

**MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
Jointly with the  
**ADMINISTRATION & FINANCE COMMITTEE**  
May 11, 2016, 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 – April 2016
  - b. Disbursement Approval Report for the month of May 2016
  - c. Disbursement Ratification Report for the month of April 2016
  - d. GM Approved Disbursement Report for the month of April 2016
  - e. Water Use Efficiency Projects Cash Flow – April 30, 2016
  - f. Consolidated Summary of Cash and Investment – March 2016
  - g. OPEB Trust Fund monthly statement

2. FINANCIAL REPORT
  - a. Combined Financial Statements and Budget Comparative for the period ending March 31, 2016
  - b. Quarterly Budget Review

**ACTION ITEM**

3. APPROVAL OF MWDOC RATE STUDY
4. APPROVAL OF MWDOC's BUDGET FOR 2016-17
5. PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2016-17
6. ADOPTION OF MWDOC ORDINANCE TO ESTABLISH CLASSES OF WATER SERVICE AND TERMS AND CONDITIONS OF WATER SERVICE WITHIN THE DISTRICT
7. ANNUAL REVIEW OF INVESTMENT POLICY AND GUIDELINES

**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.)

8. REBATE PROGRAM – 1099 UPDATE
9. DEPARTMENT ACTIVITIES REPORTS
  - a. Administration
  - b. Finance and Information Technology

**OTHER ITEMS**

10. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

**ADJOURNMENT**

**NOTE:** At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to

Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**April 2016**

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
04/01/16	City of Huntington Beach	February 2016 Water deliveries	246,506.47
04/01/16	City of San Clemente	February 2016 Water deliveries	491,088.61
04/04/16	City of Fountain Valley	February 2016 Water deliveries	169,673.13
04/04/16	Serrano Water District	February 2016 Water deliveries	5,730.01
04/04/16	City of La Palma	February 2016 Water deliveries	5,801.91
04/04/16	City of San Juan Capistrano	February 2016 Water deliveries	312,512.34
04/08/16	City of Buena Park	February 2016 Water deliveries	180,484.76
04/08/16	City of La Habra	February 2016 Water deliveries	11,320.39
04/11/16	City of Seal Beach	February 2016 Water deliveries	10,136.96
04/11/16	City of Newport Beach	February 2016 Water deliveries	295,828.22
04/11/16	South Coast Water District	February 2016 Water deliveries	385,151.31
04/11/16	El Toro Water District	February 2016 Water deliveries	485,388.47
04/11/16	City of Garden Grove	February 2016 Water deliveries	423,226.27
04/13/16	City of Westminster	February 2016 Water deliveries	208,076.04
04/14/16	Santa Margarita Water District	February 2016 Water deliveries	1,511,980.38
04/14/16	Laguna Beach County Water District	February 2016 Water deliveries	266,974.80
04/14/16	East Orange County Water District	February 2016 Water deliveries	215,434.22
04/14/16	City of Orange	February 2016 Water deliveries	61,289.42
04/15/16	Yorba Linda Water District	February 2016 Water deliveries	294,361.41
04/15/16	Golden State Water Company	February 2016 Water deliveries	451,287.32
04/15/16	Moulton Niguel Water District	February 2016 Water deliveries	1,710,492.28
04/15/16	Irvine Ranch Water District	February 2016 Water deliveries	716,010.47
04/15/16	Santiago Aqueduct Commission	February 2016 Water deliveries	55,836.00
04/29/16	City of Huntington Beach	March 2016 Water deliveries	431,421.07
04/29/16	City of San Clemente	March 2016 Water deliveries	501,149.63
04/29/16	City of Brea	March 2016 Water deliveries	53,896.35
<b>TOTAL REVENUES</b>			<b>\$ 9,501,058.24</b>

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**April 2016**

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
04/14/16	Pacific Advance Civil Engineering	1/22/16 Water Policy dinner	80.00
04/22/16	City of Huntington Beach	1/22/16 Water Policy dinner	90.00
04/08/16	Dudek	5/20/16 OC Water Summit	130.00
04/13/16	City of Mission Viejo	5/20/16 OC Water Summit	130.00
04/25/16	Tetra Tech, Inc.	5/20/16 OC Water Summit	130.00
04/29/16	Paypal	5/20/16 OC Water Summit registrations	8,293.05
04/04/16	Mesa Water	5/20/16 OC Water Summit - Luncheon sponsorship	7,500.00
04/04/16	Mesa Water	5/20/16 OC Water Summit sponsorship	1,600.00
04/04/16	Moulton Niguel Water District	5/20/16 OC Water Summit sponsorship	1,600.00
04/08/16	Aleshire & Wynder	5/20/16 OC Water Summit sponsorship	1,600.00
04/22/16	Orange County Sanitation District	5/20/16 OC Water Summit sponsorship	1,600.00
04/29/16	Paypal	ISDOC Registrations	19.12
04/08/16	Darcy Burke	April 2016 COBRA insurance premium	1,293.82
04/08/16	Stan Sprague	April 2016 Retiree medical insurance premium	211.41
04/18/16	Stan Sprague	May 2016 Retiree medical insurance premium	211.41
04/13/16	Joan Finnegan	Jan-Mar 2016 Director's Health insurance contribution	304.74
04/22/16	Susan Hinman	Jan-Mar 2016 Director's Health insurance contribution	304.74
04/11/16	Eastern Municipal Water District	Reimbursement for 25% of cost for 2/24/16 DC Briefing Luncheon	682.95
04/13/16	ACWA JPIA	RPA Insurance refund	13,384.32
04/22/16	CA Emergency Services Association	Refund for overcharge of membership - Brandon Stock	35.00
04/08/16	Serrano Water District	February 2016 Smart Timer rebate program	75.00
04/18/16	2 Checks	February 2016 Smart Timer rebate program	191.44
04/22/16	2 Checks	February 2016 Smart Timer rebate program	150.00
04/25/16	Santa Margarita Water District	February 2016 Smart Timer rebate program	450.00
04/13/16	Irvine Ranch Water District	November 2015 Turf Removal rebate program	1,300.00
04/13/16	Irvine Ranch Water District	February 2016 Turf Removal rebate program	21,453.00
04/15/16	2 Checks	February 2016 Turf Removal rebate program	4,168.75
04/29/16	City of Buena Park	February 2016 Turf Removal rebate program	307.93
04/08/16	City of San Clemente	February 2016 Smart Timer and Turf Removal rebate program	1,241.09
04/11/16	City of Orange	February 2016 Smart Timer and Turf Removal rebate program	1,248.15
04/18/16	Golden State Water Company	February 2016 Smart Timer and Turf Removal rebate program	1,031.47
04/29/16	2 Checks	February 2016 Smart Timer and Turf Removal rebate program	1,159.51
04/29/16	City of Tustin	February 2016 Smart Timer and Turf Removal rebate program	35,751.95
04/11/16	Moulton Niguel Water District	February 2016 Smart Timer, Rotating Nozzle and Turf Removal rebate program	295,062.49
04/04/16	Golden State Water Company	February 2016 So Cal Watersmart rebate program	400.00
04/11/16	2 Checks	February 2016 So Cal Watersmart rebate program	5,359.00
04/13/16	Irvine Ranch Water District	February 2016 So Cal Watersmart rebate program	7,660.55
04/18/16	Trabuco Canyon Water District	February 2016 So Cal Watersmart rebate program	150.00
04/14/16	Santa Margarita Water District	February 2016 Spray to Drip rebate program	107.40
04/04/16	Irvine Ranch Water District	December 2015 Landscape Performance Certification program	1,296.00
04/18/16	Irvine Ranch Water District	January 2016 Landscape Performance Certification program	1,296.00
04/04/16	Irvine Ranch Water District	FY 14-15 O & M Costs of the EOCF #2	133,822.70
04/18/16	City of San Juan Capistrano	FY 14-15 O & M Costs of the EOCF #2	40,964.18
04/18/16	Mesa Water	FY 14-15 O & M Costs of the EOCF #2	38,643.62
04/25/16	Moulton Niguel Water District	FY 14-15 O & M Costs of the EOCF #2	122,892.54
04/01/16	City of Fullerton	Jul-Dec 2015 School Billing	2,640.40

**Municipal Water District of Orange County**  
**REVENUE / CASH RECEIPT REPORT**  
**April 2016**

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
04/04/16	City of Santa Ana	Jul-Dec 2015 School Billing	12,084.80
04/15/16	City of Anaheim	Jul-Dec 2015 School Billing	25,728.60
04/18/16	City of San Juan Capistrano	Water Loss Control technical assistance - WSO, Inc.	34,292.00
04/08/16	City of Fountain Valley	Water Loss Control technical assistance - WSO, Inc.	9,432.00
TOTAL MISCELLANEOUS REVENUES			<u><b>\$ 839,561.13</b></u>
TOTAL REVENUES			<u><b>\$ 10,340,619.37</b></u>

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Robert J. Hunter, General Manager

  
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Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of May 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
1105	<b>Richard Ackerman</b> April 2016 Legal consulting on water policy issues	1,400.00
	*** Total ***	1,400.00
516041569	<b>ALTA FoodCraft</b> 4/20/16 Coffee & tea supplies	291.23
	*** Total ***	291.23
160412_MWD	<b>American Society of Civil Engineers</b> Employment ad for Principal Engineer position	150.00
	*** Total ***	150.00
042716	<b>Sam Ayala</b> April 2016 Atrium landscape maintenance	95.00
	*** Total ***	95.00
55401-MAR16 770120	<b>Best Best and Krieger LLP</b> March 2016 Legal services	10,505.00
	March 2016 State legislative advocacy services	7,500.00
	*** Total ***	18,005.00
80551609/16	<b>CDM Smith</b> 2/28/16-4/2/16 Engineering services for Water Reliability Investigation	8,124.40
	*** Total ***	8,124.40
CSC5123	<b>CDW Government</b> 1 Network router for I.T. computer testing	150.82
	*** Total ***	150.82
FEB-APR2016	<b>Hunter T. Cook</b> February-April 2016 Coastal retiree health	1,447.38
	*** Total ***	1,447.38
AR165166	<b>CSU Fullerton ASC</b> 4th Quarter FY 15/16 CDR Support	9,934.86
	*** Total ***	9,934.86
1-CJ6R8	<b>Executive Information Systems, LLC</b> 2/15/16-2/14/17 Maintenance for JMP statistical software	648.00
	*** Total ***	648.00
SI0015431 SI0015813	<b>Finley &amp; Cook PLLC</b> 6/5/16-6/4/17 Annual maintenance and enhancements fee for Jet Reports software	957.60
	6/5/16-6/4/17 Unlimited licenses for Jet Reports software	2,314.20
	*** Total ***	3,271.80



**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of May 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Goin Native Therapeutic Gardens</i></b>	
2016-042316	4/23/16-4/24/16 Eco Garden Expo registration fee	175.00
	*** Total ***	175.00
	<b><i>Humanscale Corporation</i></b>	
2138109	2 Ergonomic quick stands and 1 flex monitor arm with installation	2,271.73
	*** Total ***	2,271.73
	<b><i>Immersiv Media, Inc.</i></b>	
-018(MWDOC2016)	April-June 2016 Website hosting and maintenance	525.00
	*** Total ***	525.00
	<b><i>Independent Special Dist. of OC</i></b>	
042816	3/31/16 PayPal receipts for 3/31/16 meeting	19.12
	*** Total ***	19.12
	<b><i>James C. Barker, P.C.</i></b>	
105-0416	April 2016 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b><i>Lewis Consulting Group, LLC</i></b>	
2016-121	April 2016 Consulting services	3,000.00
	*** Total ***	3,000.00
	<b><i>Norco Delivery Services</i></b>	
702315	4/1/16 Delivery charges for Board packets	215.27
	*** Total ***	215.27
	<b><i>Office Solutions</i></b>	
I-00942391	4/12/16 Office supplies	243.73
I-00943012	4/13/16 Office supplies	50.76
I-00950804	4/27/16 Office supplies	304.06
I-00950823	4/27/16 Office supplies	213.84
	*** Total ***	812.39
	<b><i>Orange County Water District</i></b>	
16151	March 2016 Postage, shared office & maintenance expense	7,015.80
16135	March 2016 50% of WACO expenses	235.97
	*** Total ***	7,251.77
	<b><i>Patricia Kennedy Inc.</i></b>	
20811	May 2016 Plant maintenance	214.00
	*** Total ***	214.00
	<b><i>PDC Interiors</i></b>	
2344C-15	July 2015-April 2016 Design services for reconfiguration of offices	2,975.00
	*** Total ***	2,975.00



**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of May 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Raftelis Financial Consultants</i></b>	
OCCA1512-05.	April 2016 Services for Rate Study	11,690.34
	*** Total ***	11,690.34
	<b><i>San Juan Basin Authority</i></b>	
139835-1	January-March 2016 MET Foundational Actions Funding for San Juan Basin Groundwater and Desalination Optimization program	29,089.15
	*** Total ***	29,089.15
	<b><i>South Coast Water District</i></b>	
139834-9	January-March 2016 MET Foundational Actions Funding for Overcoming Barriers to Slant Well Seawater Desalination	11,331.67
	*** Total ***	11,331.67
	<b><i>U. S. HealthWorks Medical Group</i></b>	
2894851-CA	4/7/16 Pre-employment exam	160.00
	*** Total ***	160.00
	<b><i>USAFact, Inc.</i></b>	
6043007	4/19/16 Pre-employment background inquiry	49.86
	*** Total ***	49.86
	<b><i>Water Systems Optimization, Inc.</i></b>	
1012	3/23/16-4/24/16 Technical services for Water Loss Control program	67,559.36
	*** Total ***	67,559.36
	<b><i>Z Cater</i></b>	
47765	4/7/16 Food for Elected Officials meeting	1,067.86
	*** Total ***	1,067.86
	<b><i>Total Core Expenditures</i></b>	<b>189,926.01</b>

***Choice Expenditures:***

	<b><i>Bryton Printing Inc.</i></b>	
12626	Spring 2016 Bill Inserts for City of San Juan Capistrano	196.68
	*** Total ***	196.68
	<b><i>Discovery Science Center</i></b>	
DSOC/IV/14-15/000347	March 2016 School program	19,589.55
	*** Total ***	19,589.55
	<b><i>Freedom Communications, Inc.</i></b>	
61990003-APR16	April 2016 Value of Water pages	26,000.00
	*** Total ***	26,000.00

**Municipal Water District of Orange County  
Disbursement Approval Report  
For the month of May 2016**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b>Orange County Water District</b>	
16151	March 2016 Postage for rebate programs	797.09
	*** Total ***	797.09
	<b>Top Hat Productions</b>	
91527	4/12/16 Lunch for Water Loss Control workgroup	403.38
	*** Total ***	403.38
	<b>Total Choice Expenditures</b>	46,986.70
<b>Other Funds Expenditures:</b>		
	<b>Advanced Electronics Inc.</b>	
686000008-1	Update to MARS Radios at WEROC N. EOC & S. EOC	594.50
	*** Total ***	594.50
	<b>Eagle &amp; Globe, Inc.</b>	
1019	1 Automated external defibrillator with management plan for WEROC S. EOC	2,066.08
	*** Total ***	2,066.08
	<b>The Ecology Center</b>	
TEC151601	1/29/16-4/4/16 Rain Barrel Distribution program	8,680.00
	*** Total ***	8,680.00
	<b>Laguna Beach County Water District</b>	
1000012033	September 2015-February 2016 Smart Timer & Nozzle Direct Installation program	9,552.00
	*** Total ***	9,552.00
	<b>Mission RCD</b>	
1980	March 2016 Field verifications for rebate programs	29,636.81
	*** Total ***	29,636.81
	<b>Public Spaces Program</b>	
MV10-16-15	City of Mission Viejo	97,985.00
	*** Total ***	97,985.00
	<b>Total Other Funds Expenditures</b>	148,514.39
	<b>Total Expenditures</b>	385,427.10

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of April 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
133471	4/6/16	<b>TIMEWA</b> 5210-APR16	<b>Time Warner Cable</b> April 2016 Telephone and internet expense ***Total ***	1,280.57 1,280.57
133473	4/6/16	<b>VERIZO</b> 9762667371	<b>Verizon Wireless</b> March 2016 4G Mobile broadband unlimited service ***Total ***	76.02 76.02
040816	4/8/16	<b>BOARDE</b> 2015	<b>Board of Equalization</b> 2015 Sales tax on purchases ***Total ***	1,380.01 1,380.01
133478	4/15/16	<b>C3OFFI</b> INV49758	<b>C3 Office Solutions LLC</b> April 2016 Canon copier maintenance ***Total ***	323.34 323.34
133481	4/15/16	<b>DELAGE</b> 49417877	<b>De Lage Landen Public Finance</b> April 2016 Canon copier lease ***Total ***	509.00 509.00
133483	4/15/16	<b>IRONMO</b> MLP2706	<b>Iron Mountain</b> April 2016 Storage/retrieval of archived document ***Total ***	548.66 548.66
133494	4/15/16	<b>TAMARI</b> 033116	<b>Satoru Tamaribuchi</b> March 2016 Business expense ***Total ***	77.76 77.76
133495	4/15/16	<b>TIMEWA</b> 3564-APR16	<b>Time Warner Cable</b> April 2016 Telephone expense for 4 analog fax lines ***Total ***	143.69 143.69
133497	4/15/16	<b>VOLZKE</b> 032816	<b>Jonathan Volzke</b> March 2016 Business expense ***Total ***	170.69 170.69
ACH001929	4/15/16	<b>BARBRE</b> 033116	<b>Brett Barbre</b> March 2016 Business expense ***Total ***	249.48 249.48
ACH001930	4/15/16	<b>BAUMHA</b> 033116	<b>Melissa Baum-Haley</b> March 2016 Business expense ***Total ***	36.00 36.00

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of April 2016**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>ACH001933</b>	<b>4/15/16</b>	<b>DELATO 040116</b>	<b>Harvey De La Torre</b> April 2016 Business expense ***Total ***	 58.86 58.86
<b>ACH001934</b>	<b>4/15/16</b>	<b>DICKEX 033116</b>	<b>Larry Dick</b> March 2016 Business expense ***Total ***	 146.34 146.34
<b>ACH001936</b>	<b>4/15/16</b>	<b>FINNEG 033116</b>	<b>Joan Finnegan</b> March 2016 Business expense ***Total ***	 92.17 92.17
<b>ACH001938</b>	<b>4/15/16</b>	<b>HINMAN 033116</b>	<b>Susan Hinman</b> March 2016 Business expense ***Total ***	 412.13 412.13
<b>ACH001939</b>	<b>4/15/16</b>	<b>HUNTER 031916</b>	<b>Robert J. Hunter</b> February-March 2016 Business expense ***Total ***	 83.28 83.28
<b>ACH001951</b>	<b>4/15/16</b>	<b>ROBERT 033116</b>	<b>Bryce Roberto</b> March 2016 Business expense ***Total ***	 148.51 148.51
<b>ACH001953</b>	<b>4/15/16</b>	<b>THOMAS 033116</b>	<b>Jeffery Thomas</b> March 2016 Business expense ***Total ***	 86.40 86.40
<b>133499</b>	<b>4/20/16</b>	<b>STAPLC 4362-APR16-55660</b>	<b>Staples Credit Plan</b> 5/20/16 OC Water Summit flyers printed ***Total ***	 193.81 193.81
<b>134205</b>	<b>4/29/16</b>	<b>ACKEEX 033116</b>	<b>Linda Ackerman</b> March 2016 Business expense ***Total ***	 45.36 45.36
<b>134213</b>	<b>4/29/16</b>	<b>METOTH 42780</b>	<b>Metropolitan Water District</b> FY14-15 Operation & Maintenance cost for East Orange County Feeder #2 ***Total ***	 493,651.04 493,651.04
<b>134219</b>	<b>4/29/16</b>	<b>USBANK 5783/6533-MAR16</b>	<b>U.S. Bank</b> 2/22/16-3/22/16 Cal Card charges ***Total ***	 19,174.42 19,174.42

**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of April 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>134220</b>	<b>4/29/16</b>	<b>VANDYK</b>	<b>Corinne Van Dyke</b>	
		031916	March 2016 Business expense	32.72
		042416	April 2016 Business expense	41.69
			***Total ***	74.41
<b>ACH001956</b>	<b>4/29/16</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		031716	February-March 2016 Business expense	248.25
			***Total ***	248.25
<b>ACH001958</b>	<b>4/29/16</b>	<b>CHUMPI</b>	<b>Hilary Chumpitazi</b>	
		033116	March 2016 Business expense	13.00
			***Total ***	13.00
<b>PP042916</b>	<b>4/29/16</b>	<b>OCPUB1</b>	<b>Orange County Public Affairs Association</b>	
		042416	Annuual membership for T. Baca	50.00
			***Total ***	50.00
<b>Total Core Disbursements</b>				<b>519,273.20</b>

**Choice Disbursements:**

<b>134215</b>	<b>4/29/16</b>	<b>SDGE</b>	<b>San Diego Gas and Electric</b>	
		7768-APR16	3/21/16-4/20/16 Electrical service for Doheny Ocean Desal project	222.17
			***Total ***	222.17
<b>ACH001956</b>	<b>4/29/16</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		031716	February-March 2016 Business expense	115.29
			***Total ***	115.29
<b>Total Choice Disbursements</b>				<b>337.46</b>

**Other Funds Disbursements:**

<b>133472</b>	<b>4/6/16</b>	<b>TURFRP</b>	<b>Turf Removal Program</b>	
		TR6-MNT-7408-45	M. Lucio	1,245.08
			***Total ***	1,245.08
<b>133473</b>	<b>4/6/16</b>	<b>VERIZO</b>	<b>Verizon Wireless</b>	
		9762667371	March 2016 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
<b>040816</b>	<b>4/8/16</b>	<b>BOARDE</b>	<b>Board of Equalization</b>	
		2015	2015 Sales tax on purchases	1.67
			***Total ***	1.67

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<b>133477</b>	<b>4/15/16</b>	<b>ATTUVEOC</b> 8599-APR16	<b>AT&amp;T</b> April 2016 U-verse internet service for WEROC N. EOC ***Total ***	55.00 55.00
<b>133485</b>	<b>4/15/16</b>	<b>MESAWA</b> 8802	<b>Mesa Water</b> February 2016 Credit for Local Resources program ***Total ***	111,441.00 111,441.00
<b>133487</b>	<b>4/15/16</b>	<b>OCWD</b> 16071	<b>Orange County Water District</b> February 2016 GWRS MET credit ***Total ***	498,881.95 498,881.95
<b>133500</b>	<b>4/20/16</b>	<b>TURFRP</b> TR6-SC-10297-221A	<b>Turf Removal Program</b> City of San Clemente	9,532.00
<b>133501</b>	<b>4/20/16</b>	TR5W-ETWD-5237	SouthWest Landscape, Inc. (Santa Ana)	4,522.00
<b>133502</b>	<b>4/20/16</b>	TR6-GG-10590-12882	L. Tran ***Total ***	2,000.00 16,054.00
<b>133504</b>	<b>4/20/16</b>	<b>TURFRP</b> TR7-ETWD-11814-	<b>Turf Removal Program</b> City of Mission Viejo	3,000.00
<b>133505</b>	<b>4/20/16</b>	TR7-ETWD-11814-2	City of Mission Viejo	4,589.33
<b>133506</b>	<b>4/20/16</b>	TR6-SM-8838-1ADD	City of Mission Viejo ***Total ***	12,157.09 19,746.42
<b>133507</b>	<b>4/25/16</b>	<b>TURFRP</b> TR6-BP-6475-6098	<b>Turf Removal Program</b> C. Tsao	2,766.00
<b>133508</b>	<b>4/25/16</b>	TR5W-HB-4527	K. Shah	1,530.00
<b>133509</b>	<b>4/25/16</b>	TR6-HB-8958-18591	City of Huntington Beach	7,579.00
<b>133510</b>	<b>4/25/16</b>	TR6-HB-8960-3831	City of Huntington Beach	6,931.00
<b>133511</b>	<b>4/25/16</b>	TR6-SC-6514-224	M. Mackey	1,628.00
<b>133512</b>	<b>4/25/16</b>	TR6-SJC-7366-26892	S. Worthington	2,410.00
<b>133513</b>	<b>4/25/16</b>	TR7-ETWD-11663-26035	A. Twork	2,000.00
<b>133514</b>	<b>4/25/16</b>	TR6-GSWC-9684-10172	L. Kisner	3,802.00
<b>133515</b>	<b>4/25/16</b>	TR5-IRWD-297	Bonita Canyon Maintenance Assn. (Newport Beach)	62,780.00
<b>133516</b>	<b>4/25/16</b>	TR5W-IRWD-4037	C. Payne	3,228.00
<b>133517</b>	<b>4/25/16</b>	TR5W-IRWD-4604	L. Lin	1,618.00
<b>133518</b>	<b>4/25/16</b>	TR6-IRWD-10018-1	B. Plass	2,884.00
<b>133519</b>	<b>4/25/16</b>	TR6-IRWD-10191-7	G. Hecht	556.00
<b>133520</b>	<b>4/25/16</b>	TR6-IRWD-6095-21238	Vista Del Flores HOA (Lake Forest)	11,269.00
<b>133521</b>	<b>4/25/16</b>	TR6-IRWD-6621-11	J. Thi	620.00
<b>133522</b>	<b>4/25/16</b>	TR6-IRWD-7131-3671	J. Schroeder	782.00
<b>133523</b>	<b>4/25/16</b>	TR6-IRWD-8314-20	R. Anno	1,732.00
<b>133524</b>	<b>4/25/16</b>	TR6-IRWD-8565-5	S. Ono	2,282.00
<b>133525</b>	<b>4/25/16</b>	TR6-IRWD-9102-9	D. Rutledge	878.00
<b>133526</b>	<b>4/25/16</b>	TR6-IRWD-9194-24932	K. Seferian	1,006.00
<b>133527</b>	<b>4/25/16</b>	TR6-IRWD-9332-125	T. Doan	3,402.00
<b>133528</b>	<b>4/25/16</b>	TR6-IRWD-9524-46	S. Truong	2,198.00
<b>133529</b>	<b>4/25/16</b>	TR6-IRWD-9574-21472	J. Lopez	552.00
<b>133530</b>	<b>4/25/16</b>	TR6-IRWD-9717-2309	M. Johnson	1,864.00



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133531	4/25/16	TR7-IRWD-11106-22542	L. White	1,214.00
133532	4/25/16	TR7-IRWD-11386-17	D. Deslatte	784.00
133533	4/25/16	TR7-IRWD-11544-24642	P. Ellison	870.00
133534	4/25/16	TR7-IRWD-11761-53	J. Uppal	696.00
133535	4/25/16	TR7-IRWD-11956-15	P. Leung	548.00
133536	4/25/16	TR7-IRWD-11973-5	H. Cao	830.00
133537	4/25/16	TR7-IRWD-12013-24376	R. Tiberio	3,054.00
133538	4/25/16	TR7-IRWD-12026-4472	T. Vo	1,040.00
133539	4/25/16	TR7-IRWD-23448-20911	R. Fairbanks	2,308.00
133540	4/25/16	TR7-IRWD-23697-23	J. Wilson	1,006.00
133541	4/25/16	TR7-IRWD-23874-20965	S. Dolor	1,158.00
133542	4/25/16	TR5-MESA-086	R. Sasaki	240.00
133543	4/25/16	TR5-MESA-087	R. Pina	3,808.00
133544	4/25/16	TR5W-MESA-4021	J. Millian	1,782.00
133545	4/25/16	TR5W-MESA-6033	C. McCann	1,952.00
133546	4/25/16	TR6-MESA-10091-1004	L. Lobdell	4,432.00
133547	4/25/16	TR6-MESA-6580-1701	Mesa Verde Partners (Costa Mesa)	25,000.00
133548	4/25/16	TR6-MESA-6670-957	G. Prechel	384.00
133549	4/25/16	TR6-MESA-6736-467	L. Bradburne	1,744.00
133550	4/25/16	TR6-MESA-7020-389	K. Campbell	3,078.00
133551	4/25/16	TR6-MESA-8023-988	A. Brancheau	1,140.00
133552	4/25/16	TR6-MESA-8871-2080	M. Ready	948.00
133553	4/25/16	TR6-MESA-9067-208	J. Anthony	4,272.00
133554	4/25/16	TR6-MESA-9685-257	N. Shultz	5,236.00
133555	4/25/16	TR5-MNT-239	C. Ellingburgh	3,180.00
133556	4/25/16	TR5W-MNT-4706	M. Schmit	3,951.50
133557	4/25/16	TR5W-MNT-4902	S. Gryske	625.00
133558	4/25/16	TR5W-MNT-4982	D. Key	4,555.00
133559	4/25/16	TR5W-MNT-5314	J. Stover	1,491.00
133560	4/25/16	TR5W-MNT-5573	Oso Medical Plaza LP (Mission Viejo)	14,677.50
133561	4/25/16	TR5W-MNT-5742	B. Camp	5,280.00
133562	4/25/16	TR6-MNT-10014-25421	E. Gost	10,358.50
133563	4/25/16	TR6-MNT-10024-25921	J. and D. Anderson	8,942.50
133564	4/25/16	TR6-MNT-10134-5	S. Park	654.50
133565	4/25/16	TR6-MNT-10217-25241	A. Oppedisano	14,510.00
133566	4/25/16	TR6-MNT-10405-26512	S. Zand	1,225.00
133567	4/25/16	TR6-MESA-6649-275	Tav Partners (Costa Mesa)	19,511.00
133568	4/25/16	TR6-MNT-10450-26722	C. Stockton	3,450.00
133569	4/25/16	TR6-MNT-10603-26682	R. Nimtz	2,270.00
133570	4/25/16	TR6-MNT-6207-26631	A. Oz	5,800.00
133571	4/25/16	TR6-MNT-6793-26151	H. Williams	1,977.50
133572	4/25/16	TR6-MNT-7130-10	L. Brown	2,710.00
133573	4/25/16	TR6-MNT-7717-27212	K. Leigeber	6,742.00
133574	4/25/16	TR6-MNT-7739-26791	R. Bley	3,230.50
133575	4/25/16	TR6-MNT-8449-29712	A. Afrookhteh	11,418.00
133576	4/25/16	TR6-MNT-8749-13	A. Aparicio	6,585.50
133577	4/25/16	TR6-MNT-8902-24465	N. Soafer	1,687.00
133578	4/25/16	TR6-MNT-9125-24645	M. Burnett	2,054.50
133579	4/25/16	TR6-MNT-9212-2	J. Sanchez	3,080.00



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133580	4/25/16	TR6-MNT-9222-26712	S. Venable	6,307.00
133581	4/25/16	TR6-MNT-9325-25771	J. Laurie	2,481.50
133582	4/25/16	TR6-MNT-9476-29791	W. Daluiski	2,982.00
133583	4/25/16	TR6-MNT-9550-24781	D. Pufahl	3,020.00
133584	4/25/16	TR6-MNT-9948-25301	L. Morgan	10,216.50
133585	4/25/16	TR7-MNT-11001-29072	D. Cowan	2,416.00
133586	4/25/16	TR7-MNT-11145-2	R. Yould	1,606.00
133587	4/25/16	TR7-MNT-11574-24201	B. Edwards	3,305.00
133588	4/25/16	TR7-MNT-11696-25461	I. Horwitz	2,975.00
133589	4/25/16	TR7-MNT-11735-29461	L. Osborn	1,766.00
133590	4/25/16	TR7-MNT-11870-23272	X. Shi	3,573.50
133591	4/25/16	TR7-MNT-11952-26811	R. Hennen	1,662.50
133592	4/25/16	TR7-MNT-11988-41	E. Chao	3,937.50
133593	4/25/16	TR7-MNT-23478-34	M. Fischetti	1,984.50
133594	4/25/16	TR7-MNT-23498-23621	J. Wu	1,029.00
133595	4/25/16	TR7-MNT-23598-29861	S. Man	1,606.50
133596	4/25/16	TR7-MNT-23672-34	R. Juel	1,600.00
133597	4/25/16	TR7-MNT-23711-25071	M. Tran	6,468.00
133598	4/25/16	TR7-MNT-23722-24265	S. Kinum	1,505.00
133599	4/25/16	TR7-MNT-23740-27161	R. Milo	6,461.00
133600	4/25/16	TR7-MNT-23902-25762	J. Lam	910.00
133601	4/25/16	TR5-SM-207	Rancho Santa Margarita Landscape & Recreation Corp.	25,000.00
133602	4/25/16	TR5W-SM-4924	A. Hernandez	402.09
133603	4/25/16	TR5W-SM-5317	R. Swain	2,444.00
133604	4/25/16	TR6-SM-27782	E. Garcia	1,776.00
133605	4/25/16	TR6-SM-6227-18	A. Schmidt	1,566.00
133606	4/25/16	TR6-SM-7745-53	Sutters Mill Neighborhood Corp. (Santa Margarita)	3,091.00
133607	4/25/16	TR6-SM-7746-29	Sutters Mill Neighborhood Corp. (Santa Margarita)	3,217.00
133608	4/25/16	TR6-SM-8329-9	C. Frank	1,070.00
133609	4/25/16	TR6-SM-9665-27781	G. Waite	994.00
133610	4/25/16	TR6-SOCO-7522-33712	Selva Hills HOA (Dana Point)	9,912.00
133611	4/25/16	TR6-SOCO-8301-34431	B. Gilbert	4,776.00
133612	4/25/16	TR5W-YLWD-5547	N. Caplin	3,874.00
133613	4/25/16	TR6-YLWD-10093-3360	D. Shin	3,326.02
133614	4/25/16	TR6-YLWD-7485-20270	N. Ahadiat	950.00
133615	4/25/16	TR6-SM-9762-31141	CZ Master Association (Trabuco Canyon)	25,000.00
133616	4/25/16	TR6-SM-9882-100	Terrace View Community Association (Mission Viejo)	19,848.00
133617	4/25/16	TR6-YLWD-7638-701	Fruth Custom Plastics Inc. (Placentia)	9,820.00
***Total ***				518,666.11
<b>TURFRP</b>				
<b>Turf Removal Program</b>				
133619	4/25/16	TR6-BREA-9757-1308	M. Knutson	1,224.00
133620	4/25/16	TR6-BP-7619-6444	J. Temple	3,596.00
133621	4/25/16	TR6-BP-8590-7971	E. Uranga	912.00
133622	4/25/16	TR6-HB-8530-8662	J. Morse	2,559.99
133623	4/25/16	TR6-LH-7329-1640	S. DeBoever	2,252.00
133624	4/25/16	TR5W-NWPT-5627	L. Giger	2,136.00
133625	4/25/16	TR6-NWPT-8255-1121	P. Perkins	1,146.00
133626	4/25/16	TR6-NWPT-8735-2248	L. Schumann	854.00

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133627	4/25/16	TR6-NWPT-9566-2	One Ford Road Community Assoc. (Newport Beach)	25,000.00
133628	4/25/16	TR5W-O-5485	T. Russell	8,736.00
133629	4/25/16	TR6-O-10480-2525	T. Huynh	2,070.00
133630	4/25/16	TR6-O-6734-447	S. Hines	2,538.00
133631	4/25/16	TR6-O-8272-578	P. Nguyen	800.00
133632	4/25/16	TR6-O-8361-7549	A. Vivar	1,830.00
133633	4/25/16	TR6-O-9954-2391	D. Banning	2,870.00
133634	4/25/16	TR5W-SC-4273	D. Jan	3,858.00
133635	4/25/16	TR5W-SC-4689	C. Burk	1,856.00
133636	4/25/16	TR5W-SC-5778	D. Colapinto	1,190.00
133637	4/25/16	TR6-SC-10359-5636	D. Ethridge	3,110.00
133638	4/25/16	TR6-SC-6496-113	B. Tobia	1,678.00
133639	4/25/16	TR6-SC-8355-222	BCVN (San Clemente)	10,199.00
133640	4/25/16	TR5W-SC-4109	Pelican Cove LLC (San Clemente)	1,966.00
133641	4/25/16	TR5W-SJC-5439	L. Palmer	1,362.00
133642	4/25/16	TR5W-SJC-5846	J. Gatlin	2,650.00
133643	4/25/16	TR6-SJC-8901-26762	A. Yamashiro	5,824.00
133644	4/25/16	TR6-SJC-9413-33342	W. Linaweaver	2,166.00
133645	4/25/16	TR5W-TUST-4235	M. Canfield	8,154.00
133646	4/25/16	TR6-TUST-6823-18421	M. Lerner	1,887.00
133647	4/25/16	TR6-TUST-7898-12351	G. Ishino	2,715.00
133648	4/25/16	TR6-TUST-8820-1522	G. Ness	2,531.13
133649	4/25/16	TR5W-WEST-4179	J. Maclay	4,518.00
133650	4/25/16	TR6-ETWD-6112-24281	B. Davis	834.00
133651	4/25/16	TR6-ETWD-9726-22821	L. Casey	1,957.43
133652	4/25/16	TR5W-GSWC-4335	Yamaha Motor Corporation USA (Cypress)	25,000.00
133653	4/25/16	TR6-GSWC-10560-1501	L. Schmidt	2,982.00
133654	4/25/16	TR6-GSWC-6769-313	G. Hertzler	2,312.00
133655	4/25/16	TR6-GSWC-7113-6899	C. Cuellar	1,290.00
133656	4/25/16	TR6-GSWC-7218-413	J. Crawford	4,292.00
133657	4/25/16	TR6-GSWC-7704-1708	J. Younger	3,130.00
133658	4/25/16	TR6-GSWC-7798-10602	M. Brown	3,648.00
133659	4/25/16	TR6-GSWC-9157-3102	Rossmoor Community Service District (Los Alamitos)	2,296.44
133660	4/25/16	TR6-GSWC-9161-3021	Rossmoor Community Service District (Los Alamitos)	5,996.87
133661	4/25/16	TR6-GSWC-9163-12590	Rossmoor Community Service District (Los Alamitos)	3,802.00
133662	4/25/16	TR6-GSWC-9168-11320	Rossmoor Community Service District (Cypress)	5,996.87
133663	4/25/16	TR6-GSWC-9712-1432	S. DuPont	6,000.00
133664	4/25/16	TR5W-IRWD-5603	M. Loth	1,044.00
133665	4/25/16	TR5W-IRWD-6007	Northwestern Mutual Life Insurance (Irvine)	12,650.00
133666	4/25/16	TR6-IRWD-10323-2405	M. Ewing	1,353.07
133667	4/25/16	TR6-IRWD-7041-17	R. Brannigan	2,924.43
133668	4/25/16	TR6-IRWD-7551-21952	D. Baker	1,006.00
133669	4/25/16	TR6-IRWD-7841-8	J. Littman	586.42
133670	4/25/16	TR6-IRWD-8393-15451	A. Haghighimehmandary	1,326.00
133671	4/25/16	TR6-IRWD-8441-15316	M. Howe	1,164.00
133672	4/25/16	TR6-IRWD-8667-5042	M. Camacho	674.00
133673	4/25/16	TR6-IRWD-9521-1	M. Sallus	1,396.00
133674	4/25/16	TR6-IRWD-9581-10621	L. Fields	4,126.00
133675	4/25/16	TR6-IRWD-9585-7	J. Witt	6,000.00

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133676	4/25/16	TR7-IRWD-11160-19345	B. Friesen	2,010.00
133677	4/25/16	TR7-IRWD-11183-8	D. McDougald	802.00
133678	4/25/16	TR7-IRWD-11276-26152	S. Tiedge	2,790.00
133679	4/25/16	TR7-IRWD-11324-74	R. Arora	4,200.00
133680	4/25/16	TR7-IRWD-11343-8	R. Villalba	1,530.00
133681	4/25/16	TR7-IRWD-11359-23942	D. Ruiz	1,330.00
133682	4/25/16	TR7-IRWD-11418-18	J. Weaver	1,536.00
133683	4/25/16	TR7-IRWD-11569-5	M. Hsia	4,534.00
133684	4/25/16	TR7-IRWD-11680-1387	D. LeMieux	1,284.00
133685	4/25/16	TR7-IRWD-11702-28092	M. Nolan-Riegle	4,142.00
133686	4/25/16	TR7-IRWD-11764-15	A. Teunis	598.00
133687	4/25/16	TR7-IRWD-11809-19251	S. Minami	6,000.00
133688	4/25/16	TR7-IRWD-11946-6102	E. Pope	1,942.00
133689	4/25/16	TR7-IRWD-12033-81	T. Dasgupta	544.00
133690	4/25/16	TR7-IRWD-12043-21342	M. Takier	2,386.00
133691	4/25/16	TR7-IRWD-23519-20242	G. Kirk	1,966.00
133692	4/25/16	TR7-IRWD-23647-30	Y. Xie	1,280.00
133693	4/25/16	TR7-IRWD-23682-5	P. Pongco	624.00
133694	4/25/16	TR7-IRWD-23714-4061	B. Pasinli	382.00
133695	4/25/16	TR7-IRWD-23795-22691	G. Temel	2,548.00
133696	4/25/16	TR7-IRWD-23859-21631	M. Lindquist	906.00
133697	4/25/16	TR7-IRWD-24729-22256	T. Huang	752.00
133698	4/25/16	TR5-LB-028	M. Hennessy	6,066.00
133699	4/25/16	TR6-LB-6175-353	B. Acosta	1,761.00
133700	4/25/16	TR6-LB-7450-100	S. Weiss	7,446.00
133701	4/25/16	TR5W-MESA-5662	D. Ray	9,365.00
133702	4/25/16	TR5W-MESA-5890	D. Paun	1,766.73
133703	4/25/16	TR6-MESA-10397-963	M. McLean-Crawford	480.00
133704	4/25/16	TR6-MESA-10545-1640	S. Guich	1,552.00
133705	4/25/16	TR6-MESA-6141-1940	S. Robertson	5,504.00
133706	4/25/16	TR6-MESA-6615-1773	R. Isaacson	3,798.00
133707	4/25/16	TR6-MESA-7081-1612	C. Brockert	831.63
133708	4/25/16	TR6-MESA-7796-2437	M. Stieger	2,892.00
133709	4/25/16	TR6-MESA-9098-3030	C. Gardner	3,430.00
133710	4/25/16	TR5W-MNT-3675	Nellie Gail Ranch HOA (Laguna Hills)	5,502.00
133711	4/25/16	TR5W-MNT-3696	Nellie Gail Ranch HOA (Laguna Hills)	9,500.00
133712	4/25/16	TR5W-MNT-4099	Pinnacle At Monarch (Laguna Niguel)	4,693.50
133713	4/25/16	TR5W-MNT-5140	B. Gorman	3,580.50
133714	4/25/16	TR5W-MNT-5661	K. Craven	6,086.50
133715	4/25/16	TR6-MNT-6739-16	E. Brown	1,635.00
133716	4/25/16	TR6-MNT-6911-25261	A. Soltani	11,739.50
133717	4/25/16	TR6-MNT-6999-11	R. Wallace	1,347.50
133718	4/25/16	TR6-MNT-7595-25222	M. Haddadin	6,776.00
133719	4/25/16	TR6-MNT-7901-27792	J. Fraser	2,840.00
133720	4/25/16	TR7-MNT-11884-26012	C. Wallace	1,400.00
133721	4/25/16	TR7-MNT-23435-28612	V. Sheed	2,088.00
133722	4/25/16	TR7-MNT-23721-26971	T. Yapp	2,823.50
133723	4/25/16	TR7-MNT-23739-23792	T. Heller	3,946.00
133724	4/25/16	TR7-MNT-24109-29092	N. Smith	2,184.00

