</b>	<b>\$ (407,333)</b>	<b>\$ -</b>	<b>\$ (407,333)</b>

1 Adjustment for MWDOC's contributions to other funds.  
2 Net change to restricted reserves for interest revenue.



**DISCUSSION ITEM**

April 12, 2017

**TO: Board of Directors**

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

**Robert Hunter  
General Manager**

**Staff Contact: Hilary Chumpitazi**

**SUBJECT: MWDOC RESERVE POLICY & PFM MEMO REPORT**

**STAFF RECOMMENDATION**

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Staff recommends the A&F Committee, Board of Directors, Member Agencies and the public review, discuss and provide input and comments.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**UPDATED SUMMARY**

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The reserve policy and memo was discussed at the March A&F meeting as well as at the Member Agency Manager's meeting and with the boards of some Member Agencies. One written comment has been received from the Santa Margarita Water District.

In general there is support for and little concern with changing to the "cash days" method for establishing reserve targets.

There appeared to be recognition of the possible need for a limited project reserve for projects that would require quick or immediate actions. The example most often cited was water purchases. This might be in the \$5-10 million range and be accumulated over a period of years. There was a fairly consistent consensus that larger or slower developing projects should go through a development process whereby the project is identified and potential financing arrangements would be discussed prior to accumulating a reserve fund.

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

## SUMMARY (3-8-17)

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MWDOC retained PFM Financial Advisors LLC (PFM) to review the current reserve policy based on best practices and guidelines and evaluate different reserve requirements under different funding mechanisms for different size potential projects. PFM recommends that (1) MWDOC change the reserve policy to reflect a range of reserve targets based on a days of operating expense basis and (2) if the MWDOC Board of Directors did decide to begin accumulating a reserve for potential projects that a reasonable range for that reserve would be \$5 million to \$10 million. MWDOC's existing reserve levels are within the range recommended by PFM.

## DETAILED REPORT

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The current MWDOC reserve policy, as codified in the Administrative Code, is based on the negotiated terms of the 2011 Settlement Agreement (now expired). Operational conditions over the last few years necessitated a number of variances from the originally established reserve targets and prompted a comprehensive review of the policy. Essentially there are three questions under discussion related to the reserves:

1. Based on MWDOC's current operation, what are the appropriate reserves based on industry best practices and guidelines?
2. If MWDOC were to become involved in any of a range of different projects then what would the implications be to necessary reserves? Projects might range significantly in costs and operational requirements?
3. Should MWDOC plan to initiate or participate in any portion of this set of potential projects and if so then what actions should be taken to prepare financially?

MWDOC contracted with PFM Financial Advisors LLC (PFM) to address questions #1 and #2. PFM was not engaged to address question #3 and therefore the issue is not addressed in their report memo (attached). Question #3 is intended as a point of active discussion within the Board of Directors and with the MWDOC Member Agencies and public. Final resolution of Question #3 may ultimately depend upon the details of a specific project. One of the reasons it has been raised is to discuss whether any preparatory actions are required prior to the consideration of a specific project. As illustrated under Question #2, varying amounts of capital reserves would be necessary for different size projects and different financing mechanisms. However, all would require a capital fund. If that is a MWDOC fund it would need to be developed over a period of years. One of the questions then becomes should MWDOC begin accumulating a reserve fund of some size (e.g., \$5 million) in preparation for some investment (e.g., water purchase).

The MWDOC reserve fund balance has varied considerably over time and was \$8.8 million in FY1987-1988. These reserves facilitated the \$2.7 million leasehold improvement in FY1991-92 for our current office space, the \$700,000 payment for the 3-Cities detachment in FY1992-93 and the Orange County Bankruptcy loss of \$900,000 in FY1994-95. At that point the reserve fund balance had been reduced to \$4.1 million and was down to \$3.9 million by the end of FY2009-10. On June 16, 2010, as part of the Settlement Agreement discussions, MWDOC adopted a reserve policy establishing the following reserve categories, proposed reserve amounts and adjustment protocols:

<b>MWDOC Proposed Reserves as of June 30, 2010</b>		
<b>Reserve Category</b>	<b>Proposed Amount</b>	<b>Adjustment Protocol</b>
General Reserve	\$1,850,000	Annually for Inflation
Cash Flow Reserve	\$1,000,000	Operational Needs
Election Expense	\$500,000	Previous Election Costs
Building Repair/Replacement	\$350,000	Estimated Cost Schedule
Sub-Total	\$3,700,000	
OPEB Reserve (Trust)	\$500,000	Board Action to Fund

Since the beginning of FY2010-11 adjustments to these reserve amounts have included:

- Inflation adjusted General Reserve is now approximately \$2,104,000.
- Operational demands required the Cash Flow to be increased to \$1.5 million.
- Actual Election Expenses (2016) have increased to \$173,859 per election equating to a four year potential expense of \$1.22 million for the seven divisions.
- The office building leasehold improvements occurred more than 25-years ago and repair/replacement costs have been accelerating in recent years.
- The OPEB funding policy has been significantly modified by the MWDOC Board of Directors. The current policy is to completely fund the liability with 85-95% of the funding in an irrevocable trust and the balance in a reserve fund.

PFM discusses a number of aspects of the two study questions. The two major recommendations of their memo are:

1. MWDOC should change the reserve policy to establish reserve targets according to the industry standard metric of “days cash on hand” or “days cash”. Days cash on hand is equal to the amount of reserves divided one day’s worth of operating and maintenance expenses. PFM makes specific recommendations for reserve levels in this format.
2. If MWDOC were to decide to pursue projects then cash reserve funds would be necessary. It is likely that it would take a number of years to accumulate these funds. While different size projects and different funding mechanisms will have different cash and reserve requirements a reasonable or functional project reserve target would be in the \$5 million to \$10 million range,

The PFM memo report is attached.



601 S. Figueroa Street  
Suite 4500  
Los Angeles, CA 90017

Item No.

213-489-4075  
www.pfm.com

March 2, 2017

## MEMORANDUM

To: Municipal Water District of Orange County

From: PFM Financial Advisors

Subject: Reserve Policy Funding Considerations

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PFM Financial Advisors LLC (“PFM”) was asked by the Municipal Water District of Orange County (“MWDOC” or the “District”) to review the District’s existing reserve policy and outline considerations regarding appropriate reserve levels should MWDOC’s activities extend beyond its current programs. This memo provides an assessment of adequate reserve levels for MWDOC should it continue operating primarily as a wholesale, pass-through water agency as well as a framework for assessing reserve levels should MWDOC undertake on-balance sheet projects and purchases. This memo further provides comparative data and rating agency medians in order to provide added context for this discussion.

### **Background**

The Government Finance Officers Association (GFOA) recommends that agencies fund working capital and other reserves to mitigate current and future risks and to ensure stable services and fees. Further – it is recommended that reserve targets and ranges be included in adopted reserve policies.<sup>1</sup> Properly designed reserve policies send a positive signal to water users, investors, and regulatory and credit rating agencies that MWDOC is committed to maintaining fiscal strength, as well as predictable rates for its member agencies. Strong and transparent financial policies, including maintaining prudent reserves for emergencies, rate stability, and working capital are consistent with best practices in the utility industry<sup>2</sup> and are important to MWDOC as they help to:

- Maintain the short-term and long-term financial strength
- Maintain stable rates for member agencies and help ensure manageable rate increases.
- Fund unanticipated cost contingencies.
- Ensure cash exists for the timely payment of bills.
- Provide funding for anticipated projects and programs.

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<sup>1</sup> Government Finance Officers Association, Best Practice – Determining the Appropriate Levels of Working Capital in Enterprise Funds

<sup>2</sup> Water Research Foundation, Defining a Resilient Business Model for Water Utilities, 2014



One common metric used to evaluate and set reserve targets is known as “days cash on hand” or “days cash”. This measures the amount of reserves (typically, unrestricted cash and investments in the reserve fund or funds) available to fund operating expenses. Days cash on hand is equal to the amount of reserves divided by one day’s worth of operating and maintenance expenses.

Since operating expenses vary over time as an agency adjusts activities, programs and initiatives, the absolute amount of reserves needed to meet a target based on days cash on hand will also be adjusted to reflect such changes. For example, if a target of 90 days cash is established, as operating and maintenance expenses increase over time due to inflation, the amount of money needed to be retained in reserve would also increase in order to maintain 90 days cash.

### **Existing Reserve Policy**

MWDOC’s current Reserve Policy describes the following reserve funds and targets:

- Tier 2 Contingency Fund: \$1 million
- General District Operating Reserve: \$1.85 million, target increases with inflation to \$2.1 million today
- Other Post-Employment Benefits Reserve: fund 100% of the actuarial liability, and maintain 85-95% in an irrevocable trust with the balance in a designated account
- Election Expense: up to [\$1.04 million]
- Cash Flow: \$1.5 million
- Building Expense: \$350,000

Each reserve fund is reviewed during the annual budget review process and to the extent that reserve levels deviate from their respective targets, the General Manager will make recommendations to the Board regarding the level of reserves.

As of June 30, 2016, MWDOC had approximately \$5.3 million in available unrestricted cash and investments, including prepayments for water by member agencies. Given budgeted operating and maintenance expenses (not including the pass through costs associated with purchase of water from Metropolitan Water District and grant funded expenses) of \$9.5 million, days cash at June 30, 2016 was equal to 204 days.

### **Reserve Levels Under Existing Operations**

Should MWDOC continue to operate as it currently does, serving primarily as a provider of imported water, PFM suggests that MWDOC maintain reserves consistent with its existing policy, with the following changes. First, it would be appropriate to combine the General District Reserve and Cash Flow Reserve into one Operating/Working Capital Reserve. Second, rather than establishing set targets, it might be appropriate to set reserve targets on the basis of days cash on hand. As such, each year as part of the budget process, MWDOC would revise the amount of money needed to be maintained based on actual operating and maintenance expenses. The existing levels and purposes are consistent with MWDOC’s current needs and operations, including semi-



regular expenses such as district wide elections, and rate stabilization in the event MWDOC is required to purchase Tier 2 water from MWD.

The GFOA recommends that enterprise funds set a working capital reserve target starting with a baseline of 90 days operating expenses in working capital, plus additional funds as necessary to meet specific circumstances. Depending on the specific circumstances, many water agencies have significantly larger reserve balances to account for things like disasters and emergencies, fluctuation in water sales, and unpredictable but foreseeable expenses (e.g., spikes in energy costs).

A minimum target for a working capital reserve would be approximately \$2.3 million or 90 days operating expenses. As noted in the following paragraph, there are additional factors that should be included as MWDOC determines the target for reserves, which would result in reserve targets in excess of 90 days cash on hand.

In particular, specific issues such as the need to fund Tier 2 sales, if sales increase in a given year, would add to the working capital reserve. A reserve of \$1 million for this purpose is appropriate, given MWDOC's current water purchases of approximately \$140 million. Grant and project cash flow needs will fluctuate based on current programs available to MWDOC's member agencies. Maintaining a reserve to smooth the timing of cash flows associated with these programs can be beneficial to member agencies and reserve sizing should be evaluated on a periodic basis as MWD and State and Federal grant programs evolve. For instance, typical repayment cycles for grant programs can extend for 3-6 months. If MWDOC were to receive a \$2 million grant that would pay for one-year's worth of expenditures, but the granting authority would require 3 months to process reimbursement requests, it would be appropriate for MWDOC to increase its working capital reserve by \$500,000. The Election Reserve should be sized to meet anticipated expenditures. The building reserve appears adequate to address ongoing repair and maintenance needs.

As will be discussed in the next section, rating agencies also provide guidance for levels of days cash on hand. Typically, strong AA rated utilities are expected to maintain between 180 and 365 days cash, although many have unrestricted cash and investments that are even greater.

The following summarizes reserve targets under current operations and potential ranges for each reserve:

**Table 1. Reserve Fund Targets in Days Cash on Hand**

Working Capital Reserve (General District Reserve, plus Cash Flow Reserve):	90-180 days (\$2.3 – 4.6 million)
Tier 2 Contingency Fund:	40 days (\$1 million)
Building Expense <sup>(1)</sup>	10-15 days (\$350,000)
Total	125 – 215 days (\$3.6-5.95 million)

<sup>(1)</sup> The Building Expense reserve will be based upon the estimated repairs

The OPEB and Election Reserves are designated and are maintained separately to cover specific liabilities. In particular, the amounts in the OPEB reserve are used to pay for retiree medical benefits.

The above reserve targets and purposes are similar to other water agencies, but as shown in the Appendix, reserve targets and policies can vary greatly by agency, and many have reserve targets well above 90 days cash on hand, and actually maintain unrestricted cash and investments at levels well above 90 days working capital.

### **Reserve Levels Under Expanded Operations**

MWDOC has contemplated developing water resources and/or conveyance projects to support its member agencies water resource needs. The amount of reserves required to ensure market access, affordable financing for capital projects, and financial stability should MWDOC either contract for supplies, issue debt and own and operate facilities, or some combination of these, will increase. But – the actual amount and timing for building those reserves will depend on the actual projects, as well as the institutional relationships to ensure payment for debt service, contract payments, and operating and maintenance expenses.

If MWDOC wishes to pursue additional projects or programs, it is recommended that MWDOC consider funding larger reserves to provide additional stability and flexibility, as well as funding for potential projects such as water or land purchases. If MWDOC were to fund larger capital projects and issuing debt or utilizing some other form of borrowing, MWDOC should consider adding to reserves as described below. The following describes different purposes for reserves, and suggests that MWDOC would fund several different reserves with the balance of reserves in aggregate serving as the policy target.

#### **Operating Reserve/Working Capital Reserve (Existing Reserve)**

As noted above under the current reserve policy, it is recommended that for the operating reserve/working capital reserve MWDOC maintain a minimum of (90 days and a maximum of 180 days of budgeted operating expenses, excluding depreciation expenses. The purpose of the operating reserve/working capital reserve is intended to address the timing issues associated with incurring operating costs and collecting revenues. Such a reserve would also be required as MWDOC executes a larger capital program.

#### **System Critical Failure Reserve (New Reserve)**

MWDOC would also use reserves for unanticipated investments in damaged assets and should consider maintaining a portion of the reserves that is for a single emergency event (e.g. pipeline failure, earthquake). It is recommended that MWDOC build a reserve for system failure (given





that there will now be operating capital assets) equal to 1 percent of Total Depreciable Assets as recorded in the most recent audited financial statements Statement of Net Position.

### **Debt Service Reserve (New Reserve)**

Should MWDOC fund a portion of any project through a potential debt issuance, MWDOC would need to fund a Debt Service Reserve fund. The Debt Service Reserve Fund would typically be funded from bond proceeds at the time of closing. The Debt Service Reserve Fund would be restricted and pledged to payment to bondholders should revenues be insufficient. In addition, MWDOC would fund an annual debt service fund based on the principal and interest payments due in each year. This fund would be typically funded with 1/6 of interest payments each month, plus 1/12<sup>th</sup> of the principal payment due in the year.

### **Capital Improvement Fund (New Reserve)**

Some capital improvements are funded through bond issuances and some through rates. The establishment of a minimum cash reserve level helps to ensure funds exist for timely replacement or construction of assets. It is recommended that MWDOC include 20 percent of the projected five year average of the capital improvement program which is not funded through the issuance of bonds or other external funding source in a capital improvement fund.

Depending upon the type of expenditures that MWDOC anticipates, the amount needed in the Capital Improvement Fund will vary.

Water Purchase. For instance, if MWDOC simply wished to purchase a quantity of water that cost \$5 million, it is likely that MWDOC would cash fund this expenditure. As such, in anticipation of such a purchase, MWDOC would need to build a reserve equal to the anticipated purchase price – and would likely set this reserve level based on anticipated acre-feet needs and the projected price per acre-foot.

Land Purchase. Similarly, depending on the cost of a land purchase (e.g., to acquire water rights), MWDOC could either build up a reserve over time (say 2-3 years) equal to the estimated cost of such acreage or fund a reserve equal to half the cost, and anticipate utilizing a direct loan to fund the balance of the purchase price.

