



April 11, 2017

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
P.O. Box 20895
18700 Ward Street
Fountain Valley, CA 92708

Re: Comments on Proposed MWDOC Fiscal Year 2017-18 Budget

Rob:

IRWD appreciates the opportunity to review the second draft of the Municipal Water District of Orange County (MWDOC) Fiscal Year 2017-18 Proposed Budget. The purpose of this letter is to provide comments to you and the MWDOC Board regarding the proposed budget to assist MWDOC in finalizing a budget which will meet the needs of MWDOC and its member agencies.

In reviewing the second draft of the proposed budget, IRWD noted continued discussion of additional staff and consultant services. While we appreciate that the proposed budget has converted the previously proposed full-time grant procurement position to a consultant service, IRWD recommends that the service be established as a Choice Program that member agencies could use on an on-call basis to support specific projects and not be included as part of the MWDOC Core Program. Grant procurement services would likely be used to support specific member agency projects and the cost for that service should be borne by those utilizing the service and not by all member agencies.

We also noted that, based on a discussion held at the MWDOC Administration and Finance Committee, a new staff position is being proposed to support federal legislative advocacy. IRWD is concerned about this addition because the need and business reasoning for the position have not been developed or communicated to the member agencies. IRWD, along with many other member agencies, does not support the addition of this position because:

1. There is no demonstrated need, scope of duties or proposed priorities for the federal legislative support position;
2. MWDOC has not shown there to be a lack of capacity within existing staff resources to support its federal advocacy efforts or justified the position in any other way;
3. Water districts of substantially greater size, scope and responsibility are able to focus on both state and federal legislative and regulatory issues without a sole staff person dedicated to federal issues;

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4. There is no understanding of how the proposed new position would relate to, duplicate, contradict, or support the on-going federal legislative efforts of the Metropolitan Water District of Southern California; and
5. The majority of the member agencies' managers at the March 2017 Manager's Meeting expressed no support for adding a federal legislative support position to the MWDOC Fiscal Year 2017-18 Budget.

In addition to the comments above, IRWD would like to express its support for the proposed FY 2017-2018 Choice Programs and the proposed Core Communications Campaign which will focus on the California Water Fix. The California Water Fix is an important issue for Orange County water agencies and the proposed MWDOC program can help build community support for the project. Finally, IRWD supports the MWDOC staff recommendation that there be no change in the current reserve policy until the PFM evaluation has been completed. IRWD encourages MWDOC to maintain this approach until member agencies have been given the ability to thoroughly review and comment on any proposed changes as a result of the PFM evaluation. Changes to the MWDOC reserve policy should be fully vetted with the member agencies prior to MWDOC developing its Fiscal Year 2018-19 Budget.

Again, thank you for the opportunity to review the proposed MWDOC Fiscal Year 2107-18 Budget. If you have any questions related to the comments provided above, please contact me at (949) 453-5590.

Sincerely,



Paul A. Cook, P.E.
General Manager