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133725	4/25/16	TR7-MNT-24114-19	S. Fier	1,036.00
133726	4/25/16	TR5W-SM-4222	G. Ryder	4,388.00
133727	4/25/16	TR5W-SM-4247	Y. Lu	7,639.86
133728	4/25/16	TR6-SM-6224-59	L. Pham	1,672.00
133729	4/25/16	TR6-SM-6320-5	D. Stapleton	2,170.00
133730	4/25/16	TR6-SM-6692-1	G. Lewis	4,174.00
133731	4/25/16	TR6-SM-7398-23291	R. Lau	4,184.00
133732	4/25/16	TR6-SM-9682-27632	E. Quigley	2,074.00
133733	4/25/16	TR6-SWD-10493-10001	M. Doyle	6,000.00
133734	4/25/16	TR6-SOCO-7792-27032	T. Peacock	1,860.00
133735	4/25/16	TR6-SOCO-8721-18	A. Bernstein	830.00
133736	4/25/16	TR6-SOCO-9477-25	D. Radbone	2,032.00
133737	4/25/16	TR6-YLWD-10485-21735	T. Block	2,150.00
133738	4/25/16	TR6-YLWD-6163-17700	D. Vandemortel	6,000.00
133739	4/25/16	TR5W-SM-5925	J. Lutz	2,862.00
133740	4/25/16	TR5W-LH-4148	Heritage Village HOA (La Habra)	25,000.00
133741	4/25/16	TR6-TUST-9331-18371	M. Halleran	723.75
			***Total ***	447,891.62
133757	4/25/16	<b>TURFRP</b>	<b>Turf Removal Program</b>	
		TR6-SB-9969-13720B	Seal Beach Mutual No. One	14,721.00
			***Total ***	14,721.00
		<b>DRIPPR</b>	<b>Spray to Drip Program</b>	
133743	4/26/16	S2D-ETWD-3875	L. Ortega	350.00
133744	4/26/16	S2D-IRWD-3864	X. Wang	525.00
133745	4/26/16	S2D-IRWD-3881	D. Prescott	350.00
133746	4/26/16	S2D-IRWD-3883	C. Prough	175.00
133747	4/26/16	S2D-ORGE-3923	C. Prough	350.00
133748	4/26/16	S2D-SMWD-3092	J. Berg	203.00
133749	4/26/16	S2D-SMWD-3130	M. Trevour	525.00
133750	4/26/16	S2D-SMWD-3866	J. Lu	429.76
133751	4/26/16	S2D-SMWD-3918	D. Tong	631.50
133752	4/26/16	S2D-SCWD-3886	R. Wiltse	175.00
133753	4/26/16	S2D-YLWD-3884	W. Curl	127.34
133754	4/26/16	S2D-IRWD-3879	M. Melnick	525.00
133755	4/26/16	S2D-WSTM-3903	L. Forsythe	525.00
133756	4/26/16	S2DC-HBCH-4260	Emerald Cove LP (Huntington Beach)	1,896.60
			***Total ***	6,788.20
133758	4/27/16	<b>TURFRP</b>	<b>Turf Removal Program</b>	
		TR6-BREA-7545-1022	D. Rosell	2,556.00
133759	4/27/16	TR5W-HB-4170	M. Belcher	2,220.00
133760	4/27/16	TR5W-HB-4260	C. Cooper	1,404.00
			***Total ***	6,180.00



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		<b>TURFRP</b>	<b>Turf Removal Program</b>	
133762	4/27/16	TR5W-HB-6043	J. Nguyen	2,070.00
133763	4/27/16	TR6-HB-10176-20891	S. McCarthy	2,138.00
133764	4/27/16	TR6-HB-8032-8321	J. Howard	3,208.00
133765	4/27/16	TR6-NWPT-6934-1766	C. Yasukochi	2,148.00
133766	4/27/16	TR5W-O-4097	T. Ngo	2,580.00
133767	4/27/16	TR5W-O-5712	Z. Wheatley	1,280.20
133768	4/27/16	TR6-O-10138-711	P. Paulsen	3,558.00
133769	4/27/16	TR6-O-6354-1132	M. Olsgaard	2,064.00
133770	4/27/16	TR6-O-7623-1527	M. Rohrer	1,206.00
133771	4/27/16	TR6-O-8560-165	D. Sistrunk	1,480.00
133772	4/27/16	TR6-O-9001-1056	K. Kennedy	3,376.00
133773	4/27/16	TR6-O-9147-5723	Canyon Glen HOA (Orange)	25,000.00
133774	4/27/16	TR5W-SC-4343	C. Bettencourt	2,254.00
133775	4/27/16	TR5W-SC-5384	P. Hannock	2,464.00
133776	4/27/16	TR6-SC-8166-124	J. Valencia	712.00
133777	4/27/16	TR5W-SJC-5325	K. Connors	568.00
133778	4/27/16	TR7-ETWD-23528-23482	R. Guevarra	1,688.00
133779	4/27/16	TR5W-GSWC-4069	C. Lieber	1,284.00
133780	4/27/16	TR5W-GSWC-4532	M. Hollingworth	1,744.00
133781	4/27/16	TR6-GSWC-7894-12291	S. Petersen	1,426.00
133782	4/27/16	TR6-GSWC-8201-11121	J. Do	1,498.00
133783	4/27/16	TR6-GSWC-8555-1771	L. Lindstedt	2,520.00
133784	4/27/16	TR6-GSWC-9082-11292	S. Carlson	6,000.00
133785	4/27/16	TR6-GSWC-9089-11921	T. Howe	2,626.00
133786	4/27/16	TR6-GSWC-9531-1432	S. Lambert	2,050.00
133787	4/27/16	TR5-IRWD-346	J. Gough	2,160.00
133788	4/27/16	TR5W-IRWD-5128	G. Bair	674.00
133789	4/27/16	TR5W-IRWD-5946	V. Gardner	652.00
133790	4/27/16	TR6-IRWD-10155-29295	L. Coyte	1,490.00
133791	4/27/16	TR6-IRWD-10465-26091	S. Williams	2,234.00
133792	4/27/16	TR6-IRWD-6256-21762	R. Dillon	725.67
133793	4/27/16	TR6-IRWD-6422-27	W. Tseng	1,734.00
133794	4/27/16	TR6-IRWD-6673-26834	Vista Terrace Owners Assn (Lake Forest)	1,363.00
133795	4/27/16	TR6-IRWD-8004-19	M. Blew	3,342.00
133796	4/27/16	TR6-IRWD-8048-186	The Lakes Master Association (Irvine)	23,131.65
133797	4/27/16	TR6-IRWD-8317-4361	T. Wong	1,292.00
133798	4/27/16	TR6-IRWD-8589-7825	J. Richmond	1,200.00
133799	4/27/16	TR6-IRWD-9202-10965	B. Kusal	1,348.00
133800	4/27/16	TR6-IRWD-9929-10	T. Nguyen	532.79
133801	4/27/16	TR7-IRWD-11540-36	J. We	2,014.00
133802	4/27/16	TR7-IRWD-11783-5	F. Khajavi	2,808.00
133803	4/27/16	TR7-IRWD-11784-6	L. Li	182.11
133804	4/27/16	TR7-IRWD-11892-35	S. Roth	1,642.00
133805	4/27/16	TR7-IRWD-11979-19972	R. Eldridge	2,284.00
133806	4/27/16	TR7-IRWD-12007-24366	B. Medeiros	2,592.00
133807	4/27/16	TR7-IRWD-23725-9	G. Lueker	1,492.00
133808	4/27/16	TR7-IRWD-23727-1	R. Bailey	1,536.00
133809	4/27/16	TR7-IRWD-23817-11	N. Boucher	530.00

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133810	4/27/16	TR7-IRWD-24022-4832	R. Montemayor	500.00
133811	4/27/16	TR5-MESA-079	E. Shepard	2,746.00
133812	4/27/16	TR5-MESA-080	J. Dickens	1,098.00
133813	4/27/16	TR5W-MESA-4255	R. Nunn	1,426.00
133814	4/27/16	TR6-MESA-6340-1923	D. Lucas	1,926.00
133815	4/27/16	TR6-MESA-6413-1631	Trico Costa Mesa Properties, L.P. (Costa Mesa)	2,210.00
133816	4/27/16	TR6-MESA-6904-755	R. Gardner	4,897.00
133817	4/27/16	TR6-MESA-7969-2222	I. Morris	1,820.00
133818	4/27/16	TR6-MESA-8490-303	L. Wulfig	2,606.00
133819	4/27/16	TR6-MESA-8950-1691	J. Dostal	6,000.00
133820	4/27/16	TR6-MESA-9180-363	K. Thomas	2,188.00
133821	4/27/16	TR6-MESA-9376-1246	J. Kash	2,550.00
133822	4/27/16	TR6-MESA-9842-2941	S. OMeara	5,364.00
133823	4/27/16	TR6-MESA-9884-599	Villa Maple HOA (Costa Mesa)	2,665.00
133824	4/27/16	TR6-HB-7372-9862	Villa Pacific Community Association (Huntington Beach)	11,625.00
133825	4/27/16	TR5W-MNT-3706	Casa Loma HOA (Mission Viejo)	37,255.00
133826	4/27/16	TR5W-MNT-5209	F. Maleki	3,766.00
133827	4/27/16	TR5W-MNT-5576	Monarch Point HOA (Laguna Niguel)	51,605.00
133828	4/27/16	TR5W-MNT-5697	A. Avellan	2,600.50
133829	4/27/16	TR5W-MNT-5790	M. Parhizgari	3,165.00
133830	4/27/16	TR6-MNT-10116-26861	M. Hajiali	2,940.00
133831	4/27/16	TR6-MNT-10579-25341	D. Reukema	9,160.00
133832	4/27/16	TR6-MNT-7036-24561	J. Lauterjung	2,831.50
133833	4/27/16	TR6-MNT-8131-21	W. Niemann	1,725.35
133834	4/27/16	TR6-MNT-8488-24012	R. Whitehouse	3,710.00
133835	4/27/16	TR6-MNT-9692-24212	P. Owens	3,328.50
133836	4/27/16	TR6-MNT-9870-28722	J. Carlson	5,512.50
133837	4/27/16	TR7-MNT-11499-29801	J. Harms	2,696.00
133838	4/27/16	TR7-MNT-11533-29191	A. Nguyen	2,296.00
133839	4/27/16	TR7-MNT-11561-26	D. Delany	3,884.00
133840	4/27/16	TR7-MNT-11899-70	K. Vestermark	878.00
133841	4/27/16	TR7-MNT-11985-10	B. Elpedes	1,030.00
133842	4/27/16	TR7-MNT-12010-27202	C. Jahn	570.00
133843	4/27/16	TR7-MNT-12023-23952	K. Pearlman	1,690.00
133844	4/27/16	TR7-MNT-12059-49	M. Pomerleau	3,230.50
133845	4/27/16	TR7-MNT-23474-26591	P. Riserbato	1,200.00
133846	4/27/16	TR7-MNT-23643-8	W. Mertes	1,277.50
133847	4/27/16	TR7-MNT-23648-26762	N. Cambron	686.00
133848	4/27/16	TR7-MNT-23664-24875	F. Agahi	4,527.00
133849	4/27/16	TR7-MNT-23690-29301	S. Bloch	3,704.00
133850	4/27/16	TR7-MNT-24052-23721	C. Ackerman	4,039.00
133851	4/27/16	TR5W-SM-4772	A. Dunkle	1,140.00
133852	4/27/16	TR5W-SM-5958	R. Lammers	682.00
133853	4/27/16	TR6-SM-10029-26131	A. Majlessi	3,556.00
133854	4/27/16	TR6-SM-10479-33	J. Liao	2,490.00
133855	4/27/16	TR6-SM-10561-5	Mission Greens (Santa Margarita)	5,142.00
133856	4/27/16	TR6-SM-10565-8	Mission Greens (Santa Margarita)	5,120.00
133857	4/27/16	TR6-SM-10568-18	Mission Greens (Santa Margarita)	5,164.00
133858	4/27/16	TR6-SM-7832-22106	Z. Boyer	1,294.00

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133859	4/27/16	TR6-SM-8927-23498	P. MacNeill	1,400.00
133860	4/27/16	TR6-SM-9425-21772	M. LaBrie	2,388.00
133861	4/27/16	TR6-SM-9927-26966	L. Cludy	784.00
133862	4/27/16	TR6-TC-7799-21221	J. Snyder	3,760.00
133863	4/27/16	TR6-YLWD-8372-19000	J. Davis	6,000.00
133864	4/27/16	TR6-YLWD-8766-4152	D. Koutzoukis	2,980.00
133865	4/27/16	TR7-MNT-11859-25456	A. Silbernagel	742.00
			***Total ***	385,471.77
		<b>TURFRP</b>	<b>Turf Removal Program</b>	
134025	4/27/16	TR5W-HB-5477A	S. Litvak (Huntington Beach)	695.00
134026	4/27/16	TR7-IRWD-23444-10991	A. Kronenberg	6,000.00
			***Total ***	6,695.00
133866	4/28/16	<b>STOCKB</b>	<b>Brandon Stock</b>	
		012116	January 2016 Business expense	67.60
		033116	March 2015 Business expense	115.22
		042816	April 2016 Business expense	123.41
			***Total ***	306.23
		<b>TURFRP</b>	<b>Turf Removal Program</b>	
133867	4/29/16	TR5W-BREA-4709	R. Todd	8,590.00
133868	4/29/16	TR6-BREA-10368-835	M. New	1,856.00
133869	4/29/16	TR5W-BP-4583	M. Le	1,958.00
133870	4/29/16	TR6-BP-10339-2	Lakeside Master HOA (Buena Park)	1,934.00
133871	4/29/16	TR6-BP-10341-2	Lakeside Master HOA (Buena Park)	787.00
133872	4/29/16	TR6-BP-9105-8242	M. Humes	2,192.00
133873	4/29/16	TR5W-FV-5028	R. Dion	3,472.00
133874	4/29/16	TR6-GG-8840-5371	J. Buckle	4,302.00
133875	4/29/16	TR6-HB-10248-8316	Landmark HOA (Huntington Beach)	3,722.00
133876	4/29/16	TR6-HB-6436-8411	P. Lam	3,932.00
133877	4/29/16	TR6-HB-8651-2000	City of Huntington Beach	28,430.00
133878	4/29/16	TR6-HB-9220-21134	Huntington Place (Huntington Beach)	5,079.87
133879	4/29/16	TR6-LH-10305-1520	D. Reeser	2,608.00
133880	4/29/16	TR6-LH-7247-2241	D. Alvarez	5,758.00
133881	4/29/16	TR6-LH-8169-770	M. Hussain	6,000.00
133882	4/29/16	TR5W-NWPT-5825	Signature Services (Newport Beach)	25,000.00
133883	4/29/16	TR6-NWPT-7995-1936	S. Kawata	1,922.00
133884	4/29/16	TR5W-O-5757	G. Helton	2,782.00
133885	4/29/16	TR6-O-6602-957	W. Earl	2,838.00
133886	4/29/16	TR6-O-8976-1601	C. Hillgren (Orange)	11,169.00
133887	4/29/16	TR6-O-9068-518	R. Donley	4,476.00
133888	4/29/16	TR6-O-9561-4741	SOTW LLC (Orange)	3,490.00
133889	4/29/16	TR6-O-9735-4219	J. Toro	2,188.00
133890	4/29/16	TR5W-SC-5256	Rainbow Sandals (San Clemente)	618.00
133891	4/29/16	TR6-SC-6326-2929	R. Beverly	602.00
133892	4/29/16	TR6-SC-7935-2700	C. Veldkamp	3,514.00
133893	4/29/16	TR6-SC-8450-157	R. McCrae	884.00
133894	4/29/16	TR5-SJC-063	J. Steines	4,248.00



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133895	4/29/16	TR5W-SJC-4640	R. Zaleski	1,602.00
133896	4/29/16	TR5W-SJC-5239	San Juan Hills West HOA # 1 (San Juan Capistrano)	346.00
133897	4/29/16	TR5W-SJC-6002	D. Ward	2,434.00
133898	4/29/16	TR6-SJC-6937-31281	T. Colburn	2,292.00
133899	4/29/16	TR6-SB-6296-1100	D. Gardiner	940.00
133900	4/29/16	TR5W-TUST-5066	S. McKibben	2,964.00
133901	4/29/16	TR6-TUST-10198-2141	C. Conlin	10,805.00
133902	4/29/16	TR6-TUST-6982-13711	A. Davalos	4,968.00
133903	4/29/16	TR6-TUST-7014-13842	J. Rubio	3,753.00
133904	4/29/16	TR5W-EOCWD-4078	B. Cline	6,000.00
133905	4/29/16	TR7-ETWD-11055-23142	Resco Properties (Laguna Hills)	4,186.00
133906	4/29/16	TR7-ETWD-11253-25291	S. Grebner	1,858.00
133907	4/29/16	TR7-ETWD-23518-24566	L. Ortega	2,278.00
133908	4/29/16	TR7-ETWD-23880-24432	Third Laguna Hills Mutual (Laguna Woods)	3,000.00
133909	4/29/16	TR7-ETWD-23966-23022	J. Thompson	2,034.00
133910	4/29/16	TR6-GSWC-7328-1137	A. Tran	1,320.00
133911	4/29/16	TR6-GSWC-7360-569	Bejac Corporation (Placentia)	5,626.00
133912	4/29/16	TR6-GSWC-7437-6052	C. Martin	495.17
133913	4/29/16	TR6-GSWC-7504-213	T. Carson	2,296.00
133914	4/29/16	TR6-GSWC-8528-8642	S. Wong	456.00
133915	4/29/16	TR6-GSWC-9516-638	M. McMillan	1,258.00
133916	4/29/16	TR6-GSWC-9696-5811	P. Rosol-Cary	1,314.00
133917	4/29/16	TR5W-IRWD-3881	C. Likens	396.00
133918	4/29/16	TR5W-IRWD-4044	Z. Jiang	2,948.00
133919	4/29/16	TR5W-IRWD-4054D	D. Speirs	2,091.00
133920	4/29/16	TR5W-IRWD-4194	C. Ross	568.00
133921	4/29/16	TR6-IRWD-10275-3	C. Park	2,492.00
133922	4/29/16	TR6-IRWD-10318-4961	D. Scott	788.00
133923	4/29/16	TR6-IRWD-6145-1	M. Walsh	1,920.00
133924	4/29/16	TR6-IRWD-6190-21622	D. Palmer	4,940.00
133925	4/29/16	TR6-IRWD-6394-7	R. Constantian	1,270.00
133926	4/29/16	TR6-IRWD-7117-24752	Lake Forest II MHOA (Lake Forest)	19,060.00
133927	4/29/16	TR6-IRWD-8089-24122	C. DeLorm	3,688.00
133928	4/29/16	TR6-IRWD-8694-90	L. Charpentier	830.00
133929	4/29/16	TR6-IRWD-9655-54	D. Lieberman	2,986.00
133930	4/29/16	TR6-IRWD-9732-20921	H. Lam	2,662.00
133931	4/29/16	TR7-IRWD-11094-3	R. Mayercheck	576.00
133932	4/29/16	TR7-IRWD-11107-2524	D. Hoffmann	4,214.00
133933	4/29/16	TR7-IRWD-11246-25181	T. Leka	1,422.00
133934	4/29/16	TR7-IRWD-11364-46	J. Harker	3,056.00
133935	4/29/16	TR7-IRWD-11433-76	L. Malazarte	2,106.00
133936	4/29/16	TR7-IRWD-11437-2	V. McDonell	3,784.00
133937	4/29/16	TR7-IRWD-11550-14	A. Nguyen	2,236.00
133938	4/29/16	TR7-IRWD-11650-22882	P. Skinner	934.00
133939	4/29/16	TR7-IRWD-11692-282	D. Branca	1,854.00
133940	4/29/16	TR7-IRWD-11706-22351	K. Van Gorder	1,960.00
133941	4/29/16	TR7-IRWD-11743-25021	P. Sparks	512.00
133942	4/29/16	TR7-IRWD-11758-14812	Z. Vakharia	922.00
133943	4/29/16	TR7-IRWD-11769-8	K. Kaino	906.00

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133944	4/29/16	TR7-IRWD-11774-4006	O. Hasson	1,508.00
133945	4/29/16	TR7-IRWD-11974-26371	K. Morgan	1,002.00
133946	4/29/16	TR7-IRWD-11978-7	L. Tran	1,434.00
133947	4/29/16	TR7-IRWD-11989-24772	G. Clark	1,630.00
133948	4/29/16	TR7-IRWD-12054-13759	C. Nguyen	714.00
133949	4/29/16	TR7-IRWD-23481-30	C. Stewart	3,632.00
133950	4/29/16	TR7-IRWD-23515-14	I. Hwang-Dorman	2,376.00
133951	4/29/16	TR7-IRWD-23523-9	D. Glickman	1,480.00
133952	4/29/16	TR7-IRWD-23671-2342	M. Murphy	916.00
133953	4/29/16	TR7-IRWD-23684-12890	M. Martinelli	2,472.00
133954	4/29/16	TR7-IRWD-23694-18981	D. Chen	704.00
133955	4/29/16	TR7-IRWD-23736-33	J. Truong	2,124.00
133956	4/29/16	TR7-IRWD-23961-46	A. Chin	184.00
133957	4/29/16	TR7-IRWD-23992-1	P. Martz	902.00
133958	4/29/16	TR7-IRWD-24031-23	A. Avestruz	2,066.00
133959	4/29/16	TR7-IRWD-24048-13212	N. Chen	1,042.00
133960	4/29/16	TR7-IRWD-24061-55	M. Pfeil	440.00
133961	4/29/16	TR7-IRWD-24065-17	M. or M. Thomson	1,458.00
133962	4/29/16	TR7-IRWD-24097-14851	R. Bregler	1,106.00
133963	4/29/16	TR7-IRWD-24115-21481	M. Pollreis	1,560.00
133964	4/29/16	TR7-IRWD-24726-4101	Rancho San Joaquin, L.P. (Irvine)	17,344.00
133965	4/29/16	TR7-IRWD-24803-5732	P. Harvey	1,388.00
133966	4/29/16	TR5W-LB-4209	G. Supple	3,375.00
133967	4/29/16	TR5W-MESA-4074	S. Fenzl	2,600.00
133968	4/29/16	TR5W-MESA-7022	L. Smith	2,098.00
133969	4/29/16	TR6-MESA-10129-2821	K. Melgar	2,192.00
133970	4/29/16	TR6-MESA-6281-1969	T. Slunaker	3,824.00
133971	4/29/16	TR6-MESA-7369-276	S. Allee	1,526.00
133972	4/29/16	TR6-MESA-8014-2089	J. Garrett	3,176.00
133973	4/29/16	TR5W-MNT-4094	D. Mershimer	1,320.00
133974	4/29/16	TR5W-MNT-4468	R. Gaudino	1,659.00
133975	4/29/16	TR5W-MNT-5934	R. Smit	4,105.50
133976	4/29/16	TR5W-MNT-8568	S. Baker	7,715.90
133977	4/29/16	TR6-MNT-10373-27206	J. Ward	3,060.00
133978	4/29/16	TR6-MNT-6097-82	S. Miller	1,866.50
133979	4/29/16	TR6-MNT-6795-25036	C. Crebar	6,580.00
133980	4/29/16	TR6-MNT-7895-25151	L. Morgan	2,711.22
133981	4/29/16	TR6-MNT-8674-28951	A. Suarez	4,056.50
133982	4/29/16	TR6-MNT-9450-4	E. Higley	9,040.50
133983	4/29/16	TR6-MNT-9536-1	Ocean Ranch at Bear Brand (Laguna Niguel)	42,179.75
133984	4/29/16	TR6-MNT-9569-27500	R. Isaac	1,669.50
133985	4/29/16	TR6-MNT-9589-28741	C. Fortmann	4,530.00
133986	4/29/16	TR7-MNT-11502-27761	A. Bohl	1,491.00
133987	4/29/16	TR7-MNT-11626-28121	F. Menendez	2,488.50
133988	4/29/16	TR7-MNT-11628-25541	A. Cooney	3,296.00
133989	4/29/16	TR7-MNT-11768-25822	D. Pratt	4,987.50
133990	4/29/16	TR7-MNT-12056-27985	L. Williams	1,813.00
133991	4/29/16	TR7-MNT-23770-25112	F. Blacketer	2,194.50
133992	4/29/16	TR7-MNT-23809-14	M. Barnett	1,890.00

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133993	4/29/16	TR7-MNT-23946-26581	R. Valdez	6,316.00
133994	4/29/16	TR7-MNT-23994-24591	J. Reynolds	3,307.50
133995	4/29/16	TR7-MNT-23997-25221	R. Naghibi	2,380.00
133996	4/29/16	TR7-MNT-24013-28312	W. OConnell	1,837.50
133997	4/29/16	TR7-MNT-24015-5	K. Cynn	1,092.00
133998	4/29/16	TR7-MNT-24037-14	R. Erickson	900.00
133999	4/29/16	TR7-MNT-24055-30232	R. Jerrells	1,050.00
134000	4/29/16	TR7-MNT-24077-26321	M. Goodman	2,800.00
134001	4/29/16	TR7-MNT-24096-4	S. Ighani	1,893.50
134002	4/29/16	TR7-MNT-24117-33	S. Tsukui	3,150.00
134003	4/29/16	TR7-MNT-24797-30812	C. SteckiTakeda	2,359.00
134004	4/29/16	TR7-MNT-24800-29502	D. Reinert	1,120.00
134005	4/29/16	TR5W-SM-4338	Arroyo Maintenance Corp. (Mission Viejo)	7,880.00
134006	4/29/16	TR5W-SM-5504	A. Chawa	1,894.00
134007	4/29/16	TR5W-SM-5691	S. and S. Ratner	5,340.00
134008	4/29/16	TR6-SM-10411-61	First Service Residential (Rancho Santa Margarita)	11,433.00
134009	4/29/16	TR6-SM-10642-27416	A. Spencer	1,582.00
134010	4/29/16	TR6-SM-6855-28261	Y. Yoseph	3,420.00
134011	4/29/16	TR6-SM-7974-26322	I. Karkoutli	1,432.00
134012	4/29/16	TR6-SM-8728-4	D. Hawkins	1,512.00
134013	4/29/16	TR6-SM-8747-8	F. Gonzalez	1,342.86
134014	4/29/16	TR6-SM-9279-5	Mission Courts II (Rancho Santa Margarita)	25,000.00
134015	4/29/16	TR6-SWD-7763-9492	D. Wold	6,000.00
134016	4/29/16	TR6-SOCO-7335-7	R. Lippert	1,576.00
134017	4/29/16	TR6-SOCO-8339-33021	J. Landeros	2,160.00
134018	4/29/16	TR6-SOCO-9577-24591	D. Conry	3,670.00
134019	4/29/16	TR6-TC-10161-31941	W. Hunt	4,400.00
134020	4/29/16	TR6-YLWD-10074-3820	D. Topel	2,040.00
134021	4/29/16	TR6-YLWD-6764-5451	A. Harris	2,800.00
134022	4/29/16	TR6-YLWD-6920-23425	Yorba Linda Villages (Yorba Linda)	16,711.00
134023	4/29/16	TR6-YLWD-8883-4845	C. Peterson	1,582.00
134024	4/29/16	TR6-YLWD-9545-5212	P. Adams	950.00
			***Total ***	583,556.27
<b>TURFRP</b>				
			<b>Turf Removal Program</b>	
134027	4/29/16	TR6-BP-7111-7097	D. Fisher	1,598.00
134028	4/29/16	TR6-BP-7788-8382	W. Schenet	860.00
134029	4/29/16	TR6-BP-8095-6778	M. Agrusa	2,302.00
134030	4/29/16	TR6-BP-8505-6812	R. Mote	5,020.00
134031	4/29/16	TR6-BP-9367-6611	M. Mills	1,640.00
134032	4/29/16	TR6-BP-9621-8433	J. Bhavsar	3,350.00
134033	4/29/16	TR5W-GG-4402	PPF Industrial (Garden Grove)	19,857.00
134034	4/29/16	TR5W-GG-5005	K. Hoang	3,378.00
134035	4/29/16	TR5W-GG-5213	N. Chavez	5,058.00
134036	4/29/16	TR5W-GG-5622	A. Shima	1,313.88
134037	4/29/16	TR5W-GG-5865	K. Jacqmin	1,436.00
134038	4/29/16	TR6-GG-10190-12812	D. and M. Johnson	2,842.00
134039	4/29/16	TR6-GG-6522-12202	M. Beck	730.00
134040	4/29/16	TR6-GG-7286-11692	T. Nguyen	1,718.00

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134041	4/29/16	TR6-GG-7506-9571	C. Hy	2,278.00
134042	4/29/16	TR6-GG-7611-8862	T. Phan	2,582.00
134043	4/29/16	TR6-GG-8182-11612	T. Dao	3,882.00
134044	4/29/16	TR6-GG-8305-13941	H. Nguyen	1,864.00
134045	4/29/16	TR6-GG-8452-9272	A. Do	4,358.00
134046	4/29/16	TR6-GG-9241-9661	D. Ngo	2,520.00
134047	4/29/16	TR6-GG-9372-11831	E. Morales	1,943.30
134048	4/29/16	TR6-GG-9630-11242	L. Trinh	3,094.00
134049	4/29/16	TR6-GG-9938-12151	J. Burch	2,378.00
134050	4/29/16	TR6-HB-8951-18301	City of Huntington Beach	3,476.00
134051	4/29/16	TR6-HB-8953-16221	City of Huntington Beach	6,721.00
134052	4/29/16	TR6-HB-8957-530	City of Huntington Beach	5,552.00
134053	4/29/16	TR6-HB-9338-19711	City of Huntington Beach	4,672.00
134054	4/29/16	TR5W-LH-5193	M. Mason	2,978.00
134055	4/29/16	TR5W-LH-5741	E. Martin	1,090.00
134056	4/29/16	TR6-LH-6980-941	J. MacLowry	3,060.00
134057	4/29/16	TR5W-NWPT-4989	V. Wahler	2,530.00
134058	4/29/16	TR5W-NWPT-5785	City of Newport Beach	886.00
134059	4/29/16	TR6-NWPT-6247-110	Jasmine Creek Community Assoc. (Corona Del Mar)	25,000.00
134060	4/29/16	TR6-NWPT-7284-1856	E. Krout	1,772.00
134061	4/29/16	TR6-NWPT-7430-3232	J. Bailey	1,082.00
134062	4/29/16	TR6-NWPT-8187-2407	S. Hufford	2,160.00
134063	4/29/16	TR5W-O-4209	Orange Main Business Park (Orange)	13,047.00
134064	4/29/16	TR5W-O-5318	C. Wasson	1,228.00
134065	4/29/16	TR5W-O-5574	J. Vallejo	1,016.00
134066	4/29/16	TR6-O-6357-4201	L. Sampson	3,848.00
134067	4/29/16	TR6-O-6915-1402	K. Senkbeil	680.00
134068	4/29/16	TR6-O-7607-223	K. Dinh	1,618.00
134069	4/29/16	TR6-O-7813-4439	D. or L. Wommackj	1,926.00
134070	4/29/16	TR6-O-7890-7548	L. Williams	4,316.00
134071	4/29/16	TR6-O-8319-1316	M. McGlone	2,526.00
134072	4/29/16	TR6-O-8335-789	B. Kunisch	1,182.00
134073	4/29/16	TR6-O-8598-2466	W. Chau	5,176.00
134074	4/29/16	TR6-O-9064-1324	R. Kays	1,440.00
134075	4/29/16	TR6-O-9074-2233	J. Switzer	1,772.00
134076	4/29/16	TR6-O-9836-1139	N. Nichols	3,694.00
134077	4/29/16	TR6-O-9928-535	H. Young	370.00
134078	4/29/16	TR6-O-9951-3530	E. Sasaki	6,000.00
134079	4/29/16	TR6-O-9965-1142	M. Minert	1,210.00
134080	4/29/16	TR6-O-9993-907	J. Vaught	1,004.00
134081	4/29/16	TR5W-SC-4725	J. Wolter	1,068.00
134082	4/29/16	TR6-SC-10330-3531	Ocean Hills Homeowners Association (San Clemente)	25,000.00
134083	4/29/16	TR6-SC-7699-414	J. Hutak	896.00
134084	4/29/16	TR6-SC-8308-2163	Faire Harbor (San Clemente)	8,065.00
134085	4/29/16	TR6-SC-8690-5512	D. Hall	2,152.00
134086	4/29/16	TR6-SC-9887-2874	R. Newkirk	4,786.00
134087	4/29/16	TR5W-SJC-5341	Marbella Property Owners Assoc. (San Juan Capistrano)	5,980.00
134088	4/29/16	TR5W-SJC-5965	P. Jones	820.00
134089	4/29/16	TR6-SJC-7089-30171	G. Watson	6,000.00



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134090	4/29/16	TR6-SJC-7120-30201	Mission Hills Ranch Assoc. (San Juan Capistrano)	7,461.00
134091	4/29/16	TR6-SJC-7672-35	Golf Villas of Marbella Assoc. (San Juan Capistrano)	2,319.00
134092	4/29/16	TR6-SJC-7673-3	Golf Villas of Marbella Assoc. (San Juan Capistrano)	367.00
134093	4/29/16	TR6-SJC-8292-30701	O. Castillo	5,880.00
134094	4/29/16	TR6-SJC-9150-27911	R. Dempsey	553.94
134095	4/29/16	TR5W-TUST-4122	A. Roberts	1,522.73
134096	4/29/16	TR5W-TUST-5469	L. Karim	1,680.00
134097	4/29/16	TR6-TUST-10047-17662	J. Smith	7,311.00
134098	4/29/16	TR6-TUST-6391-1221	K. Andersen	4,737.00
134099	4/29/16	TR6-TUST-6787-13551	P. Ebright	632.33
134100	4/29/16	TR6-TUST-8873-14062	K. Patel	6,000.00
134101	4/29/16	TR6-EOCWD-9502-12666	T. Ulemek	6,000.00
134102	4/29/16	TR7-ETWD-11407-25432	A. Rasem	1,364.00
134103	4/29/16	TR7-ETWD-23531-23275	W. Culbertson	1,454.00
134104	4/29/16	TR5W-GSWC-4180	S. Buchanan	1,428.00
134105	4/29/16	TR6-GSWC-6150-10392	F. Clayton	2,700.00
134106	4/29/16	TR6-GSWC-6382-9293	C. Lou	1,538.00
134107	4/29/16	TR6-GSWC-6538-2134	T. Maraldo	1,066.00
134108	4/29/16	TR6-GSWC-7662-6200	Cypress Management Company (Cypress)	22,343.00
134109	4/29/16	TR6-GSWC-8678-3112	G. Teel	508.00
134110	4/29/16	TR6-GSWC-8821-6636	Charter Hill HOA (Yorba Linda)	13,347.00
134111	4/29/16	TR5W-IRWD-2170	V. Kagawan	2,532.00
134112	4/29/16	TR5W-IRWD-4052	B. Burde	942.76
134113	4/29/16	TR5W-IRWD-4667	T. Logan	1,288.00
134114	4/29/16	TR5W-IRWD-5551	J. Wilhelm	906.00
134115	4/29/16	TR5W-IRWD-5636	J. Christopoulos	2,264.00
134116	4/29/16	TR6-IRWD-10001-7	J. Zappala	3,638.00
134117	4/29/16	TR6-IRWD-10006-3	C. Rowe	1,596.00
134118	4/29/16	TR6-IRWD-10141-64	R. Krothapalli	2,294.00
134119	4/29/16	TR6-IRWD-10309-2068	K. Venkataraman	1,700.00
134120	4/29/16	TR6-IRWD-10454-20112	G. Robertson	947.63
134121	4/29/16	TR6-IRWD-10535-8	J. Tien	1,018.00
134122	4/29/16	TR6-IRWD-10578-22091	B. Maestas	920.00
134123	4/29/16	TR6-IRWD-6221-34	J. Long	1,478.00
134124	4/29/16	TR6-IRWD-6341-14571	L. Tieman	2,812.00
134125	4/29/16	TR6-IRWD-6807-2200	Schiffman Alton Property (Irvine)	4,404.00
134126	4/29/16	TR6-IRWD-6808-17138	Schiffman Alton Property (Irvine)	3,967.00
134127	4/29/16	TR6-IRWD-7495-21131	S. Azarhoosh	1,132.00
134128	4/29/16	TR6-IRWD-7934-20196	P. Escalera	5,200.00
134129	4/29/16	TR6-IRWD-8073-5032	D. MacDonald	1,290.00
134130	4/29/16	TR6-IRWD-8468-12	J. Sortais	598.00
134131	4/29/16	TR6-IRWD-8487-22085	K. Parry	966.00
134132	4/29/16	TR6-IRWD-8697-5	A. Davari	1,880.00
134133	4/29/16	TR6-IRWD-8760-17	C. Jeng	982.00
134134	4/29/16	TR6-IRWD-8801-13701	D. Karnes	1,288.00
134135	4/29/16	TR6-IRWD-8980-3851	R. Patton	1,352.00
134136	4/29/16	TR6-IRWD-9028-3	D. Steele	180.00
134137	4/29/16	TR6-IRWD-9086-2225	K. Shutt	114.00
134138	4/29/16	TR6-IRWD-9099-21031	E. Pham	734.00

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134139	4/29/16	TR6-IRWD-9319-28622	A. Wofford	592.00
134140	4/29/16	TR6-IRWD-9340-11	H. Do	1,646.00
134141	4/29/16	TR6-IRWD-9412-5	J. Tran	1,234.00
134142	4/29/16	TR7-IRWD-11207-12	B. Loaiza	962.00
134143	4/29/16	TR7-IRWD-11256-20	G. Moon	1,356.00
134144	4/29/16	TR7-IRWD-11272-27	G. Kawanami	816.00
134145	4/29/16	TR7-IRWD-11303-2	S. Hanks	1,884.00
134146	4/29/16	TR7-IRWD-11469-23	L. Fujitsubo	592.00
134147	4/29/16	TR7-IRWD-11861-15282	J. Cook	2,680.00
134148	4/29/16	TR7-IRWD-11874-3892	R. Beck	4,088.00
134149	4/29/16	TR7-IRWD-11912-230	S. Davenport	972.00
134150	4/29/16	TR7-IRWD-11915-21991	T. Dang	1,000.00
134151	4/29/16	TR7-IRWD-11921-12	G. Witter	1,304.00
134152	4/29/16	TR7-IRWD-11924-5	E. Hailemariam	1,200.00
134153	4/29/16	TR7-IRWD-23453-21461	T. Zack	1,702.00
134154	4/29/16	TR7-IRWD-23516-4311	M. Simber	1,376.00
134155	4/29/16	TR7-IRWD-23535-2	R. Veeranna	1,206.00
134156	4/29/16	TR7-IRWD-23553-17592	E. Arthur	1,144.00
134157	4/29/16	TR7-IRWD-23788-4	F. Solomon	712.00
134158	4/29/16	TR5-LB-032	A. Earthart	5,472.00
134159	4/29/16	TR5W-LB-5171	E. Van Meter	1,749.00
134160	4/29/16	TR6-LB-10496-1275	B. Lund	3,981.00
134161	4/29/16	TR6-LB-8988-1545	F. Moritz	1,767.00
134162	4/29/16	TR6-MESA-10610-1725	Allen Tire Co. (Costa Mesa)	1,743.00
134163	4/29/16	TR5-MNT-257	D. Downs	2,215.50
134164	4/29/16	TR5W-MNT-5054	M. Binnendyk	6,810.00
134165	4/29/16	TR5W-MNT-5708	A. Stoops	7,860.00
134166	4/29/16	TR5W-MNT-6052	S. Bleakley	539.00
134167	4/29/16	TR6-MNT-10123-24892	J. Cooper	3,400.00
134168	4/29/16	TR6-MNT-10434-26952	H. Boyajian	7,260.00
134169	4/29/16	TR6-MNT-6551-14	S. Lucas	2,548.00
134170	4/29/16	TR6-MNT-6748-1	El Niguel Heights Community Assoc. (Laguna Niguel)	4,105.00
134171	4/29/16	TR6-MNT-6749-1	El Niguel Heights Community Assoc. (Laguna Niguel)	22,325.00
134172	4/29/16	TR6-MNT-6751-1	El Niguel Heights Community Assoc. (Laguna Niguel)	3,700.00
134173	4/29/16	TR6-MNT-6753-1	El Niguel Heights Community Assoc. (Laguna Niguel)	6,250.00
134174	4/29/16	TR6-MNT-6754-1	El Niguel Heights Community Assoc. (Laguna Niguel)	6,250.00
134175	4/29/16	TR6-MNT-6867-17	M. Brantley	1,225.00
134176	4/29/16	TR6-MNT-6897-26722	J. Hornbuckle	1,725.00
134177	4/29/16	TR6-MNT-7760-26831	D. Johnson	6,462.00
134178	4/29/16	TR6-MNT-7869-11	K. Draper	2,005.50
134179	4/29/16	TR6-MNT-8367-26772	K. Schmutz	4,522.00
134180	4/29/16	TR6-MNT-8445-25242	P. Bras	4,067.00
134181	4/29/16	TR6-MNT-9090-97	T. Rybak	4,291.80
134182	4/29/16	TR6-MNT-9623-24402	J. Jenkins	4,515.00
134183	4/29/16	TR6-MNT-9942-28476	L. Lawler	1,000.00
134184	4/29/16	TR6-MNT-9959-25741	P. Young	1,825.00
134185	4/29/16	TR7-MNT-11073-11	D. Van Hoomissen	2,415.00
134186	4/29/16	TR7-MNT-11568-26542	G. Venanzi	900.00
134187	4/29/16	TR7-MNT-23726-24841	T. Bennett	2,089.50

**Municipal Water District of Orange County**  
**Disbursement Ratification Report**  
**For the month of April 2016**

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
134188	4/29/16	TR5W-SM-4347	C. Simard	1,936.00
134189	4/29/16	TR5W-SM-4501	K. Palmquist	1,736.00
134190	4/29/16	TR5W-SM-5030	L. Holmes	2,298.00
134191	4/29/16	TR5W-SM-5135	M. Newton	1,070.00
134192	4/29/16	TR6-SM-6952-19	S. Palmer	1,562.00
134193	4/29/16	TR6-SM-7615-3	C. Campanile	1,226.00
134194	4/29/16	TR6-SM-8700-15	M. Riley	1,150.00
134195	4/29/16	TR6-SM-9262-29809	Arbours I LLC	7,916.00
134196	4/29/16	TR5W-SWD-5552	T. Pham	3,650.00
134197	4/29/16	TR5W-SOCO-4040	H. Kaufman	2,724.00
134198	4/29/16	TR5W-SOCO-4135	M. McCullough	6,000.00
134199	4/29/16	TR5W-SOCO-5423	J. Martin	1,372.00
134200	4/29/16	TR5W-SOCO-5523	V. Aird	2,064.00
134201	4/29/16	TR6-SOCO-6329-13	L. Jaeger	1,570.00
134202	4/29/16	TR6-SOCO-7930-33122	C. Reeder	2,140.00
134203	4/29/16	TR6-SOCO-8688-24431	D. Harline	6,000.00
134204	4/29/16	TR5W-TC-5725	M. Park	1,800.00
			***Total ***	580,133.87
134209	4/29/16	<b>ATTEOC</b>	<b>AT&amp;T</b>	
		0532-APR16	April 2016 WEROC N. EOC dedicated phone line	64.44
		8200-APR16	April 2016 WEROC S. EOC telephone expense	179.93
		4492-APR16	April 2016 WEROC N. EOC telephone expense	250.03
			***Total ***	494.40
134210	4/29/16	<b>CATALI</b>	<b>Catalina Island Conservancy</b>	
		0012662	April 2016 WEROC radio repeater site lease	1,636.47
			***Total ***	1,636.47
134219	4/29/16	<b>USBANK</b>	<b>U.S. Bank</b>	
		5783-MAR16	Cal Card charges 2/23/16-3/22/16	531.51
			***Total ***	531.51
		<b>TURFRP</b>	<b>Turf Removal Program</b>	
134221	4/29/16	TR6-GG-7715-5422	J. Caulfield	1,359.59
134222	4/29/16	TR6-TUST-6978-	A. Kendall	549.00
134223	4/29/16	TR6-IRWD-7828-2052	D. Wride	982.00
134224	4/29/16	TR5W-MESA-4655	S. Arnold	2,964.00
134225	4/29/16	TR6-MNT-10313-24612	J. Curtner	5,025.00
134226	4/29/16	TR6-MNT-6828-15ADD	S. Grabske	2,927.00
134227	4/29/16	TR6-MNT-6845-28101	M. Namazi	7,965.00
134228	4/29/16	TR6-MNT-6850-23746	S. Dole	1,722.00
134229	4/29/16	TR6-MNT-8507-	B. Finch	1,600.50
134230	4/29/16	TR6-MNT-9349-25312	W. Wu	11,121.00
134231	4/29/16	TR6-MNT-9486-	S. Poulalion	740.34
134232	4/29/16	TR6-MNT-9760-28102	R. Hansen	10,447.50
134233	4/29/16	TR5W-YLWD-5798	T. Koniniec	5,898.00
134234	4/29/16	TR5W-SM-4481	R. Bailey	858.00
134235	4/29/16	TR6-BREA-7044-574	K. Norcia	590.00