Capital Expansion. Should MWDOC anticipate a major capital project (e.g., pipeline and reservoir or wells) of \$50 to \$60 million, MWDOC's reserve for capital improvements could increase to approximately 10% of the anticipated cost of the facilities. But – this anticipates that MWDOC would be using borrowed monies for the balance – which could come from publicly issued debt or other sources such as the State Revolving Loan Program. In this case, as noted above, MWDOC would also likely need to fund a Debt Service Reserve Fund, which could come from bond proceeds.

## **Relationship between Project Funding Sources and Reserves**

There are many factors that will influence whether future projects are funded using accumulated reserves or through the issuance of bonds in the public market, including an agency's ability to access the public capital markets at an attractive borrowing cost. Beyond the need to be creditworthy, the type of project (e.g. water purchase, land acquisition, long-lived capital infrastructure) and size of the project are two main drivers of the determination whether to finance the project with cash or proceeds from a bond issue. With respect to the nature of the project, major infrastructure assets that are projected to have a long useful life (i.e. greater than 45 years) and larger land acquisitions (\$50 million or more) would be candidates for debt financing, while smaller land purchases (up to \$10 million) would likely be funded with cash and/or accumulated reserves. Intermediate size projects (\$10-\$50 million) may be candidates for a private placement or direct loan from a bank or SRF financing, if available.

It is practical to fund smaller projects with cash and larger projects with bonds in order to minimize transaction costs associated with a financing. For instance, a public market bond sale would incur costs related to (i) legal documents and required legal opinions, (ii) bond rating agencies, (iii) investment bank underwriting, (iv) administration of bond proceeds, (v) financial advisor and other consultant fees, among other expenses. Not surprisingly, transaction-related costs are larger as a percentage of the total financing cost for smaller financings as compared to larger financings.

- \$5 million project may incur issuance costs that would increase the cost of funding by 30-40 basis points over a 30-year period
- \$50 million project might incur issuance costs in the range of 5-7 basis points, also over a 30-year period; while a
- \$200 million project would incur issuance costs in the range of 4-6 basis points

As shown in the examples above, the relationship between issuance costs and transaction size is not linear. For instance, it will cost about the same in percentage terms to issue \$50 million of bonds as it would to issue bonds to fund a \$250 million project. While each project should be evaluated on a standalone basis, general size guidelines would suggest projects less than \$10 million be funded with accumulated cash reserves, while intermediate size projects (~\$10-\$50 million) might be best suited for a combination of cash financing paired with a direct bank loan, private placement, or alternative private-market source of financing. Projects in excess of \$50 million should be considered for SRF and/or bond financing.

As noted above, it is likely that water purchases would be funded with cash (or some other form of short-term financing) regardless of the size of the purchase.

## Reserve Policy Ranges – (Expanded Operations)

MWDOC should target a level of unrestricted reserves equivalent to at least 180 Days Cash, with a minimum of 90 days cash in the Working Capital Reserve. Depending on whether MWDOC is building a reserve to fund a water purchase vs. developing capital projects such as wells and pipelines that it would operate would influence the target level of reserves.

Reserve funds such as the critical failure reserve and debt service reserve fund are not anticipated to be utilized, but will be available as insurance or to fund debt service payments in the event other resources are unavailable (or the last debt service payment in the case of the debt service reserve). The operating reserve/working capital reserve and capital reserve may be used for specific purchases as directed by the Board of Directors during the budget process.

As a result of these ranges, reserves would have minimum and maximums, providing for flexibility. Depending on activity level, maintaining reserves in the range of 180-365 days cash on hand (\$4.7 - \$9.5 million based on the current operating budget) would be consistent with rating agency metrics shown in Table 2.

## Rating Agency Considerations

As noted above, credit rating agencies view liquidity in the form of available reserves as a critical component of their evaluation. Credit ratings are one component of reserve levels. Higher credit ratings result in lower costs of borrowing, thus saving money for MWDOC's member agencies in the long-term (assuming that MWDOC will need to borrow money to fund capital projects).

**Table 2. Rating Agency Metrics**

Rating Agency Cash & Liquidity Metrics			
S&P <sup>1</sup>			
Rating	AAA	AA	A
Days' Cash Level	> 150	90-150	60-90
Actual Available Cash Reserves	> \$75mm	\$20-75mm	\$5-20mm
Moody's Criteria			
Rating	Aaa	Aa	A
Days' Cash Level	> 250	150-250	35-150
Fitch			
Rating Category	Stronger	Midrange	Weaker
Days' Cash Level	> 360	~ 180	< 90

<sup>1</sup> S&P's cash and liquidity assessment evaluates both days' cash and actual available cash reserves.



## APPENDIX

### Other Reserve Policy Examples

Utility Reserve Policy					
Utility	MWDOC	West Basin MWD	Calleguas MWD	Eastern MWD	Upper San Gabriel
Restricted Reserves					
Tier Two Contingency	\$1,000,000				
OPEB	Fully Fund Liability – maintain 85-95% in trust, balance in restricted account				
Standby Charge		Remaining Associated Debt			
Other Restricted Reserves				\$2,000,000	
Unrestricted Reserves					
Cash Flow (Operating Liquidity)	\$1,500,000	180 Days	180 Days	90 Days	90 Days
Operating Contingency		5% of Recycling O&M	32,500 A.F. of Water Purchases from MWD	5% of Total O&M	
Building Expense (R&R)	\$350,000	1% of Depreciable Assets	Annual Requirement determined during Budget Process	\$500,000	
Capital Contingency		10% of 3-Year average capital budget	\$15,000,000		1-2% of Depreciable Assets
Rate Stabilization		1 Year of Water Sales		32% of Annual Water Purchases	180 Days
Other Reserves	\$2,100,000 (inflation adjusted)	5% cash financing for future large scale capital projects		\$2,000,000	



## Comparative Liquidity Metrics

Water Agency	Annual Operating Expense (\$000)	Unrestricted Cash & Investments (\$000)	Actual Days Cash on Hand
Irvine Ranch Water District	\$175,694	\$213,863	444
Moulton Niguel Water District	\$83,838	\$119,119	519
East Orange County Water District	\$6,899	\$8,374	443
Yorba Linda Water District	\$30,468	\$39,676	475
Mesa Water District	\$28,026	\$39,445	514
El Toro Water District	\$20,613	\$14,904	264
Trabuco Canyon Water District	\$7,037	\$7,324	380

Source: FY2016 Comprehensive Annual Financial Reports, except Mesa Water District (FY2015).



**DISCUSSION ITEM**

April 12, 2017

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

**FROM: Robert Hunter, General Manager**

**SUBJECT: COUNTY OF ORANGE – TREASURY OVERSIGHT COMMITTEE**

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee: Discuss whether any of the Board members wish to submit an application to participate in the County's Treasury Oversight Committee.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**SUMMARY**

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At the February 8, 2017 Administration & Finance Committee meeting, Orange County's Treasurer-Tax Collector, Shari Freidenrich updated the Board on the Orange County Investment Pool. At that time, Director Barbre suggested (and the Committee concurred), that the County appoint an outside representative to the Oversight Committee. Ms. Freidenrich agreed, noting that it is important for those who have money invested to be represented on the Oversight Committee. She further advised that applications are open and they'd be honored to have a water district representative on the committee.

Pursuant to that discussion, Ms. Freidenrich sent the attached application for the Treasury Oversight Committee (along with bylaws).

The Executive Committee suggested the Administration & Finance Committee discuss whether a MWDOC Board member would be interested in applying.

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





**OFFICE OF THE  
TREASURER-TAX COLLECTOR**

COUNTY OF ORANGE  
P.O. BOX 4515  
SANTA ANA, CALIFORNIA 92702-4515  
(714) 834-7625 FAX: (714) 834-2912



**SHARI L. FREIDENRICH, CPA**  
TREASURER-TAX COLLECTOR

[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)  
Treasurer@ttc.ocgov.com

February 14, 2017

**RECEIVED**

FEB 17 2017

MWD OF OC

Honorable Jeffery Thomas, Chairman  
Municipal Water District of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708

Dear Honorable Chairman Thomas:

Thank you for inviting us to provide you with an update on your investments in the Orange County Investment Pool. If you or any members have other follow-up questions regarding the Orange County Investment Pool, please feel free to contact us. California Government Code allows County Treasurers to pool investments to take advantage of economies of scale and provide liquidity, both of which benefit local agencies such as yours. As mentioned in the presentation, our focus is ensuring the safety and liquidity of the funds entrusted to us. We have attached a copy of the application for the Treasury Oversight Committee (TOC) position and a copy of the TOC Bylaws and Rules of Procedures. Please forward to your Board and/or other water districts. We would be honored to have district representation on the Committee.

We thank you for investing in our Orange County Investment Pools and for your time on Wednesday. You can reach me by phone at (714) 834-7625 or by email at [Shari.Freidenrich@ttc.ocgov.com](mailto:Shari.Freidenrich@ttc.ocgov.com) if you or your members have questions.

Sincerely,

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
Treasurer-Tax Collector

Attachment: Application to Boards, Commissions and Committees  
TOC Bylaws and Rules of Procedures

cc: Hilary Chumpitazi, Accounting Manager/Treasurer

## Application to Boards, Commissions, and Committees

**Directions:** Please answer each question that applies to you as completely as possible.

**Return completed application to:** Clerk of the Board of Supervisors  
333 W. Santa Ana Blvd Ste. 465  
Santa Ana, CA 92701

1. Name: } Ms. } Mrs. } Mr. \_\_\_\_\_  
First Name Middle Initial Last Name
2. Residence Address: \_\_\_\_\_  
Street Address City State Zip
3. Home Phone Number: ( \_\_\_\_\_ ) \_\_\_\_\_  
Area Code Number
4. How long have you lived at this residence? \_\_\_\_\_ Year(s) \_\_\_\_\_ Month(s)
5. Occupation/Title: \_\_\_\_\_
6. Business Address: \_\_\_\_\_
7. Business Phone Number: ( \_\_\_\_\_ ) \_\_\_\_\_  
Area Code Number
8. Email Address: \_\_\_\_\_
9. Name the Board, Commission, or Committee you are applying for an appointment to:  
\_\_\_\_\_
10. Are you a citizen of the United States? } Yes } No. Name the Country of citizenship: \_\_\_\_\_
11. Are you a registered voter?\* } Yes } No If yes, name County you are registered in: \_\_\_\_\_
12. Name the supervisorial district you live in.\* } First } Second } Third } Fourth } Fifth
13. Employment History: Attach resume to this application.
14. **Educational History: Should be included in resume**
15. List all current professional or community organization and societies of which you are a member
- | <u>Organization/Society</u> | <u>From (mo./yr.)</u> | <u>To (mo./yr.)</u> |
|-----------------------------|-----------------------|---------------------|
| 1. _____                    | _____                 | _____               |
| 2. _____                    | _____                 | _____               |

\*If necessary, call the Clerk of the Board's Office at 714-834-2206 for this information.



16. Within the last five years have you been affiliated with any business or nonprofit agency(ies) } Yes } No

17. Do you own real or personal property or have financial holding which might present a potential conflict of interest? } Yes } No

18. Have you ever been convicted of any federal, state, county or municipal law, regulation or ordinance, excluding minor traffic violations? } Yes } No If yes, please explain \*\*:

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19. Are you currently under federal, state, or local investigation for possible violation of a criminal law or ordinance? } Yes } No If yes, please explain \*\*:

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20. Please briefly explain why you wish to serve on this Board, Committee, or Commission. \*\*

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Applicant's Signature

Signature

Title

Date

\*\*Attach additional sheets if necessary

BYLAWS AND RULES OF PROCEDURES  
OF THE COUNTY OF ORANGE TREASURY OVERSIGHT COMMITTEE

TABLE OF CONTENTS

- I. GENERAL PROVISIONS
- II. MEMBERSHIP, APPOINTMENTS AND QUALIFICATIONS
- III. CHAIR AND VICE CHAIR - POWERS AND DUTIES
- IV. AGENDA, SCHEDULING AND ORDER OF MEETINGS
- V. COMMITTEE AUTHORITY AND OBJECTIVES
- VI. MISCELLANEOUS PROVISIONS

(Approved by B.O.S. on 11/22/2016)

BYLAWS AND RULES OF PROCEDURES  
OF THE COUNTY OF ORANGE TREASURY OVERSIGHT COMMITTEE

I. GENERAL PROVISIONS

Rule 1. The Bylaws and Rules of Procedures (hereinafter "Rules") shall govern the business of the County of Orange Treasury Oversight Committee (hereinafter "Committee").

Rule 2. Committee meetings shall be open to the public and subject to the Ralph M. Brown Act. (Chapter 9 (commencing with Section 54950 of Part 1 of Division 2 of Title 5 of the Government Code) (hereinafter "Brown Act"), as it may be amended from time to time.

Rule 3. Regular meetings of the Committee shall occur at the time and place and on the dates determined by resolution of formal action of the Committee.

II. MEMBERSHIP, APPOINTMENTS AND QUALIFICATIONS

Rule 4. The Committee was established by the County of Orange Board of Supervisors on December 19, 1995 by Resolution No. 95-946.

Rule 5. The exact size of the Committee and the categories from which the members shall be represented shall be determined by the Board of Supervisors, in consultation with the County Treasurer. The members shall be nominated by the Treasurer and confirmed by the Board of Supervisors.

Rule 6. As determined by the Board of Supervisors, in consultation with the Treasurer, the Committee shall consist of the following seven members:

(a) The County Auditor-Controller or designee

(b) The County Executive Officer, the representative appointed by the County Board of Supervisors, or designee

(c) The County Superintendent of Schools or designee

(d) Four members of the public

Rule 7. All Committee members shall serve at the pleasure of the Board of Supervisors, and may be removed at any time, with or without cause, at the sole discretion of the Board of Supervisors.

Rule 8. The Board of Supervisors may reduce the Committee to three members. The Board of Supervisors may expand the size of the Committee to eleven members with the addition of any of the following members:

(a) The County Treasurer.

(b) A representative selected by a majority of the presiding officers of the government bodies of the school districts and community college districts in the County.

(c) A representative selected by a majority of the presiding officers of the legislative bodies of special districts in the County that are required or authorized to deposit funds in the County treasury.

(d) Up to one other member of the public.

Rule 9. The term of office of each public member shall be limited to 2 three-year terms. In the case of a vacancy for a member of the public or other members, the term of office shall be until the selection of a successor by the Board of Supervisors.

Rule 10. A majority of the public members shall have expertise in, or an academic background in, public finance.

Rule 11. A member or his designee may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local Treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body or any local agency that has deposited funds in the County Treasury in the previous three years or during the period that the employee is a member of the Committee.

Rule 12. A member or his designee may not directly or indirectly raise money for a candidate for local Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the Committee.

Rule 13. A member or his designee may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms, with whom the Treasurer is doing business, during the period that the person is a member of the Committee or for one year after leaving the Committee.

Rule 14. The Committee may establish volunteer advisory subcommittees in order to secure specific areas of expertise necessary to meet the objectives of the Committee. The Committee will establish criteria for choosing such subcommittee members.

Rule 15. All Public Committee members shall be residents of Orange County and shall maintain their primary residency within the County throughout their term on the Committee. Change in primary residency outside Orange County shall result in automatic forfeiture of their Committee appointment.

### III. CHAIR AND VICE CHAIR - POWERS AND DUTIES

Rule 16. At the first meeting of the Committee, the Committee will elect a Chair and Vice Chair. Thereafter, at the first meeting of the Committee in each calendar year, the Committee shall elect a Chair and Vice Chair to serve for the calendar year.

Should the Chair or Vice Chair cease to be a member of the Committee, the remaining members of the Committee shall elect a Chair or Vice Chair at the next meeting of the Committee. The officer so elected shall serve for the unexpired portion of the term of office.

