

April 11, 2017

Via E-Mail to mgoldsby@mwdoc.com

Mr. Wayne Osborne, President  
Attn: Maribeth Goldsby, Board Secretary  
Municipal Water District of Orange County  
PO Box 20895  
Fountain Valley, CA 92728

**Re: MNWD Comments on the Proposed MWDOC FY2017-18 Budget**

Dear President Osborne:

We appreciate the opportunity to provide comments on your proposed Fiscal Year 2017-18 budget. Your staff has been engaging and helpful in developing the budget, and the reasonable increase of 2.1 percent reflects the input from the various agencies. Your prudent approach in forecasting MWDOC's expenses and anticipated revenue is critical in our continued ability to provide water to our customers on a cost-effective basis.

We supported the first draft of the budget and would like to offer comments on some of the revisions in the second draft:

- 1. Federal Affairs:** We understand the new proposed government affairs position would focus on federal legislative and regulatory matters in Washington, D.C. While some agencies may want assistance in this area, others are not seeking federal funding or have their own resources to pursue these matters. Therefore, if the Board chooses to proceed in creating this new position, we recommend that it be budgeted as a CHOICE program, so that the agencies may participate on a voluntary basis if they are interested in federal representation through MWDOC. At this time, MNWD is not interested in participating in such a program.
- 2. Grant Support:** Grant application and administration requirements vary widely among agencies and projects. It is not a uniform need among Orange County agencies. Not all agencies have projects that require grant consulting support and some already have resources to support their own grant applications. Based on the variations and fluctuations in need, we recommend that if the Board decides to go in this direction, MWDOC provide the service as a CHOICE program whereby interested agencies may choose to participate. We think

retaining a grants consultant for specific projects would be a sensible move, so long as the associated costs were allocated to those projects. We do not currently intend to utilize MWDOC's grant consulting support services. MNWD is in the process of retaining grant support directly. While we look to partner with MWDOC on projects that might be eligible for grants, we do not foresee a scenario where the costs for pursuing those project grants should be borne by all Orange County customers as a common cost.

We appreciate the opportunity to comment on the MWDOC budget. We look forward to continuing to collaborate with you and your staff on this and other important decisions.

Respectfully submitted,



Joone Lopez  
General Manager