**Municipal Water District of Orange County  
Disbursement Ratification Report  
For the month of April 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
134236	4/29/16	TR6-MNT-7421-5	L. Geiler (Aliso Viejo) ***Total ***	3,152.50 57,901.43
ACH001956	4/29/16	BERGIO 031716	Joseph Berg February-March 2016 Business expense ***Total ***	9.00 9.00
ACH001966	4/29/16	SANTAM FEB2016	Santa Margarita Water District February 2016 SCP Operation surcharge ***Total ***	19,047.60 19,047.60
WIRE-160429	4/29/16	METWAT 8624	Metropolitan Water District February 2016 Water deliveries ***Total ***	3,534,250.25 3,534,250.25
<b>Total Other Funds Disbursements</b>				<b>6,811,743.86</b>
<b>Total Disbursements</b>				<b>7,331,354.52</b>

\_\_\_\_\_  
Robert J. Hunter, General Manager

  
\_\_\_\_\_  
Hilary Chumpitazi, Treasurer

**Cal Card Statement Detail**  
**Statement Date: March 22, 2016**  
**Payment Date: April 29, 2016**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
02/22/16	ACWA DC2016 conference in Washington, DC from Feb 23-25, 2016 - Airline seat fee for R. Hunter	\$ 67.83
02/23/16	Legislative luncheon in Washington, DC on 2/24/16 - Catering	2,541.83 [1]
02/23/16	UPS delivery charges for Board & Committee packets on 2/8/16, R. Hunter on 2/17/16 & Crocker & Crocker on 2/19/16	22.12 [2]
02/23/16	Legislative luncheon in Washington, DC on 2/24/16 - Printing	147.68 [1]
02/24/16	Lunch for Orange County MET Managers' meeting	224.00
02/26/16	Legislative activities in Sacramento, CA on Feb. 26, 2016 - Accommodations for H. Baez	344.45
02/26/16	ACWA DC2016 conference in Washington, DC from Feb 23-25, 2016 - Accommodations for H. Baez	730.24
02/26/16	ACWA DC2016 conference in Washington, DC from Feb 23-25, 2016 - Accommodations for R. Hunter	753.68
02/26/16	Legislative activities in Washington, DC from Feb. 23-25, 2016 - Accommodations for Director Barbre	1,044.50 [3]
02/26/16	Annual subscription for SurveyMonkey software	228.00
03/01/16	UPS delivery charges for Board & Committee packets on 2/26/16 & Crocker & Crocker on 2/19/16	21.29
03/01/16	California Emergency Services Association 2016 membership for B. Stock	110.00 [4]
03/02/16	4 Toner cartridges	256.39
03/05/16	Office supplies	92.80
03/05/16	FedEx delivery charges for J. Barker on 3/1/16	59.72
03/07/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for H. De La Torre	695.00
03/08/16	UPS delivery charges for Board & Committee packets on 2/8/16 & Custom Imprints on 2/29/16	83.18
03/08/16	California Urban Water Conservation Council committee meeting in Sacramento, CA on Mar. 14, 2016 - Airfare for J. Berg	475.46
03/08/16	Legislative activities in Sacramento, CA from Mar. 8-9, 2016 - Canceled accommodations for Director Barbre refunded	(195.03)
03/09/16	California Society of Municipal Finance Officers - Governmental Accounting training in Santa Ana, CA on Mar. 31, 2016 - Registration for H. Chumpitazi	150.00
03/09/16	WEROC New staff training lunch	165.12
03/12/16	FedEx delivery charges for Best Best & Krieger on 3/8/16 & Board of Supervisors on 3/10/16	32.94
03/14/16	5 Toner cartridges	294.55
03/14/16	Association of Metropolitan Water Agencies conference in Washington, DC from Mar. 20-22, 2016 - Airfare for R. Hunter	2,648.19
03/14/16	Legislative activities in Sacramento, CA on Mar. 18, 2016 - Airfare for H. Baez	472.36

**Cal Card Statement Detail**  
**Statement Date: March 22, 2016**  
**Payment Date: April 29, 2016**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
03/15/16	UPS delivery charges for Board & Committee packets on 1/26/16, 2/8/16 & 3/9/16	113.78
03/15/16	Legislative activities in Washington, DC from Apr. 20-22, 2016 - Airfare change for Director Barbre	251.99 <sup>5</sup>
03/17/16	Computer supplies	97.10
03/17/16	FedEx delivery charges for Board of Supervisors on 3/15/16	15.74
03/17/16	Lunch for Managers' meeting	541.03
03/17/16	Staff development lunch	112.05
03/17/16	Orange County Business Council Advocacy trip in Washington DC from May 23-25, 2016 - Registration & accommodations for Director Barbre	1,785.00
03/18/16	Legislative activities in Sacramento, CA from Mar. 17-18, 2016 - Accommodations for H. Baez	219.10
03/20/16	FedEx delivery charges for Best Best & Krieger on 3/17/16	25.51
<b>Total</b>		<b>14,627.60</b>

- <sup>1</sup> Cost of Legislative luncheon will be divided among MWDOC and 3 other agencies
- <sup>2</sup> R. Hunter reimbursed MWDOC \$7.04
- <sup>3</sup> Director Barbre reimbursed MWDOC \$336.88
- <sup>4</sup> CESA Reimbursed MWDOC for \$35.00 overcharge, on 4/22/16
- <sup>5</sup> Director Barbre to reimburse MWDOC \$251.99

**Cal Card Statement Detail**  
**Statement Date: March 22, 2016**  
**Payment Date: April 29, 2016**

Date	Description	Amount
<b><u>R. Hunter Card</u></b>		
02/22/16	Meal for R. Hunter's meeting	60.26
02/23/16-02/25/16	ACWA DC2016 conference in Washington, DC from Feb 23-25, 2016 - Transportation & parking for R. Hunter	104.88
02/25/16	ACWA DC2016 conference in Washington, DC from Feb 23-25, 2016 - Meals for Director Ackerman, R. Hunter and guest	80.43
02/25/16	ACWA DC2016 dinner in Washington, DC on Feb. 24, 2016	1,146.24 <sup>[1]</sup>
03/07/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for Director Hinman	695.00
03/07/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for R. Hunter	695.00
03/07/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for H. Baez	695.00
03/08/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for K. Seckel	695.00
03/09/16	ACWA DC2016 conference in Monterey, CA from May 3-6, 2016 - Registration for Director Tamaribuchi	695.00
03/16/16	Fastrak toll roads deposit	100.00
03/19/16	Association of Metropolitan Water Agencies conference in Washington, DC from Mar. 20-22, 2016 - Transportation for R. Hunter	21.52
03/21/16	Association of California Cities-Orange County Infrastructure tour in Mission Viejo, CA on Mar. 31, 2016 - Registration for J. Berg & J. Volzke	90.00
<b>Total</b>		<b><u>5,078.33</u></b>

<sup>[1]</sup> ACWA DC2016 dinner guest M. Matheis reimbursed MWDOC \$80.00 for daughter's dinner

**Municipal Water District of Orange County**  
**GM Approved Disbursement Report <sup>(1)</sup>**  
**For the month of April 2016**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
134212	4/29/16	MAYDWE 2466A	Maydwell Mascots Inc. 1 Ricki Raindrop mascot costume final payment	2,350.00
			***Total ***	2,350.00
134217	4/29/16	TONYWA OCWD-006	Tony Wayne Burgess 5/20/16 OC Water Summit audio visual services deposit	9,714.50
			***Total ***	9,714.50
			<b>Total Core Disbursements</b>	<u>12,064.50</u>
<b>Choice Disbursements:</b>				
			<b>Total Choice Disbursements</b>	<u>0.00</u>
<b>Other Funds Disbursements:</b>				
			<b>Total Other Funds Disbursements</b>	<u>0.00</u>
			<b>Total Disbursements</b>	<u><u>12,064.50</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 04/30/16**

	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	TOTALS
<b>Cash - Beginning Balance</b>	<b>\$ (4,363,336.14)</b>	<b>\$ (4,150,715.21)</b>	<b>\$ (866,085.23)</b>	<b>\$ (2,888,017.49)</b>	<b>\$ (3,394,231.09)</b>	<b>\$ (3,796,564.33)</b>	<b>\$ (4,010,296.92)</b>	<b>\$ (3,901,536.01)</b>	<b>\$ (5,175,474.30)</b>	<b>\$ (6,409,861.35)</b>	<b>\$ (4,586,452.87)</b>	<b>\$ (4,586,452.87)</b>	
<b>REVENUES:</b>													
BUREC													\$ 565,083.88
City of Brea	6,999.33	1,934.35	389.42	247.74	496,524.08	15,352.67	51,543.38		204.87	1,663.75			12,249.59
City of Buena Park	1,212.97	1,886.23	846.00	2,716.00	1,105.75	248.13	1,120.00	1,552.00	716.37	307.93			13,653.60
City of Fountain Valley	150.00				2,271.97	636.13	1,508.00		75.00				450.00
City of Fullerton	225.00			150.00	67.75	70.92	75.00			75.00			663.67
City of Garden Grove	1,995.00	1,650.00	2,914.00	4,224.00	2,770.81	3,431.78	2,794.20		315.00	389.08			20,483.87
City of Huntington Beach	325.66		294.00	211.54		234.98				75.00			1,141.18
City of La Habra	1,050.00	599.53	2,451.89	582.00	1,067.00	735.00	194.00	754.00	588.25				8,001.67
City of San Clemente	4,925.18		9,588.07	5,141.99	3,911.00	2,499.51	4,353.25	6,979.02	1,487.05	1,241.09			40,126.16
City of San Juan Capistrano	3,344.86	2,142.95		11,481.16	2,063.23	1,680.00	1,978.22	3,408.69					26,758.01
City of Santa Ana		75.00	150.00						466.99				766.99
City of Tustin		246.86		300.00		75.00	12,815.67		11,747.00	35,751.95			60,936.48
City of Newport Beach		840.00	3,264.97	4,096.04			6,460.59	1,703.38	3,694.61	770.43			20,830.02
City of Orange	4,297.93		14,879.13	5,622.50	6,713.19	3,417.89	4,721.79	5,029.60	1,988.24	1,248.15			47,918.42
City of Westminster			75.00				75.00						225.00
County of Orange													-
Department of Water Resources		649,130.64	1,824.70		1,588.28		4,226.25	883.53	63,283.64				720,917.04
East Orange County Water District													-
El Toro Water District	2,633.00	5,676.22	2,016.61	1,328.86	550.00	129.00	275.00	100.00		100.00			12,808.69
East Orange County Water District													-
Golden State Water Company	6,555.20	6,985.72	12,246.61	9,373.88	7,563.09	4,890.00	9,821.40	5,668.48	3,137.97	1,431.47			67,673.82
Irvine Ranch Water Company	116,113.61	30,550.23	43,139.41	45,081.83	4,525.99	8,131.72	201,755.82	7,806.55	110,598.29	33,005.55			600,709.00
Laguna Beach County Water District	1,840.00	16,506.86	1,250.00	2,257.00	713.99	210.00	10,556.64	8,883.00	7,718.99	2,505.00			52,450.48
Mesa Water District		75.00	150.00				756.24			41.44			1,097.68
Metropolitan Water District	194,847.61	4,001,136.01	434,424.75	1,369,139.07	1,306,972.63	936,576.61	1,897,669.39	1,235,308.13	1,124,675.57	4,111,274.60			16,614,524.37
Moulton Niguel Water District	358,285.60	244,320.71	3,654.58	152,581.75	122,311.65	246,642.32	271,346.48	142,248.71	325,643.86	300,321.49			2,167,337.15
MWD/OC													-
Santa Margarita Water District		1,035.00	458.43	1,482.03	525.00	2,955.00	4,271.43	4,293.55	4,911.60	557.40			20,489.44
Serrano Water District		75.00		75.00			19.96	150.00	10.94	75.00			405.90
South Coast Water District				225.00			150.00						375.00
Trabuco Canyon Water District	800.00	1,072.37	300.00	1,175.00	406.25	1,431.73	825.00	591.00	1,068.00	300.00			7,969.35
Yorba Linda Water District	80.66		517.75	437.46		856.39	1,066.93	300.00	150.00				3,409.19
<b>Miscellaneous Revenues</b>													-
Miscellaneous							2,054.75		4,604.74				6,659.49
Interest Revenue													-
<b>Total Revenues</b>	<b>704,980.95</b>	<b>4,966,639.34</b>	<b>535,344.32</b>	<b>1,617,984.85</b>	<b>1,963,781.66</b>	<b>1,226,467.10</b>	<b>2,493,377.87</b>	<b>1,428,603.84</b>	<b>1,667,800.88</b>	<b>4,491,134.33</b>	<b>-</b>	<b>-</b>	<b>\$ 21,086,115.14</b>
<b>EXPENDITURES:</b>													
Aquaticent	1,500.00	1,500.00	1,500.00	1,800.00	1,800.00	1,800.00		1,800.00	3,600.00				\$ 15,900.00
Autumn Print Group				207.36									207.36
Awards & Trophies					28.74								28.74
Conservation Consulting, LLC	7,645.50	7,899.75	7,452.00	7,508.25	7,501.50	7,173.00	6,620.00						51,800.00
City of Newport Beach													-
El Toro WID	28,501.27							62,993.38					91,494.65
Enterprise Information Systems			2,160.00										2,160.00
Eco Landscape					11,141.80	7,827.50	13,012.50						31,981.80
Golden State Water Company	31,300.00					11,539.17							31,300.00
Hotel Program						150,160.05							11,539.17
Industrial Program													150,160.05
Irvine Ranch Water District													-
Karen's Detail Custom Frames			48.60										48.60
Laguna Beach CWD	26,036.00							4,500.00					30,536.00
Metropolitan Water District													-
MESA													-
Mission RCD	30,478.31	32,650.22	47,850.46	41,311.01	37,048.67	36,017.86	28,966.82	30,035.04	20,078.56	24,778.16			329,215.11
Public Spaces program			251,845.00	55,939.00	168,780.00				169,108.00				645,652.00
Lori Palinquist									173.43				173.43
Santa Margarita Water District	10,813.50												10,813.50
South Coast Water District	90,048.00												90,048.00
Spray to Drip program	1,557.61		27,888.12	15,622.66	5,552.86	12,246.77	10,348.30	47,354.68	1,309.14	6,788.20			128,468.34
Survey Gzmo				675.00									675.00
Turf Removal	253,213.58	1,639,959.39	2,212,359.63	1,988,139.02	1,984,121.28	1,363,595.39	2,318,379.63	2,555,229.11	2,700,312.89	2,636,159.49			19,651,469.41
US Bank								87.16					87.16
URS													-
Waterwise Consulting													-
<b>Miscellaneous Expenses</b>													
Interest Expense	3,817.57			2,986.15			4,709.96						11,523.68
Salary & Benefit	4,448.68		16,372.77				2,579.75		542.76	7,605.91			31,549.87
<b>Total Expenditures</b>	<b>489,360.02</b>	<b>1,682,009.36</b>	<b>2,567,276.58</b>	<b>2,114,198.45</b>	<b>2,366,114.90</b>	<b>1,440,199.69</b>	<b>2,384,616.96</b>	<b>2,702,542.13</b>	<b>2,902,187.93</b>	<b>2,667,725.85</b>	<b>-</b>	<b>-</b>	<b>\$ 21,316,231.87</b>
<b>Cash - Ending Balance</b>	<b>\$ (4,150,715.21)</b>	<b>\$ (866,085.23)</b>	<b>\$ (2,898,017.49)</b>	<b>\$ (3,394,231.09)</b>	<b>\$ (3,796,564.33)</b>	<b>\$ (4,010,296.92)</b>	<b>\$ (3,901,536.01)</b>	<b>\$ (5,175,474.30)</b>	<b>\$ (6,409,861.35)</b>	<b>\$ (4,586,452.87)</b>	<b>\$ (4,586,452.87)</b>	<b>\$ (4,586,452.87)</b>	



# **Municipal Water District of Orange County** **Consolidated Summary of Cash and Investment** March 31, 2016

*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

Wayne S. Osborne  
*President*

Brett R. Barbre  
*Vice President*

Larry D. Dick  
*Director*

Joan C. Finnegan  
*Director*

Susan Hinman  
*Director*

Sat Tamaribuchi  
*Director*

Jeffery M. Thomas  
*Director*

Robert J. Hunter  
*General Manager*

## **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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$2,494,603	38.75%
Grant & Project Cash Flow	1,480,000	22.99%
Election Expense	215,463	3.35%
Building Repair	500,407	7.77%
Total Designated Reserves	4,690,473	72.86%
General Fund	5,403,734	83.94%
Water Fund	2,412,019	37.46%
Conservation Fund	(6,409,861)	(99.56%)
Desalination Feasibility Study Fund	222,385	3.45%
WEROC Fund	110,566	1.72%
Trustee Activities	8,631	0.13%
<b>Total</b>	<b>\$6,437,947</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	1.97%	\$126,977	\$126,977
Short-term investment			
• LAIF	2.44%	\$157,381	\$157,381
• OCIP	47.38%	3,050,273	3,050,273
Long-term investment			
• Misc. Securities	11.70%	753,316	758,537
• Certificates of Deposit	36.50%	2,350,000	2,372,438
<b>Total</b>	<b>100.00%</b>	<b>\$6,437,947</b>	<b>\$6,465,606</b>

The average number of days to maturity/call as of March 31, 2016 equaled 487 and the average yield to maturity is 1.211%. During the month, the District's average daily balance was \$11,616,826.26. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of March 2016.

The \$27,659 difference between the book value and the market value on March 31, 2016 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*  
 Hilary Chumpitazi  
*Treasurer*



# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



## Portfolio Management - Portfolio Summary March 31, 2016

3/31/2016	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Certificates of Deposit - Bank	2,350,000.00	2,372,437.75	2,350,000.00	37.26	835	1.697
Local Agency Investment Funds	157,381.35	157,381.35	157,381.35	2.50	1	0.506
Miscellaneous Securities - Coupon	750,000.00	758,537.50	753,316.21	11.89	1479	2.238
Orange County Investment Pool	3,050,272.41	3,050,272.41	3,050,272.41	48.36	1	0.621
<b>Total Investments</b>	<b>6,307,653.76</b>	<b>6,338,629.01</b>	<b>6,310,969.97</b>	<b>100.00%</b>	<b>487</b>	<b>1.211</b>
<b>Cash</b>						
Passbook Checking	126,976.98	126,976.98	126,976.98		1	0.00
<b>Total Cash and Investments</b>	<b>6,434,630.74</b>	<b>6,465,605.99</b>	<b>6,437,946.95</b>		<b>487</b>	<b>1.211</b>

Total Earnings	Month Ending March	Fiscal Year to Date
Current Year	8,834.09	92,655.66
Average Daily Balance	11,616,826.26	
Effective Rate of Return	1.211%	

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

*Hilary Chumipitazi*  
Hilary Chumipitazi, Treasurer

5/4/2016  
Date

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**March 31, 2016**

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Certificate of Deposit - Bank</b>									
Ally Bank	02006LFV0	7/23/2014	250,000.00	250,655.00	250,000.00	1.150	1.150	480	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	251,570.00	250,000.00	1.450	1.450	669	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	254,097.50	250,000.00	1.900	1.900	1271	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	252,120.00	250,000.00	1.700	1.700	858	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	254,587.50	250,000.00	1.950	1.950	1251	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	251,962.50	250,000.00	1.600	1.600	844	7/23/2018
GE Capital Bank	36163FJC8	7/25/2014	250,000.00	250,650.00	250,000.00	1.200	1.200	481	7/25/2017
Goldman Sachs Bank	38143A4T9	1/23/2013	100,000.00	100,281.00	100,000.00	1.050	1.050	298	1/23/2017
HSBC Bank USA NA	40434AK65	1/21/2016	250,000.00	252,056.75	250,000.00	1.550	2.534	661	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	254,457.50	250,000.00	2.050	2.050	1216	7/30/2019
<b>Sub Total</b>			<b>2,350,000.00</b>	<b>2,372,437.75</b>	<b>2,350,000.00</b>	<b>1.593</b>	<b>1.697</b>	<b>835</b>	
<b>Miscellaneous Securities - Coupon</b>									
JPMorgan Chase	46625HKA7	11/2/2015	500,000.00	503,955.00	501,773.98	2.250	2.152	1362	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	254,582.50	251,542.23	2.550	2.409	1712	12/7/2020
<b>Sub Total</b>			<b>750,000.00</b>	<b>758,537.50</b>	<b>753,316.21</b>	<b>2.350</b>	<b>2.238</b>	<b>1479</b>	
<b>Total Investments</b>			<b>3,100,000.00</b>	<b>3,130,975.25</b>	<b>3,103,316.21</b>	<b>1.776</b>	<b>1.828</b>	<b>991</b>	
<b>Total Earnings</b>									
Current Year			Month Ending March	Fiscal Year To Date					
			4,677.83	44,987.97					

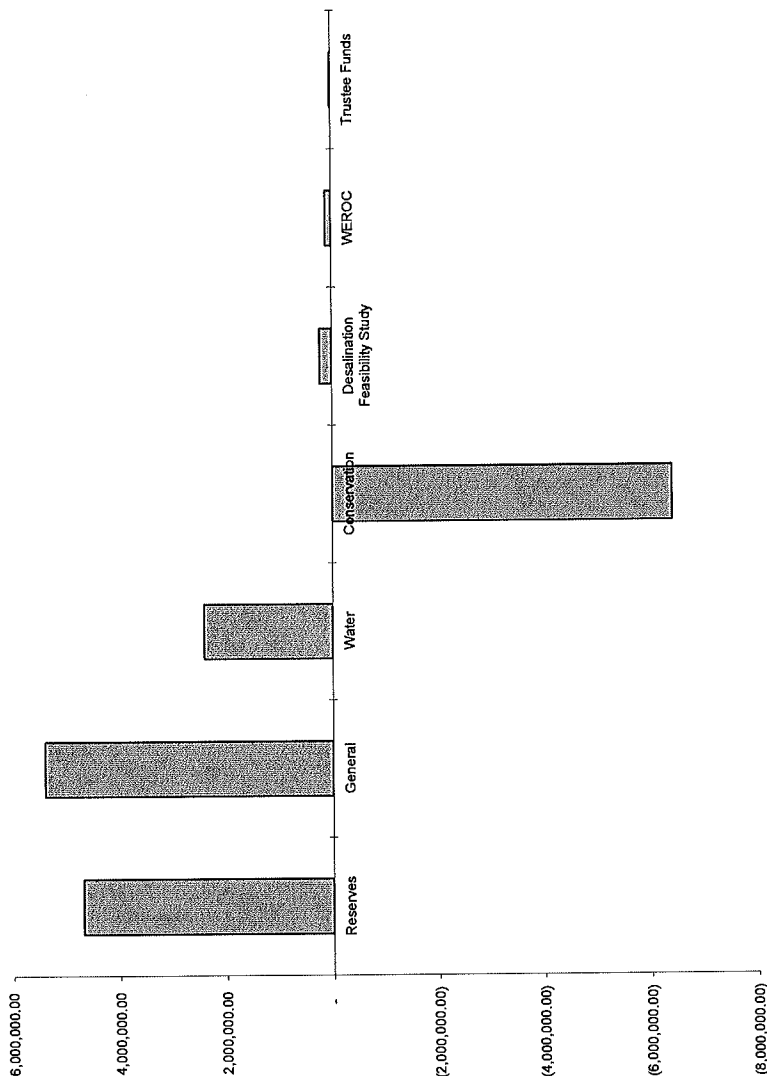
**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**March 31, 2016**

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	157,381.35	157,381.35	157,381.35	0.506	0.506	1	N/A
<b>Sub Total</b>			<b>157,381.35</b>	<b>157,381.35</b>	<b>157,381.35</b>	<b>0.506</b>	<b>0.506</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	3,050,272.41	3,050,272.41	3,050,272.41	0.621	0.621	1	N/A
<b>Sub Total</b>			<b>3,050,272.41</b>	<b>3,050,272.41</b>	<b>3,050,272.41</b>	<b>0.621</b>	<b>0.621</b>	<b>1</b>	
<b>Total Investments</b>			<b>3,207,653.76</b>	<b>3,207,653.76</b>	<b>3,207,653.76</b>	<b>0.615</b>	<b>0.615</b>		
<b>Passbook Checking</b>									
Bank of America Cash	CASH0547	7/1/2011	126,476.98	126,476.98	126,476.98	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>126,976.98</b>	<b>126,976.98</b>	<b>126,976.98</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>3,334,630.74</b>	<b>3,334,630.74</b>	<b>3,334,630.74</b>	<b>0.615</b>	<b>0.615</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year			Month Ending March	Fiscal Year To Date					
			4,156.26	47,667.69					



**Municipal Water District of Orange County  
Cash and Investments at March 31, 2016**

ALLOCATION	AMOUNT	%
<b>MWDOC</b>		
Designated Reserves		
General	\$ 2,494,603	38.75%
Grant & Project Cash Flow	1,480,000	22.99%
Election Expense	215,463	3.35%
Building Repair	500,407	7.77%
Total Designated Reserves	4,690,473	72.86%
General	5,403,734	83.94%
Water	2,412,019	37.46%
Conservation	(6,409,861)	-99.56%
Desalination Feasibility Study	222,385	3.45%
WEROC	110,566	1.72%
<b>TOTAL MWDOC</b>	<b>\$ 6,429,316</b>	<b>99.87%</b>
<b>TRUSTEE ACTIVITIES</b>		
AMP Sales Admin	\$ 8,631	0.13%
<b>TOTAL TRUSTEE ACTIVITIES</b>	<b>\$ 8,631</b>	<b>0.13%</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 6,437,947</b>	<b>100.00%</b>



**Municipal Water Dist of Orange County  
PARS OPEB Trust Program****Monthly Account Report for the Period  
3/01/2016 to 3/31/2016**

Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708

**Account Summary**

Source	Beginning Balance as of 3/01/2016	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 3/31/2016
Contributions	\$1,210,809.40	\$0.00	\$52,092.33	\$573.78	\$0.00	\$0.00	\$1,262,327.95
Totals	\$1,210,809.40	\$0.00	\$52,092.33	\$573.78	\$0.00	\$0.00	\$1,262,327.95

**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**

Annualized Return						Plan's Inception Date
1-Month	3-Month	1-Year	3-Years	5-Years	10-Years	
4.30%	0.50%	-1.70%	4.66%	-	-	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

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**COMBINED FINANCIAL STATEMENTS**  
**AND**  
**BUDGET COMPARATIVE**  
**JULY 1, 2015 THRU MARCH 31, 2016**

**Municipal Water District of Orange County  
Combined Balance Sheet  
As of March 31, 2016**

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	126,976.98
Investments	6,310,969.97
Accounts Receivable	20,270,893.39
Accounts Receivable - Other	108,211.67
Accrued Interest Receivable	14,460.10
Prepays/Deposits	496,385.46
Leasehold Improvements	3,026,974.08
Furniture, Fixtures & Equipment	436,910.44
Less: Accum Depreciation	(2,543,644.84)
Net OPEB Asset	92,806.00
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$28,340,943.25</b>
	<hr/>
<b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	13,838,607.17
Accounts Payable - Other	1,440.90
Accrued Salaries and Benefits Payable	280,585.23
OCWD CUP Balance Payable	1,976,167.40
Other Liabilities	1,374,274.71
Unearned Revenue	2,302,261.15
Total Liabilities	<hr/> 19,773,336.56 <hr/>
<b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	960,691.75
Total Restricted Fund Balances	<hr/> 960,691.75 <hr/>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,587,408.51
Grant & Project Cash Flow	1,480,000.00
Election Expense	215,463.03
Building Repair	500,407.45
Total Designated Reserves	<hr/> 4,783,278.99 <hr/>
GENERAL FUND	1,307,553.79
WEROC	83,059.22
Total Unrestricted Fund Balances	<hr/> 6,173,892.00 <hr/>
Excess Revenue over Expenditures	
Operating Fund	3,306,199.29
Other Funds	(1,873,176.35)
Total Fund Balance	<hr/> 8,567,606.69 <hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$28,340,943.25</b>
	<hr/>

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2015 thru March 2016**

	<b>Month to Date</b>	<b>Year to Date</b>	<b>Annual Budget</b>	<b>% Used</b>	<b>Encumbrance</b>	<b>Budget Remaining</b>
<b><u>REVENUES</u></b>						
Retail Connection Charge	<u>0.00</u>	<u>6,686,659.70</u>	<u>6,687,322.00</u>	<u>99.99%</u>	<u>0.00</u>	<u>662.30</u>
Water rate revenues	0.00	6,686,659.70	6,687,322.00	99.99%	0.00	662.30
Interest Revenue	<u>11,387.99</u>	<u>104,073.19</u>	<u>117,675.00</u>	<u>88.44%</u>	<u>0.00</u>	<u>13,601.81</u>
Subtotal	<u>11,387.99</u>	<u>6,790,732.89</u>	<u>6,804,997.00</u>	<u>99.79%</u>	<u>0.00</u>	<u>14,264.11</u>
Choice Programs	0.00	1,340,182.62	1,302,619.00	102.88%	0.00	(37,563.62)
Choice Prior Year Carry Over	0.00	0.00	243,338.00	0.00%	0.00	243,338.00
Miscellaneous Income	394.91	146,611.42	3,000.00	4887.05%	0.00	(143,611.42)
School Contracts	4,807.00	55,539.80	70,000.00	79.34%	0.00	14,460.20
Delinquent Payment Penalty	0.00	173.98	0.00	0.00%	0.00	(173.98)
Gain on Sale of Investments	0.00	13.72	0.00	0.00%	0.00	(13.72)
Transfer-Out To Reserve	<u>0.00</u>	<u>0.00</u>	<u>(64,424.00)</u>	<u>0.00%</u>	<u>0.00</u>	<u>(64,424.00)</u>
Subtotal	<u>5,201.91</u>	<u>1,542,521.54</u>	<u>1,554,533.00</u>	<u>99.23%</u>	<u>0.00</u>	<u>12,011.46</u>
<b>TOTAL REVENUES</b>	<u>16,589.90</u>	<u>8,333,254.43</u>	<u>8,359,530.00</u>	<u>99.69%</u>	<u>0.00</u>	<u>26,275.57</u>



**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**General Fund**  
**From July 2015 thru March 2016**

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	256,220.03	2,202,429.07	3,309,949.00	66.54%	0.00	1,107,519.93
Salaries & Wages - Grant Recovery	(3,529.61)	(22,571.40)	(23,500.00)	96.05%	0.00	(928.60)
Directors' Compensation	17,779.08	140,782.30	220,588.00	63.82%	0.00	79,805.70
MWD Representation	9,697.68	87,394.04	126,050.00	69.33%	0.00	38,655.96
Employee Benefits	80,721.02	616,898.05	863,069.00	71.48%	0.00	246,170.95
OPEB Annual Contribution	0.00	0.00	105,188.00	0.00%	0.00	105,188.00
Employee Benefits - Grant Recovery	(882.40)	(5,784.57)	0.00	0.00%	0.00	5,784.57
Director's Benefits	6,419.92	52,884.02	60,024.00	88.10%	0.00	7,139.98
Health Ins \$'s for Retirees	2,741.53	37,688.10	50,387.00	74.80%	0.00	12,698.90
Training Expense	150.00	1,994.68	18,000.00	11.08%	0.00	16,005.32
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	1,259.54	0.00	0.00%	0.00	(1,259.54)
Personnel Expenses	369,317.25	3,112,973.83	4,734,755.00	65.75%	0.00	1,621,781.17
Engineering Expense	12,015.40	223,449.88	300,000.00	74.48%	219,578.06	(143,027.94)
Legal Expense	13,110.16	128,433.28	355,000.00	36.18%	243,566.72	(17,000.00)
Audit Expense	0.00	20,600.00	23,000.00	89.57%	0.00	2,400.00
Professional Services	97,819.18	872,904.35	1,541,837.00	56.61%	438,346.25	230,586.40
Professional Fees	122,944.74	1,245,387.51	2,219,837.00	56.10%	901,491.03	72,958.46
Conference-Staff	2,870.00	12,299.42	19,450.00	63.24%	0.00	7,150.58
Conference-Directors	3,243.00	9,764.00	9,800.00	99.63%	0.00	36.00
Travel & Accom.-Staff	7,083.23	28,167.28	56,510.00	49.84%	0.00	28,342.72
Travel & Accom.-Directors	733.26	10,938.73	27,600.00	39.63%	0.00	16,661.27
Travel & Conference	13,929.49	61,169.43	113,360.00	53.96%	0.00	52,190.57
Membership/Sponsorship	500.00	95,639.04	103,961.00	92.00%	0.00	8,321.96
CDR Support	0.00	29,804.64	39,740.00	75.00%	9,934.86	0.50
Dues & Memberships	500.00	125,443.68	143,701.00	87.29%	9,934.86	8,322.46
Business Expense	543.18	4,244.79	6,800.00	62.42%	0.00	2,555.21
Maintenance Office	9,306.20	69,362.51	126,670.00	54.76%	41,175.12	16,132.37
Building Repair & Maintenance	863.94	7,619.06	11,000.00	69.26%	3,380.94	0.00
Storage Rental & Equipment Lease	956.31	9,891.79	19,000.00	52.06%	9,108.21	0.00
Office Supplies	1,879.50	24,115.41	29,400.00	82.03%	740.44	4,544.15
Postage/Mail Delivery	1,341.36	10,840.09	11,285.00	96.06%	6.81	438.10
Subscriptions & Books	228.00	413.82	2,060.00	20.09%	0.00	1,646.18
Reproduction Expense	184.68	1,566.03	70,010.00	2.24%	37.30	68,406.67
Maintenance-Computers	97.10	5,081.23	7,100.00	71.57%	637.16	1,381.61
Software Purchase	648.00	9,460.83	18,500.00	51.14%	13.87	9,025.30
Software Support	1,300.78	24,799.30	34,000.00	72.94%	0.00	9,200.70
Computers and Equipment	350.00	15,980.65	21,150.00	75.56%	0.00	5,169.35
Automotive Expense	1,585.45	11,799.44	13,500.00	87.40%	0.00	1,700.56
Toll Road Charges	101.91	566.75	1,275.00	44.45%	0.00	708.25
Insurance Expense	8,373.30	73,882.75	96,000.00	76.96%	0.00	22,117.25
Utilities - Telephone	1,631.22	13,921.95	15,650.00	88.96%	0.00	1,728.05
Bank Fees	969.62	7,745.29	17,900.00	43.27%	0.00	10,154.71
Miscellaneous Expense	9,127.14	48,849.42	98,770.00	49.46%	2,350.00	47,570.58
MWDOC's Contrb. To WEROC	11,817.25	106,355.25	141,807.00	75.00%	0.00	35,451.75
Depreciation Expense	1,000.34	9,003.18	0.00	0.00%	0.00	(9,003.18)
Other Expenses	52,305.28	455,499.54	741,877.00	61.40%	57,449.85	228,927.61
MWDOC's Building Expense	0.00	22,224.55	400,000.00	5.56%	213,248.07	164,527.38
Capital Acquisition	0.00	4,356.60	6,000.00	72.61%	0.00	1,643.40
<b>TOTAL EXPENSES</b>	<b>558,996.76</b>	<b>5,027,055.14</b>	<b>8,359,530.00</b>	<b>60.14%</b>	<b>1,182,123.81</b>	<b>2,150,351.05</b>
<b>NET INCOME (LOSS)</b>	<b>(542,406.86)</b>	<b>3,306,199.29</b>	<b>0.00</b>			

**Municipal Water District of Orange County**  
**Revenues and Expenditures Budget Comparative Report**  
**Water Fund**  
**From July 2015 thru March 2016**

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<b><u>WATER REVENUES</u></b>					
Water Sales	6,123,787.80	82,742,158.10	139,025,078.00	59.52%	56,282,919.90
Readiness to Serve Charge	1,056,174.45	9,771,137.85	13,214,277.00	73.94%	3,443,139.15
Capacity Charge CCF	402,482.50	3,419,677.50	4,424,460.00	77.29%	1,004,782.50
SCP Surcharge	19,236.43	174,432.89	380,000.00	45.90%	205,567.11
Interest	539.65	3,741.36	2,900.00	129.01%	(841.36)
<b>TOTAL WATER REVENUES</b>	<b>7,602,220.83</b>	<b>96,111,147.70</b>	<b>157,046,715.00</b>	<b>61.20%</b>	<b>60,935,567.30</b>
<b><u>WATER PURCHASES</u></b>					
Water Sales	6,123,787.80	82,742,158.10	139,025,078.00	59.52%	56,282,919.90
Readiness to Serve Charge	1,056,174.45	9,771,137.85	13,214,277.00	73.94%	3,443,139.15
Capacity Charge CCF	402,482.50	3,419,677.50	4,424,460.00	77.29%	1,004,782.50
SCP Surcharge	19,236.43	174,432.89	380,000.00	45.90%	205,567.11
<b>TOTAL WATER PURCHASES</b>	<b>7,601,681.18</b>	<b>96,107,406.34</b>	<b>157,043,815.00</b>	<b>61.20%</b>	<b>60,936,408.66</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>539.65</b>	<b>3,741.36</b>	<b>2,900.00</b>		

**Municipal Water District of Orange County**  
**WUE Revenues and Expenditures (Actuals vs Budget)**  
**From July 2015 thru March 2016**

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	34,782.53	118,900.00	29.25%
Expenses	<u>52,675.00</u>	<u>118,900.00</u>	44.30%
Excess of Revenues over Expenditures	(17,892.47)	0.00	
<b>Industrial Water Use Reduction</b>			
Revenues	167,757.65	91,236.00	183.87%
Expenses	<u>167,757.65</u>	<u>91,236.00</u>	183.87%
Excess of Revenues over Expenditures	0.00	0.00	
<b>Spray To Drip Conversion</b>			
Revenues	126,500.44	57,109.58	221.50%
Expenses	<u>122,556.02</u>	<u>57,109.58</u>	214.60%
Excess of Revenues over Expenditures	3,944.42	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	1,073,211.20	137,871.04	778.42%
Expenses	<u>743,117.78</u>	<u>137,871.04</u>	538.99%
Excess of Revenues over Expenditures	330,093.42	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	77,045.38	627,000.00	12.29%
Expenses	<u>77,045.38</u>	<u>627,000.00</u>	12.29%
Excess of Revenues over Expenditures	0.00	0.00	
<b>ULFT Rebate Program</b>			
Revenues	282,153.71	658,000.00	42.88%
Expenses	<u>490,649.45</u>	<u>658,000.00</u>	74.57%
Excess of Revenues over Expenditures	(208,495.74)	0.00	
<b>HECW Rebate Program</b>			
Revenues	331,196.31	696,000.00	47.59%
Expenses	<u>336,278.71</u>	<u>696,000.00</u>	48.32%
Excess of Revenues over Expenditures	(5,082.40)	0.00	
<b>CII Rebate Program</b>			
Revenues	282,215.00	509,000.00	55.44%
Expenses	<u>79,101.00</u>	<u>509,000.00</u>	15.54%
Excess of Revenues over Expenditures	203,114.00	0.00	
<b>Large Landscape Survey</b>			
Revenues	16,804.22	85,000.00	19.77%
Expenses	<u>13,198.99</u>	<u>85,000.00</u>	15.53%
Excess of Revenues over Expenditures	3,605.23	0.00	
<b>Indoor-Outdoor Survey</b>			
Revenues	4,905.63	6,800.00	72.14%
Expenses	<u>11.97</u>	<u>6,800.00</u>	0.18%
Excess of Revenues over Expenditures	4,893.66	0.00	
<b>Turf Removal Program</b>			
Revenues	15,015,237.18	19,075,000.00	78.72%
Expenses	<u>17,157,164.08</u>	<u>19,075,000.00</u>	89.95%
Excess of Revenues over Expenditures	(2,141,926.90)	0.00	

**Municipal Water District of Orange County**  
**WUE & Other Funds Revenues and Expenditures (Actuals vs Budget)**  
**From July 2015 thru March 2016**

	Year to Date Actual	Annual Budget	% Used
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	65,091.76	281,926.00	23.09%
Expenses	73,578.81	281,926.00	26.10%
Excess of Revenues over Expenditures	(8,487.05)	0.00	
<b>Home Certification and Rebate</b>			
Revenues	225,919.09	210,205.00	107.48%
Expenses	129,519.69	210,205.00	61.62%
Excess of Revenues over Expenditures	96,399.40	0.00	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	11,624.03	138,725.00	8.38%
Expenses	127,875.15	138,725.00	92.18%
Excess of Revenues over Expenditures	(116,251.12)	0.00	
<b>CA Sprinkler Adjustment Subscription System</b>			
Revenues	35,486.54	34,432.50	103.06%
Expenses	35,436.29	34,432.50	102.92%
Excess of Revenues over Expenditures	50.25	0.00	
<b>Rotating Nozzle</b>			
Revenues	1,654.94	39,000.00	4.24%
Expenses	18,597.16	39,000.00	47.69%
Excess of Revenues over Expenditures	(16,942.22)	0.00	
<b>WUE Projects</b>			
Revenues	17,751,585.61	22,766,205.12	77.97%
Expenses	19,624,563.13	22,766,205.12	86.20%
Excess of Revenues over Expenditures	(1,872,977.52)	0.00	
<b>WEROC</b>			
Revenues	253,622.90	283,614.00	89.43%
Expenses	215,052.79	278,613.00	77.19%
Excess of Revenues over Expenditures	38,570.11	5,001.00	
<b>RPOI Distributions</b>			
Revenues	0.00	4,823.00	0.00%
Expenses	0.00	4,823.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget Summary Report  
Fiscal Year to Date ending March 2016 (Unaudited)  
( \$000 Omitted )  
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail connection fees	6,687	6,687	100.0%
Subtotal	6,687	6,687	100.0%
Other Revenues:			
Interest income <sup>(1)</sup>	104	118	88.4%
Choice Programs <sup>(2)</sup>	1,340	1,546	86.7%
School Contracts	56	70	79.3%
Other income <sup>(3)</sup>	147	3	4892.8%
Transfer to Reserve	0	(64)	0.0%
Subtotal	1,647	1,672	98.5%
<b>TOTAL REVENUES</b>	<b>8,333</b>	<b>8,360</b>	<b>99.7%</b>
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	3,113	4,735	65.7%
Professional services <sup>(4)</sup>	894	1,565	57.1%
Outside engineering	223	300	74.5%
Legal expense <sup>(5)</sup>	128	355	36.2%
Travel & Conference <sup>(6)</sup>	61	113	54.0%
Dues and memberships <sup>(7)</sup>	125	144	87.3%
General & Admin expense <sup>(8)</sup>	455	742	61.4%
Building Repair & Maintenance <sup>(9)</sup>	22	400	5.6%
Capital acquisition (not including building repairs)	4	6	72.6%
<b>TOTAL EXPENSES</b>	<b>5,027</b>	<b>8,360</b>	<b>60.1%</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>3,306</b>		

RESERVE FUND

Beginning Balance	3,483
Nov 2015 - excess from FY 14-15 General Fund	1,207
Net OPEB Asset	93
<b>TOTAL RESERVE FUND</b>	<b>4,783</b>

(1) Interest Income is higher due to earning higher yields and investing with OCIP.