Rule 17. In the absence or inability of the Chair to preside over Committee meetings, the Vice Chair will perform such duties. If neither the Chair nor the Vice Chair is able to preside, the members of the Committee present, shall by an order entered in the minutes, select one of the members to act as Chair Pro Tem. The Chair Pro Tem shall have all the powers and duties of the Chair during the Chair's absence or inability to act.

Rule 18. The Chair shall preside at all meetings of the Committee and shall take the Chair at the hour appointed for every Committee meeting and immediately call the members to order and, except in the absence of a quorum, shall proceed with the business of the Committee in the manner prescribed in these Rules.

Rule 19. A majority of the members shall constitute a quorum for the purpose of transacting of business relating to the Committee. Each member shall be entitled to one vote. A vote of the majority of those present and qualified to vote shall be sufficient for the adoption of any option, resolution or order and to take any other action deemed appropriate to carry forward the objective of the Committee.

Rule 20. In the event that a member chooses to resign from the Committee, the member will notify the Chair in writing, at least 30 days prior to the effective date of resignation. The Chair, upon receipt of any member's resignation, will coordinate the appointment of a replacement member.

#### IV. AGENDA, SCHEDULING AND ORDER OF MEETINGS

Rule 21. An agenda shall be prepared by the Chair for each meeting and shall include a description and summary, if appropriate, for each item of business so listed. For any regular meeting of the Committee, the notice and agenda shall be posted no later than 72 hours prior to the time set for the meeting. For any special meeting of the Committee, the notice and agenda shall be posted no later than 24 hours prior to the meeting time.

The agenda will be timely distributed to members of the Committee prior to each meeting. In compliance with the Brown Act, the agenda shall specify the date, time and location of the meeting and shall be posted in a location that is freely accessible to the public.

Rule 22. Minutes of each meeting will be kept under direction of the Chair. Minutes of the preceding meeting will be distributed to Committee members in advance of the next meeting for review. Approval of the preceding meeting's minutes will be the first item of business at the following meeting.

Rule 23. Under the requirements of the Brown Act, members of the public have the right to address the Committee. Public comment segments will be scheduled in the agenda at the beginning of each meeting. Comments shall be limited to three (3) minutes per speaker, unless an extension is granted by the Chair.

Persons addressing the Committee shall state their name and city of residence for the record. All remarks will be addressed to the Committee as a body and not to any specific members. No person, other than a member of the Committee, and the person addressing the Committee shall be permitted to enter into any discussion without the permission of the Chair. Whenever a group of persons wishes to address the Committee on the same topic, it shall be proper for the Chair to request a spokesperson be chosen to represent the group.

Any person making slanderous or profane remarks while addressing the Committee or while attending a meeting may be called to order by the Chair. If such conduct continues so as to disrupt the orderly conduct of the meeting, the Chair may order that person removed from the meeting room. In the event that a meeting is interrupted so as to render orderly conduct of the meeting unfeasible, and order cannot be restored, the Committee on majority vote, may order the room cleared and continue or adjourn the meeting.

Rule 24. The Committee shall conduct its meetings under Robert's Rules of Order, except as modified by these Rules. The Chair will decide all questions of order, unless overridden by a majority of the Committee members present.

Rule 25. Members of the Committee shall attempt to attend all meetings. If any member of the Committee is unable to attend, reasonable effort shall be made to notify the Chair prior to the meeting.

Rule 26. The Committee will receive staff support through the Office of the Treasurer.

#### V. COMMITTEE AUTHORITY AND OBJECTIVES

Rule 27. The Committee's authority is determined by the provisions of Article 6 of Division 2 of Title 3 of the Government Code, County Treasury Oversight Committees, Sections 27130-27137 (hereinafter "Article 6").

Rule 28. The Committee shall review and monitor the annual investment policy prepared by the Treasurer in accordance with Section 27133. The investment policy shall include all of the following:

(a) A list of securities or other instruments in which the County may invest, according to law, including the maximum allowable percentage by type of security.

(b) The maximum term of any security purchased by the County.

(c) The criteria for selecting security brokers and dealers from, to, or through whom the County may purchase or sell securities or other instruments. The criteria shall prohibit the selection of any broker, brokerage, dealer or securities firm that has, within any consecutive 48 month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices.

(d) Limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers and other persons with whom the Treasurer conducts business by any member of the Committee. These limits may be in addition to the limits set by the Committee member's own agency, by state law, or by the Fair Political Practices Commission.

(e) A requirement that the Treasurer provide the Committee with an investment report as required by the Board of Supervisors.

(f) The manner of calculating and apportioning the costs, authorized by Section 27103, of investing, depositing, banking, auditing, reporting, or otherwise handling or managing of funds.

(g) The terms and conditions under which local agencies and other entities that are not required to deposit their funds in the County treasury may deposit funds for investment purposes.

(h) Criteria for considering requests to withdraw funds from the County treasury, pursuant to Section 27136. The criteria shall include an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the County treasury.

Rule 29. In accordance with Section 27134, the Committee shall cause an annual audit to be conducted to determine the Treasurer's compliance with Article 6. The audit may include issues relating to the structure of the investment portfolio and risk.

Rule 30. In accordance with Section 27137, the Committee shall not direct individual investment decisions, select individual investment advisors, brokers, dealers or impinge on the day-to-day operations of the Treasurer.

Rule 31. In accordance with of Resolution 95-946, clause 6, of the County of Orange Board of Supervisors the Committee shall present an oral and written report to this Board during open session no less frequently than annually. In all instances, the Committee shall be required to immediately report to this Board any substantial concern relative to the Treasurer's compliance with applicable law, County policy or treasury policy, if such shall come to the attention of the Committee.

Rule 32. In accordance with Board Resolution 95-946, the Committee shall investigate any and all irregularities in the Treasurer's Operations, which become known to the Committee. The Committee will develop and document policy and procedures to investigate and report such irregularities.

## VI. MISCELLANEOUS PROVISIONS

Rule 33. These Rules are effective upon approval by the Board of Supervisors and are subject to amendment by the Committee, as appropriate for the efficient functioning of the Committee, to implement changes by the Board of Supervisors and to comply with the statutory and other legal requirements.

Rule 34. At any meeting, but not less frequently than the last meeting of each calendar year, the Committee shall review, discuss and approve any changes or amendments to the Bylaws and Rules of Procedure. Should any changes or amendments be approved by the Committee, such changes or amendments shall be presented to the Board of Supervisors for approval.

Rule 35. Upon accepting appointment as a member of the Committee, and annually thereafter, each member shall submit a state mandated conflict of interest form (form 700), and a signed Certificate of Compliance to the Treasurer attesting that the member is aware of and in full compliance with all requirements included in Rules 11 through 13, inclusive, and will remain in compliance during membership and for the requisite period of time after membership has been terminated. In addition, each member shall complete state mandated ethics training every two years.

**SCANNED**

Municipal Water District of Orange County  
Individual Charges Disclosure  
For the period of 1/1/16 - 12/31/16

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
B. Barbre	Director	National Car Rental	Colorado River Water Users Association conference Las Vegas, NV - 12/15/16	Transportation	\$ 144.21
				B. Barbre Total: \$	144.21
S. Hinman	Director	S. Hinman	Association of California Water Agencies Spring conference Fountain Valley, CA to Monterey, CA - 5/2/16 Association of California Water Agencies Spring conference Monterey, CA to Dana Point, CA - 5/6/16	Transportation	\$ 191.78
				Transportation	\$ 203.74
				S. Hinman Total: \$	395.52
L. McKenney	Director	The Citizen Hotel	Association of California Water Agencies Board meeting Sacramento, CA - 11/17/16	Accommodations	\$ 137.08
J. Thomas	Director	Courtyard Marriott	Association of California Water Agencies Fall conference Anaheim, CA 11/29/16 Association of California Water Agencies Fall conference Anaheim, CA 11/30/16 Association of California Water Agencies Fall conference Anaheim, CA 12/1/16	L. McKenney Total: \$	137.08
				Accommodations	\$ 162.91
				Accommodations	\$ 198.07
		Courtyard Marriott	Colorado River Water Users Association conference Las Vegas, NV - 12/14/16 Colorado River Water Users Association conference Las Vegas, NV - 12/16/16	Accommodations	\$ 186.35
				Airfare	\$ 191.84
		Southwest		Airfare	\$ 191.84
				J. Thomas Total: \$	931.01
T. Baca	Public Affairs Supervisor	T. Baca	MET Inspection Trip meeting & Exhibit review Fountain Valley, CA to Los Angeles, CA to Pyramid Lake, CA to Fountain Valley, CA - 7/26/16	Transportation	\$ 100.98
M Baum-Haley Total: \$					100.98



Municipal Water District of Orange County  
Individual Charges Disclosure  
For the period of 1/1/16 - 12/31/16

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
J. Berg	Director of Water Use Efficiency	Embassy Suites	American Society of Irrigation Consultants conference San Luis Obispo, CA - 5/13/16	Accommodations	\$ 157.34
		Embassy Suites	American Society of Irrigation Consultants conference San Luis Obispo, CA - 5/14/16	Accommodations	\$ 157.34
	Hyatt Vineyard Creek Hotel	Hertz	California Urban Water Conservation Council Board meeting Santa Rosa, CA - 5/16/16	Accommodations	\$ 153.46
			California Urban Water Conservation Council Board meeting Oakland, CA to Santa Rosa, CA - 5/16/16	Transportation	\$ 139.97
		Hertz	State Water Resources Control Board meeting Santa Rosa, CA to Sacramento, CA - 5/17/16	Transportation	\$ 139.96
		Sheraton	California Urban Water Conservation Council Board meeting Sacramento, CA - 11/15/16	Accommodations	\$ 193.28
		Log Me In	Join Me Pro 12/8/16	Subscription	\$ 215.89
		J. Berg Total: \$ 1,157.24			
	Associate General Manager	H. De La Torre	Association of California Water Agencies Spring conference Fountain Valley, CA to Monterey, CA - 5/3/16	Transportation	\$ 191.70
		H. De La Torre	Association of California Water Agencies Spring conference Monterey, CA to Fountain Valley, CA - 5/6/16	Transportation	\$ 191.70
	H. De La Torre Total: \$ 383.40				
K. Hubbard	WEROC Programs Manager	Verizon	Cell phone 9/22/16	Service	\$ 105.02
			K. Hubbard Total: \$ 105.02		
K. Seckel	Assistant General Manager	Association of California Water Agencies	Association of California Water Agencies Fall conference Anaheim, CA - 11/30/16	Registration	\$ 560.00
			K. Seckel Total: \$ 560.00		

Municipal Water District of Orange County  
Individual Charges Disclosure  
For the period of 1/1/16 - 12/31/16

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
J. Volzke	Public Affairs Manager	Harper White	Filmed & edited interviews for OC Water Summit presentation 5/20/16	Videography services	\$ 300.00
		Center for Advanced Media Studies	Crisis Communications seminar San Bernardino, CA - 7/28/16	Registration	\$ 165.00
			J. Volzke Total:		<u>\$ 465.00</u>
			Grand Total		<u><u>\$ 4,379.46</u></u>



**INFORMATION ITEM**  
**April 12, 2017**

**TO: Administration & Finance Committee**

Robert J. Hunter, General Manager

Staff contact: Katie Davanaugh and Cathy Harris

**SUBJECT: Update Regarding Records Management Program**

**STAFF RECOMMENDATION:**

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Staff recommends the Board of Directors receive and file the information:

**SUMMARY:**

Since the December 2016 status report on Records Management, the following activities have been accomplished:

- Two training sessions were held in January 2017 with temporary staff (strike team) to purge records according to the retention schedule that were permanently retrieved from Iron Mountain. Destruction requests for those documents have been completed.
- At the start of this project, there were 576 boxes at Iron Mountain (IM).
  - 100 boxes were removed in January 2017 and have been purged.
  - 100 boxes will be permanently removed by 4/30 to determine disposition status.
  - 200 boxes will remain permanently at IM that belong to Water Use Efficiency programs.
  - 176 boxes remain for disposition status and will be reviewed by September 2017.
- Staff does not intend on sending additional boxes to Iron Mountain, unless it is in the best interest of the District to retain or preserve the items off-site for historical purposes. Any new District records that need to be retained will be scanned and filed electronically.
- All obsolete reference materials have been removed from the library which has been completely cleaned out.
- According to the email retention policy, all unnecessary emails dated prior to January 1, 2015 were purged on March 31, 2017. The next system-wide email deletion will occur on 7/1/17 at which time all inbox, sent and deleted items prior to 1/1/16 will be deleted.

- Staff continues to work with the consultant to determine appropriate course of action to purge, scan or file existing on-site records based on the most efficient and cost effective method of securing.
- Temporary staff is currently scanning and purging files from the office vault. Once that is completed, then staff will begin working with individuals on files kept in the staff offices.
- A follow-up training session will be scheduled for May or June to meet with staff and consultant to review the policies and procedures that have been adopted and implemented over the past year.
- A reconciliation of invoicing and the contract with consultant and temporary staff is being reviewed to determine total cost vs budget of this item. It is anticipated that this item will be completed well under budget.



**INFORMATION ITEM**

April 12, 2017

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

**FROM: Robert Hunter, General Manager**

Staff Contact: Hilary Chumpitazi

**SUBJECT: Rebate Program – 2016 1099-MISC filing**

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee: Receive and file the report as presented.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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We filed 3,723 1099-MISC forms electronically with the IRS on Wednesday, March 29, 2017, for our 2016 turf and spray-to-drip rebate recipients. There were 104 rebate recipients that did not submit their W-9 form. These were from early in 2016 when we were mailing out rebate checks prior to verifying if a W-9 form was received. We sent three follow up emails and mailed a letter to these recipients requesting their W-9 form and to date, no further responses have been received.

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

**Administration Activities Report  
March 2, 2017 to April 6, 2017**

**Item 9a**

Activity	Summary
<b>Administration/Board</b>	<ul style="list-style-type: none"> <li>• Maribeth has been scheduling meetings for Rob Hunter and other various meetings of the Board members</li> <li>• Maribeth has been assisting Rob/Karl with various write ups and follow-up for the Committees and Board</li> <li>• Maribeth continues to send the Water Supply Reports to the member agencies</li> <li>• Maribeth reviewed and filed the Form 700s</li> <li>• Maribeth coordinated the AB 1661 Harassment Prevention Training for the Board and staff</li> <li>• Maribeth responded to one Public Records Act request and is working with staff and legal counsel and will respond to two other Public Records Act requests</li> <li>• Maribeth is working with the Records Clerk on a better process for flagging consultant insurance, as well as reviewing files for destruction</li> <li>• Maribeth has been processing Agreements and reviewing documents for the LaserFiche system</li> <li>• Pat has been scheduling meetings for Rob, Karl, Keith and Harvey, MET Directors' luncheon meeting, OC MET Managers, MWDOC Managers and ordering lunches for several meetings</li> <li>• Pat proofed a resolution (Fran Spivy-Weber) and briefing book for Public Affairs.</li> <li>• Pat registered staff and board members for conferences and events; scheduled travel for AWWA, MSSC; OCBC Advocacy Days; ACWA Leg. Symposium; CA Water policy 26; ACWA Conf., DC legislative initiatives, ACWA Federal Affairs and Legislative Committees; SWRCB on emergency regs, CUWCC; and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up.</li> <li>• Pat prepared the managers' packet in PDF format and uploaded it to the MWDOC website.</li> <li>• Pat attended P&amp;O, A&amp;F, and PAL Committee meetings this period and prepared minutes for all.</li> </ul>
<b>MWDOC/OCWD Joint Administration</b>	<ul style="list-style-type: none"> <li>• No new information to report.</li> </ul>
<b>Health Benefits</b>	<ul style="list-style-type: none"> <li>• On March 15<sup>th</sup>, Cathy and Katie participated in a webinar hosted by JPIA regarding a new surgery benefit being offered.</li> </ul>
<b>Records Management</b>	<ul style="list-style-type: none"> <li>• Pari has purged approximately 72 boxes of documents in the last month. She continues to review and evaluate the remaining contents of the library and boxes stored at Iron Mountain to determine their disposition.</li> <li>• The strike team has started scanning documents stored in file cabinets in the vault. When complete, the old, malfunctioning file cabinets will be removed and replaced</li> </ul>

<b>Records Management (continued)</b>	<p>with storage cabinets to house miscellaneous items for various departments and create more efficient use of office space.</p> <ul style="list-style-type: none"> <li>• A meeting is scheduled with the consultant at the end of the month to evaluate our progress so far and make adjustments if necessary.</li> <li>• Quarterly informational report is included within this A&amp;F packet.</li> </ul>
<b>CalPERS</b>	No new information to report.
<b>Agency Inquiries</b>	<p>The following agencies requested information:</p> <ul style="list-style-type: none"> <li>• Responded to Castaic Lake Water Agency request for salary range information.</li> <li>• Provided salary range information to Rowland Water District.</li> <li>• Provided information to Inland Empire Utilities Agency regarding Public Affairs positions and salary ranges.</li> <li>• Provided GM Salary information to Three Valleys Municipal Water District.</li> <li>• Responded to Moulton Niguel Water District's General Manager's Survey.</li> </ul>
<b>Recruitment /Departures</b>	<ul style="list-style-type: none"> <li>• Recruitment efforts continue for a Water Use Efficiency Intern.</li> <li>• Recruitment efforts continue for a Water Resources Analyst.</li> <li>• Francisco Soto started on March 21<sup>st</sup> as the District's new WEROC Coordinator.</li> </ul>
<b>Other</b>	
<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>• On March 8<sup>th</sup>, Cathy and Pari participated in a webinar presented by BBK Legal Counsel on the recent Supreme Court decision regarding the Public Records Act and private emails, specifically the case regarding City of San Jose.</li> <li>• Cathy attended the Continuity of Operations Planning meeting on March 15<sup>th</sup>.</li> <li>• MWDOC Staff Meeting was held on March 30<sup>th</sup>.</li> <li>• Cathy attended Harassment Avoidance Training held on April 5<sup>th</sup>.</li> <li>• Katie is coordinating a Red Cross CPR Class to be held on April 17<sup>th</sup>.</li> <li>• Cathy researched and developed a job description for the proposed Governmental Affairs Specialist position.</li> <li>• Cathy and Rob are evaluating the Districts current vacation accrual policy for possible revisions.</li> <li>• Cathy completed the annual COLA/Merit Survey of agencies to determine the recommended amount to be included in the District's budget.</li> <li>• Cathy and Katie will be working with Matthew Conway Water Use Efficiency Coordinator in preparing an RFP for renovating the atrium.</li> </ul>



**INFORMATION ITEM**  
**April 12, 2017**

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

**FROM:**       Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

**SUBJECT:**   **Finance and IT Pending Items Report**

**SUMMARY**

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The following list details the status of special projects that are in-progress or to be completed during FY 2016-17.

Description	% of Completion	Estimated Completion date	Status
<b><u>Finance</u></b>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California Report 2016	<b>100%</b>	03-30-17	Completed
Preparation of documents for FY17-18 budget process.	<b>80%</b>	5-31-17	In Progress
2017 W-9 collection for water rebates. Currently holding 2 March rebate checks, awaiting a completed W-9.	On-going	On-going	In Progress
Prepare and file 2016 1099's. Mailed 3,834 1099-MISC forms. 104 W-9's were not submitted. Filed 3,723 1099's with IRS electronically on March 29 <sup>th</sup> .	<b>100%</b>	03-31-17	Completed
RFP for Financial Consultant to assist with GASB 68 continued implementation, finances and annual financials.	<b>50%</b>	04-30-17	In Progress
RFP for new Auditors. Existing auditors have served us for 5 years.	<b>50%</b>	06-30-17	In Progress

<b><u>Information Technology</u></b>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system



Get quotes and have Fire Suppression system installed in IT Server room	<b>10%</b>	6/30/17	On Hold
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Description	% of Completion	Estimated Completion date	Status
<b><u>FY 2016-17 Completed Special Tasks</u></b>			
<b><u>Finance</u></b>			
State Tax filing for Water Facilities FY15-16	<b>100%</b>	9/1/16	Completed
FY2015-16 Annual Audit by Vavrinek, Trine, Day & Company	<b>100%</b>	10-19-16	Completed
Annual Financial Statement Report FY2015-16	<b>100%</b>	10-19-16	Completed
State Controller Report preparation FY15-16	<b>100%</b>	1/15/2017	Completed
<b><u>Information Technology</u></b>			
Upgrade Server software for Data Server.	<b>100%</b>	3/31/17	Completed
Upgrade and deploy new Backup software with Cloud backup.	<b>100%</b>	3/31/17	Completed
Upgrade District Firewall.	<b>100%</b>	6/30/17	Completed
Upgrade HR ABRA Server (software)	<b>100%</b>	3/31/17	Completed
Upgrade and Migrate Record Management Server to Storage Area Network (SAN) Box, purchase new scanners.	<b>100%</b>	3/31/17	Completed
Upgrade computers and monitors for Staff.	<b>100%</b>	3/31/17	Completed
Purchase and install enclosed Server Racks.	<b>100%</b>	3/31/17	Completed



**INFORMATION ITEM**

April 12, 2017

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

**FROM:**       Robert Hunter, General Manager

Staff Contact: Kevin Hostert

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

**STAFF RECOMMENDATION**

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Staff recommends the Administration & Finance Committee receive and file this information.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**REPORT**

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

- Fig. 1    OC Water Usage, Monthly by Supply   OCWD Groundwater water was the main supply in February.
- Fig. 2    OC Water Usage, Monthly, Comparison to Previous Years   Water usage in February 2017 was well below average compared to the last 5 years. Lower usage is primarily due to the above average rainfall received in Orange County in February (3.3 Inches in Santa Ana). In June 2016, all water conservation became voluntary for MWDOC agencies.
- Fig. 3    Historical OC Water Consumption   OC water consumption is projected to be 514,000 AF in FY 2016-17 (*this includes ~15 TAF of agricultural usage and non-retail water agency usage*). This is about 21,000 AF more than FY 2015-16 and is about 49,000 AF less than FY 2014-15. Water usage per person is projected to be slightly higher than in FY 2016-17 for Orange County at 145 gallons per day (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on

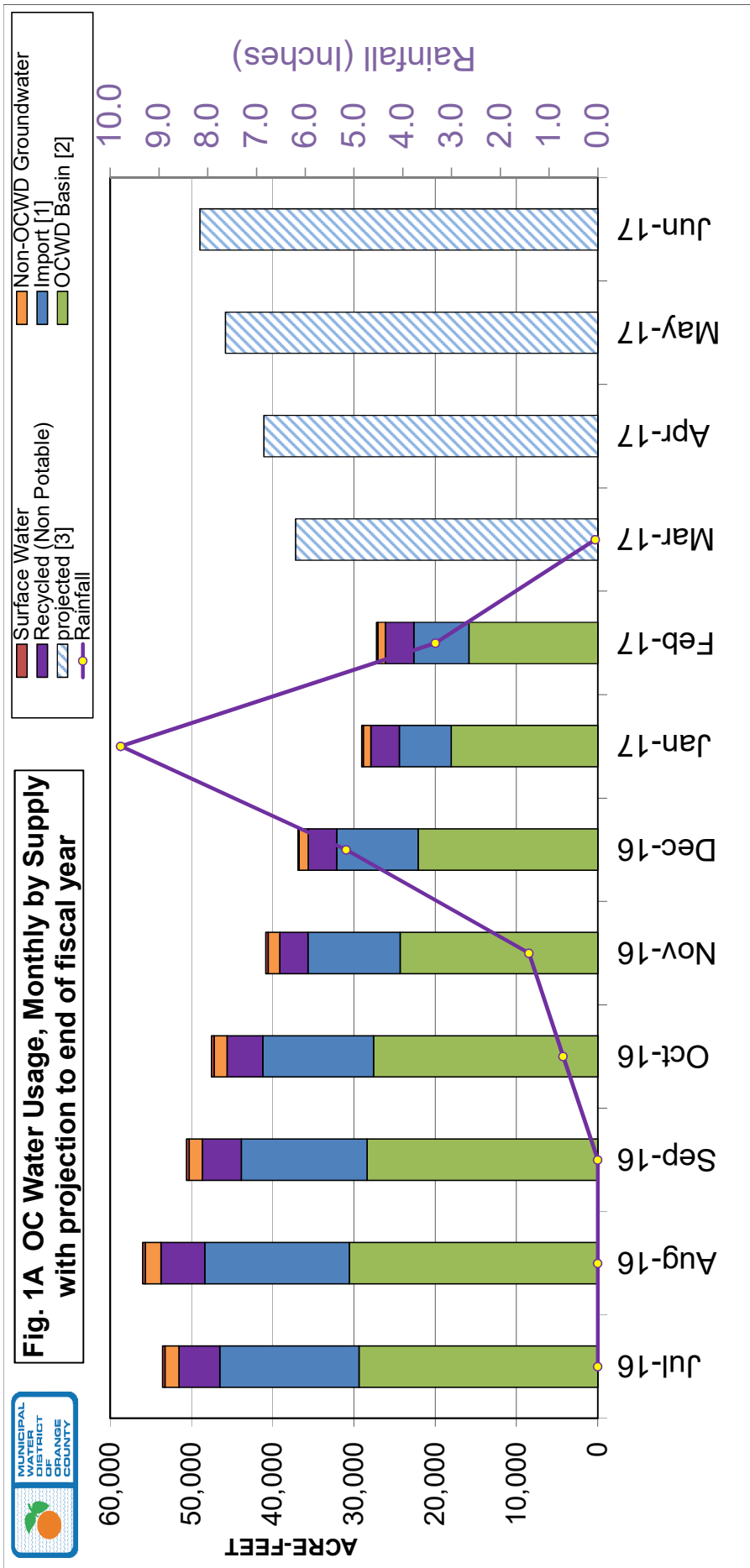
Budgeted (Y/N): N	Budgeted amount: N/A	Core <u>X</u>	Choice <u>  </u>
Action item amount: N/A		Line item:	
Fiscal Impact (explain if unbudgeted):			

average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts.

Fig. 4 MWDOC “Firm” Water Purchases, 2016 “Firm” water above the Tier 1 limit will be charged at the higher Tier 2 rate. Tier 2 purchases are zero in 2017.

Water Supply Information Includes data on: Rainfall in OC; the OCWD Basin overdraft; Northern California and Colorado River Basin hydrologic data; the State Water Project (SWP) Allocation, and regional storage volumes. The data has implications for the magnitude of supplies from the three watersheds that are the principal sources of water for OC. Note that a hydrologic year is Oct. 1<sup>st</sup> through Sept. 30<sup>th</sup>.

- Orange County’s accumulated rainfall through March was well above average for this period. Orange County has had below average rainfall for the past 5 hydrologic years. La Nina conditions are diminishing and will continue to decline throughout the 2017 spring (La Nina is generally associated with cool dry winters in Southern California). It has been reported that the large ridge of High pressure, which has been blocking storms for the past few years, has dissipated and we are seeing very wet weather this winter in California.
- Northern California accumulated precipitation through March was around 199% of normal for this period. March 2017 rainfall right at the historical average for that month. The Northern California snowpack is 147% of normal as of April 3<sup>rd</sup>. The State of California has been in a declared Drought Emergency since January 2014. As of late March drought conditions have improved significantly and only 9% of California is still suffering from moderate or severe drought. The State Water Project Contractors initial Table A Allocation is at 60% as of the end of January. The allocation has not been updated due to the uncertainty in regards to operational issues with the Oroville Dam Spillway.
- Colorado River Basin accumulated precipitation through March was 122% average for this period. The Upper Colorado Basin snowpack was 122% of normal as of March 27<sup>th</sup>. This follows five below-average hydrologic years; the Colorado River Basin is in the recovery of a long-term drought. Lake Mead and Lake Powell combined have about 62% of their average storage volume for this time of year. If Lake Mead’s level falls below a “trigger” limit 1,075 ft. at the end of a calendar year, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries for the Lower Basin states. As of late March Lake Mead levels were 13’ above the “trigger” limit. The USBR predicts that the end of 2017 or the end of 2018 will not hit the “trigger” level.



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.

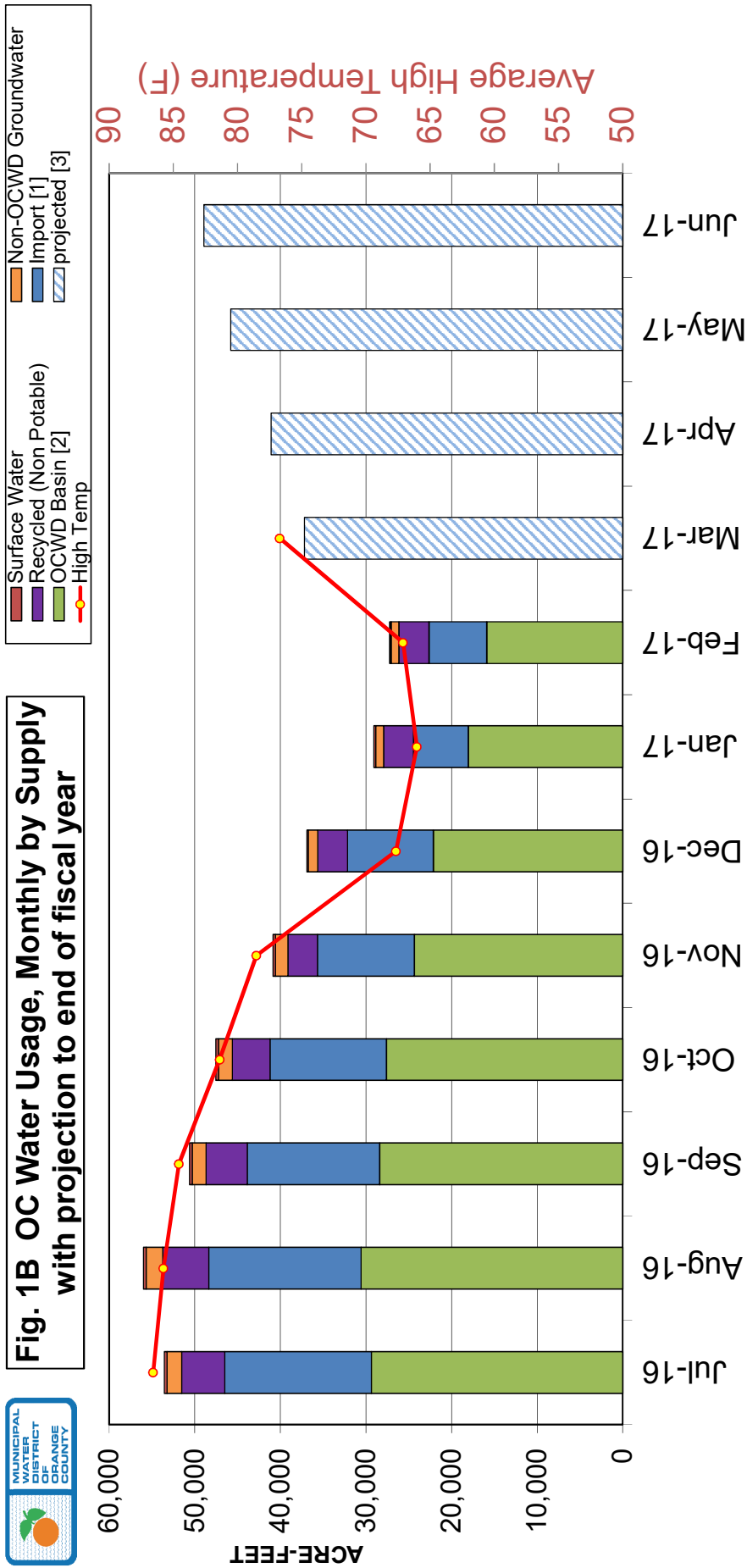
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '15-16 is 75%.