(2) Choice programs billed in November, 2015 for fiscal year.

(3) Other Income from Open Meetings Act/Brown Act Reform and pension reimbursement.

(4) Professional Services: Financial Consulting and Public Affairs actuals are less due to changing needs.

(5) The lower legal expenses are associated with fewer legal issues and bipartisan cost control efforts.

(6) Travel & Conference have large expenses in Dec and April.

(7) Most Dues and Memberships are paid in the beginning of the fiscal year.

(8) Gen & Admin Expenses: OCWD office expenses less than projected and Public Affairs Reproduction expenses changed.

(9) Building Repair & Maintenance are in progress.



Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending March 2016 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,686,660	6,687,322	99.99%
Water rate revenues	6,686,660	6,687,322	99.99%
Choice Programs	1,340,183	1,302,619	102.88%
Choice Prior Year Carry Over	0	243,338	0.00%
Interest Revenue	104,073	117,675	88.44%
Miscellaneous Income	146,785	3,000	4892.83%
School Contracts	55,540	70,000	79.34%
Gain on Sale of Investment	14	0	0.00%
Transfer to Reserve	0	(64,424)	0.00%
Other revenues	1,646,594	1,672,208	98.47%
TOTAL REVENUES	8,333,254	8,359,530	99.69%

OPERATING EXPENSES			
Salaries & Wages	2,202,429	3,309,949	66.54%
less Recovery from Grants	(22,571)	(23,500)	96.05%
Directors' Compensation	140,782	220,588	63.82%
MWD Representation	87,394	126,050	69.33%
Employee Benefits	616,898	863,069	71.48%
less Recovery from Grants	(5,785)	0	0.00%
OPEB Annual Contribution	0	105,188	0.00%
Directors Benefits	52,884	60,024	88.10%
Health Insurances for Retirees	37,688	50,387	74.80%
Training Expense	1,995	18,000	11.08%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	1,260	0	0.00%
Personnel Expenses	3,112,974	4,734,755	65.75%
Engineering Expense	223,450	300,000	74.48%
Legal Expense	128,433	355,000	36.18%
Audit Expense	20,600	23,000	89.57%
Professional Services	872,904	1,541,837	56.61%
Professional Fees	1,245,388	2,219,837	56.10%
Conference-Staff	12,299	19,450	63.24%
Conference-Directors	9,764	9,800	99.63%
Travel & Accom.-Staff	28,167	56,510	49.84%
Travel & Accom.-Directors	10,939	27,600	39.63%
Travel & Conference	61,169	113,360	53.96%
Membership/Sponsorship	95,639	103,961	92.00%
CDR Support	29,805	39,740	75.00%
Dues & Memberships	125,444	143,701	87.29%

Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending March 2016 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	4,245	6,800	62.42%
Maintenance Office	69,363	126,670	54.76%
Building Repair & Maintenance	7,619	11,000	69.26%
Storage Rental & Equipment Lease	9,892	19,000	52.06%
Office Supplies	24,115	29,400	82.03%
Postage/Mail Delivery	10,840	11,285	96.06%
Subscriptions & Books	414	2,060	20.09%
Reproduction Expense	1,566	70,010	2.24%
Maintenance-Computers	5,081	7,100	71.57%
Software Purchase	9,461	18,500	51.14%
Software Support	24,799	34,000	72.94%
Computers and Equipment	15,981	21,150	75.56%
Automotive Expense	11,799	13,500	87.40%
Toll Road Charges	567	1,275	44.45%
Insurance Expense	73,883	96,000	76.96%
Utilities - Telephone	13,922	15,650	88.96%
Bank Fees	7,745	17,900	43.27%
Miscellaneous Expense	48,849	98,770	49.46%
MWDOC's Contribution To WEROC	106,355	141,807	75.00%
Depreciation Expense	9,003	0	0.00%
MWDOC Building Expense	22,225	400,000	5.56%
Capital Acquisition	4,357	6,000	0.00%
Other Expenses	482,081	1,147,877	42.00%
TOTAL EXPENSES	5,027,055	8,359,530	60.14%
EXCESS OF REVENUES OVER EXPENSES	3,306,199	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Statement of Revenues and Expenditures  
Fiscal Year to Date ending March 2016 (Unaudited)  
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>Water Revenues</u></b>			
Water Sales	82,742,158	139,025,078	(56,282,920)
Ready to Serve Charge	9,771,138	13,214,277	(3,443,139)
Capacity Charge Flat Rate	3,419,678	4,424,460	(1,004,783)
SCP Surcharge	174,433	380,000	(205,567)
Interest	<u>3,741</u>	<u>2,900</u>	<u>841</u>
Total Water Revenues	<u>96,111,148</u>	<u>157,046,715</u>	<u>(60,935,567)</u>
 <b><u>Water Purchases</u></b>			
Water Sales	82,742,158	139,025,078	(56,282,920)
Ready to Serve Charge	9,771,138	13,214,277	(3,443,139)
Capacity Charge	3,419,678	4,424,460	(1,004,783)
SCP Surcharge	<u>174,433</u>	<u>380,000</u>	<u>(205,567)</u>
Total Water Purchases	<u>96,107,406</u>	<u>157,043,815</u>	<u>(60,936,409)</u>
EXCESS OF REVENUES OVER			
EXPENDITURES	<u>3,741</u>	<u>2,900</u>	<u>841</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2016 (Unaudited)  
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>WEROC</u></b>			
Revenues	253,623	283,614	(29,991)
Expenditures	215,053	278,613	(63,560)
Excess of Revenues over Expenditures	38,570	5,001	33,569
 <b><u>WUE Projects (details on next page)</u></b>			
Revenues	17,751,586	22,766,205	(5,014,620)
Expenditures	19,624,563	22,766,205	(3,141,642)
Excess of Revenues over Expenditures	(1,872,978)	0	(1,872,978)
 <b><u>RPOI Distribution</u></b>			
Revenues	0	4,823	(4,823)
Expenditures	0	4,823	(4,823)
Excess of Revenues over Expenditures	0	0	0

Footnote:

- 1) The excess of expense over revenue is waiting for reimbursement.
- 2) USBR (Federal) Grant is billed in October and April with funds being received one month later.
- 3) DWR is billed quarterly to county and takes a few months to a year to receive funds.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2016 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Landscape Performance Certification</u></b>					
Revenues	34,783		118,900	29.25%	118,900
Expenditures	<u>52,675</u>		<u>118,900</u>	44.30%	<u>118,900</u>
Excess of Revenues over Expenditures	(17,892)	-51%	0		

Actual Variance: MET reporting is every two months.

Budget Variance: Actual is less than Budgeted due to the program halting in order to distribute a new RFP.

<b><u>Industrial Water Use Reduction</u></b>					
Revenues	167,758		91,236	183.87%	91,236
Expenditures	<u>167,758</u>		<u>91,236</u>	183.87%	<u>91,236</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: No comment needed.

Budget Variance: Large projects were completed ahead of schedule.

<b><u>Spray to Drip Conversion</u></b>					
Revenues	126,500		57,110	221.50%	57,110
Expenditures	<u>122,556</u>		<u>57,110</u>	214.60%	<u>57,110</u>
Excess of Revenues over Expenditures	3,944	3%	0		

Actual Variance: No comment needed.

Budget Variance: Program more successful than originally budgeted for.

<b><u>Water Smart Landscape for Public Property</u></b>					
Revenues	1,073,211		137,871	778.42%	137,871
Expenditures	<u>743,118</u>		<u>137,871</u>	538.99%	<u>137,871</u>
Excess of Revenues over Expenditures	330,093	100%	0		

Actual Variance: Authorized to invoice granting agency (DWR) before expenditures.

Budget Variance: Expenses incurred all at once, rather than over several fiscal years.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2016 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Member Agency Administered Pass thru</u></b>					
Revenues	77,045		627,000	12.29%	627,000
Expenditures	<u>77,045</u>		<u>627,000</u>	12.29%	<u>627,000</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: No comment needed.

Budget Variance: Expected level of Member Agency programs have not materialized.

**ULFT Rebate Program**

Revenues	282,154		658,000	42.88%	658,000
Expenditures	<u>490,649</u>		<u>658,000</u>	74.57%	<u>658,000</u>
Excess of Revenues over Expenditures	(208,496)	-74%	0		

Actual Variance: MET invoice comes before the invoicing to Agencies.

Budget Variance: No comment needed.

**HECW Rebate Program**

Revenues	331,196		696,000	47.59%	696,000
Expenditures	<u>336,279</u>		<u>696,000</u>	48.32%	<u>696,000</u>
Excess of Revenues over Expenditures	(5,082)	-2%	0		

Actual Variance: No comment needed.

Budget Variance: No comment.

**CII Rebate Program**

Revenues	282,215		509,000	55.44%	509,000
Expenditures	<u>79,101</u>		<u>509,000</u>	15.54%	<u>509,000</u>
Excess of Revenues over Expenditures	203,114	72%	0		

Actual Variance: Received pre-funding.

Budget Variance: Program just beginning.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2016 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Large Landscape Survey</u></b>					
Revenues	16,804		85,000	19.77%	85,000
Expenditures	<u>13,199</u>		<u>85,000</u>	15.53%	<u>85,000</u>
Excess of Revenues over Expenditures	3,605	21%	0		

Actual Variance: No comment needed.

Budget Variance: Mid-year we stopped having MET pay for surveys when grant funding became available.

<b><u>Indoor-Outdoor Survey</u></b>					
Revenues	4,906		6,800	72.14%	6,800
Expenditures	<u>12</u>		<u>6,800</u>	0.18%	<u>6,800</u>
Excess of Revenues over Expenditures	4,894	100%	0		

Actual Variance: These funds are collected from MET and will be used at a later date for installation verification services.

Budget Variance: Expenditures will materialize later.

<b><u>Turf Removal Program</u></b>					
Revenues	15,015,237		19,075,000	78.72%	19,075,000
Expenditures	<u>17,157,164</u>		<u>19,075,000</u>	89.95%	<u>19,075,000</u>
Excess of Revenues over Expenditures	(2,141,927)	-14%	0		

Actual Variance: Invoicing MET in May for expenditures from March, April, and May.

Budget Variance: No comment needed.

<b><u>Comprehensive Landscape (CLWUE)</u></b>					
Revenues	65,092		281,926	23.09%	281,926
Expenditures	<u>73,579</u>		<u>281,926</u>	26.10%	<u>281,926</u>
Excess of Revenues over Expenditures	(8,487)	-13%	0		

Actual Variance: Expenditures incurred before revenues are collected.

Budget Variance: Program activity slow to materialize.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2016 (Unaudited)  
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance</u> <u>%</u>	<u>Fiscal Year</u> <u>Budget</u>	<u>% of</u> <u>Budget</u>	<u>Projected</u> <u>Final</u> <u>FY Budget</u>
<b><u>Home Certification and Rebate</u></b>					
Revenues	225,919		210,205	107.48%	210,205
Expenditures	<u>129,520</u>		<u>210,205</u>	61.62%	<u>210,205</u>
Excess of Revenues over Expenditures	96,399	43%	0		

Actual Variance: Revenue request from Grants are submitted bi-annually in October and April.

Budget Variance: MET is slow to report numbers.

**CII, Large Landscape, Performance (OWOW)**

Revenues	11,624		138,725	8.38%	138,725
Expenditures	<u>127,875</u>		<u>138,725</u>	92.18%	<u>138,725</u>
Excess of Revenues over Expenditures	(116,251)	-1000%	0		

Actual Variance: Granting agency (DWR) slow to pay on invoices submitted to them.

Budget Variance: No comment needed.

**CA Sprinkler Adjustment Subscriptions System**

Revenues	35,487		34,433	103.06%	34,433
Expenditures	<u>35,436</u>		<u>34,433</u>	102.92%	<u>34,433</u>
Excess of Revenues over Expenditures	50	0%	0		

Actual Variance: No comment needed.

Budget Variance: No comment needed.

**Rotating Nozzle**

Revenues	1,655		39,000	4.24%	39,000
Expenditures	<u>18,597</u>		<u>39,000</u>	47.69%	<u>39,000</u>
Excess of Revenues over Expenditures	(16,942)	-1024%	0		

Actual Variance: Expenditures incurred before revenues are collected.

Budget Variance: Higher level of Grant funds were expected to be utilized.

Notes:

[1] Variance from Revenues to Expenses. When greater than 5%, an explanation is provided.

[2] Fiscal year budget versus Actual

[3] With each quarterly report the projected fiscal year end budget may be re-adjusted.



## Item No. 3

### **ACTION ITEM** May 18, 2016

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Hilary Chumpitazi

**SUBJECT:** **MWDOC's Rate Study Services**

#### **STAFF RECOMMENDATION**

---

It is recommended that the Board of Directors: Review and approve the rate structure labeled as Scenario 1A offered by Raftelis.

#### **COMMITTEE RECOMMENDATION**

---

Committee recommends (To be determined at Committee Meeting)

#### **DETAILED REPORT**

---

Raftelis has completed their Rate Study Services and is offering two scenarios for our Board to choose from. The difference between the two scenarios will be presented by Raftelis showing how to calculate OCWD's share, either by using specific cost centers or by using all cost centers divided by all agencies. In addition we received a memo from Kelly Salt at BBK supporting the need to charge OCWD for our services to be in compliance with Prop 26.

Budgeted (Y/N): Y	Budgeted amount: \$75,000	Core _X_	Choice __
Action item amount: NA		Line item: 7040-2000-41	
Fiscal Impact (explain if unbudgeted):			

# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

## FY 2017 Wholesale Water Rate Study

Final Report / May 11, 2016





445 S. Figueroa Street  
Suite #2270  
Los Angeles, CA 90071

Phone 213.262.9300  
Fax 213.262.9303

[www.raftelis.com](http://www.raftelis.com)

May 11, 2016

Ms. Hilary Chumpitazi  
Accounting Manager/Treasurer  
Municipal Water District of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708

**Subject: Wholesale Water Rate Study Report**

Dear Ms. Chumpitazi,

Raftelis Financial Consultants, Inc. (RFC) is pleased to present this report on the Wholesale Water Rate (Study) to the Municipal Water District of Orange County (District). We are confident that the results based on this analysis will result in fair and equitable rates to MWDOC's member agencies and comply with the requirements of Proposition 26.

The Study involved a review of MWDOC's Core services and solicited input from stakeholder member agencies on several occasions. We feel that the input provided by your staff, Board, and member agencies were an integral part of making this a successful Study.

It was a pleasure working with you and we wish to express our thanks to you, Mr. Robert Hunter, Mr. Harvey De La Torre, Mr. Karl Seckel and participating MWDOC staff members for the support and cooperation extended throughout the Study. If you have any questions, please call me at (213) 262-9304.

Sincerely,

**RAFTELIS FINANCIAL CONSULTANTS, INC.**

A handwritten signature in black ink, appearing to read 'Sanjay Gaur', written over a light blue circular stamp.

**Sanjay Gaur**  
Vice President

A handwritten signature in black ink, appearing to read 'Steve Gagnon', written over a light blue circular stamp.

**Steve Gagnon**  
Senior Consultant

A handwritten signature in black ink, appearing to read 'Akbar Alikhan', written over a light blue circular stamp.

**Akbar Alikhan**  
Consultant



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# 1. STUDY BACKGROUND AND PURPOSE

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## 1.1 AGENCY BACKGROUND

The Municipal Water District of Orange County (MWDOC or District) is a wholesale, imported water supplier which delivers approximately 240,000 acre feet (AF) of water per year to its 28 member agencies/retailers, with a population of 2.3 million. MWDOC sells imported water from the Metropolitan Water District of Southern California (MET) to its 28 member agencies. Aside from selling imported water to its member agencies, MWDOC is also responsible for sound planning and appropriate investments in water reliability, water supply development and water use efficiency, public information, legislative advocacy, water education, and emergency preparedness.

## 1.2 MWDOC'S HISTORICAL RATE STRUCTURE

Historically, MWDOC charged its member agencies on a fixed and variable component rate structure. The variable component was an incremental rate added to MET water rate for each acre foot of water purchased by each member agency. The fixed component was charged per retail meter served by each retailer, without accounting for the size of the meter or customer class. Orange County Water District (OCWD), however was charged the incremental rate times the eight year average of imported water purchased. MWDOC's annual budgeting process prompted adjustments to the fixed and variable rates to meet revenue goals.

Prior to 2011, some of MWDOC's member agencies voiced concerns regarding MWDOC's budget, services, and rate structure. Some of the member agencies raised the issue of whether MWDOC's rate structure was equitable and if a member agency can opt out of services provided by MWDOC since it may already provide those services to its customers. These concerns led to the creation of the 2011 Settlement Agreement<sup>1</sup> between MWDOC and its member agencies.

The Settlement Agreement resulted in two major changes. First, MWDOC would phase out the variable component of its rate structure and transition to a 100% fixed revenue structure, beginning in FY 2011-2012. The transition would be phased in by increasing the percentage of revenue generated from fixed charges each year, until MWDOC achieved 100% fixed revenue. In FY 2010-2011, MWDOC received 65% of its revenue through fixed charges, and increased the fixed percentage share each year to reach 100% fixed revenue by FY 2015-16. The second major change was separating MWDOC's budget into "Core" and "Choice" services, to allow member agencies to only pay for programs from which they would like to participate in.

However, as the Settlement Agreement is set to expire at the end of FY 2015-16 (June 30, 2016), MWDOC needs to conduct a review of its rates and charges to identify the legality, equity, revenue stability, and

---

<sup>1</sup> Agreement formally referred to as "Agreement between MWDOC and its Member Agencies on Budget, Activities, Charges, and Other Issues. Amended 12-14-10. Adopted June 2011.

administrative eases of its current rate structure. In addition, MWDOC wishes to explore whether there are other rate structure alternatives that may better address the anomalies associated with the current rate structure. For example, one of MWDOC's largest volumetric customers, OCWD, is a wholesaler without retail meters. Therefore, they are currently not contributing to MWDOC's operating revenues, but MWDOC provides a number of direct services to OCWD. Conversely, one of MWDOC's other member agencies relies on MWDOC as a secondary source of water and has not recently purchased water from MWDOC. However, since this particular member agency has retail meters, it pays for each meter despite not purchasing any imported water.

To review these issues and explore different rate structure options and alternative methodologies to properly distribute costs among MWDOC's member agencies, Raftelis Financial Consultants (RFC) has been retained to review and develop rate structure alternatives, calculate the resulting rates from each alternative, and present the alternatives to MWDOC and its member agencies for adoption and implementation for FY 2015-16-2017.

### 1.3 CORE AND CHOICE SERVICES

As part of the 2011 Settlement Agreement, MWDOC began separating its budget between choice and core services. Core services are District functions that benefit all member agencies and are funded by the current fixed charge based on retail meters. Choice services are optional services offered by MWDOC that member agencies can partake of on a contractual basis. A summary of MWDOC's core and choice services are shown in Table 1-1 below.

**Table 1-1: Core and Choice Services**

Core Services	Choice Services
Accounting and General Administration, including Budget	Water Use Efficiency
MET Representation	Public Outreach/Comm. Program – Value of Water
Governmental Affairs	Specific Programs (e.g. school programs, Desal)
Public Affairs	
Water Supply Planning	
Water Emergency Response Organization of O.C. (WEROC)	

MWDOC's FY 2015-16 Core and Choice budget is shown in Table 1-2<sup>2</sup> RFC reviewed the Core and Choice programs and concludes that these programs follow industry standard cost of service principles since core programs benefit all member agencies equally, and core costs are borne by all member agencies. Choice programs benefit only those member agencies that choose to pay for Choice programs For example, Water Supply Planning and MET advocacy benefits the entire District, but the School program only benefits the member agencies' students which subscribe to it.

<sup>2</sup> It is important to note that this budget (FY 2015-16) was used for discussion purposes for developing alternatives to the Rate Structure. Any changes adopted would be first applied to the FY 2015-16-17 Budget

**Table 1-2: District FY 2015-16 Budget**

Cost Center		FY 2015-16	% of Total
	<b>Core Programs</b>		
11	Administrative – Board	\$1,131,747	17.8%
12	Administrative – General	\$471,461	7.4%
13	Personnel / Staff Development	\$304,655	4.8%
19	Overhead	\$779,267	12.3%
21	Planning & Resource Development	\$743,370	11.7%
22	Research Participation	\$39,740	0.6%
23	Met Issues and Special Projects	\$751,674	11.8%
31	Governmental Affairs	\$418,009	6.6%
35	Policy Development	\$145,864	2.3%
32	Public Affairs	\$629,110	9.9%
41	Finance	\$563,041	8.9%
45	Information Technology	\$223,827	3.5%
25	MWDOC's Contribution to WEROC	\$141,807	2.2%
	MWDOC Building Improvements less Misc. Income	\$343,087	
	<b>Core Total</b>	<b>\$6,686,660</b>	<b>100%</b>
	<b>Choice Programs</b>		
62	Water Use Efficiency Program	\$899,925	55.7%
63	School Programs	\$295,049	18.3%
67	Value of Water	\$177,645	11.0%
64	Foundational Action - Doheny Desal	\$136,983	8.5%
65	Poseidon Desal	\$45,162	2.8%
69	2008 Fund - Doheny Desal	\$31,194	1.9%
68	2014 Fund - Doheny Desal	\$30,000	1.9%
	<b>Choice Total</b>	<b>\$1,615,957</b>	<b>100%</b>
	Core Total	\$6,343,573	
	Choice Total	\$1,615,957	
	<b>District Total</b>	<b>\$7,959,530</b>	

The Study scope is limited to evaluating rate structures *to allocate only the Core program costs* to each member agency. The charges for Choice programs are set through individual contracts and are not part of this Study.

## 1.4 METROPOLITAN WATER DISTRICT (MET) RATES & CHARGES

MWDOC's charges its member agencies the following MET Rates and Charges:

- **MET volumetric rate:** a simple pass-through of costs per AF from MET to the member agency, via MWDOC for the delivery of imported water.
- **MET fixed charges:** consist of the Readiness-To-Serve (RTS) charge and Capacity charge, which are also passed through to member agencies through a similar methodology as MET RTS, which



takes into account each member agency's historical usage. The RTS Charge methodology accounts for an agency's 4-year average of imported purchases to recover the cost of MET's standby services. The Capacity Charge takes in account an agency's peak daily flow of water for the last three years to recover MET's costs of providing system capacity.

## 2. LEGAL BACKGROUND

---

Proposition 26, reflected in the California Constitution as Article XIII C, was approved by voters in 2010 to require a supermajority vote to pass new taxes and fees. Furthermore, Proposition 26 expanded the definition of what is considered a tax. Under the new definition, a tax is any levy, charge, or exaction of any kind imposed by a local government. Any fees or charges that are not exempted by the language of Proposition 26 are considered taxes and subject to voter approval.

The expanded definition of a tax placed new burdens on water purveyors who must routinely increase rates to meet their revenue requirement. After the passage of Proposition 26, local water agencies must demonstrate their fees and charges are not taxes and are exempted by the language of the Proposition. The expanded definition of a tax under Proposition 26 allows for certain exemptions, as shown in the language of the Proposition below.

*(e) As used in this article, "tax" means any levy, charge, or exaction of any kind imposed by a local government, **except** the following:*

*(1) A charge imposed for a specific benefit conferred or privilege granted directly to the pay[e]r that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.*

*(2) A charge imposed for a specific government service or product provided directly to the pay[e]r that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.*

In order to not be considered a tax, local water purveyors must show that their charges for service are no more than necessary to cover the costs to provide service and that the charges levied on a payer have a financial nexus to the costs to serve said payer.

For water retailers, Proposition 218 has created many of the same hurdles. Although MWDOC is not subject to Proposition 218, Proposition 26 requires MWDOC's rates cover costs associated with services and that the rates are fair and equitable to remain exempt from Proposition 26 and not be considered a tax. The Rates developed as part of this rate study recover the costs associated with providing the services discussed in Section 1.3.

Furthermore, as Proposition 26, Section (e) above states, a fee or charge must be "imposed" by a local government to be considered a tax. In this context, "imposed" is defined as a unilateral exercise of governmental authority to levy, establish, or apply an exaction of some type. However, under the Settlement Agreement, terms for payment of Core and Choice services provided by MWDOC to its member agencies are contractual, and not by virtue of force or authority. Therefore, MWDOC's charges

to its member agencies are not currently considered a tax because they are “imposed”, as interpreted by the language of Section (e) of Article XIII C.

However, after the Settlement Agreement expires, MWDOC’s charges to its member agencies may be reclassified as a tax if the charge is “imposed” on a member agency that receives the Core services, and the cost of providing the Core services to that member agency is diverted to any of the other member agencies.

To that end, this Study will reasonably assign costs and rates to each of MWDOC’s member agencies commensurate to the costs incurred to provide service to them.

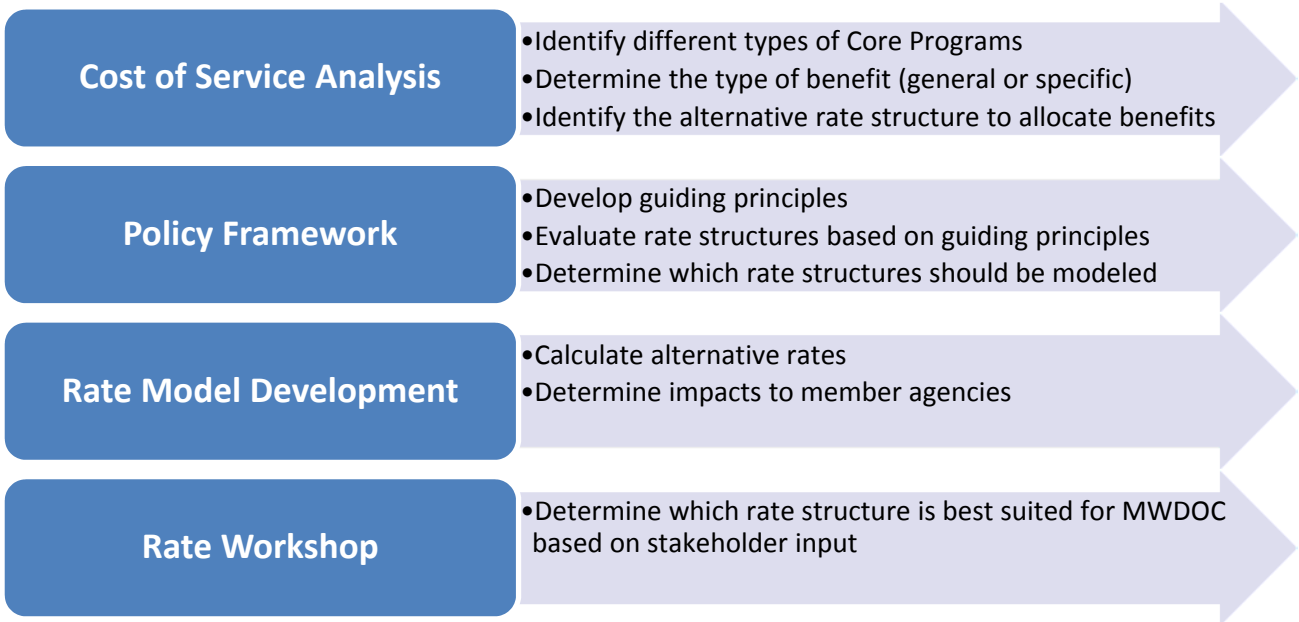
# 3.STUDY PROCESS

## 3.1 STAKEHOLDER PARTICIPATION

One of MWDOC’s primary directives for the Study was ensuring stakeholders had an opportunity to participate in the development of the new rate structure. RFC solicited input from member agency managers, the Administrative & Finance Committee (A&F Committee) and MWDOC staff at each step of the process. A list of the stakeholder meetings held is shown in Table 3-1 below.

The four phases of this Study are outlined in Figure 3-1 below. In the first Study phase, RFC reviewed each Core service to gain an understanding of the type and nature of services provided. RFC then defined, explained, and assigned a weight to each guiding principle (such as fairness and equity, revenue stability, etc.) and solicited feedback from member agency managers and MWDOC staff. Next, member agency managers, elected officials, and MWDOC staff ranked alternative rate structures components according to the weighted guiding principles. Of all the rate structure components presented, the best candidates were selected for inclusion in the Rate Model. After completion of the Rate Model, the resulting rates were shown to MWDOC and member agency managers. Finally, the optimal rate structure was recommended to MWDOC Board for adoption.

Figure 3-1: Phases of Rate Study



**Table 3-1: Stakeholder Meetings during Study**

Meeting	Date	Phase of Study
Project Kick-off Meeting	January 6, 2016	Cost of Service
Administrative & Finance Committee January Meeting	January 13, 2016	Cost of Service/Policy Framework
Member Agency Managers Meeting	February 4, 2016	Policy Framework
Administrative & Finance Committee February Meeting	February 10, 2016	Policy Framework
Administrative & Finance Committee March Meeting	March 8, 2016	Rate Workshop
Member Agency Managers Meeting	March 17, 2016	Rate Workshop
Administrative & Finance Committee April Meeting	April 13, 2016	Rate Workshop
Administrative & Finance Committee May Meeting	May 11, 2016	Presentation of Rates/Report
Board Meeting	May 18, 2016	Presentation of Rates/Report

## 3.2 GUIDING PRINCIPLES

In order to evaluate potential rate structures, RFC developed, with input from MWDOC and member agency managers, several guiding principles. To place higher importance on certain guiding principles, weights were assigned to them as shown in Table 3-2. Once defined and weighted, Stakeholders were then asked to rate how well a particular rate structure satisfied each guiding principle. The guiding principles are defined as follows:

- **Legal Compliance** – Complies with Proposition 26 in its request that charges for specific benefits do not exceed the reasonable costs to confer such benefits. (Legal compliance was assumed a basic requirement).
- **Fairness/Equity** – Best aligns costs with the benefit received by each agency. (Fairness/equity assumed a basic requirement).
- **Revenue stability** – Produces stable revenues for MWDOC and minimizes revenue volatility.
- **Administrative Complexity** - Can be implemented with existing MWDOC staff, available information and infrastructure.
- **Communication** – Easily understood by member agencies and the public at large.

**Table 3-2: Weights for Guiding Principles**

Guiding Principle	Weight
Legal Compliance	35%
Fairness/Equity	35%
Revenue stability	15%
Administrative Complexity	5%
Communication (Ease of Understanding)	10%

## 3.3 RATE STRUCTURE DEFINITIONS

A total of six rate structure components were presented to MWDOC and member agencies for evaluation with respect to the guiding principles presented above. The rate structure components evaluated included the following:

1. Number of Meters (current rate structure)
2. Number of hydraulically equivalent meters
3. Historical water use by member agency
4. Population in service area
5. Fixed charge for each member agency
6. Number of turnout meters

The rate implications for each component are discussed in the following sub-sections.

### **3.3.1 Number of Meters (current rate structure)**

MWDOC currently allocates costs based on the number of retail meters served by each member agency. There is no adjustment made to account for larger meters. In other words, a standard 5/8" household meter is treated no differently than a 4-inch industrial meter (e.g., single family homes versus multi-family developments on master meters). The assumption is made that the distribution of sizes of meters in each retail agency is about the same and therefore, the additional administrative burden of differential treatment would not be of benefit. While this rate structure provided revenue and rate stability, it is responsible for the Proposition 26 issues facing MWDOC upon the expiration of the Settlement Agreement. Namely, OCWD does not have retail meters and is not assigned any of MWDOC's cost under the current rate structure, despite accounting for approximately 10.8%<sup>3</sup> of MWDOC's water sales. Allocating costs in proportion to the number of meters results in a cost distribution that is more proportional to water use than if allocated equally to member agencies (Section 3.3.5). Similarly it results in a cost distribution that is less proportional to (potential) water use than if allocated by the number of hydraulically equivalent meters (3.3.2) or historical water use (3.3.3).

### **3.3.2 Number of Hydraulically Equivalent Meters**

This rate structure allocates costs based on the number of (hydraulically equivalent) retail meters and therefore makes adjustments for different size meters. Unlike the current rate structure, an adjustment would be made to account for the hydraulic capacity of different meter sizes. For example, based on American Water Works Association (AWWA) capacity factors, a 4-inch meter is equivalent to twenty-one 5/8" meters. Allocating costs in proportion to the number of hydraulically equivalent meters recognizes that much of the work that MWDOC does relates to ensuring standby capacity is available. It results in a cost distribution that is more proportional to water use than the number of meters (Section 3.3.2) and less proportional to water use compared to historical water use (Section 3.3.3). This methodology maintains the fixed revenue structure. However, it results in the same Proposition 26 issue caused by the current rate structure because OCWD does not have retail meters.

---

<sup>3</sup> OCWD's average historical water use over the last 10 years is 10.8%



### **3.3.3 Historical Use by Member Agency**

Under this rate structure, costs are allocated based on each member agency's historical average of imported water<sup>4</sup>, using a specified number of trailing years (e.g. previous 3, 5, or 10 years). The analysis presented in this report uses a 10-year historical average to account for long term fluctuations in historical imported water use. Allocating cost based on historical imported water use assumes the imported water use is proportional to MWDOC's costs and corresponding service benefits. However, MWDOC's costs are not in relation to the delivery of imported water. Rather, the service provided by MWDOC is more in relation to the availability and reliability of providing imported water to its member agencies.

### **3.3.4 Population in Service Area**

This rate structure allocates costs based on the population within each member agency's service area. The advantages of this rate structure is that it is easily explained and understood (i.e., benefits flow to the population). Drawbacks to this methodology include scenarios where costs are allocated to high population member agencies even if they have low per capita water use; agencies with low population and perhaps higher per capita water use would be assigned a lower portion of costs. Another drawback of this rate structure is that it may be complicated to assign costs to OCWD, whose service area encompasses the service area of many of MWDOC's other member agencies.

### **3.3.5 Fixed Charge for every Member Agency**

Under this methodology, costs are equally split among all member agencies, regardless of size. Each member agency is responsible for exactly 1/26 of MWDOC's costs for Core services. MWDOC has 28 member agencies, two of these agencies fall under parent agencies<sup>5</sup>, which yields the denominator of 26. The methodology treats every agency the same in terms of the benefits they receive (and therefore their cost allocation) from MWDOC's services. It is best suited for services that are not correlated to agency size or water use.

### **3.3.6 Number and Size of Turnout Meters**

This rate structure allocates costs based on the number and size of turnout meters serving each member agency. Turnout meters are the meters which measure the amount of wholesale water delivered by the Metropolitan Water District. Similar to alternative #2, this rate structure takes into account the number of turnout meters and their size. While this methodology would allocate costs to OCWD, it may disproportionately place costs on some member agencies whose turnout meters were oversized (based on assumptions made long ago) in anticipation of greater development that has not materialized or may over-burden agencies that have several turnouts to provide operational flexibility.

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<sup>4</sup> Historical imported water refers only to the water purchased from MWDOC by the member agency, and not the member agency's total water use. Member agencies may have more than one source of water.

<sup>5</sup> The City of Tustin is included in its parent agency – East Orange County Water District. Emerald Bay is included in its parent agency – Laguna Beach County Water District.

## 4. RATE STRUCTURE SELECTION

### 4.1 RATE STRUCTURE SURVEY RESULTS

MWDOC and RFC solicited member agency input through a short online survey. Member agencies ranked how well each rate structure component satisfied each guiding principle. In addition to the ratings from the member agencies, MWDOC staff and RFC provided ratings as well. The participating member agencies are shown below in Figure 4-1.

**Table 4-1: Member Agencies Participating in Rate Structure Survey**

1	Brea, City of	13	Moulton Niguel Water District
2	Buena Park, City of	14	Newport Beach, City of
3	East Orange County Water District	15	Orange, City of
4	El Toro Water District	16	Orange County Water District
5	Fountain Valley, City of	17	San Clemente, City of
6	Garden Grove, City of	18	Santa Margarita Water District
7	Golden State Water Company	19	Seal Beach, City of
8	Huntington Beach, City of	20	Serrano Water District
9	Irvine Ranch Water District	21	South Coast Water District
10	La Palma, City of	22	Trabuco Canyon Water District
11	Laguna Beach County Water District	23	Westminster, City of
12	Mesa Water District	24	Yorba Linda Water District

Participants were asked to use a rating scale of 1 (does not satisfy guiding principle) to 4 (fully satisfies guiding principle). The average score from all participants was then multiplied by the weights found in Table 3-2 to determine a total score. RFC developed the weights with input from MWDOC staff. These weights were presented to the A&F Committee and Member Agency managers for review and feedback. Member agency managers agreed that the first two guiding principles (Legality and equity/fairness) should be weighted the highest (35%).

Table 4-2 shows an example of how the rating was determined for the current rate structure. The weights for each guiding principle are repeated on Line 1. The weights are then multiplied by the average of the ratings found on Line 2. The resulting values on Line 3 are then added across to derive the total score.

**Table 4-2: Ratings Example – Current Rate Structure**

	Legal Compliance	Fairness/Equity	Revenue stability	Administrative Complexity	Communication	Total
1	35%	35%	15%	5%	10%	
2	3.17	3.00	3.54	3.63	3.42	
3	1.11	1.05	0.53	0.18	0.34	<b>3.21</b>

The same process is repeated for all rate structure alternatives. The full results for each rate structure alternative are presented in Table 4-3 below.

**Table 4-3: Member Agency Ratings of Rate Structure Components**

Rate Structure Alternative	Legal Compliance	Fairness/Equity	Revenue stability	Administrative Complexity	Communication	Total
<b>Weight</b>	35%	35%	15%	5%	10%	
<b>Number of Meters</b>	3.2	3.0	3.5	3.6	3.4	<b>3.2</b>
<b>Number of hydraulically equivalent meters</b>	3.3	3.3	3.6	2.9	3.0	<b>3.3</b>
<b>Historical water use by member agency</b>	3.0	2.8	2.6	2.9	2.7	<b>2.8</b>
<b>Population in Service Area</b>	2.2	1.8	3.1	3.0	2.1	<b>2.2</b>
<b>Fixed charge for each member agency</b>	2.5	2.1	2.9	2.7	2.6	<b>2.4</b>
<b>Number of turnout meters</b>	1.5	1.3	3.0	3.3	2.3	<b>1.8</b>

As stated above, MWDOC staff and RFC also rated each rate structure alternative. The summary results from the member agencies, MWDOC staff, and RFC ratings are presented in Table 4-4.

**Table 4-4: Summary of Ratings for Rate Structure Components**

	Rate Structure Alternative	Member Agencies	MWDOC staff	RFC
<b>1</b>	<b>Number of Meters</b>	3.2	3.3	3.0
<b>2</b>	<b>Number of hydraulically equivalent meters</b>	3.3	3.4	3.9
<b>3</b>	<b>Historical water use by member agency</b>	2.8	3.2	3.9
<b>4</b>	<b>Population in Service Area</b>	2.2	3.8	2.5
<b>5</b>	<b>Fixed charge for each member agency</b>	2.4	2.1	2.0
<b>6</b>	<b>Number of turnout meters</b>	1.8	2.1	2.2

Based on the results presented in Table 4-4, the lowest scoring rate structure alternatives were eliminated from consideration – Fixed Charge for each Member Agency and Number of Turnout Meters<sup>6</sup>.

## 4.2 ORANGE COUNTY WATER DISTRICT (OCWD)

OCWD purchases imported water from MWDOC and blends this water with advance treated recycled water from OCWD's Groundwater Replenishment System (GWRS) and Santa Ana River water to replenish the Orange County Groundwater Basin. Prior to the transition to a fully fixed charge, MWDOC charged OCWD the MWDOC incremental rate times OCWD's 8-year historical average of imported water

<sup>6</sup> This discussion concerns how costs are allocated to all member agencies (Step 2, as discussed in Section 4.3) and the elimination of the two lowest scoring rate structure alternatives. However, the Fixed Charge methodology was still considered for Step 1 (allocation to OCWD, as discussed in the following sub-section).

purchases. However, once the incremental rate was phased out in FY 2015-16, OCWD was no longer charged.

One of the main goals of this rate study is to ensure legal, fair and equitable rates. RFC and MWDOC staff consulted with legal counsel regarding the legality of not charging OCWD. Legal counsel advised that there is a cost associated with providing services to OCWD and a commensurate fee needs be assessed. If a fee is not assessed, then the cost of providing services to OCWD is unfairly borne by other member agencies, which violates Proposition 26.

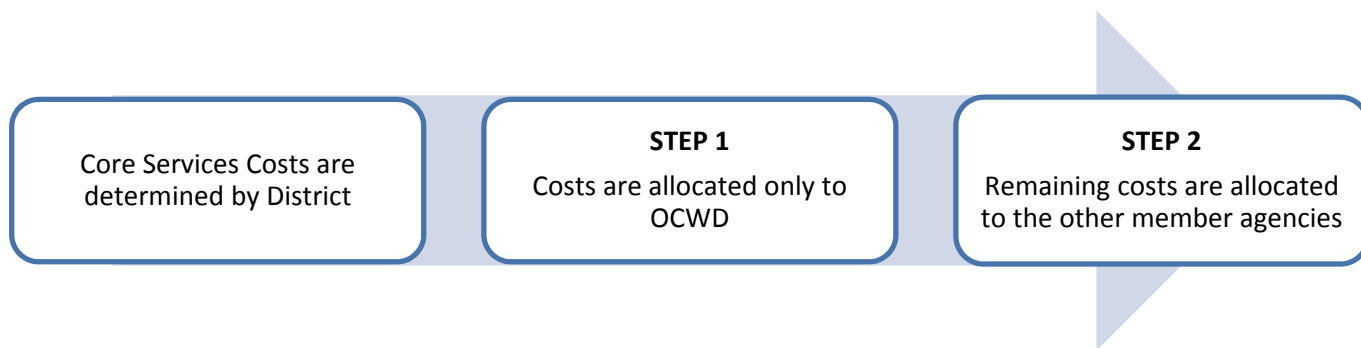
On average, over the past 10 years, OCWD has accounted for nearly 11% of District's water sales and is the fourth largest water user among all member agencies. MWDOC incurs costs to provide Core Service to OCWD, much like its other member agencies. MWDOC works with MET to coordinate and administer recharge groundwater, groundwater programs e.g. Conjunctive Use Program (CUP), and advocacy on behalf of OCWD<sup>7</sup>. The costs for these services are particularly reflected in Planning & Resource Development (Cost Center 21) and MET Issues and Special Projects (Cost Center 23) line items shown in Table 1-2. Note that OCWD is not charged, via the rate structure, for the WEROC program since OCWD is a funding partner of WEROC.