[3] MWDOC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.

[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



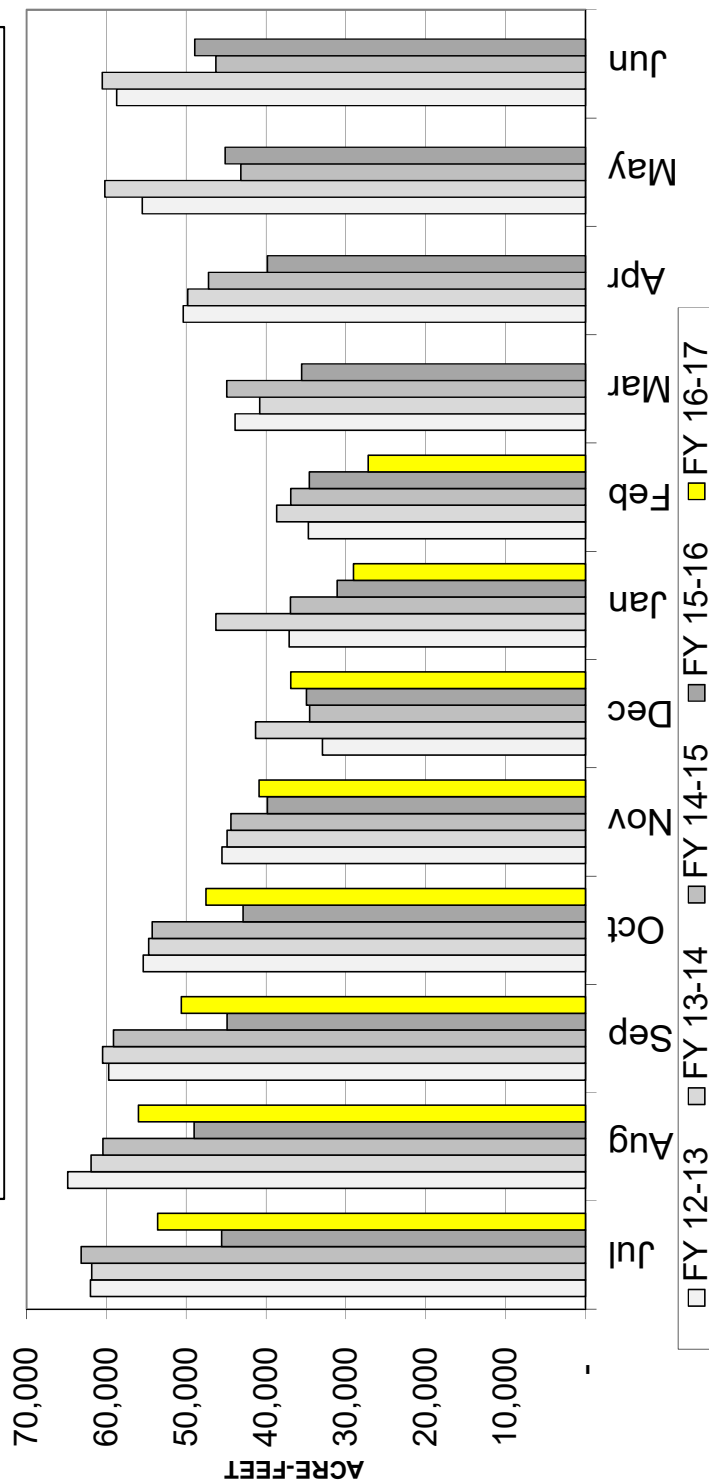
**Fig. 1B OC Water Usage, Monthly by Supply  
with projection to end of fiscal year**



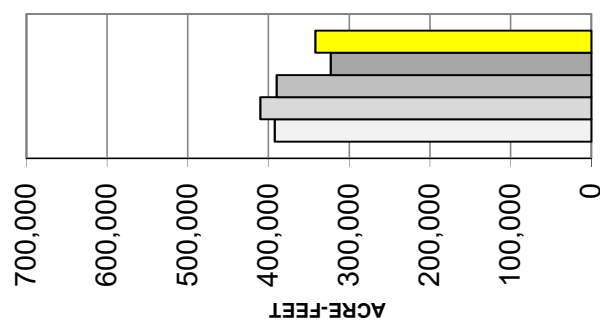
[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.  
 [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '15-16 is 75%.  
 [3] MWDOC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.  
 [4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



**Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years**



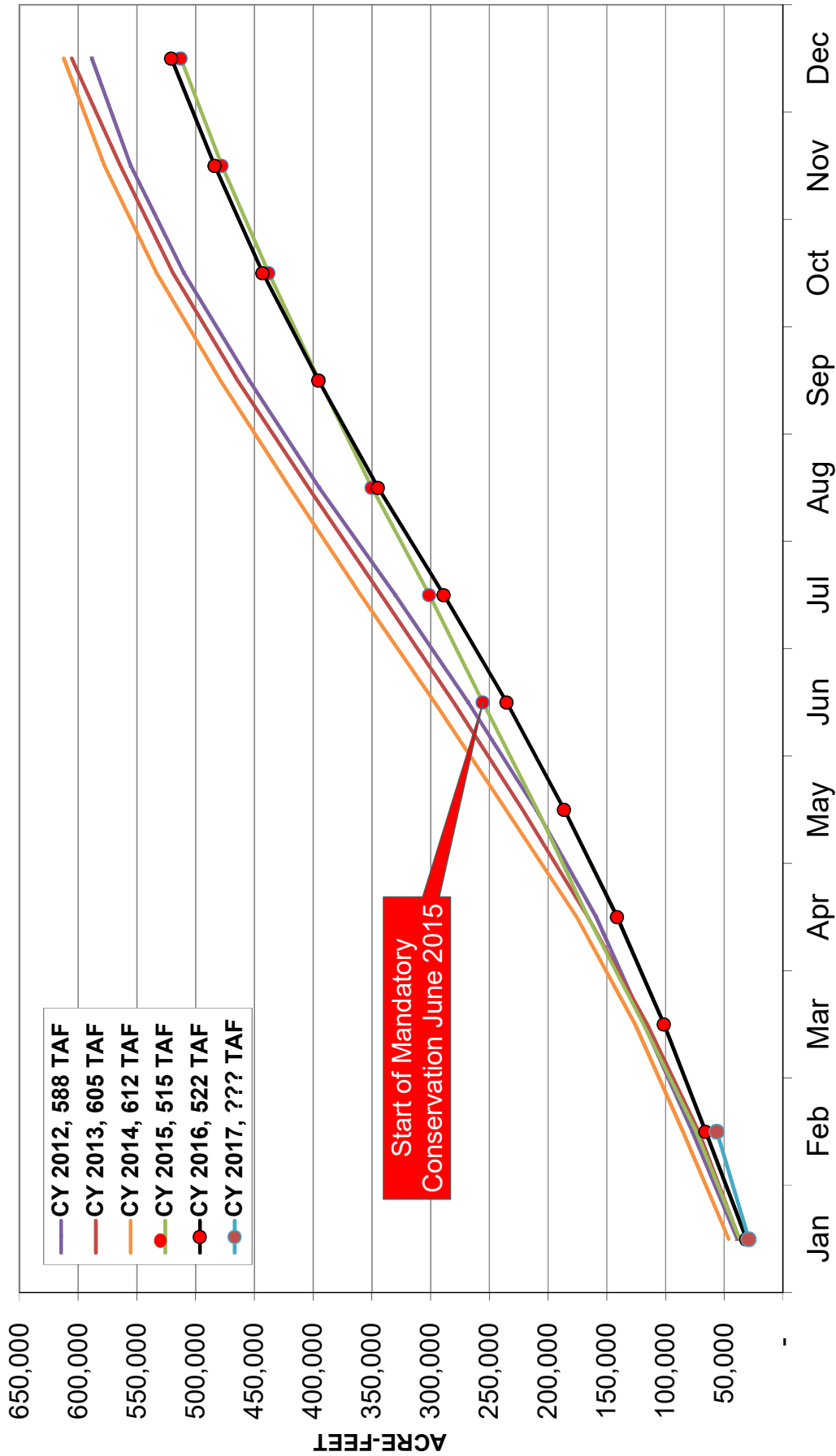
**Partial Year Subtotals**



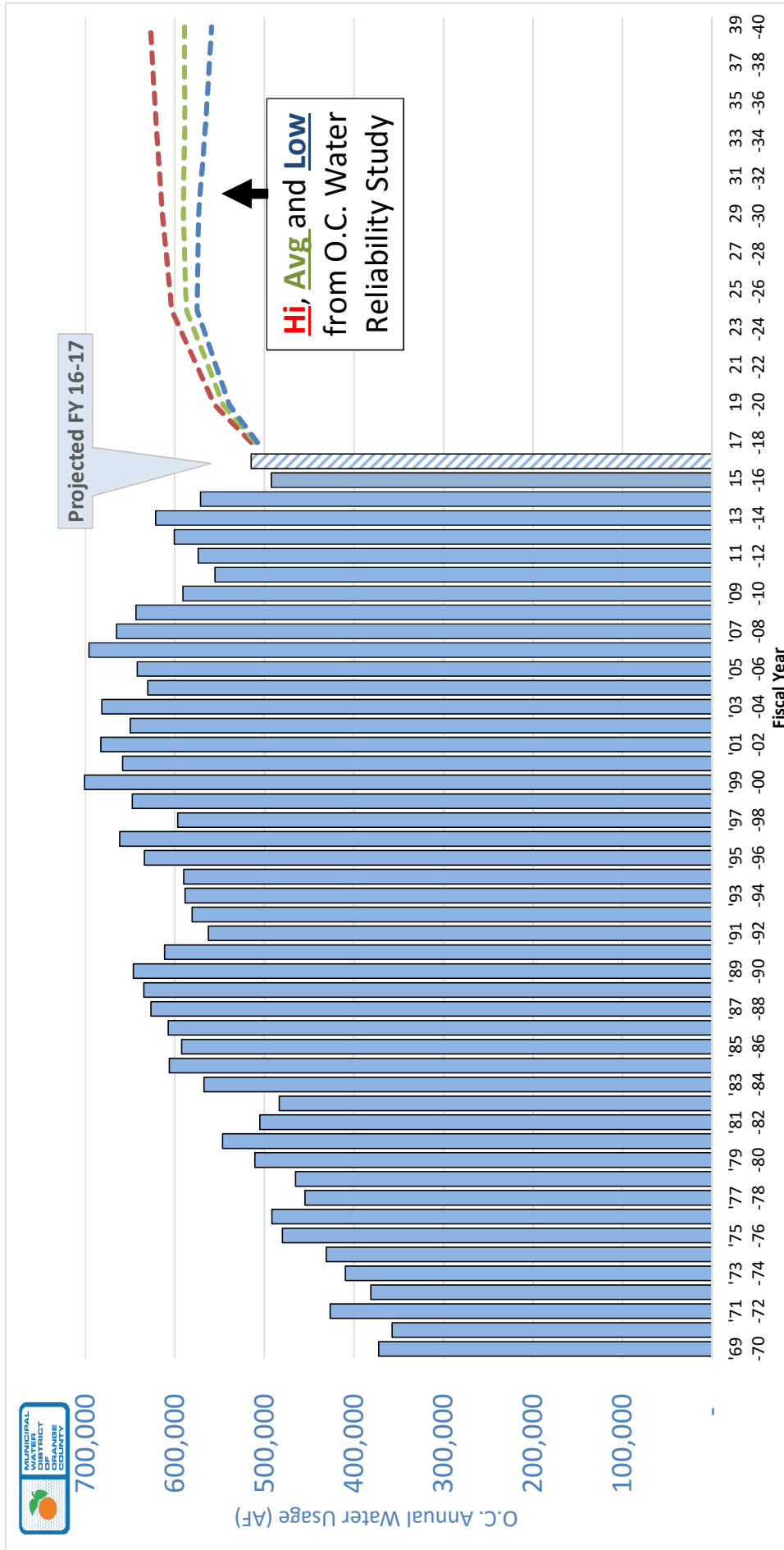
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water; excludes GWRS production, groundwater pumped to waste, and waste brine from water treatment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



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



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

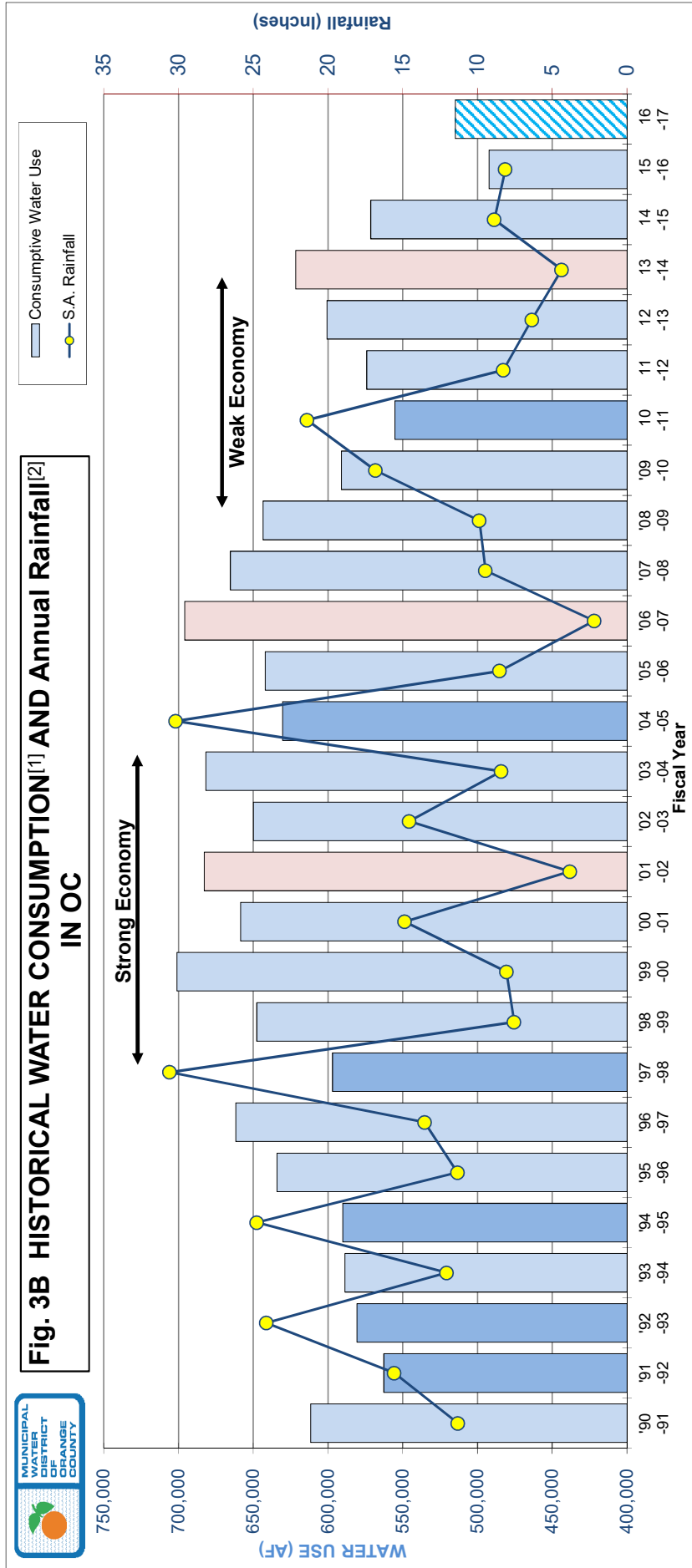


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.