In light of legal counsel advice, the rate structure must allocate costs to OCWD. The below sections discuss how costs are first allocated to OCWD and then to the remaining retail water agencies.

### 4.3 TWO-STEP COST ALLOCATION

RFC allocated costs to OCWD and the remaining retail agencies using a two-step process. Many of the rate structures discussed in Section 3.3 are not amenable to OCWD since OCWD does not have retail meters. Also, using population would allocate a disproportionately large share of costs to OCWD. Therefore the remaining alternatives for OCWD includes allocating costs by historical water use and by allocating costs equally to all member agencies (1/26). MWDOC's costs are allocated in two steps, as shown in Figure 4-1.

**Figure 4-1: Two Step Allocation of District's Core Services Costs**



<sup>7</sup> A list of MWDOC services is shown in Appendix A

## 4.4 RATE ALTERNATIVES

### 4.4.1 Step 1: Allocation of Costs to OCWD

In light of the legal issues discussed in Section 2 and with input from stakeholders, RFC developed two alternatives to allocate costs to OCWD which are termed 1A and 1B. Note that under both scenarios, OCWD is not charged via the rate structure for MWDOC's WEROC costs.

**Alternative 1A:** 10-year historical use method for Cost Centers 21 and 23, plus the equal distribution (OCWD assigned 1/26 of costs) for the other Cost Centers, not including WEROC.

**Alternative 1B:** OCWD is allocated an equal proportional share (1/26) of all cost centers except WEROC (Cost Center 25).

### 4.4.2 Step 2: Allocation of Remaining Costs to Retail Member Agencies

After allocating costs to OCWD, the next step is to allocate the remaining costs to the retail agencies using one of the below methodologies:

- 1) Number of meters
- 2) Number of hydraulically equivalent meters
- 3) Historical imported water use
- 4) Population

RFC presented the rate results of the above two step allocation to the Administrative and Finance Committee and member agency managers. Their feedback is discussed below.

## 4.5 STAKEHOLDER INPUT

RFC presented the above rate alternatives to the Administrative and Finance Committee on March 9<sup>th</sup> and to the member agencies on March 17<sup>th</sup>.

The feedback and results from both these meetings is summarized as follows:

- 1) The historical use alternative was eliminated because many member agencies felt that MWDOC's costs were not necessarily tied to water use – therefore, water use should not be used as a proxy for allocating costs at the retail agency level. Additionally, some agencies who use local groundwater in addition to imported MWDOC water may have large usage swing in years when groundwater yields were low/high. However, this concern can be alleviated by using the 10-year imported water use average. Historical water use is used to allocate costs to OCWD (in Alternative 1A) since the only two viable alternatives to allocated costs to OCWD include historical water use and equal cost allocation (1/26) since OCWD does not have meters.

- 2) Allocating costs by population was eliminated. Using service area population to allocate costs dramatically increases costs for densely populated member agencies even though these agencies likely have low per-capita water use compared to more sparsely populated agencies.
- 3) Allocating costs by the number of hydraulically equivalent meters was eliminated since this methodology accounts for the potential water use from larger meters. As mentioned in item 1 above, meeting participants felt MWDOC's services and therefore costs, are not necessarily tied to water use. This alternative was eliminated since it allocates costs in proportion to potential water use as judged by meter size.

During the March 17<sup>th</sup> meeting, several member agencies proposed Alternative 1B expressing that historical water use to allocate costs to OCWD may not be appropriate, but that treating OCWD as an “average” agency (e.g., 1/26 share) may be more appropriate. The feedback from stakeholders narrowed the rate alternatives down to two – Alternatives 1A and 1B (summarized in Table 4-4).

**Table 4-5: Summary Allocation Methodology for Scenarios 1A/1B**

Cost Center		1A - OCWD	1B - OCWD	Allocation to Other Agencies for both Alternatives
11	Administrative - Board	Fixed Charge	Fixed Charge	Number of Agency Meters
12	Administrative - General	Fixed Charge	Fixed Charge	Number of Agency Meters
13	Personnel / Staff Development	Fixed Charge	Fixed Charge	Number of Agency Meters
19	Overhead	Fixed Charge	Fixed Charge	Number of Agency Meters
21	Planning & Resource Development	10 Year Historical Use	Fixed Charge	Number of Agency Meters
22	Research Participation	Fixed Charge	Fixed Charge	Number of Agency Meters
23	Met Issues and Special Projects	10 Year Historical Use	Fixed Charge	Number of Agency Meters
31	Governmental Affairs	Fixed Charge	Fixed Charge	Number of Agency Meters
35	Policy Development	Fixed Charge	Fixed Charge	Number of Agency Meters
32	Public Affairs	Fixed Charge	Fixed Charge	Number of Agency Meters
41	Finance	Fixed Charge	Fixed Charge	Number of Agency Meters
45	Information Technology	Fixed Charge	Fixed Charge	Number of Agency Meters
25	MWDOC's Contribution to WEROC	Not allocated to OCWD	Not allocated to OCWD	Number of Agency Meters
	MWDOC Building Improvements	Fixed Charge	Fixed Charge	Number of Agency Meters

The resulting cost allocations under both scenarios are discussed in the following Section.



## 5. DERIVATION OF CHARGES

### 5.1 CURRENT CHARGES

FY 2015-16 is MWDOC's final year in its transition to a 100% fixed charge based on the number of retail meters served. As stated in previous sections, OCWD does not have retail meters and is not charged for District services under the current methodology. Table 5-1 summarizes how MWDOC currently allocates its \$6.69M budget to member agencies for FY 2015-16. The number of meters for each agency with respect to the total number of retail meters District-wide is used to determine a percentage; the percentage is then multiplied by MWDOC's total Core services budget to get each agency's allocation.

**Table 5-1: Summary of Charges for FY 2015-16**

Member Agency	Number of Meters (A)	% of Total (B)	Allocation (C) = B × \$6.68M
Brea, City of	12,466	2.00%	\$133,791
Buena Park, City of	18,730	3.04%	\$203,025
East Orange County Water District	20,833	3.38%	\$226,038
El Toro Water District	9,648	1.60%	\$106,699
Fountain Valley, City of	16,711	2.72%	\$182,085
Garden Grove, City of	33,602	5.48%	\$366,263
Golden State Water Company	41,156	6.65%	\$444,459
Huntington Beach, City of	53,085	8.60%	\$575,007
Irvine Ranch Water District	101,807	16.16%	\$1,080,693
La Habra, City of	13,800	2.21%	\$147,951
La Palma, City of	4,347	0.70%	\$47,024
Laguna Beach County Water District	8,648	1.40%	\$93,787
Mesa Water	23,464	3.80%	\$253,890
Moulton Niguel Water District	52,707	8.54%	\$570,916
Newport Beach, City of	26,095	4.23%	\$282,610
Orange, City of	33,053	5.36%	\$358,527
Orange County Water District	0	0.00%	\$0
San Clemente, City of	17,372	2.80%	\$187,271
San Juan Capistrano, City of	11,541	1.84%	\$122,876
Santa Margarita Water District	52,113	8.41%	\$562,497
Seal Beach, City of	5,377	0.87%	\$58,406
Serrano Water District	2,263	0.37%	\$24,510
South Coast Water District	12,063	1.95%	\$130,677
Trabuco Canyon Water District	3,962	0.64%	\$42,868
Westminster, City of	20,181	3.26%	\$218,237
Yorba Linda Water District	24,704	3.99%	\$266,552
<b>Total</b>	<b>619,728</b>	<b>100.0%</b>	<b>\$6,686,659</b>

### 5.2 SCENARIO 1A

Scenario 1A (Step 1) from Section 4.4 utilizes 10 years of historical use data to determine OCWD's percentage allocation of Cost Centers 21 and 23. Based on historical use data provided by MWDOC,

OCWD's historical imported water use is approximately 10.8% of District sales over the past 10 years, as shown in Table 5-2 below. Therefore 10.8% of cost centers 21 and 23 is allocated to OCWD.

**Table 5-2: OCWD Historical Use**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
<b>OCWD</b>	7,237	42,173	-	-	185	16,772	61,645	24,364	50,707	58,633	261,714
<b>District</b>	291,568	327,474	224,054	235,056	196,273	204,158	256,315	212,999	240,529	225,508	2,413,933
<b>OCWD (%)</b>	2.5%	12.9%	0.0%	0.0%	0.1%	8.2%	24.1%	11.4%	21.1%	26.0%	<b>10.84%</b>

For the remaining Cost Centers (all but Cost Centers 21 and 23), 1/26<sup>th</sup> of each Cost Center is allocated to OCWD. Using the allocation factor from Table 5-2 to allocate Cost Centers 21 and 23 and distributing 1/26<sup>th</sup> of the remaining Cost Centers yields the total cost allocation for OCWD found in Table 5-3. The difference between the total budget amount for each cost center and the costs allocated to OCWD is then allocated to all other member agencies based on the Step 2 methodology.

**Table 5-3: Scenario 1A – Allocation to OCWD**

Cost Center	Budget Item	FY 2015-16 Budget (A)	% Allocation (B)	OCWD Costs (C)= A × B	Balance (D) = A - C
<b>11</b>	Administrative - Board	\$743,370	3.8%	\$80,595	\$662,775
<b>12</b>	Administrative - General	\$751,674	3.8%	\$81,495	\$670,179
<b>13</b>	Personnel / Staff Development	\$418,009	3.8%	\$16,077	\$401,931
<b>19</b>	Overhead	\$629,110	3.8%	\$24,197	\$604,914
<b>21</b>	Planning & Resource Development	\$1,131,747	10.8%	\$43,529	\$1,088,219
<b>22</b>	Research Participation	\$471,461	3.8%	\$18,133	\$453,328
<b>23</b>	Met Issues and Special Projects	\$304,655	10.8%	\$11,718	\$292,938
<b>31</b>	Governmental Affairs	\$779,267	3.8%	\$29,972	\$749,295
<b>35</b>	Policy Development	\$39,740	3.8%	\$1,528	\$38,212
<b>32</b>	Public Affairs	\$145,864	3.8%	\$5,610	\$140,254
<b>41</b>	Finance	\$563,041	3.8%	\$21,655	\$541,385
<b>45</b>	Information Technology	\$223,827	3.8%	\$8,609	\$215,219
	MWDOC Building Improvements	\$343,087	3.8%	\$13,196	\$329,891
<b>25</b>	MWDOC's Contribution to WEROC	\$141,807	0% <sup>8</sup>	\$0	\$141,807
	Total	\$6,686,660		\$356,313	<b>\$6,330,346</b>

Under Scenario 1A, the remaining balance of \$6.33M is allocated to all other member agencies. The remaining balance is shown in Column D of Table 5-3. Step 2 distributes this balance in proportion to the number of retail meters (the status quo allocation methodology). Therefore, the same allocation factors shown in Column B of Table 5-1 are used to determine each agency's allocation. The resulting allocations are determined by multiplying the allocation factor, shown in Column A<sup>9</sup>, by the balance of \$6.33M, as shown in Table 5-4.

<sup>8</sup> As discussed in previous sections, OCWD is not charged for any of MWDOC's WEROC costs.

<sup>9</sup> Restated from column B, Table 5-1

**Table 5-4: Scenario 1A – Allocations to Member Agencies**

Member Agency	% Allocation (A)	Allocation B = A × \$6.33M	Current Charges From Table 5-1 (C)	Change (\$) (D)	Change (%) (E)
Brea, City of	2.00%	\$126,662	\$133,791	-\$7,129	-5.3%
Buena Park, City of	3.04%	\$192,207	\$203,025	-\$10,819	-5.3%
East Orange County Water District	3.38%	\$213,993	\$226,038	-\$12,045	-5.3%
El Toro Water District	1.60%	\$101,013	\$106,699	-\$5,686	-5.3%
Fountain Valley, City of	2.72%	\$172,382	\$182,085	-\$9,703	-5.3%
Garden Grove, City of	5.48%	\$346,746	\$366,263	-\$19,517	-5.3%
Golden State Water Company	6.65%	\$420,775	\$444,459	-\$23,684	-5.3%
Huntington Beach, City of	8.60%	\$544,366	\$575,007	-\$30,640	-5.3%
Irvine Ranch Water District	16.16%	\$1,023,105	\$1,080,693	-\$57,587	-5.3%
La Habra, City of	2.21%	\$140,067	\$147,951	-\$7,884	-5.3%
La Palma, City of	0.70%	\$44,518	\$47,024	-\$2,506	-5.3%
Laguna Beach County Water District	1.40%	\$88,790	\$93,787	-\$4,998	-5.3%
Mesa Water	3.80%	\$240,361	\$253,890	-\$13,529	-5.3%
Moulton Niguel Water District	8.54%	\$540,494	\$570,916	-\$30,423	-5.3%
Newport Beach, City of	4.23%	\$267,550	\$282,610	-\$15,059	-5.3%
Orange, City of	5.36%	\$339,422	\$358,527	-\$19,105	-5.3%
Orange County Water District	From Step 1	\$356,313	\$0	\$356,313	∞
San Clemente, City of	2.80%	\$177,292	\$187,271	-\$9,979	-5.3%
San Juan Capistrano, City of	1.84%	\$116,329	\$122,876	-\$6,548	-5.3%
Santa Margarita Water District	8.41%	\$532,523	\$562,497	-\$29,974	-5.3%
Seal Beach, City of	0.87%	\$55,293	\$58,406	-\$3,112	-5.3%
Serrano Water District	0.37%	\$23,204	\$24,510	-\$1,306	-5.3%
South Coast Water District	1.95%	\$123,714	\$130,677	-\$6,963	-5.3%
Trabuco Canyon Water District	0.64%	\$40,584	\$42,868	-\$2,284	-5.3%
Westminster, City of	3.26%	\$206,608	\$218,237	-\$11,629	-5.3%
Yorba Linda Water District	3.99%	\$252,348	\$266,552	-\$14,204	-5.3%
<b>Total</b>	<b>100%</b>	<b>\$6,686,660</b>	<b>\$6,686,659</b>	<b>\$0</b>	

### 5.3 SCENARIO 1B

Scenario 1B from Section 4.4 allocates all Cost Centers for OCWD by dividing all cost centers by 26, the number of member agencies. Similar to Scenario 1A, costs are first allocated to OCWD based on the Step 1 methodology (3.8% for all Cost Centers). The difference between the total budget amount for each cost center and the costs allocated to OCWD is then allocated to all other member agencies based on the Step 2 methodology.

**Table 5-5: Scenario 1B – Allocation to OCWD**

Cost Center	Budget Item	FY 2015-16 Budget (A)	% Allocation (B)	OCWD Costs C = A × B	Balance D = A - C
11	Administrative - Board	\$743,370	3.8%	\$28,591	\$714,778
12	Administrative - General	\$751,674	3.8%	\$28,911	\$722,764
13	Personnel / Staff Development	\$418,009	3.8%	\$16,077	\$401,931
19	Overhead	\$629,110	3.8%	\$24,197	\$604,914
21	Planning & Resource Development	\$1,131,747	3.8%	\$43,529	\$1,088,219
22	Research Participation	\$471,461	3.8%	\$18,133	\$453,328
23	Met Issues and Special Projects	\$304,655	3.8%	\$11,718	\$292,938
31	Governmental Affairs	\$779,267	3.8%	\$29,972	\$749,295
35	Policy Development	\$39,740	3.8%	\$1,528	\$38,212
32	Public Affairs	\$145,864	3.8%	\$5,610	\$140,254
41	Finance	\$563,041	3.8%	\$21,655	\$541,385
45	Information Technology	\$223,827	3.8%	\$8,609	\$215,219
	MWDOC Building Improvements	\$343,087	3.8%	\$13,196	\$329,891
25	MWDOC's Contribution to WEROC	\$141,807	0% <sup>10</sup>	\$0	\$141,807
	Total	\$6,686,660		\$251,725	<b>\$6,434,935</b>

Under Scenario 1B, the remaining balance to be allocated to all other member agencies is \$6.43M, as shown in Column D of Table 5-5. Since OCWD is assuming less of MWDOC's costs compared to Scenario 1A, the other member agencies are charged more. The same allocation factors from Column B, Table 5-1 are multiplied by \$6.434M to determine the allocation to the rest of the member agencies, as shown in Table 5-6.

<sup>10</sup> As discussed in previous sections, OCWD is not charged for any of MWDOC's WEROC costs.

**Table 5-6: Scenario 1B – Allocations to Member Agencies**

Member Agency	% Allocation (A)	Allocation (B) = A × \$6.43M	Current Charges From Table 5-1 ©	Change (\$) (D)	Change (%) (E)
Brea, City of	2.00%	\$128,755	\$133,791	-\$5,037	-3.8%
Buena Park, City of	3.04%	\$195,382	\$203,025	-\$7,643	-3.8%
East Orange County Water District	3.38%	\$217,529	\$226,038	-\$8,509	-3.8%
El Toro Water District	1.60%	\$102,682	\$106,699	-\$4,017	-3.8%
Fountain Valley, City of	2.72%	\$175,230	\$182,085	-\$6,855	-3.8%
Garden Grove, City of	5.48%	\$352,475	\$366,263	-\$13,788	-3.8%
Golden State Water Company	6.65%	\$427,727	\$444,459	-\$16,732	-3.8%
Huntington Beach, City of	8.60%	\$553,360	\$575,007	-\$21,647	-3.8%
Irvine Ranch Water District	16.16%	\$1,040,009	\$1,080,693	-\$40,684	-3.8%
La Habra, City of	2.21%	\$142,381	\$147,951	-\$5,570	-3.8%
La Palma, City of	0.70%	\$45,254	\$47,024	-\$1,770	-3.8%
Laguna Beach County Water District	1.40%	\$90,257	\$93,787	-\$3,531	-3.8%
Mesa Water District	3.80%	\$244,332	\$253,890	-\$9,558	-3.8%
Moulton Niguel Water District	8.54%	\$549,424	\$570,916	-\$21,493	-3.8%
Newport Beach, City of	4.23%	\$271,971	\$282,610	-\$10,639	-3.8%
Orange, City of	5.36%	\$345,030	\$358,527	-\$13,497	-3.8%
Orange County Water District	From Step 1	\$251,725	\$0	\$251,725	∞
San Clemente, City of	2.80%	\$180,221	\$187,271	-\$7,050	-3.8%
San Juan Capistrano, City of	1.84%	\$118,250	\$122,876	-\$4,626	-3.8%
Santa Margarita Water District	8.41%	\$541,321	\$562,497	-\$21,176	-3.8%
Seal Beach, City of	0.87%	\$56,207	\$58,406	-\$2,199	-3.8%
Serrano Water District	0.37%	\$23,587	\$24,510	-\$923	-3.8%
South Coast Water District	1.95%	\$125,758	\$130,677	-\$4,919	-3.8%
Trabuco Canyon Water District	0.64%	\$41,255	\$42,868	-\$1,614	-3.8%
Westminster, City of	3.26%	\$210,021	\$218,237	-\$8,216	-3.8%
Yorba Linda Water District	3.99%	\$256,517	\$266,552	-\$10,035	-3.8%
<b>Total</b>	<b>100%</b>	<b>\$6,686,660</b>	<b>\$6,686,659</b>	<b>\$0</b>	

## 6. CONCLUSIONS AND RECOMMENDATIONS

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RFC and MWDOC solicited stakeholder feedback during each stage of this study. Specifically RFC solicited feedback pertaining to:

- 1) Guiding principle development,
- 2) How each rate structure attained each guiding principle, and
- 3) Rate structure selection.

RFC and MWDOC also sought legal counsel regarding whether or not OCWD should be charged. Legal counsel advised that, since there is a cost associated with serving/working on behalf of OCWD, it should be charged. This study first allocates costs to OCWD in Step 1 and then allocates remaining costs to the remaining retail agencies in Step 2.

RFC presented a total of five rate structures (discussed in Section 4) to stakeholders throughout this Study. Three of the rate structure alternatives were eliminated, as discussed in Section 4.5, which leaves two scenarios to choose from – Alternatives 1A and 1B. The MWDOC Board has actively participated in this process through a series of presentations and discussions at the A&F Committee meetings. The MWDOC Board of Directors must now select one rate structure for adoption in May 2016. That rate structure will be utilized to allocate the budget costs beginning in FY 2016-17. While RFC believes both scenarios are defensible, comply with Proposition 26, and have broad support from MWDOC and its member agencies, RFC views Alternative 1A as slightly more equitable since it properly accounts more closely for the cost of services provided to OCWD in Step 1 compared to Alternative 1B.

RFC bases its recommendation on research and discussions with MWDOC staff regarding the amount of staff effort spent working on issues that pertain to OCWD. Alternative 1B treats all agencies equally and it would be appropriate if MWDOC staff spent the same amount of time and effort lobbying for/working for each member agency equally. However, RFC finds that MWDOC staff spends more time<sup>11</sup> (on average) working on OCWD planning, resource development, and MET issues (Cost Centers 21 and 23) than would be implied by equally (1/26) distributing these costs to all member agencies. Therefore, Alternative 1A more accurately reflects the rate setting principles of cost causation – meaning that if a customer or group of customers causes a cost, they should pay those costs.

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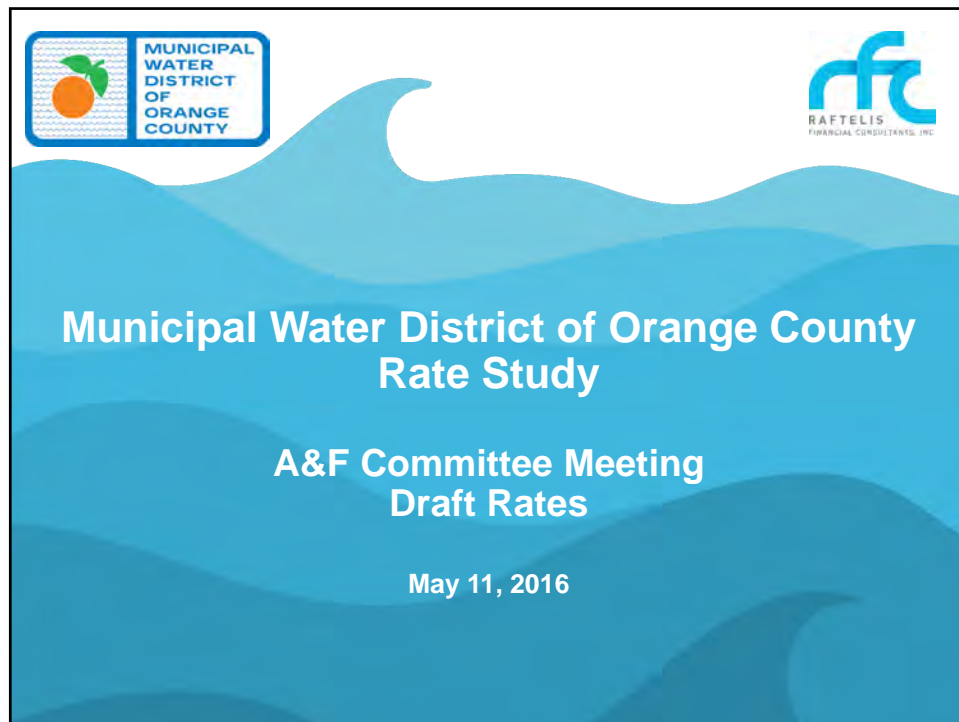
<sup>11</sup> More time is defined as more than (1/26) 3.8% of their time.

## 7. APPENDIX A

FINAL – 9-17-10

Table A - MWDOC Breakdown of Services/Activities/Costs		
Core Services	Choice Services	Overhead Costs
Board Compensation & Benefit Retiree Costs Legal Costs Board Elections Accounting and General Admin <u>MET Representation</u> <ul style="list-style-type: none"> <li>MET Director Support</li> <li>MET policy analysis, programs and special projects</li> <li>MET operations, water rates and accounting</li> </ul> Staff time for MWDOC's Water Use Efficiency Programs Manager <u>Governmental Affairs</u> <ul style="list-style-type: none"> <li>In-house staff for legislative info</li> <li>WACO, ISDOC and other support</li> <li>Federal lobbyist for countywide funding</li> <li>State lobbyist for countywide legislative, grant funding and policy access</li> <li>Local lobbyist for Board of Supervisors</li> </ul> <u>Public Affairs</u> <ul style="list-style-type: none"> <li>Coordination with MET, other regional and local retailers</li> <li>Basic communications functions-media outreach and inquiries, water information and messaging, MWDOC website</li> <li>MWDOC newsletter (e-currents)</li> <li>Countywide surveys as appropriate</li> <li>Countywide water awareness in coordination with retail agencies</li> </ul> <u>Research</u> – support for Center for Demographic Research <u>Water Supply Planning</u> <ul style="list-style-type: none"> <li>Coordination among agencies</li> <li>Water use tracking and projections</li> <li>Water supply analysis</li> <li>Regulatory compliance issues</li> <li>Water trends analysis</li> <li>Countywide studies</li> </ul> Water Emergency Response Organization of Orange County (WEROC) – MWDOC contribution	<u>Water Use Efficiency</u> <ul style="list-style-type: none"> <li>Residential clothes washers</li> <li>Sprinkler nozzles</li> <li>SmarTimers</li> <li>CII Plumbing Fixtures</li> <li>Synthetic Turf</li> <li>Hotel Program</li> <li>Industrial Program</li> <li>Landscape Certification Program</li> </ul> Includes marketing materials for WUE activities, staff time, overhead and grant funds (MET and other) <u>Governmental Relations</u> <ul style="list-style-type: none"> <li>Any project or program legislative or grant support on choice activities – Townsend Public Affairs</li> </ul> <u>Specific Programs</u> <ul style="list-style-type: none"> <li>School program</li> <li>South Orange Coastal Ocean Desal Project               <ul style="list-style-type: none"> <li>Federal lobbying for SOCODP – Barker</li> <li>Federal lobbying for SOCODP – Townsend</li> </ul> </li> <li>Support for Poseidon Desal Project</li> <li>Other Project specific studies</li> <li>Non-countywide issue studies</li> </ul>	Salary charged to overhead function (vacation, sick leave and holidays) Personnel development Legal costs charged to overhead function Employee benefits Personnel/staff development Information technology Conference employee Travel & Accommodations employee Automotive/Mileage/Toll Office maintenance Rents & Leases Office supplies Insurance expenses Utilities – telephone Miscellaneous expenses Professional fees for overhead activities Software support Computers/software





## Goal of Today's Meeting

- Provide feedback from the March 17<sup>th</sup> Manager's Meeting
  - Added additional scenario in allocating OCWD services (Scenario 1B)
- Review ***preliminary*** rates using FY 2016 Core budget
- Conclusions/Recommendations

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RAFTELIS

## Recommendation on OCWD

- Over a 10 year average OCWD is MWDOC's fourth largest water user (uses 10.8% on average)
- There is a cost associated with providing core services to OCWD, just like there is a cost for other retail agencies
- OCWD should be charged an appropriate amount

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***DRAFT RATES***  
**(Using FY 2016 Core Budget)**

## FY 2016 Core Services Budget

Cost Center	Budget Item	FY 2016 Budget
21	Planning & Resource Development	\$743,370
23	Met Issues and Special Projects	\$751,674
31	Governmental Affairs	\$418,009
32	Public Affairs	\$629,110
11	Administrative - Board	\$1,131,747
12	Administrative - General	\$471,461
13	Personnel / Staff Development	\$304,655
19	Overhead	\$779,267
22	Research Participation	\$39,740
35	Policy Development	\$145,864
41	Finance	\$563,041
45	Information Technology	\$223,827
	MWDOC Bldg Imp less Misc Inc	\$343,087
25	MWDOC's Contribution to WEROC	\$141,807
	Total	\$6,686,660

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## Manager's Meeting - March 17, 2016

- We showed four scenarios in which:
  - First we allocated costs to OCWD based on historical 10-yr water use (10.8%) for cost centers 21 & 23, then remaining costs to retail agencies by:
    - 1) Number of Meters
    - 2) Number of Equivalent Meters
    - 3) Population Service Area
    - 4) Historical 10-yr Imported Water Use for *All Cost Centers*
- A&F Committee had seen the first three scenarios in our March 8<sup>th</sup> meeting

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## Summary – Manager’s Meeting

Agency	Current Cost	Scenario 1 # of Mtrs	Scenario 2 # of Eq. Mtrs	Scenario 3 Population	Scenario 4 Imp. Water Use
Brea, City of	\$133,791	\$126,662	\$170,906	\$118,473	\$115,323
Buena Park, City of	\$203,025	\$192,207	\$200,178	\$227,613	\$149,635
East Orange County Water District	\$226,038	\$213,993	\$235,362	\$196,145	\$117,870
El Toro Water District	\$106,699	\$101,013	\$114,694	\$134,155	\$270,171
Fountain Valley, City of	\$182,085	\$172,382	\$146,523	\$159,203	\$92,645
Garden Grove, City of	\$366,263	\$346,746	\$201,443	\$485,651	\$255,098
Golden State Water Company	\$444,459	\$420,775	\$380,962	\$466,197	\$289,734
Huntington Beach, City of	\$575,007	\$544,366	\$545,209	\$545,530	\$278,836
Irvine Ranch Water District	\$1,080,693	\$1,023,105	\$1,149,155	\$1,043,365	\$781,319
La Habra, City of	\$147,951	\$140,067	\$96,881	\$170,021	\$59,288
La Palma, City of	\$47,024	\$44,518	\$25,142	\$44,070	\$17,932
Laguna Beach County Water District	\$93,787	\$88,790	\$97,329	\$55,840	\$111,021
Mesa Water District	\$253,890	\$240,361	\$206,590	\$295,786	\$116,604
Moulton Niguel Water District	\$570,916	\$540,494	\$486,109	\$468,268	\$840,807
Newport Beach, City of	\$282,610	\$267,550	\$267,742	\$180,837	\$198,113
Orange, City of	\$358,527	\$339,422	\$352,642	\$382,109	\$293,184
Orange County Water District	\$0	\$356,313	\$356,313	\$356,313	\$709,581
San Clemente, City of	\$187,271	\$177,292	\$243,918	\$141,270	\$259,537
San Juan Capistrano, City of	\$122,876	\$116,329	\$115,583	\$106,750	\$152,040
Santa Margarita Water District	\$562,497	\$532,523	\$493,637	\$431,491	\$814,158
Seal Beach, City of	\$58,406	\$55,293	\$91,101	\$65,174	\$33,472
Serrano Water District	\$24,510	\$23,204	\$14,585	\$17,771	\$32,839
South Coast Water District	\$130,677	\$123,714	\$139,673	\$96,235	\$170,601
Trabuco Canyon Water District	\$42,868	\$40,584	\$29,183	\$34,948	\$78,337
Westminster, City of	\$218,237	\$206,608	\$225,480	\$257,838	\$120,450
Yorba Linda Water District	\$266,552	\$252,348	\$300,320	\$205,608	\$328,066
<b>Total</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>

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## Manager’s Meeting Feedback

- Discussion on how to best allocate costs to OCWD
- Scenarios 2, 3 and 4 were not viewed favorably
- Proposed Scenario 1B in which OCWD is allocated 1/26 of costs as opposed to using historical water use
- From our last meeting: A&F Committee seemed to prefer Scenario 1 (A)
- Leaves Scenarios 1A and 1B

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## Scenario 1A

Step 1: Determine OCWD's responsible cost

- OCWD is charged for cost centers 21 and 23 (Planning and Resource Development, Met Issues and Special Projects) by 10-year historical water use (10.8%)
- Remaining cost centers are equally divided (1/26) amongst OCWD and the remaining agencies (excluding WEROC)

Step 2: Allocate remaining cost to retail agencies based on number of meters



## Scenario 1A

Agency	FY 2016 Proposed Costs	FY 2016 Current Costs	Change (\$)	Change (%)
Brea, City of	\$126,662	\$133,791	-\$7,129	-5.3%
Buena Park, City of	\$192,207	\$203,025	-\$10,819	-5.3%
East Orange County Water District	\$213,993	\$226,038	-\$12,045	-5.3%
El Toro Water District	\$101,013	\$106,699	-\$5,686	-5.3%
Fountain Valley, City of	\$172,382	\$182,085	-\$9,703	-5.3%
Garden Grove, City of	\$346,746	\$366,263	-\$19,517	-5.3%
Golden State Water Company	\$420,775	\$444,459	-\$23,684	-5.3%
Huntington Beach, City of	\$544,366	\$575,007	-\$30,640	-5.3%
Irvine Ranch Water District	\$1,023,105	\$1,080,693	-\$57,587	-5.3%
La Habra, City of	\$140,067	\$147,951	-\$7,884	-5.3%
La Palma, City of	\$44,518	\$47,024	-\$2,506	-5.3%
Laguna Beach County Water District	\$88,790	\$93,787	-\$4,998	-5.3%
Mesa Water District	\$240,361	\$253,890	-\$13,529	-5.3%
Moulton Niguel Water District	\$540,494	\$570,916	-\$30,423	-5.3%
Newport Beach, City of	\$267,550	\$282,610	-\$15,059	-5.3%
Orange, City of	\$339,422	\$358,527	-\$19,105	-5.3%
Orange County Water District	\$356,313	\$0	\$356,313	∞
San Clemente, City of	\$177,292	\$187,271	-\$9,979	-5.3%
San Juan Capistrano, City of	\$116,329	\$122,876	-\$6,548	-5.3%
Santa Margarita Water District	\$532,523	\$562,497	-\$29,974	-5.3%
Seal Beach, City of	\$55,293	\$58,406	-\$3,112	-5.3%
Serrano Water District	\$23,204	\$24,510	-\$1,306	-5.3%
South Coast Water District	\$123,714	\$130,677	-\$6,963	-5.3%
Trabuco Canyon Water District	\$40,584	\$42,868	-\$2,284	-5.3%
Westminster, City of	\$206,608	\$218,237	-\$11,629	-5.3%
Yorba Linda Water District	\$252,348	\$266,552	-\$14,204	-5.3%
<b>Total</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>	<b>\$0</b>	

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## Scenario 1B

### Step 1: Determine OCWD responsible cost

- OCWD is charged for ALL cost centers by equally dividing all costs amongst OCWD (1/26) and the remaining agencies (excluding WEROC)

### Step 2: Allocate remaining cost to retail agencies based on the number of meters



## Scenario 1B

Agency	FY 2016 Proposed Costs	FY 2016 Current Costs	Change (\$)	Change (%)
Brea, City of	\$128,755	\$133,791	-\$5,037	-3.8%
Buena Park, City of	\$195,382	\$203,025	-\$7,643	-3.8%
East Orange County Water District	\$217,529	\$226,038	-\$8,509	-3.8%
El Toro Water District	\$102,682	\$106,699	-\$4,017	-3.8%
Fountain Valley, City of	\$175,230	\$182,085	-\$6,855	-3.8%
Garden Grove, City of	\$352,475	\$366,263	-\$13,788	-3.8%
Golden State Water Company	\$427,727	\$444,459	-\$16,732	-3.8%
Huntington Beach, City of	\$553,360	\$575,007	-\$21,647	-3.8%
Irvine Ranch Water District	\$1,040,009	\$1,080,693	-\$40,684	-3.8%
La Habra, City of	\$142,381	\$147,951	-\$5,570	-3.8%
La Palma, City of	\$45,254	\$47,024	-\$1,770	-3.8%
Laguna Beach County Water District	\$90,257	\$93,787	-\$3,531	-3.8%
Mesa Water District	\$244,332	\$253,890	-\$9,558	-3.8%
Moulton Niguel Water District	\$549,424	\$570,916	-\$21,493	-3.8%
Newport Beach, City of	\$271,971	\$282,610	-\$10,639	-3.8%
Orange, City of	\$345,030	\$358,527	-\$13,497	-3.8%
Orange County Water District	\$251,725	\$0	\$251,725	∞
San Clemente, City of	\$180,221	\$187,271	-\$7,050	-3.8%
San Juan Capistrano, City of	\$118,250	\$122,876	-\$4,626	-3.8%
Santa Margarita Water District	\$541,321	\$562,497	-\$21,176	-3.8%
Seal Beach, City of	\$56,207	\$58,406	-\$2,199	-3.8%
Serrano Water District	\$23,587	\$24,510	-\$923	-3.8%
South Coast Water District	\$125,758	\$130,677	-\$4,919	-3.8%
Trabuco Canyon Water District	\$41,255	\$42,868	-\$1,614	-3.8%
Westminster, City of	\$210,021	\$218,237	-\$8,216	-3.8%
Yorba Linda Water District	\$256,517	\$266,552	-\$10,035	-3.8%
<b>Total</b>	<b>\$6,686,660</b>	<b>\$6,686,660</b>	<b>\$0</b>	

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## Summary - Charges

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Agency	Current Cost	Scenario 1A	Scenario 1B
Brea, City of	\$133,791	\$126,662	\$128,755
Buena Park, City of	\$203,025	\$192,207	\$195,382
East Orange County Water District	\$226,038	\$213,993	\$217,529
El Toro Water District	\$106,699	\$101,013	\$102,682
Fountain Valley, City of	\$182,085	\$172,382	\$175,230
Garden Grove, City of	\$366,263	\$346,746	\$352,475
Golden State Water Company	\$444,459	\$420,775	\$427,727
Huntington Beach, City of	\$575,007	\$544,366	\$553,360
Irvine Ranch Water District	\$1,080,693	\$1,023,105	\$1,040,009
La Habra, City of	\$147,951	\$140,067	\$142,381
La Palma, City of	\$47,024	\$44,518	\$45,254
Laguna Beach County Water District	\$93,787	\$88,790	\$90,257
Mesa Water District	\$253,890	\$240,361	\$244,332
Moulton Niguel Water District	\$570,916	\$540,494	\$549,424
Newport Beach, City of	\$282,610	\$267,550	\$271,971
Orange, City of	\$358,527	\$339,422	\$345,030
Orange County Water District	\$0	\$356,313	\$251,725
San Clemente, City of	\$187,271	\$177,292	\$180,221
San Juan Capistrano, City of	\$122,876	\$116,329	\$118,250
Santa Margarita Water District	\$562,497	\$532,523	\$541,321
Seal Beach, City of	\$58,406	\$55,293	\$56,207
Serrano Water District	\$24,510	\$23,204	\$23,587
South Coast Water District	\$130,677	\$123,714	\$125,758
Trabuco Canyon Water District	\$42,868	\$40,584	\$41,255
Westminster, City of	\$218,237	\$206,608	\$210,021
Yorba Linda Water District	\$266,552	\$252,348	\$256,517
Total	\$6,686,660	\$6,686,660	\$6,686,660



## Summary – Dollar Change

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Agency	Scenario 1A	Scenario 1B
Brea, City of	-\$7,129	-\$5,037
Buena Park, City of	-\$10,819	-\$7,643
East Orange County Water District	-\$12,045	-\$8,509
El Toro Water District	-\$5,686	-\$4,017
Fountain Valley, City of	-\$9,703	-\$6,855
Garden Grove, City of	-\$19,517	-\$13,788
Golden State Water Company	-\$23,684	-\$16,732
Huntington Beach, City of	-\$30,640	-\$21,647
Irvine Ranch Water District	-\$57,587	-\$40,684
La Habra, City of	-\$7,884	-\$5,570
La Palma, City of	-\$2,506	-\$1,770
Laguna Beach County Water District	-\$4,998	-\$3,531
Mesa Water District	-\$13,529	-\$9,558
Moulton Niguel Water District	-\$30,423	-\$21,493
Newport Beach, City of	-\$15,059	-\$10,639
Orange, City of	-\$19,105	-\$13,497
Orange County Water District	\$356,313	\$251,725
San Clemente, City of	-\$9,979	-\$7,050
San Juan Capistrano, City of	-\$6,548	-\$4,626
Santa Margarita Water District	-\$29,974	-\$21,176
Seal Beach, City of	-\$3,112	-\$2,199
Serrano Water District	-\$1,306	-\$923
South Coast Water District	-\$6,963	-\$4,919
Trabuco Canyon Water District	-\$2,284	-\$1,614
Westminster, City of	-\$11,629	-\$8,216
Yorba Linda Water District	-\$14,204	-\$10,035
Total	\$0	\$0





## Summary – Percent Change

Agency	Scenario 1A	Scenario 1B
Brea, City of	-5.3%	-3.8%
Buena Park, City of	-5.3%	-3.8%
East Orange County Water District	-5.3%	-3.8%
El Toro Water District	-5.3%	-3.8%
Fountain Valley, City of	-5.3%	-3.8%
Garden Grove, City of	-5.3%	-3.8%
Golden State Water Company	-5.3%	-3.8%
Huntington Beach, City of	-5.3%	-3.8%
Irvine Ranch Water District	-5.3%	-3.8%
La Habra, City of	-5.3%	-3.8%
La Palma, City of	-5.3%	-3.8%
Laguna Beach County Water District	-5.3%	-3.8%
Mesa Water District	-5.3%	-3.8%
Moulton Niguel Water District	-5.3%	-3.8%
Newport Beach, City of	-5.3%	-3.8%
Orange, City of	-5.3%	-3.8%
Orange County Water District		
San Clemente, City of	-5.3%	-3.8%
San Juan Capistrano, City of	-5.3%	-3.8%
Santa Margarita Water District	-5.3%	-3.8%
Seal Beach, City of	-5.3%	-3.8%
Serrano Water District	-5.3%	-3.8%
South Coast Water District	-5.3%	-3.8%
Trabuco Canyon Water District	-5.3%	-3.8%
Westminster, City of	-5.3%	-3.8%
Yorba Linda Water District	-5.3%	-3.8%

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## Conclusions/Recommendations

- Legal Counsel – OCWD should be charged
- Alternative 1A and 1B
- Both are equitable
- RFC recommends Alternative 1A
- Based on our understanding of MWDOC's work for OCWD
  - MWDOC staff spends more than 1/26<sup>th</sup> of their time working for/on OCWD matters

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# A&F Committee Feedback?

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## Proposed Schedule

TOPIC	DATES
GUIDING PRINCIPLE DISCUSSIONS WITH A&F COMMITTEE	A&F Committee Meeting – 1/13/2016 Managers Meeting – 1/21/2016 Managers Meeting – 2/4/2016 A&F Committee Meeting – 2/10/2016
WHOLESALE RATE MODEL DEVELOPMENT	February
RATE STRUCTURE WORKSHOP WITH A&F COMMITTEE AND MEMBER AGENCIES	A&F Committee Meeting – 3/9/2016 Managers Meeting – 3/17/2016 A&F Committee Meeting – 4/13/16 A&F Committee Meeting – 5/11/16
REPORT DEVELOPMENT & FINAL PRESENTATION	Board Meeting – 5/18/2016

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**ACTION ITEM**

May 18, 2016

**TO: Board of Directors**

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

**Rob Hunter**  
General Manager

**SUBJECT: APPROVAL OF MWDOC's BUDGET FOR 2016-17**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors approve the budget as follows:

1. Adopt the budget Resolution as proposed, with a budget total of \$153,590,571 (expenses) and a consolidated general fund budget of \$8,914,735 (Revenue).
2. The total revenue amount for the consolidated operating budget (CORE + CHOICE) represents an increase of 5.8% (\$490,782).
3. The potential election expense is \$592,000 for all four divisions. The budget includes a planned draw on the Election Reserve of approximately \$475,000.
4. The building improvements expense is estimated at \$495,000 including a draw on the Building Reserve.
5. The total amount of Water Use Efficiency (WUE) outside funding for rebates and grants will decrease from a FY2015-16 budget of approximately \$22.8 million to a proposed budget of almost \$4.3 million. This is directly related to the decrease in the proposed rebate budget at the Metropolitan Water District of Southern California (MET). However, the \$4.3 million is approximately a 16% increase over the FY2014-2015 budget levels.
6. The total outside funding from WUE and Local Resource Project (LRP) sources will be approximately \$20.3 million in FY2016-17. This means that MWDOC will be bringing in outside revenue that is approximately 2.2 times its total consolidated operating budget and 2.7 times the CORE budget.
7. OPEB will be funded at the annual level pay amount of \$155,000. Combined with the estimates provided in our most recent actuarial evaluation, this level of annual contribution should allow satisfaction of the OPEB liabilities by the year 2023.
8. 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% has been achieved. This year, the budget was developed assuming the staff contribution is 5%.