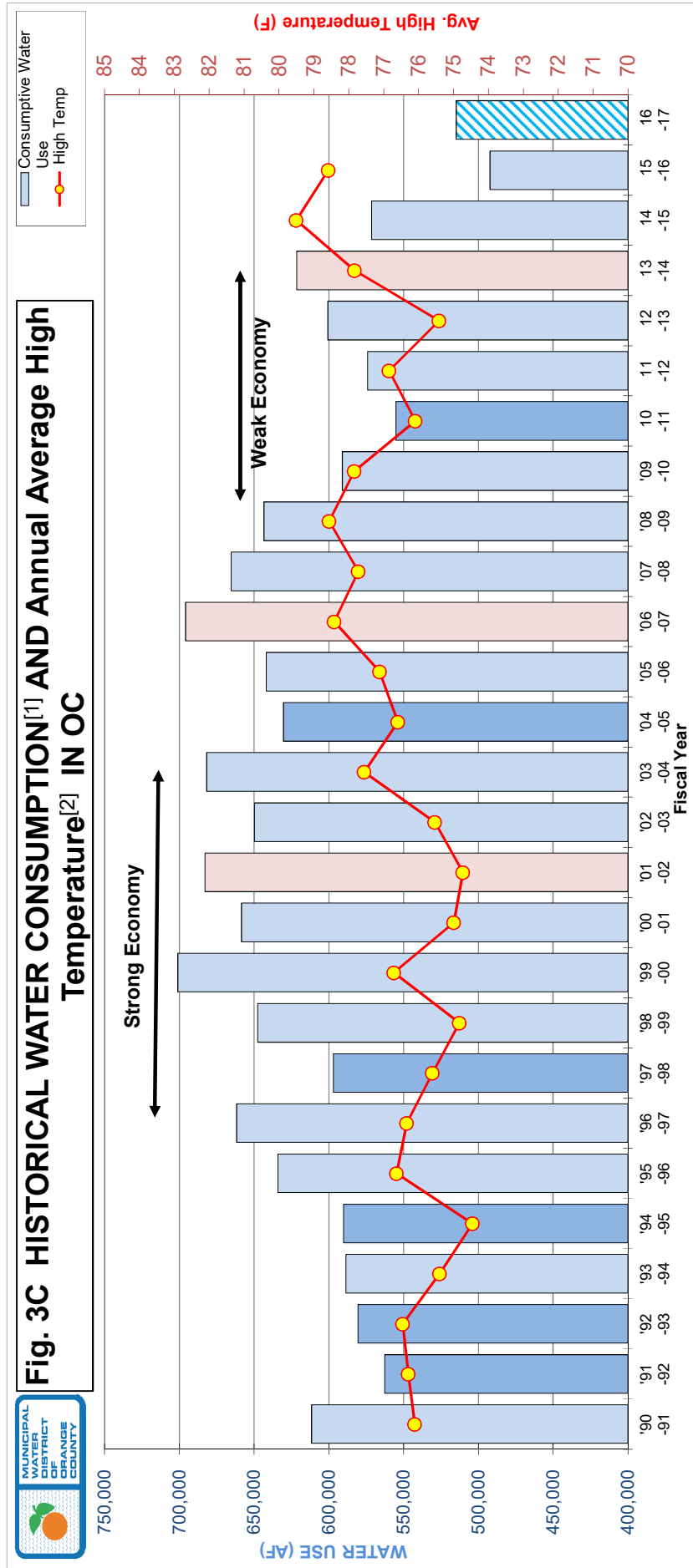
[3] Projection of FY 15-16 water use estimated by MWDOC based on partial-year data.





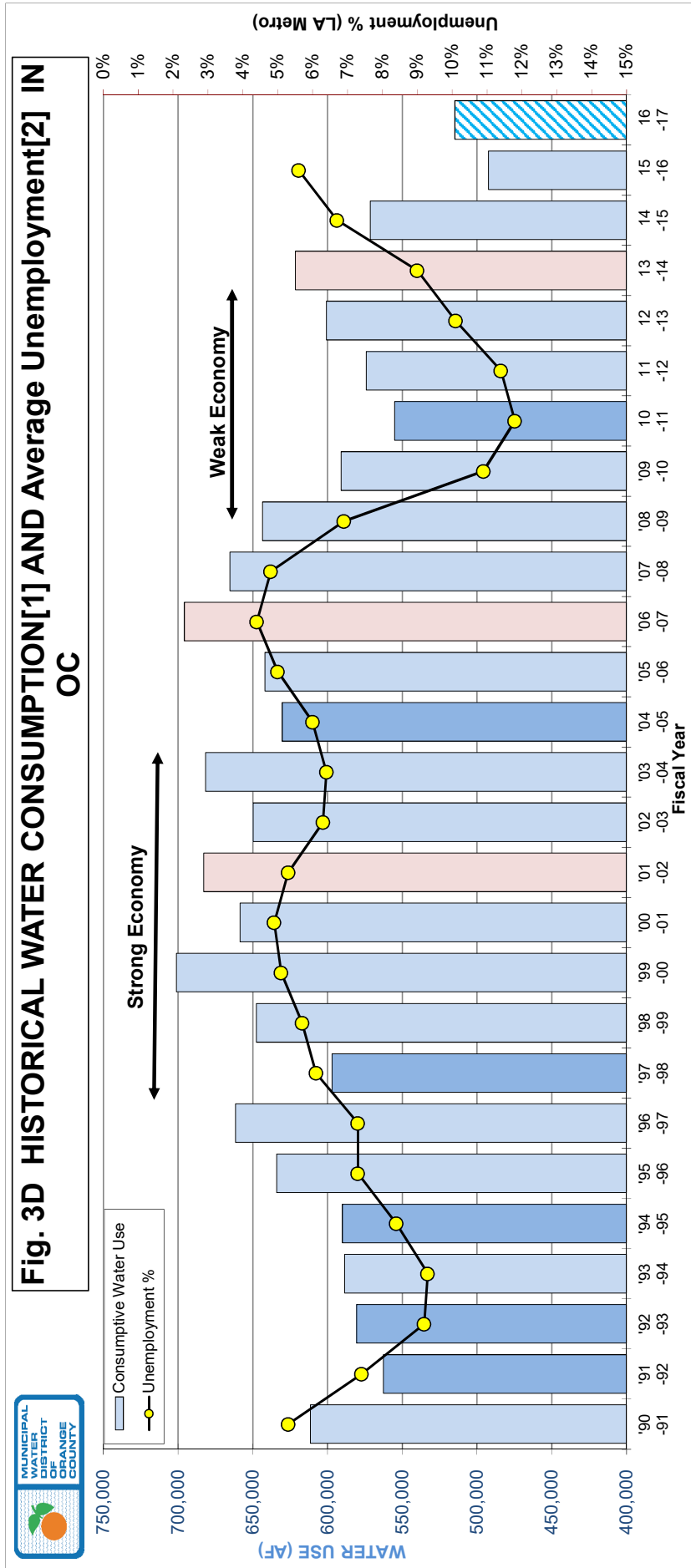
[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Rainfall data from Santa Ana Station #121



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

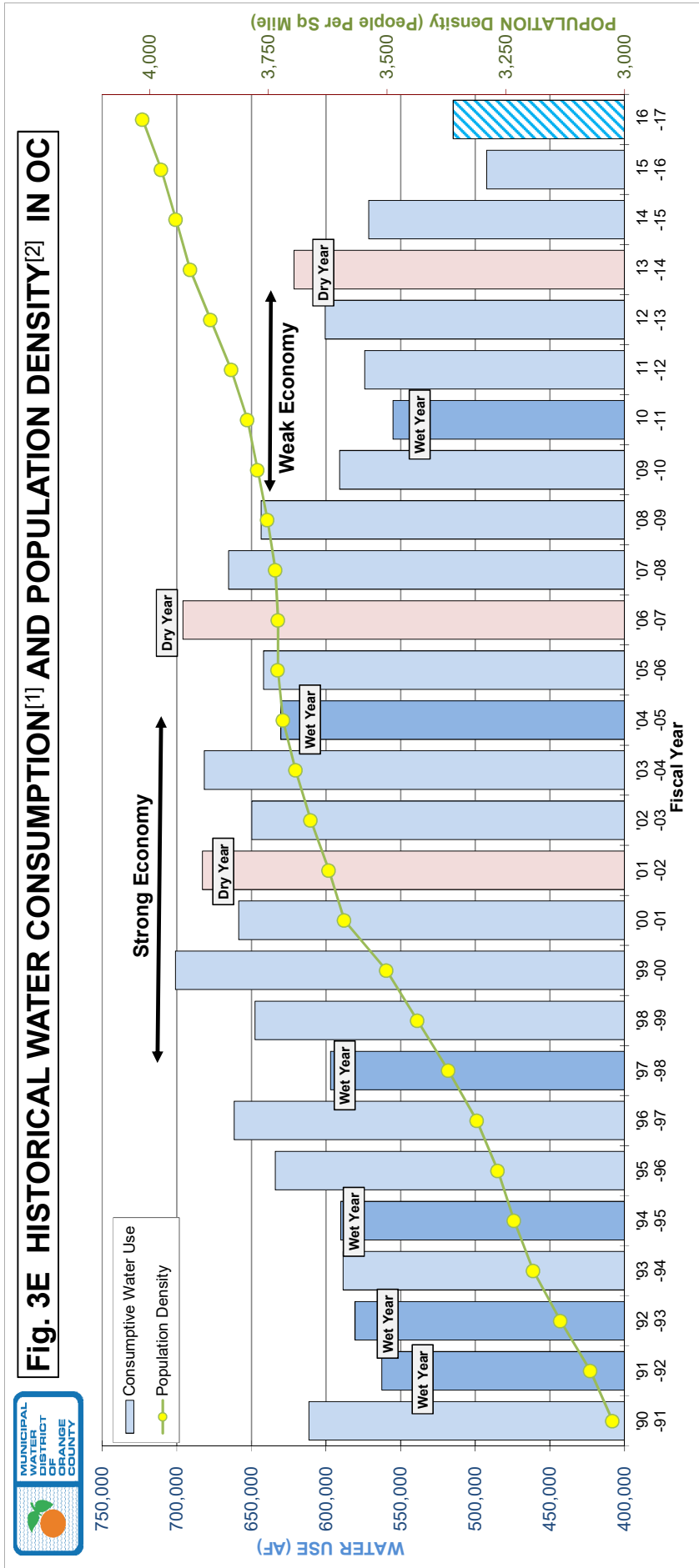
[2] Temperature data is from Santa Ana Fire Station, elevation 135'



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

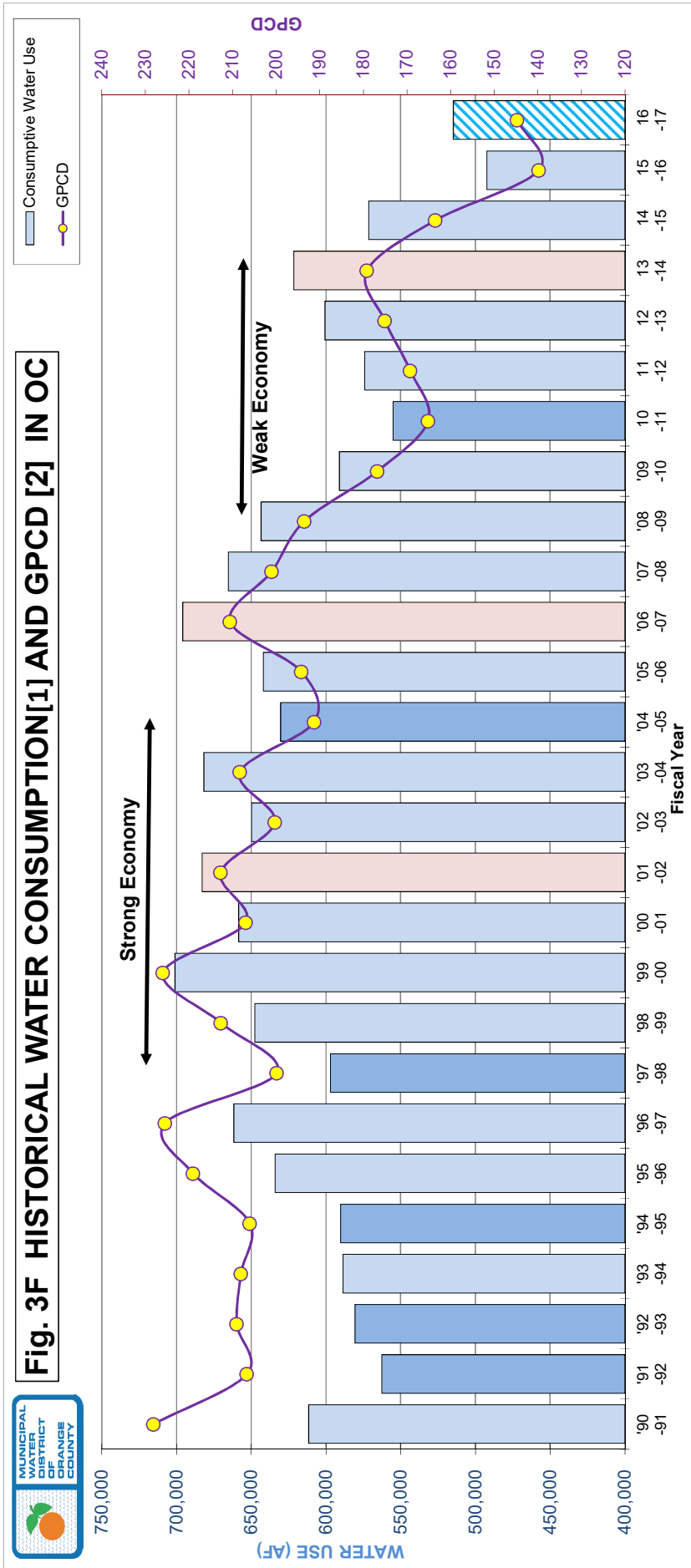
[2] Employment Data source Bureau of Labor Statistic for Long Beach-L.A.-Santa Ana Metro Area

<http://www.bls.gov/lau/>



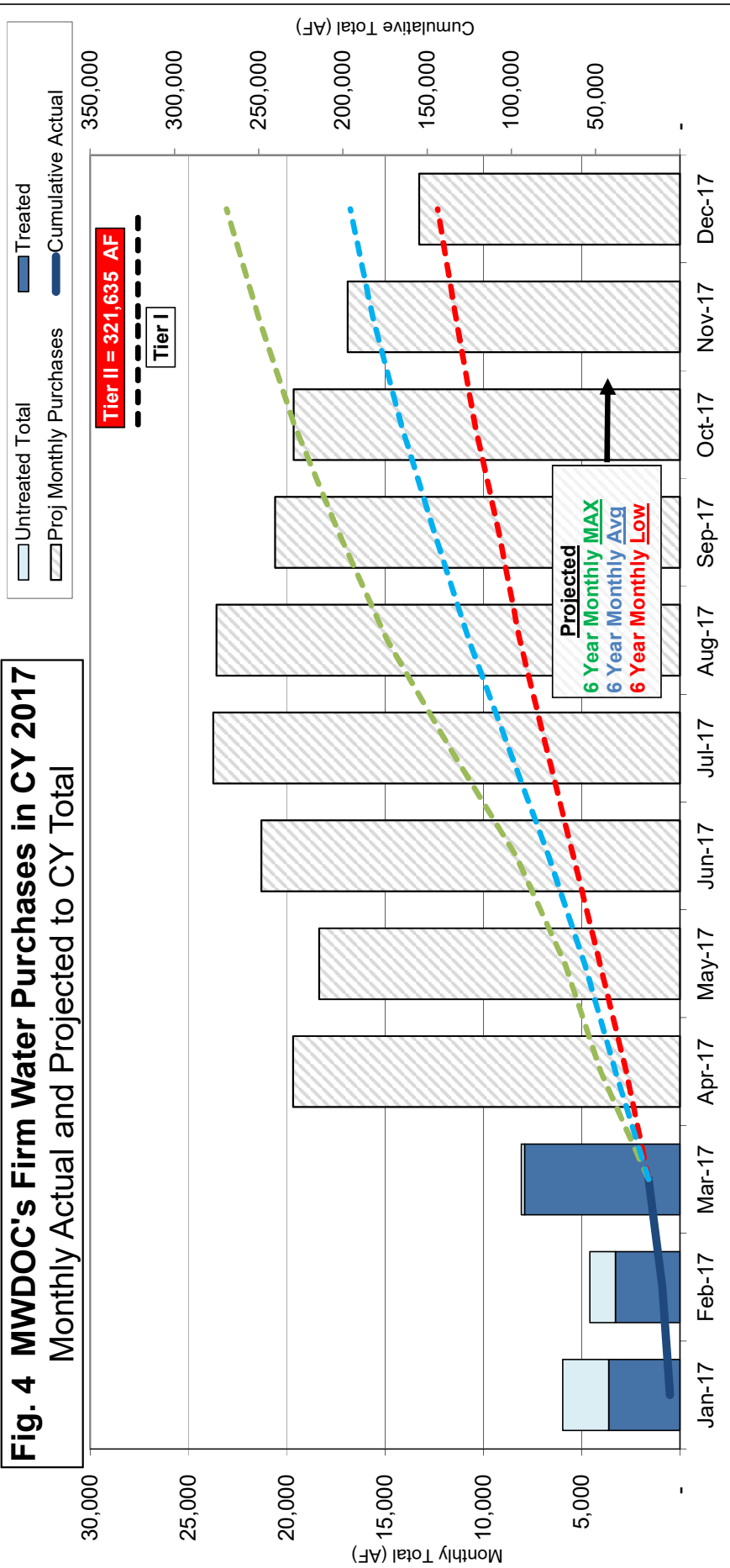
[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Population estimates in the 2000s decade were revised by the State Dept. of Finance to reflect the 2010 Census counts.



[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.  
 [2] Gallon per Capita Daily (includes all types of water usage and all type of water users).

**Fig. 4 MWDOC's Firm Water Purchases in CY 2017**  
Monthly Actual and Projected to CY Total



Notes

1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.
2. Basin Pumping Percentage (BPP) is the percentage of a retail water agency's total water demand that they are limited to pump from the OCWD-managed groundwater basin. BPP pertains to Basin agencies only. For example, if a Basin agency's total demand is 10,000 AF/yr and OCWD sets the BPP at 72%, then the agency is limited to 7,200 AF of groundwater that year. There may be certain exceptions and/or adjustments to that sample calculation. OCWD sets the BPP for the Basin agencies, usually as of July 1st.

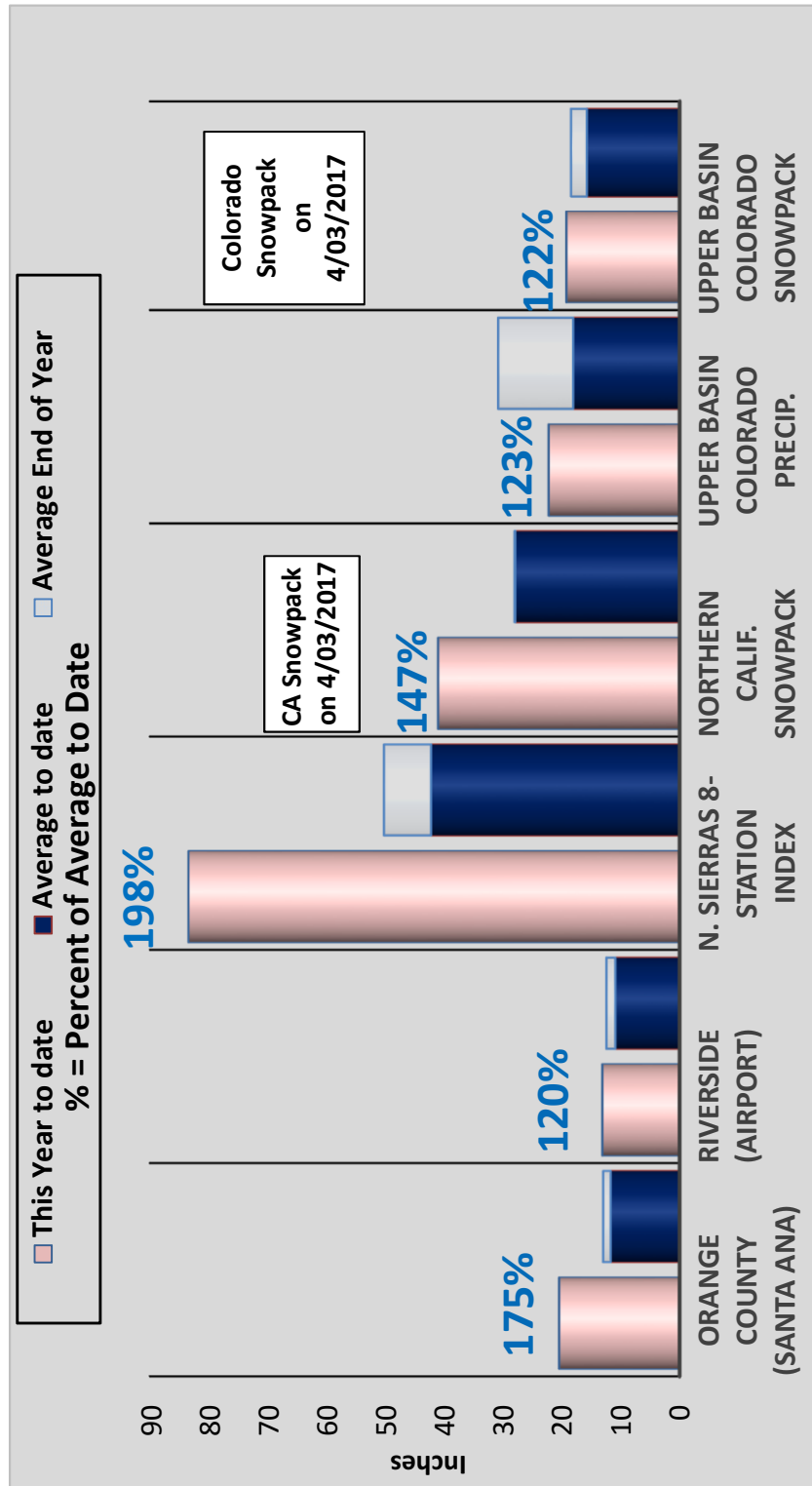


prepared by the Municipal Water District of Orange County

*\*numbers are subject to change*

printdate 4/4/2017

## Accumulated Precipitation for the Oct.-Sep. water year, through March 2017



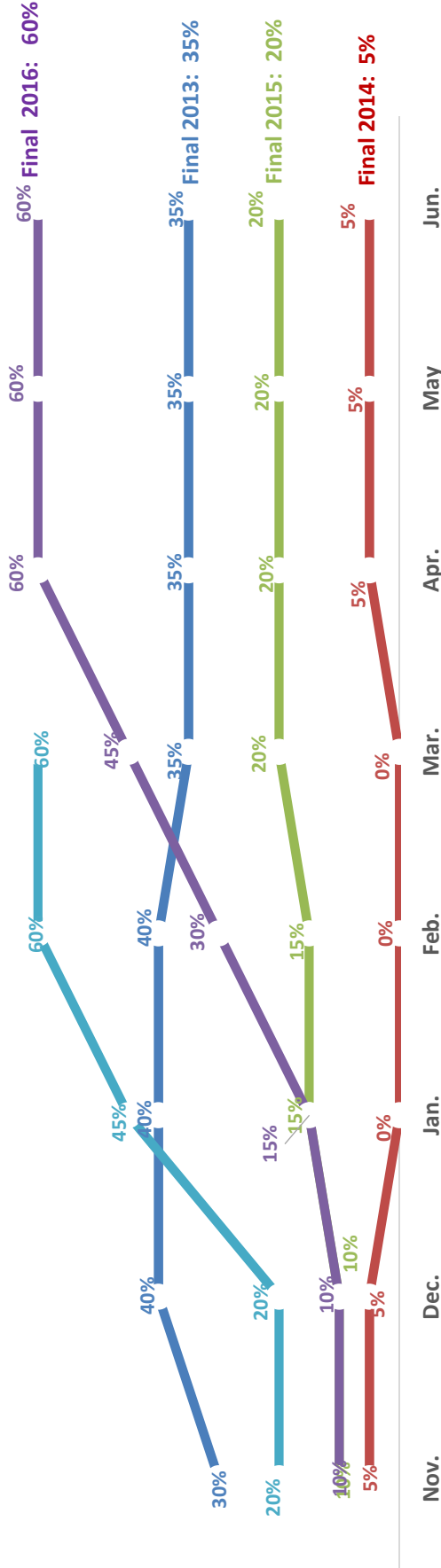
\* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.



# SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS

Final 2017: ???



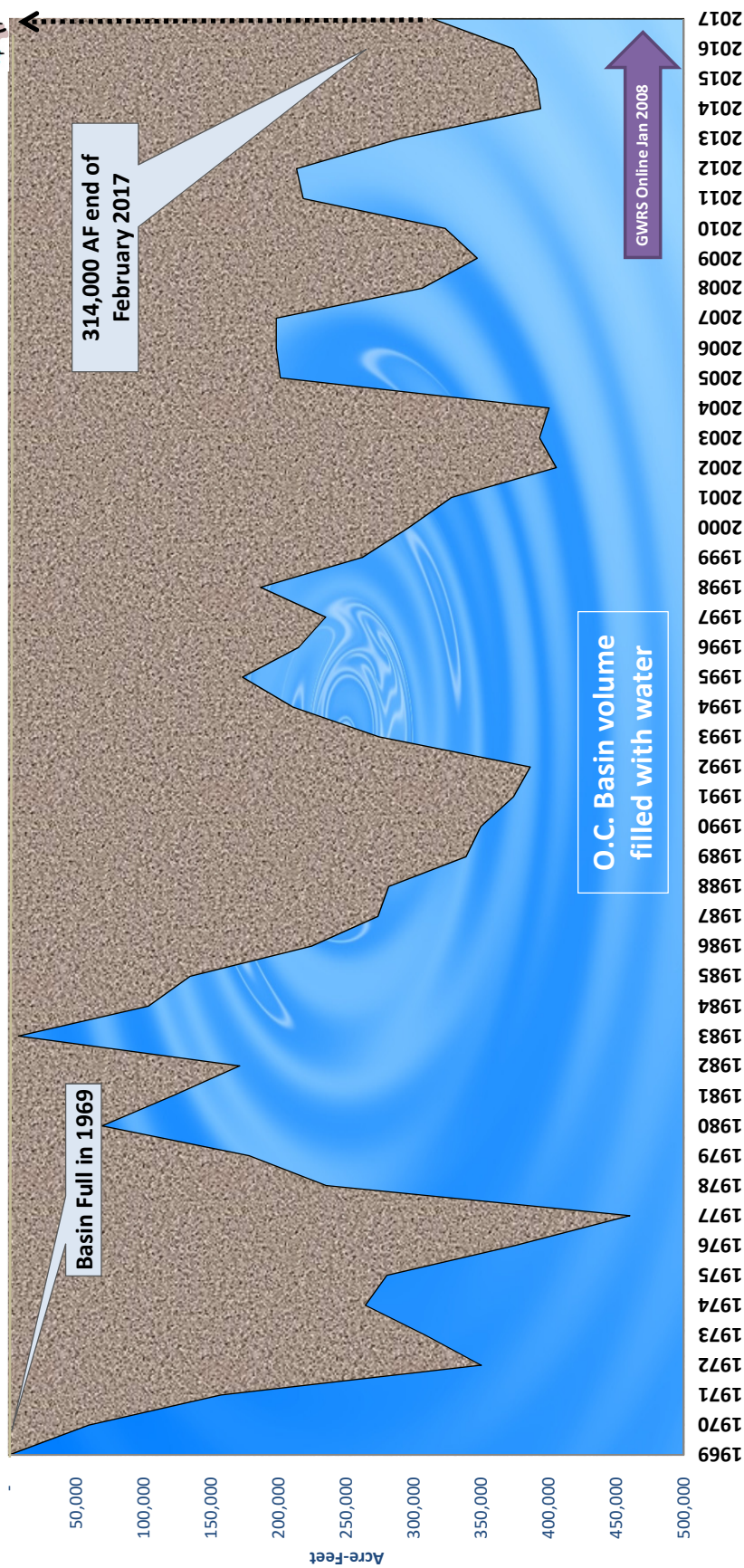
■ Water Year 2013
 ■ Water Year 2014
 ■ Water Year 2015
 ■ Water Year 2016
 ■ Water Year 2017





## O.C. Basin Accumulated Overdraft

Annual, 1969 to Present

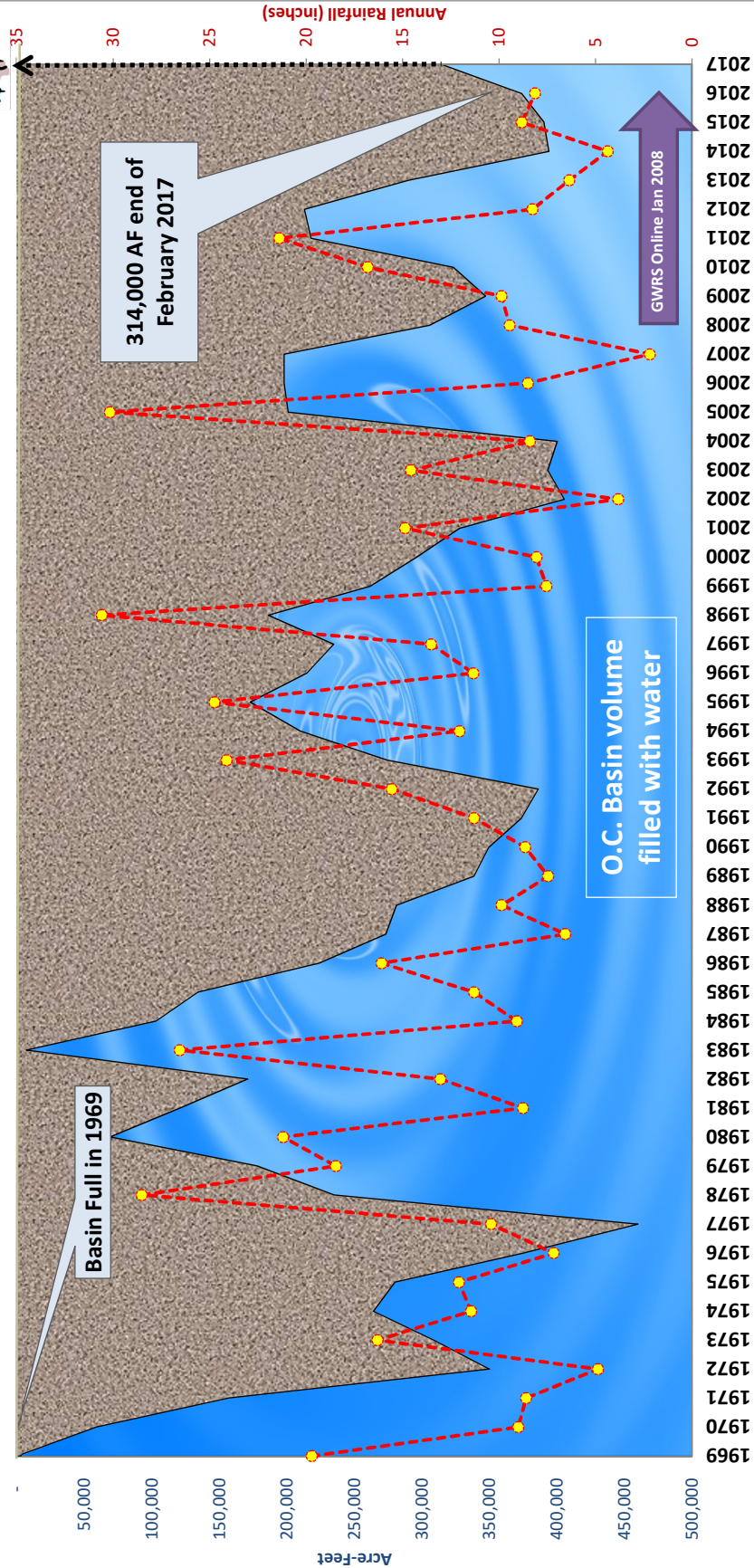
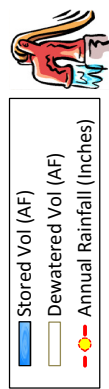