9. Staffing levels include a marginal increase the total Full-Time Equivalent (FTE) staff by 0.14 FTEs with the total number of full-time MWDOC and WEROC employees increasing from 30 to 31.
10. The proposed budget for FY2016-17 incorporates the current 100% fixed rate structure which was implemented for the current fiscal year for the Core Budget, as well as Option A from the Rate Study (OCWD is charged for cost centers 21 and 23 (Planning and Resource Development, Met Issues and Special Projects) by 10-year historical water use (10.8%) and the remaining cost centers are equally divided (1/26) amongst OCWD and the remaining agencies (excluding WEROC).
11. The proposed increase in the fixed rate is \$0.10 per retail meter (.92%).
12. Significant project activities in FY2015-16 will include:
  - Metropolitan activities and communication of those activities to our Member Agencies including policy issues from the Integrated Resource Plan, groundwater allocation and delivery models, business and investment models, the Carson IRP project, Local Resource Program (LRP) funding, and water re-use and groundwater recharge and storage issues including cyclic storage.
  - Orange County Reliability Study continuing actions
  - Communication outreach programs related to drought, the California Water Fix (Bay Delta) and Met activities
  - Water Use Efficiency efforts on water savings potential and cost-efficient programs
  - Rebuilding the MWDOC website and implementation of communication surveys
  - Government Affairs activities at the local, state and federal level.
13. The CHOICE Activities for this year will include:
  - School Program
  - Water Use Efficiency
  - Communications Plan (Public Affairs)
  - Doheny Desal Site Closure
  - Poseidon
  - Water Loss Control Program

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.

In a similar procedure to Memberships, budget approval includes Board and Staff approval for attendance at "standard conferences". Standard conferences are those included 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 SECOND DRAFT TO THE CURRENT DRAFT**

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Changes from the SECOND DRAFT to the CURRENT DRAFT of the Budget include:

1. Utilities/Telephone in Cost Center 19 was increased by \$2,100
2. Poseidon Desalination Project cost decreased by \$746 (Cost Center 65)
3. Pursuant to the Board's direction (at the April 20<sup>th</sup> Board meeting), Option 1A from the Rate Study was incorporated into the proposed budget.
4. The Membership in the California Council on Environmental and Economic Balance (CCEEB) (\$29,500) was left in the Budget. The A&F Committee, as well as the Board, made inquiry as to the nature of this membership, and whether it was a worthwhile entity. It was ultimately decided to leave the membership in the budget and wait for Director Tamaribuchi to return to answer any questions from the Board. If CCEEB membership is not approved, then the draw on reserve funds will be decreased.

## **DETAILED REPORT**

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The FY 2016-17 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 of Member Agencies and concludes 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 costs into the Member Agency budgets and rates. The Metropolitan Water District of Southern California (MET) budget and rate package should be approved by May 12, 2016. The MWDOC general budget schedule is outlined below.

<b>December 2015</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 2016</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 2016</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 Services.</li> </ul>
<b>March 2016</b>
<ul style="list-style-type: none"> <li>• Publish and post the First Draft Budget in the packet for the Administration and Finance (A&amp;F) Committee in early March.</li> <li>• Review Full Draft Budget with A&amp;F Committee.</li> <li>• Formally request comments from all Member Agencies.</li> <li>• DRAFT information completed on prior year WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.</li> <li>• Member Agencies are to confirm participation in CHOICE Services by March 15. However in practice, this often doesn't occur until the end of April and after Elected Officials meeting.</li> <li>• Discuss First Draft Budget at Member Agency Managers' Meeting.</li> <li>• Meet with Member Agencies as requested or scheduled.</li> </ul>
<b>April 2016</b>
<ul style="list-style-type: none"> <li>• FINAL information completed on prior year WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities.</li> <li>• Member Agencies' submit Formal Comments about the Budget before April 15.</li> <li>• Review Final Draft Budget and MWDOC's rates with Member Agencies.</li> <li>• Discuss Final Draft Budget at Member Agency Managers' Meeting</li> <li>• Discuss Final Draft Budget in A&amp;F Committee.</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 2016</b>
<ul style="list-style-type: none"> <li>• Final Draft Budget and Rates presented to A&amp;F Committee.</li> <li>• Member Agencies' Formal Comments presented to A&amp;F Committee.</li> <li>• Discussion at Member Agency Manager's meeting.</li> <li>• Board approval of FY2016-17 Budget and Rates.</li> </ul>



## **2. MWDOC Budget Principles for 2016-17**

Staff continues to utilize several Budget Principles to develop the draft budget including:

- **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 the Orange County's borders and the budgeted activities must comprehensively address issues, needs and benefits for the entire county.
- **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 & Settlement Agreement**  
The proposed budget and budget process should fully comply with applicable sections of the code and agreement.

## **3. Budget Input From Member Agencies**

Input has been received from Member Agencies in several forums including MWDOC committee and board meetings, General Manager meetings, the Elected Officials Forum, as well as during presentations and meetings with the agencies' governing bodies. In additions, several letters have been received regarding MWDOC's budget and rates as well as MET's budget and rates. These letters include:

- Santa Margarita Water District (3-18-16) – SMWD sent three letters commenting on MWDOC's budget, MWDOC's rate study and MET's budget and rate proposals. While supporting MWDOC's budget principles, SMWD desired more specific links between goals and priorities and budget categories and performance metrics. SMWD also emphasized the coordination between MWDOC communication team and the Member Agencies.
- Mesa Water District (3-21-16) – Mesa Water's letter focused on MWDOC's rate study.

- Moulton Niguel Water District (3-28-16) – MNWD’s letter outlined their positions on options from MWDOC’s rate study.
- Trabuco Canyon Water District (3-29-16) – Trabuco Canyon’s letter dealt with MWDOC’s budget and information presented on cost centers. While stating that the program cost centers provide a means of communicating the value of MWDOC’s services, TCWD requested that the data reported in the budget be expanded to include five years of budget and actual expenses.
- City of Brea (3-30-16) – The City of Brea’s letter made comments on MWDOC’s rate study.
- South Orange County Agencies (3-29-16) – This letter represents comments from ten Member Agencies from South Orange County (City of San Clemente, City of San Juan Capistrano, El Toro Water District, Emerald Bay Service District, Irvine Ranch Water District, Laguna Beach County Water District, Moulton Niguel Water District, Santa Margarita Water District, South Coast Water District and Trabuco Canyon Water District). Their letter addresses the MWDOC rate study.
- Orange County Water District (4-5-16) – OCWD submitted a letter that commented on MET’s proposed treatment fixed charge, their priorities at MET (allocation rules & in-lieu storage programs), and MWDOC’s budgeting for follow-up studies from the OC Reliability Study.
- City of Seal Beach (4-20-16) – The City of Seal Beach’s letter made comments on MWDOC’s rate study

#### **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
- Water Use Efficiency (WUE)
- Water Emergency Response
- Communications
- Government 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 citizens and ratepayers in Orange County and to Southern California.

- MET is key to 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, allocations, reliability, the California Water Fix, and communication of activities and positions to MWDOC stakeholders.

- MWDOC appoints four MET directors who sit on the MET Board and directly advocate issues. These four MET directors work with the other three directors from Orange County (Anaheim, Fullerton, Santa Ana) and 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 for 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, appropriate levels of reserves, and financial policies that minimize and level long-term costs and rates impacts. 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 and in incorporating future long term investments such as the BDCP while remaining strong financially.
- MWDOC will continue its involvement in the lawsuit between SDCWA and MET, as well as other litigation. The outcome is critically important to Orange County and our involvement in the litigation is to ensure the taxpayers and ratepayers of Orange County are fully represented.
- The current year involved an update to MET's Integrated Resources Plan (IRP), the first update since 2010. The IRP is the Region's Roadmap to Reliability, combining both local supplies and imported supplies to meet total Southern California demands over the next 20 years. MWDOC dovetailed the MET IRP process with the work on the OC Reliability Study. Both efforts highlight the importance of the California Water Fix in the Bay Delta to meeting future water demands for Southern California and Orange County. Questions also remain on how reliability will be achieved in California and Southern California over the next 20 years or so until the CA Water Fix comes on-line. Other key issues are climate variability and how this will affect our ability to store water in wet years for use in dry years and how we might collectively plan to meet demands in Southern California if the San Andreas Fault simultaneously interrupted the Colorado River Aqueduct and the State Water Project.

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

The improvement of water supply and system reliability is key for the ratepayers and citizens 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 Phase 1 of the OC Water Reliability Study with excellent participation by our Member Agencies. Phase 2 will be completed in FY2015-16 with the clear definition of alternative project portfolios to meet future demand. The goals for the OC Water Reliability Study are:

1. To understand Orange County's current and future situation with respect to WATER SUPPLY and SYSTEM RELIABILITY issues

2. Develop and provide information towards prioritization and decision-making for reliability improvements in Orange County
3. Involve/engage the large stakeholder group in the process of improving SUPPLY and SYSTEM reliability
4. To foster actions that produce quantifiable reliability improvements in Orange County that are timely and cost-effective

In FY2016-17 MWDOC anticipates a series of studies to further analyze, facilitate and implement specific projects to increase supply and system reliability in Orange County.

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

Sound water management policy requires a continuing effort to improve water use efficiency. This requirement is intensified by the continuing drought conditions. 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 significantly lower funding for WUE rebates next year. However the anticipated WUE outside funding is expected to be 16% greater than in FY2014-15. The WUE group also has a continuing project on assessing and correcting distribution system water loss.

### **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 the state of readiness to assist in a time of emergency. WEROC will pursue further changes this coming year to enhance response efforts and to seek additional funding options for improved resilience across the county. WEROC did secure grants for both fuel trailers and for generator connection cables to allow added flexibility when sharing generators from agency to agency. Additional recommended actions are anticipated as an outcome of the OC Reliability Study.

### **Communication**

Communications to our citizens, in coordination with our member agencies, is a key part of MWDOC's efforts. Communication with our Member Agencies is equally important. 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 Plan. 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. This division of responsibilities is a key area of coordination on behalf of MWDOC. Crucial issues in the coming year will be water use efficiency, the drought, SWQCB emergency regulations and performance, Bay Delta discussions, and regional reliability.

## **Government 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 not only funding opportunities such as Prop1 but also policy legislative and regulatory developments and opportunities. In FY2016-17 there will be tremendous activity in the legislative session in Sacramento for water issues. On the Federal level, a California and Western States water bill is still active and Federal action on permits for the California Water Fix is crucial. MWDOC will be increasing efforts on the regulatory and executive branch organizations in the coming year. This is reflected in the addition of the California Council for Environmental & Economic Balance (CCEEB) to the budget.

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

Besides the items previously discussed above, the key initiatives from staff for 2016-17 that are included in the budget include:

- MWDOC's first priority is the management, assessment and leadership of MET issues. Continue to work closely with MET on rate/stability issues, support for the Bay-Delta, completion of the IRP policy review and management of water in Southern California, especially since water allocations from MET may continue for next fiscal year. The discussion and resolution of potential business models for source project ownership and/or investment will be significant developments. The drought and water management issues it brings will likely remain at the fore-front as a short-term priority. Long-term, the California Water Fix, property investments and water purchases and exchanges are important issues.
- Advance projects and portfolios from the OC Water Reliability Study. The OC Water Reliability Study will be completed in the current fiscal year. It is too early to predict the exact nature of the spin-off efforts from the Study work, however, staff will seek to provide sufficient budget to accommodate whatever work efforts may arise, which could include:
  - A conjunctive use program between OCWD and South Orange County
  - Consideration of ocean desalination
  - Consideration of central valley banking and transfers
  - Support for additional recycling, Indirect Potable Reuse and Direct Potable Reuse planning
  - Improvements to respond to emergency outages
  - Work with MET and DWR on Emergency Colorado River and State Water Project Outages
  - Examination of additional investments in WUE to reduce demands
  - Sharing of supplies and resources within the County
  - On-going work with OCWD on basin issues

- 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 Water Use Efficiency programs by accelerating recycled water connections through customer incentives.
  - Secure MET funding; over the past several years, MWDOC has brought in about \$4 million annually for WUE funding. Last year MET funding to MWDOC for WUE was almost \$21 million. This year funding will return to normal levels. Identification and procurement of funding for OC will be a greater emphasis. Our WUE staff continues to perform for the benefit of OC.
  - Conduct a Turf Removal Rebate Program water savings evaluation to establish an OC based water savings metric
  - Engage with the SWRCB regarding Drought Regulations
  - Develop a methodology for implementation of “efficiency targets” as a way of measuring how we are doing and examining the potential for future savings from investments in WUE
- Continue to expand drought response assistance to Member Agencies and customers. This includes understanding the implications of the water supply situation, continuing MET allocations, and the SWRQB emergency regulations and how to manage local issues including the development of key messages, input to MET on their key messages, coordination of messages internal to the County and the Choice Communications Program.
- The Choice Communications Program is an ongoing, adaptive program to work with our Member Agencies to target both immediate and long-term issues. Previously, the Value of Water Communications Plan was a long-term effort designed to engage, educate and inform Orange County residents and businesses of the value water service provides. The value of reliable water service includes building support for local projects, repair and replacement programs and water rate increases. In addition, one of the core elements of this plan was to improve public trust and credibility. Changing public perception and sentiment as well as instilling public trust is a long-term effort. These communication needs are occurring against a backdrop of reduced consumption with the drought, raising rates, aging infrastructure, regulatory changes, and competition for resources. This is all the more critical with the erosion of trust caused by the Flint, Michigan events.

Last year the program, implemented as a Choice program, was significantly modified to provide coordinated messaging on the drought and emergency conservation

regulations. Among other activities, this included weekly, full-page information pieces in the OC Register.

This coming year, the Choice Communications Program will provide a menu of options for our Member Agencies which will include message points relative to the drought and allocation situation as well as the core messages from the Value of Water project including rates.

- Public Affairs activities increase focus on a few critical areas. MWDOC will implement a major upgrade of our website in FY2016-17. The current website is not functional for some mobile devices and iPads.
- MWDOC's renewed efforts on Government 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 State Water Resources Control Board's expanding role in state water management and regulation will be matched with an increased effort by Government Affairs work with the regulatory agencies.
- Government Affairs will also coordinate with other water organizations on a local and statewide basis including WACO, ISDOC, ACWA, and CCEEB.
- 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.
- The renewed effort for WEROC this past year will continue. It includes the enhanced training program for MWDOC staff to ensure sufficient support staff exists and is fully cross-trained to staff both a North and South Emergency Operations Centers and to search for more grant funding for resiliency improvements in the County. Again this coming year, each of the MWDOC staff members will participate in about 40 hours of training to help WEROC remain at a high state of readiness. Also, in this coming year, the grants for fuel trailers and generator cabling to allow connections to differing types of electrical transfer switches will be completed. Both of these improvements should improve our resiliency in the County. Also, the outcome of the OC Water Reliability Study SYSTEM evaluation should result in proposals for further improvements in the County resiliency in dealing with earthquakes or other events and allow us to seek further grant funding.



- 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 process. This activity will continue in the policy discussions being initiated now. Topics are likely to include MET business model discussions including investments in supply projects like the Carson IRP project, as well as LRP funding policy and decisions, modifications to allocation policies and procedures, and MET's groundwater policies (cyclic storage program).
- Tracking progress on the California Water Fix and education of local officials.
- Review of staffing levels and succession planning issues.

## **6. Choice Programs for 2016-17**

The Choice Programs for 2015-16 include:

- Water Use Efficiency – Will continue to access MET WUE funding and grants from other sources for implementation programs for OC.
- 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 is completing the first year under contract with the County's Inside the Outdoors program. As planned, the success and performance of the first year is being assessed and program modifications and improvements are anticipated for the second year.
- Choice Communications Plan – Given the continuation of the drought, MET allocations and the State Water Board emergency drought regulations, it is anticipated that this program will be implemented at a higher funding level than last year. A menu of possible activities will be presented to the Member Agencies for evaluation and subscription.
- Doheny Desal 2008 – Limited funding remains from the 2008 Participation Agreement to fund the State Lease and electrical costs of the facility. The group of five Participants has made a decision to close out the existing facilities. Funds in the amount of \$356,000 have been retained for the removal effort. Contractor bids will be solicited for the removal with construction activities starting in the fall of 2016.
- Poseidon – While there will be extensive activity regarding the Poseidon project in the coming year, it is unclear whether the working group will reconvene.
- Water Loss Control Program – The first year of this program which makes technical assistance on water loss audits, investigations, and corrective actions continues until the end of the calendar year. Continuation of the program on a Choice basis is anticipated.

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

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 FY2016-17 the target reserve balance will be \$2,058,963. The general district reserve balance will be above target but is being utilized for planned expenditures. The result of the planned activities will be to reduce the General District Reserve to support the Building Reserve.

### **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 \$1.04 million (or \$148,000 per division) is sufficient to cover seven elections. This requires that \$260,000 be contributed to the election reserve annually. In FY2016-17 MWDOC's budget draws on the existing election reserves of approximately \$450,000 to partially meet the potential election expense of \$592,000 for four division seats.

### **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.

- Staff has working with OCWD and others on estimates of the costs involved for a number of projects, which include:
  - Completion of the replacement of Boiler, Chiller and Energy Management System that serves both the MWDOC and the OCWD
  - Security system improvements
  - IT Fire Suppression System
  - Office Improvements including building space and office furniture
  - Renovation of office roof for future years

Overall, these costs are estimated at about \$495,000 in expenses next year.

The FY2016-17 budget plans to draw down the Building Reserve both this year and next year.

**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 the prior benefits.
- The Board has requested that staff examine options for accelerating the payoff of the OPEB liability by increased annual payments.
- Based on the July 1, 2014 actuarial, it is recommended that the Board set a payment schedule of \$155,000 per year to fully fund by 2013.
- The July 2014 actuarial we received on January 8, 2015 shows a reduced liability with a minimum payment of \$120,820 which should fully fund the liability in ten years (or by 2023). We have decided to maintain our annual payment at \$155,000 which should fully fund the liability before 2023.

**8. Water Rates and Charges**

Historically, MWDOC's revenue towards funding of its Core Budget has been derived from charges associated with a retail meter charge (fixed) and a water volume increment charge (variable). Beginning in 2015-16, MWDOC's Core Budget was supported ONLY by the retail meter charge and in FY2016-17 MWDOC is proposing a retail meter charge along with a ground water customer charge which is the result of a rate study done in the first half of 2016.

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 FY2016-17 are \$139,755,385.

For FY 2016-17 the proposed Retail Meter Charge is \$10.95.

For FY 2016-17 the proposed Ground Water Customer Charge is \$392,666.

The rate structure has been changed as a result the ongoing rate study. This third draft budget includes the preliminary recommendation of the Board to adopt Option 1A from the rate study. Any changes made by the Committee will be made for the final Board vote.

**Attachments:**

Attached hereto is the detailed budget for this coming year.



## **Annual Budget for Fiscal Year 2016-17**

**Third Draft**

**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 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 2,811,451	\$ 2,423,718	\$ (387,733)	\$ 2,943,115 <sup>1</sup>	\$ 519,397	\$ 131,664
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	738,389	714,105	(24,284)	834,890 <sup>2</sup>	120,785	96,501
Director Compensation	220,588	179,118	(41,470)	231,937	52,819	11,349
Director Benefits	60,024	69,420	9,396	66,297	(3,123)	6,273
MWD Representation	126,050	117,155	(8,895)	132,535	15,380	6,485
OPEB Annual Contribution	105,188	180,906	75,718	105,249	(75,657)	61
Overhead Reimbursement	(223,770)	(214,800)	8,969	(193,712)	21,088	30,058
Health Insurance Coverage for Retirees	50,387	45,530	(4,857)	50,326	4,796	(61)
Audit Expense	23,000	23,000	-	24,000	1,000	1,000
Automotive & Toll Road Expenses	14,775	13,900	(875)	14,928	1,028	153
Conference Expense - Staff	19,450	19,000	(450)	22,125	3,125	2,675
Conference Expense - Directors	9,800	9,200	(600)	10,725	1,525	925
Engineering Expense	300,000	430,918	130,918	405,000	(25,918)	105,000
Insurance Expense	96,000	85,000	(11,000)	90,000	5,000	(6,000)
Legal Expense - General	355,000	280,000	(75,000)	320,000	40,000	(35,000)
Maintenance Expense	126,670	124,000	(2,670)	123,185	(815)	(3,485)
Membership / Sponsorship	103,961	98,906	(5,055)	134,458	35,552	30,497
CDR Participation	39,740	39,740	-	39,972	232	232
Miscellaneous Expense	104,170	95,175	(8,995)	111,020	15,845	6,850
Postage / Mail Delivery	11,285	10,300	(985)	11,400	1,100	115
Professional Fees	785,278	544,600	(240,678)	698,178	153,578	(87,100)
Rents & Leases	19,000	19,000	-	7,000	(12,000)	(12,000)
Outside Printing, Subscription & Books	48,620	19,320	(29,300)	38,225	18,905	(10,395)
Office Supplies	29,400	31,000	1,600	38,280	7,280	8,880
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	7,100	7,100	-	10,000	2,900	2,900
Business Expense	6,800	5,100	(1,700)	6,000	900	(800)
Software Support & Expense	52,500	52,500	-	77,300	24,800	24,800
Computers and Equipment	21,150	21,500	350	32,500	11,000	11,350
Telecommunications Expense	15,650	15,950	300	19,200	3,250	3,550
Temporary Help Expense	-	1,260	1,260	-	(1,260)	-
Training Expense	18,000	6,000	(12,000)	12,000	6,000	(6,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

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

	FY 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES: continued</b>						
Travel & Accommodations - Staff	56,510	57,000	490	71,130	14,130	14,620
Travel & Accommodations - Directors	27,600	26,000	(1,600)	38,250	12,250	10,650
MWDOC's Contribution to WEROC	141,807	141,807	0	150,390	8,583	8,583
Capital Acquisition (excluding building)	6,000	34,357	28,357	62,500	28,143	56,500
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 6,343,573</b>	<b>\$ 5,736,284</b>	<b>\$ (607,289)</b>	<b>\$ 6,754,403</b>	<b>\$ 1,018,119</b>	<b>\$ 410,830</b>
MWDOC's Building Expense	\$ 400,000	\$ 400,000	\$ -	\$ 495,000	\$ 95,000	\$ 95,000
Election Expense	-	-	-	592,000	592,000	592,000
<b>TOTAL EXPENSES</b>	<b>\$ 6,743,573</b>	<b>\$ 6,136,284</b>	<b>\$ (607,289)</b>	<b>\$ 7,841,403</b>	<b>\$ 1,705,119</b>	<b>\$ 1,097,830</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,687,322	\$ 6,687,322	\$ -	\$ 6,786,865	\$ 99,543	\$ 99,543
Ground Water Customer Charge	-	-	-	392,666	392,666	392,666
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	117,675	104,000	(13,675)	123,000	19,000	5,325
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
<b>TOTAL REVENUES</b>	<b>\$ 6,807,997</b>	<b>\$ 6,794,322</b>	<b>\$ (13,675)</b>	<b>\$ 7,305,530</b>	<b>\$ 511,209</b>	<b>\$ 497,534</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ 64,423</b>	<b>\$ 658,037</b>	<b>\$ 593,614</b>	<b>\$ (535,873)</b>	<b>\$ (1,193,910)</b>	<b>\$ (600,296)</b>

① Total Salaries & Wages includes \$34,010 for intern support

② Total Benefits includes \$3,665 for intern support

② Includes a \$65,000 lump sum payment (CALPERS unfunded Liability)

② Total Benefits assumes a Calpers contribution for full time employees of 10.88% for legacy classic employees, 8.88% for classic employees and 6.555% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2017.

③ Major Planned Reserve draws:

- Election Reserve \$475,000

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

	FY 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 498,498	\$ 497,148	\$ (1,350)	\$ 501,505 <sup>1</sup>	\$ 4,357	\$ 3,007
less for Recovery from Grants	\$ (23,500)	\$ (28,487)	\$ (4,987)	\$ (31,600) <sup>1</sup>	(3,113)	(8,100)
Employee Benefits	124,680	132,706	8,025	133,269 <sup>2</sup>	563	8,589
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	223,770	214,800	(8,969)	193,712	(21,088)	(30,058)
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	12,500	7,250	(5,250)	13,500	6,250	1,000
Postage / Mail Delivery	-	-	-	-	-	-
Professional Fees	756,559	1,094,813	338,254	798,819	(295,994)	42,260
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	23,450	19,250	(4,200)	-	(19,250)	(23,450)
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 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition (excluding building)	-	-		-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,615,957</b>	<b>\$ 1,937,480</b>	<b>\$ 321,523</b>	<b>\$ 1,609,205</b>	<b>\$ (328,275)</b>	<b>\$ (6,752)</b>

<b>REVENUES:</b>						
Choice Revenue	1,615,957	1,937,480	321,523	1,609,205	(328,275)	(6,752)
<b>TOTAL REVENUES</b>	<b>\$ 1,615,957</b>	<b>\$ 1,937,480</b>	<b>\$ 321,523</b>	<b>\$ 1,609,205</b>	<b>\$ (328,275)</b>	<b>\$ (6,752)</b>

① Total Salaries & Wages includes \$69,282 for intern support

② Total Benefits includes \$7,691 for intern support

② Total Benefits assumes a Calpers contribution for full time employees of 10.88% for legacy classic employees, 8.88% for classic employees and 6.555% 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 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 3,309,949	\$ 2,920,866	\$ (389,083)	\$ 3,444,620 <sup>1</sup>	\$ 523,754	\$ 134,671
less for Recovery from Grants	\$ (23,500)	\$ (28,487)	\$ (4,987)	\$ (31,600)	(3,113)	(8,100)
Employee Benefits	863,069	846,811	(16,258)	968,159 <sup>2</sup>	121,348	105,090
Director Compensation	220,588	179,118	(41,470)	231,937	52,819	11,349
Director Benefits	60,024	69,420	9,396	66,297	(3,123)	6,273
MWD Representation	126,050	117,155	(8,895)	132,535	15,380	6,485
OPEB Annual Contribution	105,188	180,906	75,718	105,249	(75,657)	61
Overhead Reimbursement	-	-	-	-	-	0
Health Insurance Coverage for Retirees	50,387	45,530	(4,857)	50,326	4,796	(61)
Audit Expense	23,000	23,000	-	24,000	1,000	1,000
Automotive & Toll Road Expenses	14,775	13,900	(875)	14,928	1,028	153
Conference Expense - Staff	19,450	19,000	(450)	22,125	3,125	2,675
Conference Expense - Directors	9,800	9,200	(600)	10,725	1,525	925
Engineering Expense	300,000	430,918	130,918	405,000	(25,918)	105,000
Insurance Expense	96,000	85,000	(11,000)	90,000	5,000	(6,000)
Legal Expense - General	355,000	280,000	(75,000)	320,000	40,000	(35,000)
Maintenance Expense	126,670	124,000	(2,670)	123,185	(815)	(3,485)
Membership / Sponsorship	103,961	98,906	(5,055)	134,458	35,552	30,497
CDR Participation	39,740	39,740	-	39,972	232	232
Miscellaneous Expense	116,670	102,425	(14,245)	124,520	22,095	7,850
Postage / Mail Delivery	11,285	10,300	(985)	11,400	1,100	115
Professional Fees	1,541,837	1,639,413	97,577	1,496,997	(142,416)	(44,840)
Rents & Leases	19,000	19,000	-	7,000	(12,000)	(12,000)
Outside Printing, Subscription & Books	72,070	38,570	(33,500)	38,225	(345)	(33,845)
Office Supplies	29,400	31,000	1,600	38,280	7,280	8,880
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	7,100	7,100	-	10,000	2,900	2,900
Business Expense	6,800	5,100	(1,700)	6,000	900	(800)
Software Support & Expense	52,500	52,500	-	77,300	24,800	24,800
Computers and Equipment	21,150	21,500	350	32,500	11,000	11,350
Telecommunications Expense	15,650	15,950	300	19,200	3,250	3,550
Temporary Help Expense	-	1,260	1,260	-	(1,260)	-
Training Expense	18,000	6,000	(12,000)	12,000	6,000	(6,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

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

	FY 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	56,510	57,000	490	71,130	14,130	14,620
Travel & Accommodations - Directors	27,600	26,000	(1,600)	38,250	12,250	10,650
MWDOC's Contribution to WEROC	141,807	141,807	0	150,390	8,583	8,583
MWDOC's Contribution to Desalination	-	-	-	-	-	-
Expenses billed to AMP, WFC	-	-	-	-	-	-
Election Expense	-	-	-	-	-	-
Capital Acquisition (excluding building)	6,000	34,357	28,357	62,500	28,143	56,500
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 7,959,530</b>	<b>\$ 7,673,764</b>	<b>\$ (285,766)</b>	<b>\$ 8,363,608</b>	<b>\$ 689,844</b>	<b>\$ 404,078</b>
MWDOC's Building Expense	\$ 400,000	\$ 400,000	\$ -	\$ 495,000	\$ 95,000	\$ 95,000
Election Expense	-	-	-	592,000	592,000	592,000
<b>TOTAL EXPENSES</b>	<b>\$ 8,359,530</b>	<b>\$ 8,073,764</b>	<b>\$ (285,766)</b>	<b>\$ 9,450,608</b>	<b>\$ 1,376,844</b>	<b>\$ 1,091,078</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,687,322	\$ 6,687,322	\$ -	\$ 6,786,865	\$ 99,543	\$ 99,543
Ground Water Customer Charge	-	-	-	392,666	392,666	392,666
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	117,675	104,000	(13,675)	123,000	19,000	5,325
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
Choice Revenue	1,615,957	1,937,480	321,523	1,609,205	(328,275)	(6,752)
<b>TOTAL REVENUES</b>	<b>\$ 8,423,954</b>	<b>\$ 8,731,802</b>	<b>\$ 307,848</b>	<b>\$ 8,914,735</b>	<b>\$ 182,933</b>	<b>\$ 490,782</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ 64,423</b>	<b>\$ 658,037</b>	<b>\$ 593,614</b>	<b>\$ (535,873)</b>	<b>\$ (1,193,910)</b>	<b>\$ (600,296)</b>

- 1 Total Salaries & Wages includes \$103,292 for intern support
- 2 Total Benefits includes \$11,356 for intern support
- 2 Includes a \$65,000 lump sum payment (CALPERS unfunded Liability)
- 2 Total Benefits assumes a Calpers contribution for full time employees of 10.88% for legacy classic employees, 8.88% for classic employees and 6.555% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2017.
- 3 Major Planned Reserve draws:
- Election Reserve \$475,000

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

	FY 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>Water Revenues</b>						
Water Sales	\$ 154,475,665	\$ 139,405,612	\$ (15,070,053)	\$ 137,953,560	\$ (1,452,052)	\$ (16,522,105)
Local Resource Program Incentives	(15,450,587)	(15,546,984)	(96,397)	(16,071,858)	(524,874)	(621,271)
Readiness-To-Serve Charge	13,214,277	12,636,123	(578,154)	12,674,093	37,971	(540,184)
Capacity Charge	4,424,460	4,627,125	202,665	4,829,790	202,665	405,330
Tier 2 Contingency	-		-	-	-	-
Interest Revenue - CC			-		-	-
Interest Revenue - Tier 2 Cont.	2,900	4,600	1,700	4,800	200	1,900
SCP Operation Surcharge	380,000	362,512	(17,488)	365,000	2,488	(15,000)
<b>TOTAL WATER REVENUES</b>	<b>\$ 157,046,715</b>	<b>\$ 141,488,987</b>	<b>\$ (15,557,728)</b>	<b>\$ 139,755,385</b>	<b>\$ (1,733,602)</b>	<b>\$ (17,291,330)</b>
<b>Water Expenses</b>						
Water Purchases	\$ 154,475,665	\$ 139,405,612	\$ (15,070,053)	\$ 137,953,560	\$ (1,452,052)	\$ (16,522,105)
Local Resource Program Incentives	(15,450,587)	(15,546,984)	(96,397)	(16,071,858)	(524,874)	(621,271)
Readiness-To-Serve Charge	13,214,277	12,636,123	(578,154)	12,674,093	37,971	(540,184)
Capacity Charge	4,424,460	4,627,125	202,665	4,829,790	202,665	405,330
Tier 2 Surcharge	-		-	-	-	-
SCP Operation Surcharge	380,000	362,512	(17,488)	365,000	2,488	(15,000)
<b>TOTAL WATER EXPENSES</b>	<b>\$ 157,043,815</b>	<b>\$ 141,484,387</b>	<b>\$ (15,559,428)</b>	<b>\$ 139,750,585</b>	<b>\$ (1,733,802)</b>	<b>\$ (17,293,230)</b>
<b>Changes to Fund Balance:</b>						
Capacity Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Contingency	\$ 2,900	\$ 4,600	\$ 1,700	\$ 4,800	\$ 200	\$ 1,900

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

	FY 2015-2016 ADOPTED BUDGET	FY 2015-2016 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2016-2017 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2015-2016 BUDGET
<b>Funding</b>						
Metropolitan Water District	\$ 18,519,094	\$ 20,915,190	\$ 2,396,096	\$ 823,323	\$ (20,091,868)	\$ (17,695,771)
USBR	380,548	401,757	21,209	368,788	(32,969)	(11,760)
DWR	305,829	1,228,730	922,901	1,145,602	(83,128)	839,773
Member Agencies	3,511,734	2,629,129	(882,605)	1,877,025	(752,104)	(1,634,709)
MWDOC	49,000	2,054	(46,946)	49,000	46,946	0
						0
<b>TOTAL OUTSIDE FUNDING</b>	<b>\$ 22,766,204</b>	<b>\$ 25,176,860</b>	<b>\$ 2,410,656</b>	<b>\$ 4,263,738</b>	<b>\$ (20,913,122)</b>	<b>\$ (18,502,467)</b>
<b>Program Expenses Funded from Outside Sources</b>						
Project Administration - Staff Time	\$ 14,000	\$ 21,638	\$ 7,638	\$ 9,920	\$ (11,718)	\$ (4,080)
Consultant Administration	142,420	62,588	(79,833)	118,900	56,313	(23,520)
Monitoring and Evaluation	121,947	10,633	(111,314)	22,056	11,423	(99,891)
Installation Verification	148,592	216,456	67,865	62,190	(154,266)	(86,402)
Rebate Incentives	22,140,474	24,743,911	2,603,438	4,016,075	(20,727,836)	(18,124,398)
Surveys and Audits	185,475	114,018	(71,457)	33,500	(80,518)	(151,975)
Databasing	1,097	616	(481)	1,097	481	0
Marketing and Outreach	10,575	7,000	(3,575)	0	(7,000)	(10,575)
Engineering Assistance	1,626	0	(1,626)	0	0	(1,626)
<b>TOTAL PROGRAMS EXPENSES</b>	<b>\$ 22,766,204</b>	<b>\$ 25,176,860</b>	<b>\$ 2,410,656</b>	<b>\$ 4,263,738</b>	<b>\$ (20,913,122)</b>	<b>\$ (18,502,467)</b>

**Exhibit B**  
**Expenditures by Program**

Cost Center	PROGRAM	FY 2015-2016 BUDGET FTE	FY 2016-2017 BUDGET FTE	FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
11	Administrative - Board	1.78	1.97	\$ 1,131,747		\$ 1,264,229 <sup>[2]</sup>
12	Administrative - General	2.92	2.62	471,461		541,237
13	Personnel / Staff Development	1.48	1.42	304,655		286,546
19	Overhead	3.64	3.53	779,267		1,204,533 <sup>[3]</sup>
21	Planning & Resource Development	3.71	3.78	743,370		816,876
22	Research Participation	0.00	0.00	39,740		39,972
23	Met Issues and Special Projects	4.06	4.68	751,674		907,844
31	Governmental Affairs	0.84	1.18	418,009		479,535
35	Water Use Efficiency (Core)	0.39	0.58	145,864		171,239
32	Public Affairs	3.40	2.90	629,110		571,671
41	Finance	3.23	3.18	563,041		521,660
45	Information Technology	1.06	1.00	223,827		285,672
25	MWDOC's Contribution to WEROC <sup>[1]</sup>	2.00	2.00	141,807		150,390
<b>CORE TOTAL</b>		<b>28.50</b>	<b>28.82</b>	<b>\$ 6,343,573</b>		<b>\$ 7,241,403</b>
62	Water Use Efficiency Program	6.23	6.48	899,925		928,798
63	School Programs	0.07	0.15	295,049		358,691
67	Outreach	0.55	0.19	177,645		277,300
64	Foundational Action - Doheny Desal	0.10	0.00	136,983		-
65	Poseidon Desal	0.00	0.00	45,162		44,416
69	2008 Fund - Doheny Desal	0.04	0.00	31,194		-
68	2014 Fund - Doheny Desal	0.00	0.00	30,000		-
<b>CHOICE TOTAL</b>		<b>7.00</b>	<b>6.82</b>	<b>\$ 1,615,957</b>		<b>\$ 1,609,205</b>
<b>CORE &amp; CHOICE TOTAL</b>		<b>35.50</b>	<b>35.64</b>	<b>\$ 7,959,530</b>		<b>\$ 8,850,608</b>
Includes:	Full-time employees	28.00	29.00			
	WEROC Full-time employee	2.00	2.00			
	Part-time employees	2.22	1.68			
	Interns	3.28	2.96			

<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  
2016-2017 FISCAL MASTER PLAN PROJECTIONS**

(in thousands)

	Projected ACTUALS FY15-16	BUDGET FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Beginning Designated Reserve Balance - MWDOC	\$4,783	\$ 5,454	\$ 4,931	\$ 5,092	\$ 4,987	\$ 5,507	\$ 5,700
OPEB Contribution above the ARC	93	106	119	139	158	182	205
Adjusted Reserve Balance	4,690	5,348	4,812	4,953	4,829	5,325	5,495
<b>Revenues</b>							
Water Rate Revenues:							
Retail Meter Agency Charge	6,687	6,787	6,945	7,291	7,609	7,709	7,757
Ground Water Customer Charge	-	393	402	413	423	433	444
Subtotal	6,687	7,180	7,347	7,704	8,032	8,142	8,202
Other Revenues:							
Choice Revenues	1,937	1,609	1,649	1,691	1,733	1,776	1,821
Interest Earnings	104	123	131	133	158	193	225
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	2,044	1,735	1,783	1,827	1,894	1,973	2,049
<b>Total Revenues</b>	<b>8,732</b>	<b>8,915</b>	<b>9,130</b>	<b>9,530</b>	<b>9,926</b>	<b>10,115</b>	<b>10,250</b>
<b>Expenses</b>							
Core Expenses	5,702	6,692	6,915	7,144	7,323	7,506	7,693
Choice Expenses	1,937	1,609	1,649	1,691	1,733	1,776	1,821
Capital Acquisitions (not including building)	34	63	20	20	20	20	20
<b>Total Expenses w/o Building &amp; Election</b>	<b>7,674</b>	<b>8,364</b>	<b>8,585</b>	<b>8,855</b>	<b>9,076</b>	<b>9,302</b>	<b>9,534</b>
<b>Revenue Over Expenses w/o Building &amp; Election</b>	<b>1,058</b>	<b>551</b>	<b>546</b>	<b>675</b>	<b>850</b>	<b>813</b>	<b>716</b>
<b>ELECTION Reserve Beginning Balance</b>	<b>215</b>	<b>475</b>	<b>-</b>	<b>260</b>	<b>76</b>	<b>336</b>	<b>4</b>
<b>Annual Election Reserve Contribution</b>	<b>260</b>	<b>117</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>	<b>260</b>
<b>Annual Election Expense</b>	<b>-</b>	<b>592</b>	<b>-</b>	<b>444</b>	<b>-</b>	<b>592</b>	<b>-</b>
<b>Election Reserve Ending Balance</b>	<b>475</b>	<b>-</b>	<b>260</b>	<b>76</b>	<b>336</b>	<b>4</b>	<b>264</b>
<b>BUILDING Reserve Beginning Balance</b>	<b>500</b>	<b>350</b>	<b>225</b>	<b>119</b>	<b>185</b>	<b>350</b>	<b>340</b>
<b>Annual Building Reserve Contribution</b>	<b>250</b>	<b>370</b>	<b>299</b>	<b>421</b>	<b>520</b>	<b>40</b>	<b>60</b>
<b>Annual Building Expense</b>	<b>400</b>	<b>495</b>	<b>405</b>	<b>355</b>	<b>355</b>	<b>50</b>	<b>50</b>
<b>Building Reserve Ending Balance</b>	<b>350</b>	<b>225</b>	<b>119</b>	<b>185</b>	<b>350</b>	<b>340</b>	<b>350</b>
<b>CASH FLOW Reserve Beginning Balance</b>	<b>1,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Annual Cash Flow Reserve Contribution</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flow Reserve Ending Balance</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>
<b>Ending General Fund &amp; Cash Flow Reserves</b>	<b>\$ 4,523</b>	<b>\$ 4,587</b>	<b>\$ 4,574</b>	<b>\$ 4,569</b>	<b>\$ 4,639</b>	<b>\$ 5,151</b>	<b>\$ 5,547</b>
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
<b>MWDOC Water Rates</b>							
Water Sales in Acre Feet	159,533	162,788	165,878	168,977	172,100	176,112	180,202
Total Retail Customer Meters	616,343	619,805	622,850	625,850	628,850	631,850	635,850
OCWD BPP %	75%	75%	73%	73%	73%	73%	73%
<b>Increment Rate</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Connection Charge</b>	<b>\$ 10.85</b>	<b>\$ 10.95</b>	<b>\$ 11.15</b>	<b>\$ 11.65</b>	<b>\$ 12.10</b>	<b>\$ 12.20</b>	<b>\$ 12.20</b>
Fixed Charge %		100%	100%	100%	100%	100%	100%

1 Assumptions for FMP:

Inflation factor:

2.50% per year

Rate of return on Investment of portfolio:

1.25% per year

## Total Core Expenses

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,811,451	2,423,718	2,943,115
	S & W Reimb. DSC or Recov from Grants	-	-	-
6090	Directors Compensation - MWDOC	220,588	179,118	231,937
6095	Directors Compensation - MWD	126,050	117,155	132,535
6105	Benefits - Admin	738,389	714,105	834,890
	OPEB Annual Contribution	105,188	180,906	105,249
	Overhead Reimbursement	(223,770)	(214,800)	(193,712)
6115	Benefits - Directors	60,024	69,420	66,297
6120	Health Insurance Coverage for Retirees	50,387	45,530	50,326
6205	Training	18,000	6,000	12,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	1,260	-
7010	Engineering - Outside Services	300,000	430,918	405,000
7020	Legal - General	355,000	280,000	320,000
7030	Audit	23,000	23,000	24,000
7040	Other Professional Fees	785,278	544,600	698,178
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	19,450	19,000	22,125
7115	Conference - Directors	9,800	9,200	10,725
7150	Travel & Accommodations - Employee	56,510	57,000	71,130
7155	Travel & Accommodations - Director	27,600	26,000	38,250
7210	Membership / Sponsorship	103,961	98,906	134,458
7250	CDR Participation	39,740	39,740	39,972
7305	Business Expense	6,800	5,100	6,000
7310	Office Maintenance	126,670	124,000	123,185
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	19,000	19,000	7,000
7330	Office Supplies	29,400	31,000	38,280
7340	Postal / Mail Delivery	11,285	10,300	11,400
7350	Subscriptions / Books	2,060	1,800	2,000
7360	Reproduction Expense	46,560	17,520	36,225
7410	Computer & Peripherals Maint	7,100	7,100	10,000
7430	Software Purchase	18,500	18,500	31,300
7440	Software Support	34,000	34,000	46,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	21,150	21,500	32,500
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,500	13,200	13,828
7615	Toll Road Charges	1,275	700	1,100
7620	Insurance Expense	96,000	85,000	90,000
7640	Utilities - Telephone	15,650	15,950	19,200
7650	Bank Fees	17,900	10,000	10,500
7670	Miscellaneous Expenses	86,270	85,175	100,520
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	6,000	34,357	62,500
	<b>Total Expenditure</b>	<b>6,201,766</b>	<b>5,594,477</b>	<b>6,604,013</b>

MWDOC's Contribution to WEROC	141,807	141,807	150,390
MWDOC's Election Expense	-	-	592,000
MWDOC's Building Expense	400,000	400,000	495,000
	<u>6,743,573</u>	<u>6,136,284</u>	<u>7,841,403</u>

### Total Choice Revenue and Expense

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
	Choice Revenue	1,302,618	1,353,183	1,494,789
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry Over	243,290	61,194	44,416
		-	-	-
	Choice billing over/under	49	97,103	-
		-	-	-
		-	-	-
		-	356,000	-
		-	-	-
	<b>Total Revenue</b>	1,615,957	1,937,480	1,609,205

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	498,498	497,148	501,505
	S & W Reimb. DSC or Recov from Grants	(23,500)	(28,487)	(31,600)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	124,680	132,706	133,269
	Overhead Reimbursement	223,770	214,800	193,712
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	499,159	794,813	463,330
	Other Professional Fees - School Programs	257,400	300,000	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	23,450	19,250	-
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	12,500	7,250	13,500
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	<b>Total Expenditure</b>	1,615,957	1,937,480	1,609,205



### Total Core and Choice Expenses

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,309,949	2,920,866	3,444,620
	S & W Reimb. DSC or Recov from Grants	(23,500)	(28,487)	(31,600)
6090	Directors Compensation - MWDOC	220,588	179,118	231,937
6095	Directors Compensation - MWD	126,050	117,155	132,535
6105	Benefits - Admin	863,069	846,811	968,159
	OPEB Annual Contribution	105,188	180,906	105,249
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	60,024	69,420	66,297
6120	Health Insurance Coverage for Retirees	50,387	45,530	50,326
6205	Training	18,000	6,000	12,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	1,260	-
7010	Engineering - Outside Services	300,000	430,918	405,000
7020	Legal - General	355,000	280,000	320,000
7030	Audit	23,000	23,000	24,000
7040	Other Professional Fees	1,284,437	1,339,413	1,161,508
	Other Professional Fees - School Programs	257,400	300,000	335,489
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	19,450	19,000	22,125
7115	Conference - Directors	9,800	9,200	10,725
7150	Travel & Accommodations - Employee	56,510	57,000	71,130
7155	Travel & Accommodations - Director	27,600	26,000	38,250
7210	Membership / Sponsorship	103,961	98,906	134,458
7250	CDR Participation	39,740	39,740	39,972
7305	Business Expense	6,800	5,100	6,000
7310	Office Maintenance	126,670	124,000	123,185
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	19,000	19,000	7,000
7330	Office Supplies	29,400	31,000	38,280
7340	Postal / Mail Delivery	11,285	10,300	11,400
7350	Subscriptions / Books	2,060	1,800	2,000
7360	Reproduction Expense	70,010	36,770	36,225
7410	Computer & Peripherals Maint	7,100	7,100	10,000
7430	Software Purchase	18,500	18,500	31,300
7440	Software Support	34,000	34,000	46,000
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	21,150	21,500	32,500
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,500	13,200	13,828
7615	Toll Road Charges	1,275	700	1,100
7620	Insurance Expense	96,000	85,000	90,000
7640	Utilities - Telephone	15,650	15,950	19,200
7650	Bank Fees	17,900	10,000	10,500
7670	Miscellaneous Expenses	98,770	92,425	114,020
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	6,000	34,357	62,500
	<b>Total Expenditure</b>	<b>7,817,723</b>	<b>7,531,957</b>	<b>8,213,218</b>

MWDOC's Contribution to WEROC	141,807	141,807	150,390
MWDOC's Election Expense	-	-	592,000
MWDOC's Building Expense	400,000	400,000	495,000
	<u>8,359,530</u>	<u>8,073,764</u>	<u>9,450,608</u>

**Administrative - Board**

11

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	259,175	201,740	263,608	
6090	Directors Compensation - MWDOC	220,588	179,118	231,937	1
6095	Directors Compensation - MWD	126,050	117,155	132,535	2
6105	Benefits - Admin	62,720	56,134	71,508	
6115	Benefits - Directors	60,024	69,420	66,297	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	320,000	260,000	285,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	9,800	9,200	10,725	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	27,600	26,000	38,250	5
7210	Membership / Sponsorship	25,040	23,181	25,040	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,500	3,500	4,500	
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	9,300	9,500	9,828	
7615	Toll Road Charges	700	450	700	
7620	Insurance Expense				
7640	Utilities - Telephone	1,150	950	1,100	
7650	Bank Fees				
7670	Miscellaneous Expenses	5,100	7,500	6,200	7
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	<b>1,131,747</b>	<b>963,847</b>	<b>1,147,229</b>	

1&2 Based on 5% increase from Jan to June 2016.