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



## O.C. Basin Accumulated Overdraft Vs. Annual Rainfall

Annual, 1969 to Present



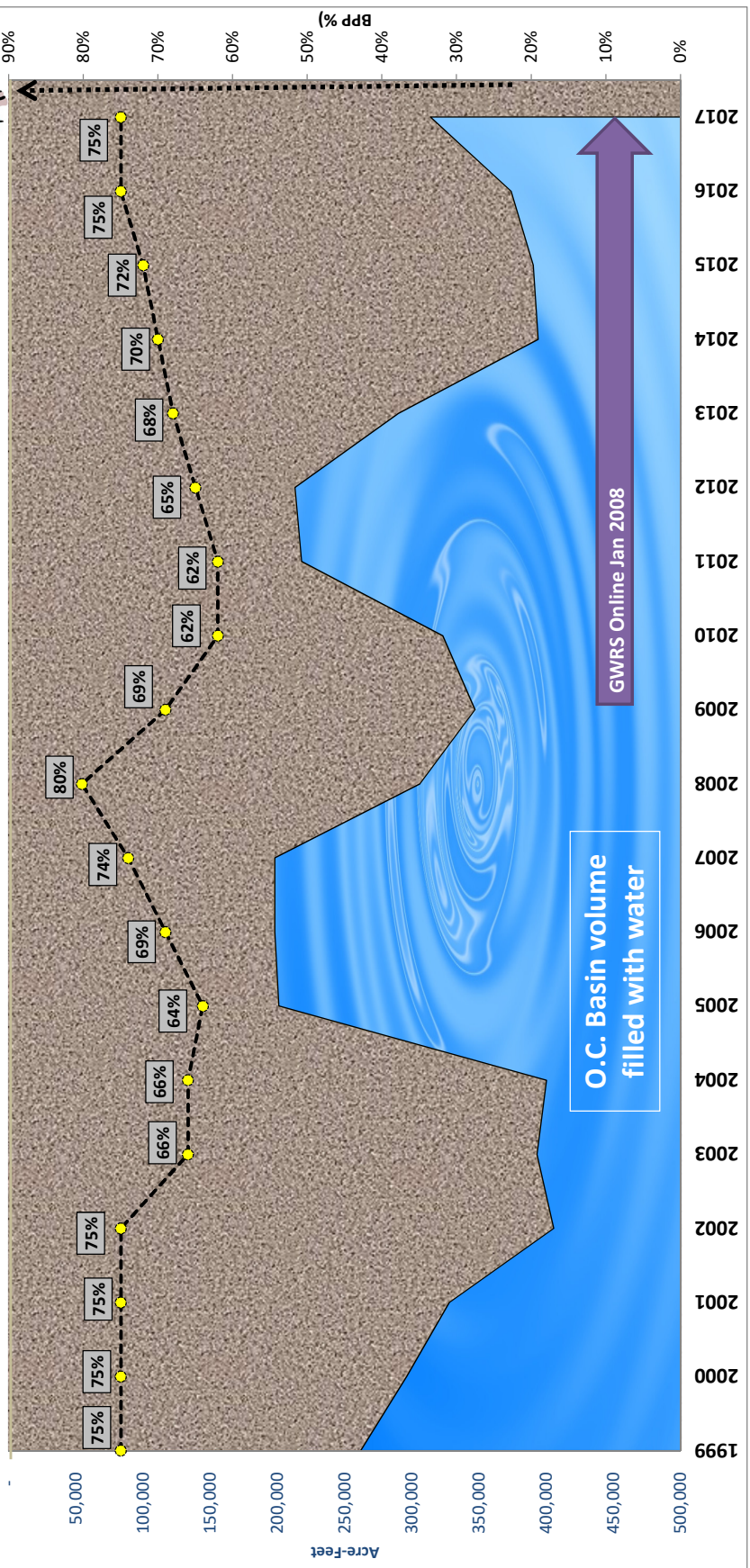
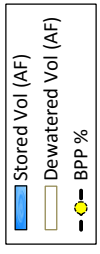
~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



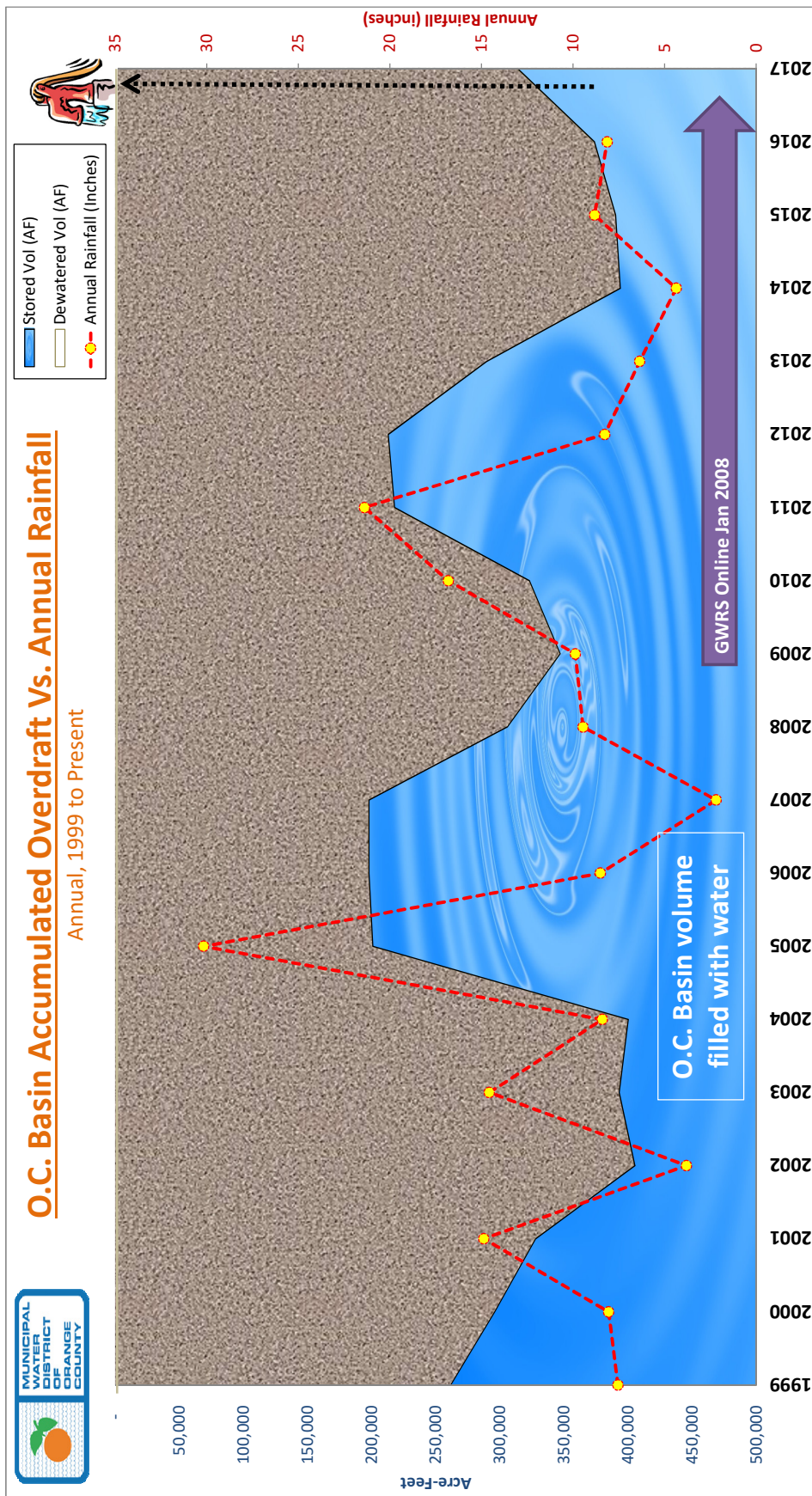


# O.C. Basin Accumulated Overdraft Vs. BPP %

Annual, 1999 to Present



~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD

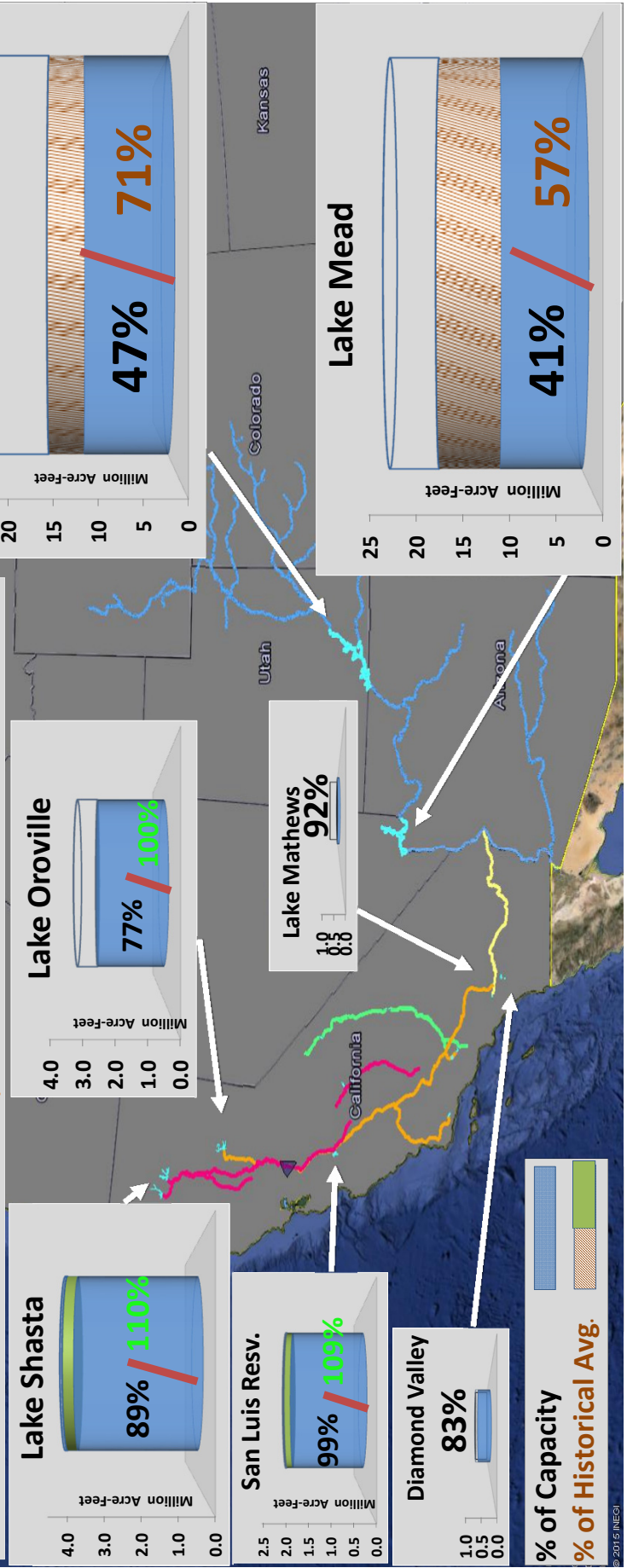


~ Accumulated Overdraft (dewatered volume) shown as white area, excluding the volume stored by Metropolitan. source: OCWD



# State Water Project, Colorado River, and MWD Reservoir Storage

as of April, 4th 2017

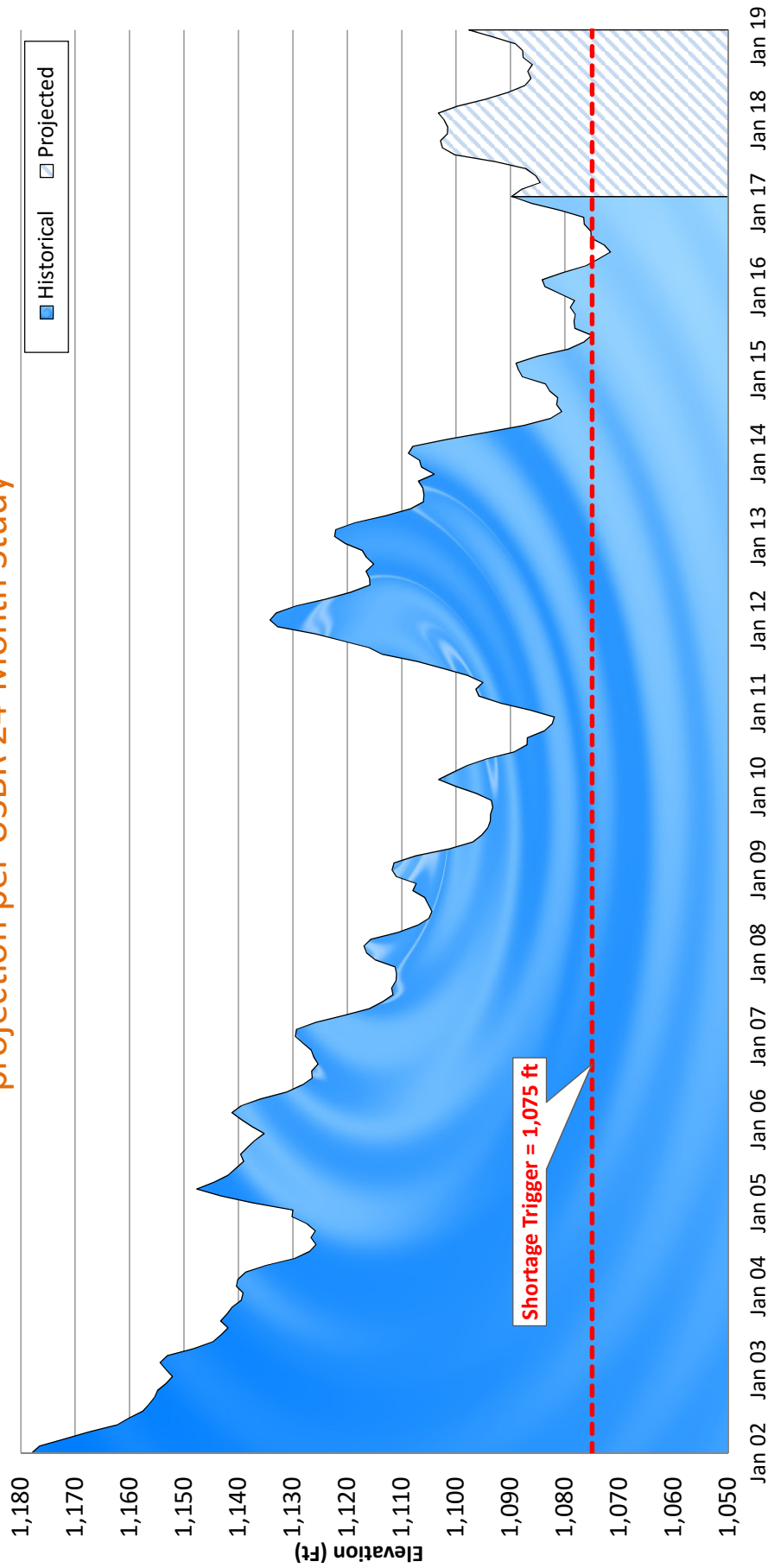


Prepared by the Municipal Water District of Orange County  
 \*Number are Subject to Change





## Lake Mead Levels: Historical and Projected projection per USBR 24-Month Study



## Historical Northern California Peak Snow Water Equivalent