3	Best, Best & Krieger	\$	231,965
	Aleshire & Wynder	\$	28,035
		\$	260,000

4	Best, Best & Krieger	\$	260,000
	Aleshire & Wynder	\$	25,000
		\$	285,000

5 See Exhibit F.

6 LAFCO Annual Assessment  
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Election Expense

		592,000
1,131,747	963,847	1,739,229

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

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	260,773	248,570	208,804
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	56,852	63,151	58,591
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help		1,260	-
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			72,900
7110	Conference - Employee	19,450	19,000	22,125
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	56,510	57,000	71,130
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	62,791	62,581	93,287
7250	CDR Participation			
7305	Business Expense	6,800	5,100	6,000
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	2,060	1,800	2,000
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	4,200	3,700	4,000
7615	Toll Road Charges	575	250	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,450	3,500	2,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	471,461	465,912	541,237

1 See Exhibit J.

2 See Exhibit E.

3 See Exhibit D.

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

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	163,771	168,441	168,504
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	46,134	49,834	49,292
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	18,000	6,000	12,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	35,000	20,000	35,000
7030	Audit			
7040	Other Professional Fees	25,000	-	-
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	11,750	12,000	16,750
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	<b>304,655</b>	<b>256,275</b>	<b>286,546</b>

1 • Staff Technical Training & Leadership  
Development Training

2 Best, Best & Krieger \$ 35,000

3 • Employee Recognition program \$ 1,500  
• Applicant Background Checks \$ 2,400  
• Team Building, Lunch meetings \$ 1,500  
• Holiday Lunch \$ 2,400  
• OCWD Health Fair \$ 100  
• Employee Flu Shots \$ 250  
• Job Ads Recruiting \$ 3,800  
• TAD Executive Assessments \$ 4,800  
\$ 16,750

**Overhead  
19**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	404,418	312,142	399,696
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	105,189	90,991	111,408
6109	OPEB Annual Contribution	105,188	180,906	105,249
6111	Overhead Reimbursement from Choice	(223,770)	(214,800)	(193,712)
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees	50,387	45,530	50,326
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	5,800	5,900	6,100
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7250	CDR Participation			
7310	Office Maintenance	126,670	124,000	123,185
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	19,000	19,000	7,000
7330	Office Supplies	29,400	31,000	38,280
7340	Postal / Mail Delivery	6,785	6,800	6,900
7350	Subscriptions / Books			
7360	Reproduction Expense	2,400	2,100	9,000
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	96,000	85,000	90,000
7640	Utilities - Telephone	14,500	15,000	18,100
7650	Bank Fees	17,900	10,000	10,500
7670	Miscellaneous Expenses	8,400	7,000	8,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition		30,000	33,500
	<b>Total Expenditure</b>	779,267	760,069	834,533

1	Retirees:		
	• 11 Retirees		
2	• Pension Plan administration by Dissinger Associates	\$	4,200
	• Cafeteria Plan Wameworks	\$	1,900
			6,100
3	• Site maintenance and receptionist from OCWD	\$	116,200
	• Plant Maintenance	\$	2,700
	• Landscape/Maintenance Atrium	\$	2,400
	• Binding Machine Renewal	\$	685
	• Carpet Cleaning	\$	1,200
		\$	123,185
4	• Iron Mountain	\$	6,000
	• El Toro Water District (South EOC site)	\$	1,000
		\$	7,000
5	• Misc equipment repairs, fees etc.		
6	• RICOH Copier Machine		
7	• Office Furniture/Displays		
8	• Entrance area lighting	\$	5,000
	• Atrium Landscaping		30,000
	• Security system improvements	\$	25,000
	• Office Improvements	\$	100,000
	• HVAC Completion, Chillers, Boilers, Controls	\$	265,000
	• IT Fire Suppression	\$	70,000
		\$	495,000

MWDOC's Building Expense (8811)	400,000	400,000	495,000
	1,179,267	1,160,069	1,329,533

**Planning and  
Resource Development  
21**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	481,564	380,062	486,651
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	114,806	109,463	125,725
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	140,000	196,000	197,500
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	6,925	7,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	<b>743,370</b>	<b>692,450</b>	<b>816,876</b>

1 Includes general consulting, reliability of MET, conjunctive use, climate change and value of being reliable.

2 Over budget portion funded via the use of carry over funds from FY14-15.

**Research Participation**  
**22**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 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	39,740	39,740	39,972
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>	<b>39,740</b>	<b>39,740</b>	<b>39,972</b>

1 Center for Demographic Research at  
Cal State University Fullerton \$ 39,972

**Met Issues and Special Projects**  
**23**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	466,513	419,152	544,550
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,162	125,146	155,794
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	160,000	234,918	207,500
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>	751,674	779,216	907,844

1 The \$74,918 increased amount over budget will be funded by carry-over funds from FY14-15. The FY14-15 carry-over funds total \$139,000 for cost center 23.



**Government Affairs**  
**31**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	86,110	88,315	136,892
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	29,159	30,730	43,903
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	279,000	253,300	275,000
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	19,500	23,320
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	418,009	392,265	479,535

1	• Townsend, BB&K	\$ 91,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 3,000
	• Lewis Consulting	\$ 37,000
	• Ackerman	\$ 26,300
		<u>\$ 253,300</u>

2	• BB & K	\$ 94,000
	• Barker	\$ 94,000
	• Travel/Miscellaneous	\$ 3,000
	• Lewis Consulting	\$ 48,000
	• Ackerman	\$ 36,000
		<u>\$ 275,000</u>

3	• State & Federal Legislative Tracking	\$ 3,320
	• Legislative Outreach & Briefings	\$ 7,000
	• Legislative Staff Trip Travel Costs	\$ 10,000
	• WACO	\$ 3,000
		<u>\$ 23,320</u>

**Public Affairs**  
**32**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	268,678	167,949	250,473	
	Salaries & Wages - Reimb. from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	70,965	45,910	69,965	
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	220,478	150,000	191,178	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	43,740	15,000	26,805	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	25,250	25,250	33,250	3
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	<b>629,110</b>	<b>404,109</b>	<b>571,671</b>	

1 Public Affairs Activities:

• PA Consultant	\$ 15,000
• Resolutions	\$ 5,000
• Member Agency Workshops PAW	\$ 15,000
• Consumer Confidence Reports	\$ 34,178
• Website Hosting & Maintenance	\$ 10,000
• Event Registration Fees	\$ 2,500
• PAW meeting materials	\$ 2,500
• New Website	\$ 50,000
Subtotal	\$ 134,178

Communications Plan Activities:

• Outreach	\$ 2,000
• Advertising	\$ 20,000
• Survey - Phone	\$ 35,000
Subtotal	\$ 57,000
	<u>\$ 191,178</u>

2 • Briefing Papers	\$ 1,500
• Attire & Promo items	\$ 1,500
• MWDOC Bags 1500@ \$3.95	\$ 5,925
• Brochures 1500 @ 2.50	\$ 3,750
• Awards and Events	\$ 5,500
• Promotional Items	\$ 8,630
	<u>\$ 26,805</u>

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	\$ 1,500
• OC Water Hero	\$ 10,000
• Scouting Programs	8,000
	<u>\$ 33,250</u>

**Water Use Efficiency  
(Core)  
35**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	50,567	76,104	91,137
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	14,168	28,462	25,971
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	65,000	65,000	38,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	16,130	13,144	16,131
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>	145,864	182,710	171,239

1 • Project Audit	\$ 5,000
• Water Loss Control Work Grp	\$ 33,000
	\$ 38,000
2 • CUWCC Dues	\$ 8,006
• South O.C. Watershed Mngmt	
Area Dues	6,625
• OC CLCA	1,500
	\$ 16,131

**General Finance**  
**41**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	270,180	269,104	294,702
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	78,860	79,718	86,958
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	23,000	23,000	24,000
7040	Other Professional Fees	190,000	70,400	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	500	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	563,041	442,722	521,660

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

1

**Information Technology**  
**45**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	99,703	92,138	98,096	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	34,374	34,565	35,776	
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 \$ 10,000
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license \$ 31,300
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				3 • Baracuda message archiver \$ 1,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Financial Management System \$ 22,286
7330	Office Supplies				• Cisco Smartnet support \$ 3,300
7340	Postal / Mail Delivery				• Misc NAV development \$ 2,000
7350	Subscriptions / Books				• Jet Reports support \$ 1,277
7360	Reproduction Expense				• Blythco ABRA \$ 500
7410	Computer & Peripherals Maint	7,100	7,100	10,000	1 • ECS Laserfiche with upgrade \$ 12,557
7430	Software Purchase	18,500	18,500	31,300	2 • Anti-Malware Protection \$ 740
7440	Software Support	34,000	34,000	46,000	3 \$ 46,000
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment	21,150	21,500	32,500	4 • 3 Surface Pro, 2 iPad and 1 Laptop \$ 8,950
7580	Maintenance Expense				• 7 desktop computers w/ 9 monitors \$ 11,350
7610	Automotive / Mileage				• 2 Enclosed Server Racks w/ Console \$ 5,000
7615	Toll Road Charges				• RICOH color printer support \$ 350
7620	Insurance Expense				• Cisco Firewall Upgrade \$ 4,500
7640	Utilities - Telephone				• Camcorder \$ 1,500
7650	Bank Fees				• Miscellaneous hardware \$ 850
7670	Miscellaneous Expenses	3,000	3,000	3,000	5 • Misc supplies \$ 32,500
8410	Overhead Reimbursement				• MWDOC Website
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition	6,000	4,357	29,000	6 • Mass Storage device for Records Mgmt \$ 14,000
					• Scanners \$ 15,000
	<b>Total Expenditure</b>	223,827	215,161	285,672	\$ 29,000

**Water Use Efficiency  
(choice)  
62**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue	899,925	899,925	928,798
4705	Prior Year Carry over			
	Choice billing over/under		2,687	
	<b>Total Revenue</b>	899,925	902,612	928,798

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2016 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	432,740	460,985	475,474
6012	Salaries & Wages - Recovery from Grants	(23,500)	(28,487)	(31,600)
6090	Directors Compensation - MWD			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	113,126	120,336	125,895
	Overhead Reimbursement	189,359	201,892	184,114
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	183,200	141,886	168,914
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	5,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	899,925	902,612	928,798

1 Recovery from WUE Grants for some Salaries and Benefits:

• CII Performance Based - North County	\$ 18,000
• Comprehensive Landscape Water Use	\$ 11,500
• DWR Strategic Turf - So. Cnty	\$ 2,100
	\$ 31,600

2 • Marketing of WUE programs	\$ 50,000
• Water Smart Landscape	\$ 50,000
• CSANS & Base Schedule Calculator Web	\$ 2,400
• Turf Rebate Processing Platform - Droplet	\$ 41,514
• Drip Rebate Processing Platform - Droplet	\$ 25,000
	\$ 168,914

**School Program  
(choice)  
63**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue	225,049	265,258	288,691
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry over			
	Choice billing over/under		(6,939)	
	<b>Total Revenue</b>	295,049	328,319	358,691

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2016 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,415	4,602	9,505
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	1,652	1,341	3,069
	Overhead Reimbursement	2,832	1,876	3,128
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	257,400	300,000	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	19,250	19,250	-
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	1,250	7,500
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	295,049	328,319	358,691

- 1 • Assemblies; FY16-17  
Goal is 60,000 students  
• High School Program

- 2 • School books and other printings

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

**Foundational Action - Doheny Desal**  
(choice)  
64

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue	-		-
4705	Prior Year Carry over	136,934		
	Choice billing over/under	49	128,099	-
	<b>Total Revenue</b>	136,983	128,099	-

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2016 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	17,059	11,830	-
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	3,393	2,196	-
	Overhead Reimbursement	8,531	6,073	-
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	108,000	108,000	
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - 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>	136,983	128,099	-

To Be Funded by South Coast Water District. An additional \$160,000 was added during FY14-15 for the Environmental Baseline Monitoring Project. All Revenue and expense are shown here in FY15-16. The revenue amount is less that \$160,000 because it was partly used in the previous year.



**Poseidon Desal  
(choice)  
65**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue			
4705	Prior Year Carry over	45,162		44,416
	Choice billing over/under		-	
	<b>Total Revenue</b>	45,162	-	44,416

Prior year carry over was lowered due to more hours worked in FY14-15 than was projected. Recommendation for 2016-17 is to maintain existing funds for efforts that might arise this coming year.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 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	45,162		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>	45,162	-	44,416

Actual activity for 2016-17 are uncertain at this time.

**Public Affairs  
(choice)  
67**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue	177,645	188,000	277,300
	Choice billing over/under		3,256	
	<b>Total Revenue</b>	177,645	191,256	277,300

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2016 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	34,988	8,391	16,526
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	4,973	1,682	4,305
	Overhead Reimbursement	19,483	4,183	6,470
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	114,000	177,000	250,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - 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	4,200		
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>	177,645	191,256	277,300

1 • OC Register Value of Water Page

2 • Communications Plan

**2014 Fund - Doheny Desal**  
**(choice)**  
**68**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue			
4705	Prior Year Carry over	30,000	30,000	
	Monies to be refunded		(30,000)	
	<b>Total Revenue</b>	30,000	-	-

Deposits from South Coast, LBCWD and San Clemente are scheduled to be returned to the three agencies with interest.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	-
	Salaries & Wages - Reimb. from Grants			
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	30,000		
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>	30,000	-	-

**2008 Fund - Doheny Desal  
(choice)  
69**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4215	Choice Revenue			
4705	Prior Year Carry over	31,194	31,194	
	Choice billing over/under		(0)	
	Previously Retained funds for Project Decommissioning		356,000	
	<b>Total Revenue</b>	31,194	387,194	-

The source of funding for these efforts are remaining funds from the 2008 participation agreement for Doheny desalination as well as a DWR grant.

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	7,297	11,340	-
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	1,537	7,150	-
	Overhead Reimbursement	3,563	777	-
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	18,797	367,927	
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - 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>	31,194	387,194	-

Anticipated activities consist of payment of state park lease, electrical costs, coordination with state park planning for removal of the facilities.

**WEROC  
25**

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4320	Revenues from MWDOC	141,807	141,807	150,390
4210	WEROC Contracts	141,807	141,807	150,391
4705	Prior Years Carryover	(0)	6,185	(1)
4205				
4230	Reimbursements		5,461	
4240				
4410				
4805				
	<b>Total Revenue</b>	283,613	295,259	300,780

1 • OCSD	\$ 29,476
• SOCWA	\$ 11,430
• OCWD	\$ 75,196
• 3 Cities -- \$11,431 ea	\$ 34,289
	<u>\$ 150,391</u>

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	159,880	155,980	168,740
6012	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	55,489	58,479	58,513
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	3,000	3,000
7110	Conference - Employee	1,800	2,160	2,180
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	3,500	4,170	4,300
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	420	335	390
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	19,092	19,092	20,046
7330	Office & Radio Supplies	1,000	800	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	200	200	1,000
7410	Computer & Peripherals Maint	4,207	4,207	4,373
7430	Software Purchase			
7440	Software Support	6,750	6,750	7,087
7450	Software Development			
7510	Site Maintenance	850	850	850
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	1,000	2,000
7581	Maintenance - Radios	2,000	15,100	2,000
7582	Maintenance - EOC's	3,000	3,258	3,000
7610	Automotive / Mileage	800	1,788	1,700
7615	Toll Road Charges	125	90	100
7620	Insurance Expense	1,500	1,500	1,500
7640	Utilities - Telephone	10,000	8,500	9,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
7671	Miscellaneous Training	2,000	2,000	2,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	278,613	290,259	293,780

2 EOC Electric & Space Study

3 Catalina Repeater (5% increase)

4 Updated WEROC Map Printing

5 Safety Center Software (Est 5% increase)

6 Used Reserves to Conduct  
Radio Assessment

Sinking Fund (generator/radio)

5,000	5,000	7,000
<u>283,613</u>	<u>295,259</u>	<u>300,780</u>

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

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
4020	Interest Revenue	-		-
4050	O & M Maintenance Deposit	-	-	-
4230	Reimbursement	17,558	16,348	19,505
4680	Miscellaneous Income	-		-
	Billing over/under		(0)	
	<b>Total Revenue</b>	17,558	16,348	19,505

Participating Member agencies will be billed annually per the AMP sales admin agreement to cover legal and audit expenses until the RPOI ends in 2016

		FY 2015-2016 BUDGET	FY 2015-2016 PROJECTED ACTUALS	FY 2016-2017 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,098	1,999	3,626
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	460	498	879
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	13,851	15,000
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software 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>	17,558	16,348	19,505

## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2016-2017

	Budget	Projected	Budget	Approval included in
	FY 2015-2016	FY 2015-2016	FY 2016-2017	Budget Approval
		Actuals		
<b>Required Participation or Service</b>				
LAFCO	25,000	23,141	25,000	✓
Colorado River Water Users Assn. (CRWUA 2-Director's)	40	40	40	✓
<b>Subtotal Cost Center 11</b>	<b>25,040</b>	<b>23,181</b>	<b>25,040</b>	
Association. of Calif. Water Agencies (ACWA)	18,200	17,189	18,000	✓
<b>Subtotal Cost Center 12</b>	<b>18,200</b>	<b>17,189</b>	<b>18,000</b>	
OC Chapter-Calif. Landscape Contractors Assoc.	1,500	1,500	1,500	✓
CA Urban Water Conservation Council Dues	8,005	8,006	8,006	✓
South OC Watershed Management Area Dues	6,625	3,638	6,625	✓
<b>Subtotal Cost Center 35</b>	<b>16,130</b>	<b>13,144</b>	<b>16,131</b>	
<b>Subtotal - Required Participation or Service</b>	<b>\$ 59,370</b>	<b>\$ 53,514</b>	<b>\$ 59,171</b>	
<b>Elective Participation</b>				
Association of California Cities- Orange County (ACCOC)	\$ 5,000	\$ 5,000	\$ 5,000	✓
American Water Works Association (AWWA)	1,550	1,550	1,550	✓
Association of Metropolitan Water Agencies (AMWA)	16,004	16,805	17,000	✓
CA Chamber of Commerce (HR California)	499	499	499	✓
CALDESAL	5,000	5,000	5,000	✓
California Municipal Treasurers Association (CMTA)	155	155	155	✓
California Society of Municipal Finance Officers (CSMFO)	125	125	125	✓
CA Special Districts Assn. (CSDA)	6,100	6,100	6,100	✓
Colorado River Water Users Assn. (CRWUA 3-staff)	60	60	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	✓
Latino Business Association	250	250	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	New
California Council for Environmental & Economic Balance			29,500	New
Orange County Water Association (OCWA)	100	100	100	✓
Public Agency Risk Managers Association (PARMA)	100	100	100	✓
Public Relations Society of America/O.C.	300	300	300	✓
Society of Human Resources Management (SHRM)	200	200	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>	<b>44,591</b>	<b>45,392</b>	<b>75,287</b>	
<b>Subtotal - Elective Participation</b>	<b>\$ 44,591</b>	<b>\$ 45,392</b>	<b>\$ 75,287</b>	

## Exhibit D

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2016-2017

	Budget	Projected	Budget	Approval included in
	FY 2015-2016	FY 2015-2016	FY 2016-2017	Budget Approval
		Actuals		
<b>(Exhibit D Continued..)</b>				
International Association of Emergency Managers	\$ 185	\$ 130	\$ 185	√
InfraGard	55	55	55	√
California Emergency Services Association	180	150	150	√
<b>WEROC Program Total</b>	<u>420</u>	<u>335</u>	<u>390</u>	
<b>GRAND TOTAL</b>	<u>\$ 104,381</u>	<u>\$ 99,241</u>	<u>\$ 134,848</u>	

New or Increased Memberships for 2016-17				
	Budget	Projected	Budget	Approval included in
	FY 2015-2016	FY 2015-2016	FY 2016-2017	Budget Approval
		Actuals		
<b>Association</b>				
Orange County Public Affairs Association			200	New
California Council for Environmental & Economic Balance			29,500	New
<b>Total of New or Increased Memberships</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,700</b>	



## Exhibit E

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget <sup>(1)</sup> Fiscal Year 2016-2017

Conference / Meeting	Registration	Travel <sup>(1)</sup>	Approval included in Budget Approval
ACWA - DC Conference (2 staff)	\$ 1,250	\$ 5,000	✓
- Fall Conference (3 staff)	2,400	2,500	✓
- Spring Conference (3 staff)	2,400	5,000	✓
- Legislative Symposium (1 staff)	200	650	✓
ACC-OCBC Legislative Advocacy Trip	950	450	✓
ACWA Region 10 (2 Staff)	150	200	✓
Association of Metropolitan Water Agencies (AMWA)	2,400	3,700	✓
AWWA Cal Nevada & National Conference (2) 2x year	1,600	3,600	✓
AWWA Fall Conference (1 staff)	550	1,200	✓
AWWA Spring Conference (1 staff)	550	1,200	✓
Bond Buyers Conference (1 Staff)	200	500	✓
California Dept. of Health Svcs Certif Stakeholder Mtg. (2 Trips)		1,200	✓
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)	500	1,200	✓
Exec. Committtee Meetings		600	New
CRWUA - Fall (3 staff)	1,350	3,750	✓
CSDA Annual Conference (1 staff)	550	700	✓
CSDA Legislative Days	175	650	New
California Council for Environmental & Economic Balance (6 Trips)	1,000	4,000	New
CUWCC Board Plenary & Committee Meetings (13 meetings)		6,980	✓
DWR Stakeholder Meetings (4x)		1,250	✓
Gov. Finance Officers Assoc. Seminar (1 staff)	200	400	✓
Information Technology Seminar (2 staff)	600	1,200	✓
Irrigation Association Annual Conference (3 staff)	1,200		✓
Liebert Cassidy & Whitmore Employment Law Conference ( 2 Staff)	950		✓
Sacramento Legislative Advocacy (18 trips)		9,500	✓
Urban Water Institute (2x )	300	300	✓
Washington Legislative Advocacy (6 trips)		11,000	✓
Water Smart Innovations (1 Staff)	400	900	✓
Miscellaneous*	2,050	2,500	✓
<b>General Fund Total **</b>	<b>\$ 22,125</b>	<b>\$ 71,130</b>	
International Assoc. of Emergency Managers (Georgia) (1 Staff)	\$ 700	\$ 1,800	New
AWWA Spring Conf. CalWARN (1 WEROC staff)		500	✓
California Emergency Services Association (2 WEROC staff)	1,480	2,000	✓
<b>WEROC Program Total</b>	<b>\$ 2,180</b>	<b>\$ 4,300</b>	
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 22,125</b>	<b>\$ 71,130</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 F

### MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2016-2017

Conference	Registration	Travel (1)	Approval included in Budget Approval
ACWA DC Conference (2 Directors)	\$ 1,250	\$ 5,000	✓
ACWA Fall Conference (3 Directors)	\$ 2,400	\$ 2,500	✓
ACWA Spring Conference (3 Directors)	\$ 2,400	\$ 5,000	✓
ACWA Region 10 (2 Directors)	\$ 150	\$ 200	✓
Bond Buyers Conference (2 Directors)	\$ 400	\$ 1,000	✓
CRWUA Fall Conf (2 Directors)	\$ 900	\$ 2,500	✓
CSDA Annual Conference (1 Director)	\$ 550	\$ 700	✓
CSDA Legislative Day (1 Director)	\$ 175	\$ 650	New
California Council for Environmental & Economic Balance (6 Trips)	\$ 1,000	\$ 4,000	New
Sacramento Legislative Advocacy (8 Trips)	-	\$ 4,000	✓
Washington DC Legislative Advocacy ( 6 trips)	-	\$ 11,000	✓
Urban Water Institute (2 Directors)	300	\$ 300	✓
Miscellaneous*	\$ 1,200	\$ 1,400	✓
TOTAL **	\$ 10,725	\$ 38,250	
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 10,725</b>	<b>\$ 38,250</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 2016-2017

	<b>Proposed Budget</b>	<b>Approval included in Budget Approval</b>
<b>Finance - 45-8810:</b>		
Hybrid storage device for records management.	14,000	New
Scanners for records management.	15,000	√
<b>Subtotal Cost Center 45</b>	<b>29,000</b>	
<b>Furniture and Fixtures- 19-8810:</b>		
Office Furniture	18,500	New
Entrance Area Displays	15,000	√
<b>Subtotal Cost Center 19</b>	<b>33,500</b>	
<b>Total Capital Expenditures</b>	<b>\$ 62,500</b>	

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

Department	Consultant	Service	Budget FY 15-16	Budget FY 16-17	* Approval included in Budget Approval
<b>Engineering Expenses</b>					
<b>Planning &amp; Operation (21)</b>	(To be determined)	Various Engineering/Technical Services	140,000	197,500	
<b>Met Issues &amp; Special Projects (23)</b>	Ed Means Consulting	Consulting on MET issues	60,000	50,000	✓
	Ron Gastelum Consulting		10,000		✓
	(To be determined)	Urban Water Management Plan	30,000		✓
	(To be determined)	MET and Reliability Planning	60,000	157,500	✓
<b>Total Engineering Expenses</b>			<b>300,000</b>	<b>405,000</b>	
<b>Legal Expenses</b>					
<b>Administration (11 &amp; 13)</b>	Best, Best & Krieger	General Legal Counsel Services	305,000	260,000	✓
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego County Water Authority	15,000	25,000	✓
	Best, Best & Krieger	Labor Counsel Services	35,000	35,000	✓
<b>Total Legal Expenses</b>			<b>355,000</b>	<b>320,000</b>	
<b>Audit Expenses</b>					
<b>Finance (41)</b>	Vavrinek, Trine, Day & Co., LLP	Annual Financial Audit and Federal Single Audit	23,000	24,000	✓
<b>Training</b>					
<b>Administration (13)</b>	TBD/Cal State University Fullerton Leadership	Staff Development/Training/indiv. Employee training	18,000	12,000	✓
<b>Professional Fees</b>					
<b>Administration (12 &amp; 13 &amp; 19)</b>	Dissinger Associates	Pension Plan Administration	4,000	4,200	✓
	(To be determined)	Evaluate fund portfolio on a semi annual basis for 401 and 457 Plan/RFP for 401 & 457	25,000		
	Wage Works	Cafeteria Plan Administration	1,800	1,900	✓
	(To be determined)	Records Management Consulting		24,900	
	(To be determined)	Scanning Services/Staffing		48,000	
<b>Governmental Affairs (31)</b>	Townsend/BBK Legislation	State Legislative Advocate	96,000	94,000	✓
	James C. Barker	Federal Legislative Advocate	96,000	94,000	✓
	Lewis Consulting	County Issues Consulting	48,000	48,000	✓
	Ackerman	Legal and Regulatory	36,000	36,000	✓
	(To be determined)	Miscellaneous	3,000	3,000	
<b>Public Affairs (32)</b>	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	34,178	34,178	✓
	(To be determined)	Public Outreach	7,500	2,000	
	(To be determined)	Collateral materials update and resolutions	5,000	5,000	
	(To be determined)	Event Registration Fees	2,500	2,500	
	(To be determined)	PAW Meeting Materials	2,500	2,500	
	(To be determined)	Client Agency Workshops for PAW	10,000	15,000	
	(To be determined)	Marketing Materials	15,000		
	(To be determined)	Surveys - Phone and IPSO	40,000	35,000	
	(To be determined)	Advertising	-	20,000	
	Tuckman/Ouwerkerk	Temp PA consultant in lieu of PA director	68,800	15,000	✓
<b>WUE - Core (35)</b>	(To be determined)	Website updates and Maintenance/New Website	35,000	60,000	
	(To be determined)	Water Savings Potential Study	60,000		
	(To be determined)	Water Loss Control		33,000	
<b>Finance &amp; IT (41 &amp; 45)</b>	Gilbert & Associates	Project Audit	5,000	5,000	✓
	Raftelis	Rate Study	75,000		
	Union Bank	Custodial Bank fees	3,000	3,000	✓
	(To be determined)	Financial Consulting	112,000	112,000	
<b>Total Professional Fees</b>			<b>785,278</b>	<b>698,178</b>	

**Trustee Activities**

Department	Consultant	Service	Budget FY 15-16	Budget FY 16-17	* 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 15-16	Budget FY 16-17	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>Water Use Efficiency (62)</b>	(To be determined)	Water Smart Landscape	50,000	50,000	
	Various Printers	Printing of marketing materials for all WUE programs	60,000	50,000	√
	Enterprise Information Systems	California Sprinkler Adjustment Program (Web Hosting)	1,200	2,400	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	72,000	66,514	√
<b>Public Affairs (67)</b>	(To be determined)	Communications Consultant	32,500		
	(To be determined)	Gas Station Pump Video Adds	35,000		
	(To be determined)	Bus Shelter Adds	7,500		
	(To be determined)	Communications Plan	-	250,000	
	(To be determined)	Movie Theaters	35,000		
	(To be determined)	Social Media Advertising	4,000		
<b>Poseidon Desal</b>	(To be determined)	(To be determined)	45,162	45,162	
<b>2008 Fund Doheny Desal</b>	(To be determined)	Decommissioning of Pilot Plant	18,797		√
<b>School Program (63)</b>	Discovery Science Center	Assemblies (Grades 1-6)	257,400	253,089	√
	(To be determined)	Assemblies (Grades 9-12)		82,400	
<b>Foundational Action Doheney Desal</b>	(To be determined)	(To be determined)	108,000		
<b>Total Professional Fees</b>			<b>791,559</b>	<b>799,565</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 2015-2016 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		\$ 172,494,402					\$ 172,494,402		\$ 172,494,402
Local Resource Program Incentives		\$ (15,450,587)					\$ (15,450,587)		\$ (15,450,587)
Retail Meter Charge	6,687,322						6,687,322		6,687,322
Ground Water Customer Charge									
Water Increment Charge		2,900							
Interest Revenue	117,675		49,000	141,807			120,575		120,575
MWDOC's Contribution			22,717,204	141,807	17,558	4,823	190,807	(190,807)	
Outside Fundings				(0)			22,881,392		22,881,392
Carryover Funds							(0)		(0)
Choice Revenue	1,615,957						1,615,957		1,615,957
Miscellaneous Income	3,000						3,000		3,000
<b>Total Revenues</b>	<b>8,423,954</b>	<b>157,046,715</b>	<b>22,766,204</b>	<b>283,613</b>	<b>17,558</b>	<b>4,823</b>	<b>188,542,867</b>	<b>(190,807)</b>	<b>188,352,060</b>
<b>Expenses:</b>									
Water Purchases		157,043,815					157,043,815		157,043,815
Salaries & Wages	3,309,949			159,880	2,098		3,471,927		3,471,927
less S & W Reimb. DSC or Recov from Grants	(23,500)						(23,500)		(23,500)
Employee Benefits	968,257			55,489	460		1,024,207		1,024,207
Engineering Expense	300,000						300,000		300,000
Professional Fees	1,541,837			3,000			24,311,041	(49,000)	24,262,041
Election Expense (annualized)									
Legal Expense - General	355,000				15,000		370,000		370,000
Maintenance Expense	137,670			4,850			142,520		142,520
Insurance Expense	96,000			1,500			97,500		97,500
Membership / Sponsorship	103,961			420			104,381		104,381
Director Compensation	220,588						220,588		220,588
MWDOC Contribution to WEROC	141,807						141,807	(141,807)	
MWDOC Contribution to Desalination									
RPOI Distribution to Member Agencies						4,823	4,823		4,823
Others:									
MWD Representation	126,050						126,050		126,050
Director Benefits	60,024						60,024		60,024
Health Insurance Coverage for Retirees	50,387				-		50,387		50,387
Audit Expense	23,000				-		23,000		23,000
Automotive & Toll Road Expenses	14,775			925			15,700		15,700
Conference Expense - Staff	19,450			1,800			21,250		21,250
Conference Expense - Directors	9,800						9,800		9,800
CDR Participation	39,740						39,740		39,740
Business Expense	6,800						6,800		6,800
Miscellaneous Expense	116,670			6,000			122,670		122,670
Postage / Mail Delivery	11,285						11,285		11,285
Rentals & Leases	19,000			19,092			38,092		38,092
Outside Printing, Subscription & Books	72,070			200			72,270		72,270
Office Supplies	29,400			1,000			30,400		30,400
Computer Maintenance	7,100			4,207			11,307		11,307
Software Support & Expense	52,500			6,750			59,250		59,250
Computers and Equipment	21,150						21,150		21,150
Telecommunications Expense	15,650			10,000			25,650		25,650
Temporary Help Expense									
Training Expense	18,000						18,000		18,000
Tuition Reimbursement	5,000						5,000		5,000
Travel & Accommodations - Staff	56,510			3,500			60,010		60,010
Travel & Accommodations - Directors	27,600						27,600		27,600
MWDOC Building Expense	400,000						400,000		400,000
WEROC Sinking Fund Expense (generator & radios)				5,000			5,000		5,000
Capital Acquisition	6,000						6,000		6,000
<b>Total Expenses</b>	<b>8,359,530</b>	<b>157,043,815</b>	<b>22,766,204</b>	<b>283,613</b>	<b>17,558</b>	<b>4,823</b>	<b>188,475,543</b>	<b>(190,807)</b>	<b>188,284,737</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ 64,424</b>	<b>\$ 2,900<sup>3</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,324</b>	<b>\$ -</b>	<b>\$ 67,323</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 2016-2017 Consolidated Budget Summary

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI <sup>1</sup>	Phase III Desalination	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	49,000	150,390				127,800	(199,390)	127,800
MWDOC's Contribution	-		4,214,738	150,391	19,505		4,746	199,390		-
Outside Fundings	-			(1)				4,389,380		4,389,380
Carryover Funds								(1)		(1)
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>-</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	(150,390)	-
MWDOC Contribution to Desalination						4,746		-		-
RPOI Distribution to Member Agencies								-		-
<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>-</b>	<b>153,789,962</b>	<b>(199,390)</b>	<b>153,590,571</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>\$ -</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.



**ACTION ITEM**  
May 18, 2016

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Karl Seckel, Harvey De La Torre

**SUBJECT: Proposed MWDOC Water Rate Resolution for Fiscal Year 2016-17**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors:

1. Increase the MWDOC Retail Meter Charge from \$10.85 to \$10.95 per meter, and
2. Assess a new Groundwater Customer Charge of \$392,666.00 to Orange County Water District, effective July 1, 2016, and
3. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2016 and January 1, 2017 as identified in the Water Rate Resolution for Fiscal Year 2016-17.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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MWDOC adopts a Water Rate Resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A is a copy of the new Water Rate Resolution. Normally, staff provides a markup copy of the new water rate resolution to show the

<b>Budgeted (Y/N): NA</b>	Budgeted amount: NA	Core <input checked="" type="checkbox"/> _X_	Choice <input type="checkbox"/>
<b>Action item amount: NA</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			



proposed changes compared to last year's version; which typically are minor in scale. However, this year with the assistance of District's Legal Counsel, Best, Best & Krieger, staff completely realigned and revised the rate resolution's recitals and sections, deleted outdated language, and incorporated a new section (e.g. Groundwater Customer Charge).

As recommended in the MWDOC Rate Study, staff is incorporating in the Rate Resolution a description of a new charge known as the Groundwater Customer Charge to Orange County Water District (OCWD) to recover the cost of services MWDOC provides to OCWD.

Below is a summary of the Proposed Rates and Charges for FY2016-17:

<b>Proposed Rates</b>	<b>Proposed Rates July 1, 2016</b>	<b>Proposed Rates January 1, 2017</b>
MWDOC Retail Meter Charge	\$10.95/meter	\$10.95/meter
MWDOC Groundwater Customer Charge*	\$392,666	-
System Access Rate	\$259.00	\$289.00
System Power Rate	\$138.00	\$124.00
Water Stewardship Rate	\$41.00	\$52.00
MWDOC Melded Supply Rate	\$156.00	\$201.00
Treatment Surcharge	\$348.00	\$313.00
Treated Full Service Rate	\$942.00	\$979.00
Untreated Full Service Rate	\$594.00	\$666.00

[\*] This is a one-time charge to OCWD

## **Attachment A – Proposed MWDOC Water Rate Resolution for Fiscal Year 2016-17**

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

WHEREAS, pursuant to Water Code sections 71614 and 71616, the Municipal Water District of Orange County ("MWDOC") is authorized to establish water rates and charges for water which will result in revenues sufficient to meet the operating expenses of the District, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with bonded debt; and,

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

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

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

WHEREAS, the Board of Directors has reviewed the water supply, water demand and replenishment conditions in the Orange County Water District (OCWD) Basin and the impact

these conditions will have on MWDOC imported water purchases from Metropolitan; and

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

WHEREAS, Metropolitan continues to levy its Standby Charge within the MWDOC service area, which will be credited against Metropolitan's Readiness to Serve Charge and will provide an equivalent offset on the Metropolitan charges imposed on MWDOC; and

WHEREAS, Metropolitan assesses the Capacity Charge to MWDOC based on MWDOC's highest cumulative peak day delivery rate in cubic feet per second (CFS) between May 1 and September 30 in the three preceding calendar years, ending on the year prior to the year of the charge being imposed; and

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

WHEREAS, the Rate Study was completed in 2016 and affirmed MWDOC's Retail Meter Charge, and added a new Groundwater Customer Charge effective with the fiscal year 2016-17 rates and charges; and

WHEREAS, beginning with the budget year commencing July 1, 2011 through June 30, 2012, the MWDOC Board approved changing the format of the budget and how certain "Choice" services are to be funded by those MWDOC member agencies and the cities of Anaheim, Fullerton and Santa Ana (3 Cities) electing to receive such services; and

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated budgets, and the methods for allocating such costs to the member agencies, and has directed staff to bill for those costs pursuant to Section 11 of this Resolution as part of MWDOC's water rates and charges; and

WHEREAS, there is a need to charge for costs associated with the transfer or wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

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

**SECTION 1.**        **RATES FOR CLASSES OF WATER SERVICE.**

The rates per acre-foot of Metropolitan water sold or delivered by MWDOC to its member agencies shall be as follows:

(a) For Full Service, including water delivered for seawater barrier and groundwater replenishment purposes and for agricultural purposes.

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

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

(b) **Drought Allocation Surcharge**

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

**SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.**

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

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

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

(b) Apportionment of Net Metropolitan RTS Charge to MWDOC's Member Agencies

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

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

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

(d) Adjustment of RTS Charge

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

prior year through an additional charge or credit. Any adjustment necessary to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

### **SECTION 3. MWDOC CAPACITY CHARGE**

#### **(a) Amount due to Metropolitan from MWDOC**

Metropolitan has notified MWDOC that for calendar year 2017, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$3,544,800. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

#### **(b) Apportionment of Metropolitan's Capacity Charge to MWDOC's Member Agencies**

The MWDOC Method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being imposed (i.e., for calendar year 2017 charges, the highest peak day flow shall be based on May 1 through September 30, 2013, 2014 and 2015). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 2017 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

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

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

**SECTION 5. MWDOC Groundwater Customer Charge**

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

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2016-17 general fund core budget. OCWD's portion of Cost Centers #21 and #23 is based on the most recent 10-year historical water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

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

The Choice services to the member agencies shall be provided and charged for as



follows for 2016-17:

- (a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from incentive payments received from Metropolitan and any other sources of funding from the program in calendar year 2015. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County and under the Integrated Regional Water Management Plans that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating member agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) School Education Program – Each participating member agency may set a target number of students for which the School Education program for grades 1-6 ("basic program") be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of \$3.91 per student. The School Education Program in fiscal year 2016-17 offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure. A High School Education Program is also offered for grades 9-12. The High School program is charged based on each member agency's school participation in their service area. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (c) 2014 Doheny Desalination Program – During fiscal year 2014-15, given an

uncertain scope of work for new Doheny activities, MWDOC requested \$10,000 from each of the five member agencies (City of San Juan Capistrano, Moulton Niguel WD, South Coast WD, Laguna Beach CWD, and San Clemente). Only three of the five agencies contributed funding (South Coast WD, Laguna Beach CWD and San Clemente). These funds were retained in fiscal year 2015-16. With the transition of the Doheny Project to South Coast Water District, the \$30,000 funds from fiscal year 2014-15 will be returned to the contributing agencies.

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

the Poseidon Choice program. MWDOC will not charge the participating member agencies during fiscal year 2016-17, and will maintain the existing accumulation of funds that will be made available for such uses as decided by the Poseidon Workgroup. Approximately \$44,416 remains in the fund.

- (f) Value of Water Communications Program – The charge for the Value of Water Communications Program Choice activities for fiscal year 2016-17 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. The Core development phase of the program initiated in fiscal year 2013-14. The first phase of implementation occurred in fiscal year 2014-15. Additional media buys and refinements of messaging and use of the public service announcement and other materials will be carried out by a combination of MWDOC and the member agencies. However, given the drought discussions occurring as the budget is being approved, the actual activities anticipated under the value of water have become uncertain this coming year. The actual work to be completed will have to be worked out between MWDOC and the participating agencies. Staff has developed and provided to the MWDOC member agencies a conceptual forecast of the CHOICE costs for the Value of Water Communications Plan for FY2016-17. It was noted that these dollar estimates are placeholders for determining the initial CHOICE selections for FY2016-17 and will not be billed with the other CHOICE selections. Instead, final decisions on the level of the CHOICE participation by the various agencies will be made later in the year. The charge for services will occur at that time.
- (g) Water Loss Control Program: The 2015 Urban Water Management Plan (“UWMP”) requires a water loss control effort to be included as a new component within one’s UWMP. MWDOC hired a consultant on December 3,

2015 for the water loss control effort, and will ask for member agency commitments towards participation for the next three years. It is estimated that the cost for the completion of this effort will range from \$9,400 to \$49,000 per year for each participating member agency based on their elected level of consultant assistance.

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

#### **SECTION 7.**        **AMP SURCHARGE.**

The surcharge on water delivered through the Allen-McColloch Pipeline, in accordance with the Diemer Agreements (the "AMP Surcharge"), shall continue to be suspended and shall not apply to water delivered through the Allen-McColloch Pipeline pending Metropolitan's completion of its performance under the Agreement for Sale and Purchase of the Allen-McColloch Pipeline, as long as Metropolitan is not in default thereunder.

## **SECTION 8. RATES AND CHARGES FOR WHEELED, EXCHANGED OR TRANSFERRED WATER**

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the member agencies for water wheeled, exchanged or transferred through exchanges with Metropolitan into the MWDOC service area in accordance with the provisions below.

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

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

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

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

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

#### **SECTION 9. MWDOC Water Supply Allocation Plan (WSAP)**

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

#### **SECTION 10. EFFECTIVE DATE.**

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

#### **SECTION 11. BILLING AND PAYMENT.**

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

for other charges as follows:

- (a) MWDOC's cost of acquisition of the water, and the AMP Surcharge (if applicable) shall be billed in the month following delivery of the water;
- (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1<sup>st</sup> of each year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. and referred to in Section 5 hereof, shall be billed to OCWD annually in advance on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

**SECTION 12. EXEMPTION FROM CEQA.**

The Board of Directors finds that the adoption of the rates and charges as set forth in this Resolution are exempt from the California Environmental Quality Act under Section

21080(b)(8) of the Public Resources Code in that the water rates established herein are for the purpose of meeting operating expenses of MWDOC, including employee wages and fringe benefits, purchasing or leasing of supplies, equipment and materials, meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas.

**SECTION 13.**        **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2016-17 budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

**SECTION 14.**        **SUPERSEDES PRIOR RESOLUTIONS.**

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

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

The rates for water service established herein are subject to Ordinance No. \_\_\_ as it may be amended from time to time.

**SECTION 16.**        **IMPLEMENTATION.**

The General Manager is directed to establish procedures to implement this Resolution.

BE IT FURTHER RESOLVED that a copy of this Resolution be sent to each of MWDOC's member agencies.



Said Resolution No. was adopted May ,2016 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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MARIBETH GOLDSBY, District Secretary  
Municipal Water District of Orange County

Exhibit A

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

Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2016/17 = <b>\$ 18,578,669.15</b>										DRAFT	
Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2016/17 = <b>\$ (7,046,385.00)</b>											
Net MWD RTS Charge = <b>\$ 11,532,284.15</b>											

\*Kevin 4/19/2016

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

2016	2017
July - December	January - June
9,856,838	8,721,831
(3,523,193)	(3,523,193)
6,333,646	5,198,639
1,055,608	866,440

6 Month RTS Charge

Estimated Standby Charge Revenue

6 Month Net RTS Charge

Monthly Net RTS Charge

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

MWDOC Share

RTS Total

MWDOC RTS

# Exhibit B

## Capacity Charge for MWDOC Member Agencies for CY 2017

DRAFT 5/3/16

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

Two shared connections not yet allocated

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

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

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

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

DRAFT

As of 4/20/2016

Program Budget	Water Use Efficiency	School Education (Elementary) [6]	School Education (High School) [6]	County Wide Communications Program [7]	Poseldon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 Refund [5]	Water Loss Control Program [8]	AMP Administration [9]	Total Choice Allocation
Draft Budget (4/13/2016) [1]										\$ -
Prior Year Adjustment [2]										\$ -
Net Project Budget	\$ -	\$ -	\$ -	\$ -	\$ 44,416	\$ 387,194	\$ -	\$ -	\$ -	\$ -
<b>No contributions needed this year</b>										
Retail Agency	Water Use Efficiency	School Education (Elementary) [6]	School Education (High School) [6]	County Wide Communications Program [7]	Poseldon Ocean Desalination[3]	Doheny 2008 [4]	Doheny 2014 Refund [5]	Water Loss Control Program [8]	AMP Administration [9]	Total Choice Program
Brea	\$ 14,213	\$ 5,574	\$ 4,594	\$ 6,792			\$ -	\$ 34,292	\$ -	\$ 65,464
Buena Park	\$ 5,041	\$ 8,223	\$ 9,247	\$ 615			\$ -	\$ 30,092	\$ -	\$ 53,218
East Orange County WD	\$ 1,526	\$ 1,104	\$ 2,000	\$ 4,207			\$ -	\$ 39,032	\$ 605	\$ 48,474
El Toro WD	\$ 41,261	\$ 5,628	\$ 4,022	\$ 7,304			\$ -	\$ 27,032	\$ 922	\$ 86,169
Fountain Valley	\$ 8,560	\$ 4,908	\$ 1,716	\$ 7,671			\$ -	\$ 9,432	\$ -	\$ 32,288
Garden Grove	\$ 15,521	\$ 18,231	\$ 3,230	\$ 15,319			\$ -	\$ 9,432	\$ -	\$ 61,734
Golden State Water Company	\$ 39,026	\$ 4,885	\$ 11,418	\$ 14,785			\$ -	\$ 27,032	\$ -	\$ 97,146
Huntington Beach	\$ 45,867	\$ 21,504	\$ 2,983	\$ 16,606			\$ -	\$ 48,672	\$ -	\$ 135,632
Irvine Ranch WD	\$ 205,611	\$ -	\$ -	\$ 19,000			\$ -	\$ -	\$ 8,356	\$ 232,967
La Habra	\$ 4,167	\$ 7,026	\$ 1,401	\$ 7,911			\$ -	\$ 34,292	\$ -	\$ 54,797
La Palma	\$ 5,798	\$ 2,708	\$ 684	\$ 4,973			\$ -	\$ 27,032	\$ -	\$ 41,196
Laguna Beach County WD	\$ 9,471	\$ 1,057	\$ 4,246	\$ 5,267			\$ (10,000)	\$ 27,032	\$ -	\$ 37,072
Mesa Water	\$ 22,494	\$ 3,327	\$ 4,762	\$ 10,786			\$ -	\$ 27,032	\$ -	\$ 68,402
Moulton Niguel WD	\$ 156,398	\$ 18,329	\$ 6,979	\$ 14,783			\$ -	\$ -	\$ 2,707	\$ 199,197
Newport Beach	\$ 37,403	\$ -	\$ -	\$ 8,170			\$ -	\$ 27,032	\$ -	\$ 72,605
Orange	\$ 27,606	\$ 8,756	\$ 1,598	\$ 12,697			\$ -	\$ 27,032	\$ 1,051	\$ 78,739
Orange County WD	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	\$ -
San Clemente	\$ 45,381	\$ 1,581	\$ 4,910	\$ 7,238			\$ (10,000)	\$ 27,032	\$ -	\$ 76,142
San Juan Capistrano	\$ 17,832	\$ 7,652	\$ 1,054	\$ 6,474			\$ -	\$ 34,292	\$ -	\$ 67,304
Santa Margarita WD	\$ 88,222	\$ 14,548	\$ 6,102	\$ 14,061			\$ -	\$ -	\$ 5,528	\$ 128,462
Seal Beach	\$ 2,664	\$ 2,391	\$ -	\$ 5,531			\$ -	\$ 9,432	\$ -	\$ 20,019
Serrano WD	\$ 7,323	\$ 1,640	\$ 737	\$ 4,404			\$ -	\$ 27,032	\$ -	\$ 41,135
South Coast WD	\$ 36,109	\$ 4,619	\$ 4,811	\$ 6,334			\$ (10,000)	\$ 27,032	\$ -	\$ 68,905
Trabuco Canyon WD	\$ 8,625	\$ 1,898	\$ 20	\$ 4,776			\$ -	\$ 27,032	\$ 337	\$ 42,688
Tustin	\$ 12,732	\$ 11,151	\$ 3,426	\$ 8,036			\$ -	\$ 27,032	\$ -	\$ 62,377
Westminster	\$ 7,869	\$ 9,143	\$ 1,421	\$ 9,992			\$ -	\$ -	\$ -	\$ 28,425
Yorba Linda WD	\$ 25,899	\$ 5,413	\$ -	\$ 8,794			\$ -	\$ 34,292	\$ 184	\$ 74,583
Anaheim	\$ 950	\$ 29,089	\$ 10,140	\$ 19,000			\$ -	\$ -	\$ 215	\$ 59,393
Fullerton	\$ 252	\$ 10,302	\$ 2,618	\$ 12,981			\$ -	\$ 27,032	\$ -	\$ 53,184
Santa Ana	\$ 5,105	\$ 42,402	\$ 5,154	\$ 19,000			\$ -	\$ 27,032	\$ -	\$ 98,693
<b>Orange County Total</b>	<b>\$ 898,928</b>	<b>\$ 255,089</b>	<b>\$ 90,640</b>	<b>\$ 292,140</b>	<b>\$ 44,416</b>	<b>\$ 387,194</b>	<b>\$ (30,000)</b>	<b>\$ 661,708</b>	<b>\$ 19,905</b>	<b>\$ 2,186,410</b>

Note: Totals may not foot due to rounding.

These numbers are draft and subject to change

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

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

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

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

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

Preliminary cost. To be confirmed on an agency by agency basis

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

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

Administration of AMP sales Agreement only paid by AMP Participants



**ACTION ITEM**  
May 18, 2016

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

Staff Contact: Karl Seckel, Harvey De La Torre

**SUBJECT: Adoption of MWDOC Ordinance to Establish Classes of Water Service and Terms and Conditions of Water Service within the District**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors: Adopt the attached Ordinance No. 53 to Establish Classes of Water Service and Terms and Conditions of Water Service within the District. (MWDOC Administrative Code Section 1117 states that MWDOC shall provide at least ten days written notice that the Board will consider the adoption of a water service Ordinance and/or rates Resolution. Staff has met this requirement by emailing the Board letter and proposed Ordinance and Resolution to the member agencies on May 5, 2016.)

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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As needed, the Board may adopt an Ordinance for water service. To reflect recent changes in water service, proposed revisions to Ordinance No. 52 are attached, which would become Ordinance No. 53, and would supersede Ordinance No. 52.

With the assistance of District's legal counsel, Best, Best, & Krieger, staff's changes from Ordinance No. 52 to Ordinance No. 53 reflect a number of revisions, edits, and elimination of outdated language and sections. Also included in the Ordinance is the addition of the new Groundwater Customer Charge to OCWD that is recommended in our Rate Study to recover the cost of service MWDOC provides to OCWD.

Attached: Adopted Ordinance No. 52 (redlined); Proposed Ordinance No. 53

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

**ORDINANCE NO. 53**

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

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

WHEREAS, MWDOC is authorized and directed by section 71616 of the Water Code of the State of California to establish water rates and charges for the sale of such water which will result in revenues sufficient to meet the operating expenses of the District, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt; and

WHEREAS, Metropolitan has established classes of service for water service available to MWDOC consisting of Treated and Untreated Full Service, and rates, charges and conditions of service applicable to each class of water service as set forth in the Metropolitan Water District Administrative Code; and

WHEREAS, MWDOC's 2001 Strategic Plan and the 2010 Update emphasizes MWDOC's role in pursuing a regional approach to providing a reliable water supply to the residents of MWDOC and Orange County; and

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**Deleted:** WHEREAS, on March 12, 2002, Metropolitan adopted a revised rate structure to become effective January 1, 2003, which eliminated or changed the method of calculation of various existing charges and added new charges for water service, consisting of a two tier water supply rate, and separate unbundled charges for system access, water stewardship, system power, water treatment; and a new charge for capacity, in addition to Metropolitan's existing Readiness-to-Serve Charge, which is imposed on MWDOC as a condition of receiving water deliveries from Metropolitan; and,¶  
WHEREAS, Metropolitan also took action in 2002 to eliminate Metropolitan's New Demand Charge, Connection Maintenance Charge, and Short Term Seasonal Storage (seasonal shift) rates effective January 1, 2003; and ¶  
WHEREAS, in 2002 and 2003, the MWDOC Administration and Finance Committee and the Board of Directors of MWDOC reviewed several options for implementation of Metropolitan's rates within MWDOC's service area; and¶

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

WHEREAS, beginning with the budget year commencing July 1, 2011, the MWDOC Board approved changing the format of the budget and how certain "CHOICE" services are to be funded by those MWDOC member agencies and others (such as the cities of Anaheim, Fullerton and Santa Ana) electing to receive such services; and

WHEREAS, pursuant to section 71614 of the California Water Code MWDOC may establish different rates for different classes of customers, and such rates shall be uniform throughout MWDOC for like classes and conditions of service; and

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

WHEREAS, the Board of Directors of MWDOC desires to adopt terms and conditions for the provision of the various classes of water service and to establish water rates and charges for such classes of service to be imposed by resolution periodically; and

WHEREAS, the MWDOC Rate Study was completed in 2016, which added a new Groundwater Customer Charge effective with the FY2016-17 rates and charges.

▼ NOW, THEREFORE, BE IT ORDAINED by the Board of Directors subject to the provisions set forth herein that Ordinance No. 52 is hereby repealed and superseded and this Ordinance No. \_\_\_\_ is adopted and enacted as follows:

SECTION 1. SCOPE:

**Deleted:** WHEREAS, in 2008 Metropolitan approved a phase-out provision in its Interim Agricultural Water Program (IAWP) for member agencies that participated in the IAWP, including MWDOC, as a result of severe limitations on Metropolitan water supplies due in part to Bay-Delta pumping restrictions; and¶  
WHEREAS, in 2012 Metropolitan took action to discontinue the Replenishment Service Program and rates effective January 1, 2013 in response to significant increases to regional storage capacity (accomplished by and in coordination with Metropolitan's Member Agencies), concerns about the Program's effectiveness, and issues regarding regional equity; and¶

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**Deleted:** Orange County Water District ("OCWD") has agreed to pay, (on behalf of its member agencies) an incremental rate on water delivered by MWDOC which directly or indirectly results in groundwater replenishment

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**Deleted:** WHEREAS, on January 17, 2001, MWDOC was consolidated with the Coastal Municipal Water District ("Coastal") into a single agency which comprises the combined territories formerly within Coastal and MWDOC. The combined agency is referred to herein as Municipal Water District of Orange County or "MWDOC," and the territory within the former Coastal Municipal Water District is referred to herein as "Coastal."¶

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- 1.1 This Ordinance establishes classes of water service, the terms and conditions for water delivery by MWDOC to Customers of the district, and "CHOICE" services as defined herein. This Ordinance shall apply to Customers of MWDOC after the effective date of the Ordinance.
- 1.2 General definitions are set forth in Section 2. Definitions concerning Rates are set forth in Section 3. Definitions for Charges are set forth in Section 4.

## SECTION 2. DEFINITIONS:

- 2.1 Whenever used in this Ordinance, the following terms shall have the meaning indicated herein:
- 2.2 "Board" shall mean the Board of Directors of MWDOC.
- 2.3 "MWDOC" shall mean the Municipal Water District of Orange County.
- 2.4 "MWDOC Member Agency" shall mean any city, county, water district, county water board, mutual water company, investor owned utility or other entity, including a joint powers agency, which receives water from MWDOC, directly or indirectly (excepting the cities of Anaheim, Fullerton and Santa Ana), the corporate area of which, in whole or in part, is included in MWDOC.
- 2.4.1 "Retail Water Meter" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is delivered to any consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within the

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preceding calendar year. Meters on dedicated fire lines shall not be considered as being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

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

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

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

2.8 "State" shall mean the State of California.

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

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

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

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

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

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2.7.1 "Groundwater Basin Manager" shall mean the agency that manages a Ggroundwater bBasin.

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

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2.16 "Groundwater Replenishment" shall mean the act of spreading or injecting water or causing water to be spread or injected, and utilizing Imported Water in-lieu of producing groundwater for the purpose of replenishing natural Groundwater Basins, without regard to the subsequent use of such water.

2.16.1 "Groundwater Replenishment by Spreading or Injecting" shall mean Groundwater Replenishment that results from the act of spreading or injecting water, and shall not include water used for Seawater Barrier Groundwater Replenishment.

2.16.2 "Seawater Barrier Groundwater Replenishment" shall mean groundwater replenishment by injection of water for the principal purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

2.16.3 "In-lieu Groundwater Replenishment" shall mean maintenance or replenishment of water supplies in Groundwater Basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to customers and their consumers from Imported Water distribution facilities in-lieu of such extraction.

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2.20 "Full Service" shall mean service of water for domestic or municipal purposes, agricultural purposes and Groundwater Replenishment purposes that is not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act or by application of the then effective MWDOC Water Supply Allocation Plan ("WSAP") or other shortage allocation plan as adopted by the Board.

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

2.22 "Recycled Water," which is sometimes referred to as non-potable water, is water that does not meet criteria established by the State Department of Health Services for domestic use, and shall mean wastewater which has been collected in a sanitary sewer system and treated within a water reclamation plant or is untreated low quality water

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extracted from Groundwater Basins, both types of water being suitable for selected non-potable uses.

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

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

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

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

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

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. The Eight-year Average is calculated as follows:¶

1. The "Unadjusted Eight-Year Average" is the average annual total of all seawater barrier, direct and iIn-lieu Groundwater rReplenishment deliveries, for the benefit of the OCWD basin, from Metropolitan to MWDOC, Coastal (prior to January 17, 2001), and the cities of Anaheim, Fullerton and Santa Ana (the "3 Cities") for the preceding eight years. (Note: This amount includes replenishment water ultimately purchased or stored by OCWD through MWDOC). ¶

2. The "3 Cities Groundwater Production Average" is the average annual combined groundwater production, and iIn-lieu Groundwater rReplenishment deliveries taken by the 3 Cities within the OCWD Groundwater bBasin for the preceding eight years.¶

3. The "Total Basin Production Average" is the average annual total groundwater production, and iIn-lieu Groun( ... [1]

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2.31 "MWDOC Member Agency Readiness-to-Serve Charge" or "MWDOC Member Agency RTS Charge" shall mean the apportionment of the Net Metropolitan RTS Charge to the MWDOC Member Agencies based upon the rolling average water sales, as may be established from time to time by the MWDOC Board.

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2.37 "MWDOC Water Supply Allocation Plan" or "WSAP" shall mean a plan established by the Board to allocate water among the MWDOC Member Agencies during times of water shortage.

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2.38 "CHOICE" services (as distinguished from "Core" services imposed on all Member Agencies) shall mean those services made available by MWDOC to its Customers on an elective basis. Each Customer will make a decision whether and to what extent it will engage the services and participate in the activities (depending on the nature of the services and the manner in which they are charged).

2.39 "Water Rate Resolution" shall mean a Resolution adopted by MWDOC periodically at the discretion of the Board that establishes MWDOC's water rates and other charges.

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Deleted: "MDOC's Incremental Rate" shall have the meaning set forth in Section 3(b) of this Ordinance No. 52.

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2.41 "MWDOC's Retail Meter Charge" shall have the meaning set forth in Section 3(b) of this Ordinance No.       .

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2.42 "AMP Surcharge" shall have the meaning set forth in Section 3(d) of this Ordinance No.       .

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2.43 "AMP Connection Charge" shall have the meaning set forth in Section 4.5(a) of this Ordinance No.       .

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2.44 "Groundwater Customer Charge" shall have the meaning set forth in Section 3(c) of this Ordinance No.       .

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### SECTION 3. MWDOC's WATER RATE:

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

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(a) The cost of acquiring water or wheeling service (i.e., for water acquired from Metropolitan, the cost of acquisition would include, a per acre foot rate based on a melding of Metropolitan's Tier 1 and Tier 2 supply rates, plus Metropolitan's System Access Charge, Water Stewardship Rate, System Power Rate, and, for Treated Water deliveries, Metropolitan's Treatment Surcharge); including other Metropolitan rates, charges, fees, penalties and other applicable charges to MWDOC; and

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(b) Retail Meter Charge - An annual basic charge for each Retail Water Meter served by a MWDOC Member Agency which is "in service" as of January 1 of each year (hereinafter referred to as "MWDOC's Retail Meter Charge").

MWDOC's Retail Meter Charge shall be set to generate revenue that, in combination with revenues derived from MWDOC's Groundwater Customer Charge, shall cover MWDOC's operating expenses and financial requirements, including reserves.

(c) Groundwater Customer Charge - An annual charge to OCWD for core services provided by MWDOC.

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

\_\_\_\_\_ The Board shall establish said the forgoing rates and charges by resolution and shall adjust the rates and charges by resolution periodically as determined appropriate by the Board in its discretion. Written notice of the proposed establishment or amendment of rates and charges and the amounts and details thereof shall be given to all member agencies not less than 10 days prior to the meeting at which such resolution will be considered.

#### SECTION 4. OTHER CHARGES:

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

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

4.2 MWDOC Capacity Charge - ~~The~~ MWDOC Capacity Charge is assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service and wheeling as a fixed charge on each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance).

**Deleted:** Beginning in Calendar Year 2003 the MWDOC Capacity Charge was recovered by a water rate applied to purchases of Full Service water and water wheeling service sufficient to recover MWDOC's cost of Capacity Charges incurred from Metropolitan. Beginning in Calendar Year 2007

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4.4 The MWDOC Readiness-to-Serve Charge and the MWDOC Capacity Charge shall be set by the Board by resolution and shall be established at a level which, in the judgment of the Board, will yield revenues sufficient to cover the charges imposed by Metropolitan upon MWDOC under Metropolitan's rates and charges for water service, provided that MWDOC's charges may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges that cannot be calculated in advance.

4.5 AMP Connection Charge

(a) As a condition to the approval for any request for a New AMP Connection, the agency requesting the New AMP Connection shall pay, in addition to the cost of constructing the service connection and all costs and fees imposed by



Metropolitan, a connection charge ("AMP Connection Charge"). The AMP Connection Charge shall be calculated upon the maximum potential flow through the requested service connection, multiplied by the average unreimbursed 1993 replacement cost, less depreciation of a cubic foot per second (cfs) of capacity at all points along the [Allen-McColloch Pipeline](#), calculated to be \$109,700 per cfs, and that price shall be escalated from 1993 to the year in which the readjustment is made at the annual interest rate of 4.0% and payment shall be made in cash at the time of the readjustment.

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

(c) The AMP Connection Charge shall terminate and shall not be applied to any New AMP Connections requested after Metropolitan completes a project which augments the capacity of the [Allen-McColloch Pipeline](#) in any amount. Notwithstanding the foregoing, an agency that has requested and obtained a new connection to the [Allen-McColloch Pipeline](#) shall not be entitled to reimbursement of all or any portion of the AMP Connection Charges already paid, by reason of Metropolitan's subsequent augmentation of the [Allen-McColloch Pipeline](#).

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

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

SECTION 5. CLASSES OF SERVICE:

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

5.1 Full Service (for Domestic and Municipal Purposes, agricultural service, and for Groundwater Replenishment),

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5.2 Emergency Service,

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5.4 Recycled Water (for selected non-potable uses). Such water shall be sold at MWDOC's cost of acquisition for Recycled Water.

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5.5 Not Used

5.6 Wheeled, Exchanged or Transfer Water

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the MWDOC Member Agencies for water wheeled or transferred into the MWDOC service area in accordance with the Water Rate Resolution

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of whether or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

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

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

6.1 General. Each year, or at such time as the General Manager may specify, each MWDOC Member Agency shall furnish MWDOC, in a form provided by MWDOC, a five-year estimate of the amounts of water to be furnished to such MWDOC Member Agency by MWDOC, and an estimate of the quantity of water anticipated to be obtained from local sources to meet the MWDOC Member Agency needs. The estimate shall constitute the MWDOC Member Agency's request for deliveries for the first of the five years covered therein.

6.2 Contents of Estimates and Certification.

6.2.1 Each estimate furnished by a Member Agency pursuant to Section 6.1 shall contain, at a minimum, for each service connection and for each month of the Fiscal Year beginning with the succeeding July 1, and for the entire MWDOC Member Agency for each month of the succeeding four Fiscal Years, the following information:

(a) The quantity of treated and Untreated Water to be delivered by MWDOC to the MWDOC Member Agency in Full Service.

6.3 Obligations in Event of Shortage.

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

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

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

7.2 Delinquent Payment. In the event any MWDOC Member Agency which receives deliveries of water from MWDOC is delinquent in payment of bills for water rates and charges, an additional charge equal to two percent (2%) of such delinquent amount shall be assessed to the MWDOC Member Agency for each month or fraction thereof in which the delinquent amount is not paid. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

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

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hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to MWDOC, and may authorize such other action as may be appropriate.

7.3 Certification of Retail Meters. On or before the first day of ~~February~~ of each year, each of MWDOC's Member Agencies shall certify the number of retail water service meters that were "in service" (see 2.4.1) within the territory of each agency which is within MWDOC as of January 1st of that year on a form provided by MWDOC. The number of meters specified thereon shall be subject to MWDOC confirmation and shall be used to calculate billings for MWDOC's Retail Meter Charge.

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

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency that requires annual reconciliation (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each ~~F~~iscal ~~Y~~ear to determine what quantity of water qualifies for the incentive or penalty. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

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7.6 Certifications. In the event water is delivered to a MWDOC Member Agency under a classification of delivery of water that requires certification, the MWDOC Member Agency must submit the required certifications, in a format provided by MWDOC, documenting the quantity of water used for such purposes.

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7.8 Reporting of Water Transfers or Exchanges. Transfers or exchanges of Imported Water between MWDOC Member Agencies affecting the calculation of the Metropolitan RTS Charge or other charges imposed by Metropolitan or MWDOC must be reported by the MWDOC Member Agency to MWDOC within sixty (60) days following the month of delivery, in order to qualify for an adjustment of the Metropolitan RTS Charge or other charges.

SECTION 8. WATER WHEELING, EXCHANGES AND TRANSFERS:

8.1 Water Wheeling, Exchanges and Transfers that will result in water being delivered into MWDOC's service area and that are entered into between two or more MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent.

SECTION 9. SUPERCEDES PRIOR RESOLUTIONS.

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

SECTION 10. SEVERABILITY:

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

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SECTION 11. EFFECTIVE DATE:

This Ordinance shall be effective July 1, 201~~6~~. Said Ordinance\_\_ was adopted, on roll call, by the following vote:

AYES: Directors

NOES: None

ABSENT: Directors

ABSTAIN: None

I certify the foregoing is a true and correct copy of Ordinance No.\_\_, adopted by the Board of Directors at its meeting held on May\_\_, 201~~6~~.

\_\_\_\_\_  
Maribeth Goldsby,  
District Secretary

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"Eight-Year Average" shall mean the adjusted average quantity of groundwater replenishment water deliveries used to calculate the total amount of MWDOC's Incremental Rate to be charged to OCWD for groundwater replenishment and in-lieu Groundwater Replenishment which shall be a fixed charge in addition to the acquisition cost of replenishment deliveries. The Eight-Year Average is calculated for each fiscal year as the average of all groundwater replenishment deliveries to the OCWD basin, including in-lieu Groundwater Replenishment to OCWD, Coastal (prior to January 17, 2001) and the cities of Anaheim, Fullerton and Santa Ana for the preceding eight years, adjusted to exclude the percentage of such deliveries attributable to the cities of Anaheim, Fullerton and Santa Ana calculated on the basis of proportionate production of groundwater from the OCWD basin. The purpose of the calculation is to exclude the 3 Cities' share of replenishment deliveries from MWDOC's Incremental Rate, whether acquired by the Cities directly or by OCWD, because as members of Metropolitan, the three Cities should not be subject to MWDOC's incremental rate.

The Eight-year Average is calculated as follows:

1. The "Unadjusted Eight-Year Average" is the average annual total of all seawater barrier, direct and in-lieu Groundwater Replenishment deliveries, for the benefit of the OCWD basin, from Metropolitan to MWDOC, Coastal (prior to January 17, 2001), and the cities of Anaheim, Fullerton and Santa Ana (the "3 Cities") for the preceding eight years. (Note: This amount includes replenishment water ultimately purchased or stored by OCWD through MWDOC).

2. The “3 Cities Groundwater Production Average” is the average annual combined groundwater production, and in-lieu Groundwater Replenishment deliveries taken by the 3 Cities within the OCWD Groundwater Basin for the preceding eight years.
3. The “Total Basin Production Average” is the average annual total groundwater production, and in-lieu Groundwater Replenishment deliveries within OCWD's jurisdiction for the preceding eight years.

The “3 Cities Production Percentage” is the “3 Cities Groundwater Production Average divided by the Total Basin Production Average.

The Eight-Year Average is calculated by reducing the Unadjusted Eight-Year Average by the 3 Cities Production Percentage of the total OCWD Groundwater Basin production attributable to groundwater production by the 3 Cities.

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

**ORDINANCE NO. 53**

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

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

WHEREAS, MWDOC is authorized and directed by section 71616 of the Water Code of the State of California to establish water rates and charges for the sale of such water which will result in revenues sufficient to meet the operating expenses of the District, provide for repairs and depreciation of works, provide a reasonable surplus for improvements, extensions and enlargements, and cover principal and interest payments and costs associated with the bonded debt; and

WHEREAS, Metropolitan has established classes of service for water service available to MWDOC consisting of Treated and Untreated Full Service, and rates, charges and conditions of service applicable to each class of water service as set forth in the Metropolitan Water District Administrative Code; and

WHEREAS, MWDOC's 2001 Strategic Plan and the 2010 Update emphasizes MWDOC's role in pursuing a regional approach to providing a reliable water supply to the residents of MWDOC and Orange County; and

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

WHEREAS, beginning with the budget year commencing July 1, 2011, the MWDOC Board approved changing the format of the budget and how certain "CHOICE" services are to be funded by those MWDOC member agencies and others (such as the cities of Anaheim, Fullerton and Santa Ana) electing to receive such services; and

WHEREAS, pursuant to section 71614 of the California Water Code MWDOC may establish different rates for different classes of customers, and such rates shall be uniform throughout MWDOC for like classes and conditions of service; and

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

WHEREAS, the Board of Directors of MWDOC desires to adopt terms and conditions for the provision of the various classes of water service and to establish water rates and charges for such classes of service to be imposed by resolution periodically; and

WHEREAS, the MWDOC Rate Study was completed in 2016, which added a new Groundwater Customer Charge effective with the FY2016-17 rates and charges.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors subject to the provisions set forth herein that Ordinance No. 52 is hereby repealed and superseded and this Ordinance No.53 is adopted and enacted as follows:

SECTION 1. SCOPE:

- 1.1 This Ordinance establishes classes of water service, the terms and conditions for water delivery by MWDOC to Customers of the district, and “CHOICE” services as defined herein. This Ordinance shall apply to Customers of MWDOC after the effective date of the Ordinance.
- 1.2 General definitions are set forth in Section 2. Definitions concerning Rates are set forth in Section 3. Definitions for Charges are set forth in Section 4.

## SECTION 2. DEFINITIONS:

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

2.2 "Board" shall mean the Board of Directors of MWDOC.

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

2.4 "MWDOC Member Agency" shall mean any city, county, water district, county water board, mutual water company, investor owned utility or other entity, including a joint powers agency, which receives water from MWDOC, directly or indirectly (excepting the cities of Anaheim, Fullerton and Santa Ana), the corporate area of which, in whole or in part, is included in MWDOC.

2.4.1 "Retail Water Meter" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is delivered to any consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within the preceding calendar year. Meters on dedicated fire lines shall not be considered as

being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

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

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

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

2.8 "State" shall mean the State of California.

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

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

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

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

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

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

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2.16 "Groundwater Replenishment" shall mean the act of spreading or injecting water or causing water to be spread or injected, and utilizing Imported Water in-lieu of producing groundwater for the purpose of replenishing natural Groundwater Basins, without regard to the subsequent use of such water.

2.16.1 "Groundwater Replenishment by Spreading or Injecting" shall mean Groundwater Replenishment that results from the act of spreading or injecting water, and shall not include water used for Seawater Barrier Groundwater Replenishment.

2.16.2 "Seawater Barrier Groundwater Replenishment" shall mean groundwater replenishment by injection of water for the principal purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

2.16.3 "In-lieu Groundwater Replenishment" shall mean maintenance or replenishment of water supplies in Groundwater Basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to customers and their consumers from imported water distribution facilities in-lieu of such extraction.

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2.20 "Full Service" shall mean service of water for domestic or municipal purposes, agricultural purposes and Groundwater Replenishment purposes that is not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act or by application of the then effective

MWDOC Water Supply Allocation Plan ("WSAP") or other shortage allocation plan as adopted by the Board.

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

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

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



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

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

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

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

2.31 "MWDOC Member Agency Readiness-to-Serve Charge" or "MWDOC Member Agency RTS Charge" shall mean the apportionment of the Net Metropolitan RTS Charge to the MWDOC Member Agencies based upon the rolling average water sales, as may be established from time to time by the MWDOC Board.

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2.37 "MWDOC Water Supply Allocation Plan" or "WSAP" shall mean a plan established by the Board to allocate water among the MWDOC Member Agencies during times of water shortage.

2.38 "CHOICE" services (as distinguished from "Core" services imposed on all Member Agencies) shall mean those services made available by MWDOC to its Customers on an elective basis. Each Customer will make a decision whether and to what extent it will engage the services and participate in the activities (depending on the nature of the services and the manner in which they are charged).

2.39 "Water Rate Resolution" shall mean a Resolution adopted by MWDOC periodically at the discretion of the Board that establishes MWDOC's water rates and other charges.

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2.41 "MWDOC's Retail Meter Charge" shall have the meaning set forth in Section 3(b) of this Ordinance No. 53.

2.42 "AMP Surcharge" shall have the meaning set forth in Section 3(d) of this Ordinance No. 53.

2.43 "AMP Connection Charge" shall have the meaning set forth in Section 4.5(a) of this Ordinance No. 53.

2.44 "Groundwater Customer Charge" shall have the meaning set forth in Section 3(c) of this Ordinance No. 53.

### SECTION 3. MWDOC's WATER RATE:

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

(a) The cost of acquiring water or wheeling service (i.e., for water acquired from Metropolitan, the cost of acquisition would include, a per acre foot rate based on a melding of Metropolitan's Tier 1 and Tier 2 supply rates, plus Metropolitan's System Access Charge, Water Stewardship Rate, System Power Rate, and, for Treated Water deliveries, Metropolitan's Treatment Surcharge); including other Metropolitan rates, charges, fees, penalties and other applicable charges to MWDOC; and

(b) Retail Meter Charge - An annual basic charge for each Retail Water Meter served by a MWDOC Member Agency which is "in service" as of January 1 of each year (hereinafter referred to as "MWDOC's Retail Meter Charge").

MWDOC's Retail Meter Charge shall be set to generate revenue that, in combination with revenues derived from MWDOC's Groundwater Customer Charge, shall cover MWDOC's operating expenses and financial requirements, including reserves.

(c) Groundwater Customer Charge - An annual charge to OCWD for core services provided by MWDOC.

(d) AMP Surcharge. A per acre-foot surcharge on water delivered through the Allen-McColloch Pipeline ("AMP Surcharge") to cover repair, maintenance and operation costs for the Allen-McColloch Pipeline to the extent

such costs are not fully assumed and paid by Metropolitan, pursuant to the Agreement for Sale and Purchase of the Allen-McColloch Pipeline.

The Board shall establish said the forgoing rates and charges by resolution and shall adjust the rates and charges by resolution periodically as determined appropriate by the Board in its discretion. Written notice of the proposed establishment or amendment of rates and charges and the amounts and details thereof shall be given to all member agencies not less than 10 days prior to the meeting at which such resolution will be considered.

#### SECTION 4. OTHER CHARGES:

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

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

4.2 MWDOC Capacity Charge –The MWDOC Capacity Charge is assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service and wheeling as a fixed charge on each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance).

4.3 Blank.

4.4 The MWDOC Readiness-to-Serve Charge and the MWDOC Capacity Charge shall be set by the Board by resolution and shall be established at a level which, in the judgment of the Board, will yield revenues sufficient to cover the charges imposed by

Metropolitan upon MWDOC under Metropolitan's rates and charges for water service, provided that MWDOC's charges may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges that cannot be calculated in advance.

#### 4.5 AMP Connection Charge

(a) As a condition to the approval for any request for a New AMP Connection, the agency requesting the New AMP Connection shall pay, in addition to the cost of constructing the service connection and all costs and fees imposed by Metropolitan, a connection charge ("AMP Connection Charge"). The AMP Connection Charge shall be calculated upon the maximum potential flow through the requested service connection, multiplied by the average unreimbursed 1993 replacement cost, less depreciation of a cubic foot per second (cfs) of capacity at all points along the Allen-McColloch Pipeline, calculated to be \$109,700 per cfs, and that price shall be escalated from 1993 to the year in which the readjustment is made at the annual interest rate of 4.0% and payment shall be made in cash at the time of the readjustment.

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

(c) The AMP Connection Charge shall terminate and shall not be applied to any New AMP Connections requested after Metropolitan completes a project which augments the capacity of the Allen-McColloch Pipeline in any amount. Notwithstanding the foregoing, an agency that has requested and obtained a new connection to the Allen-McColloch Pipeline shall not be entitled to reimbursement of all or any portion of the AMP Connection Charges already paid, by reason of Metropolitan's subsequent augmentation of the Allen-McColloch Pipeline.

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

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

## SECTION 5. CLASSES OF SERVICE:

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

5.1 Full Service (for Domestic and Municipal Purposes, agricultural service, and for Groundwater Replenishment).

5.2 Emergency Service

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5.4 Recycled Water (for selected non-potable uses). Such water shall be sold at MWDOC's cost of acquisition for Recycled Water.

5.5 Not Used

5.6 Wheeled, Exchanged or Transfer Water

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the MWDOC Member Agencies for water wheeled or transferred into the MWDOC service area in accordance with the Water Rate Resolution

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of whether or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

All sales and deliveries of water in classes established by Section 5 shall be subject to all applicable statutes and administrative regulations, including the Metropolitan Water

District of Southern California Administrative Code, as they may be amended from time to time, and to any current MWDOC policies.

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

6.1 General. Each year, or at such time as the General Manager may specify, each MWDOC Member Agency shall furnish MWDOC, in a form provided by MWDOC, a five-year estimate of the amounts of water to be furnished to such MWDOC Member Agency by MWDOC, and an estimate of the quantity of water anticipated to be obtained from local sources to meet the MWDOC Member Agency needs. The estimate shall constitute the MWDOC Member Agency's request for deliveries for the first of the five years covered therein.

6.2 Contents of Estimates and Certification.

6.2.1 Each estimate furnished by a Member Agency pursuant to Section 6.1 shall contain, at a minimum, for each service connection and for each month of the Fiscal Year beginning with the succeeding July 1, and for the entire MWDOC Member Agency for each month of the succeeding four Fiscal Years, the following information:

(a) The quantity of treated and Untreated Water to be delivered by MWDOC to the MWDOC Member Agency in Full Service.

6.3 Obligations in Event of Shortage.

The Board may provide for a method of allocation of available supplies as the Board may determine necessary, through adoption of a Water Supply Allocation



Plan for all classes of service. MWDOC shall provide any notice required by law for implementation of a reduction or interruption of any class or classes of service; however, no additional or special notice shall be required for any particular class of service as a condition of implementing a reduction or interruption of service.

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

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

7.2 Delinquent Payment. In the event any MWDOC Member Agency which receives deliveries of water from MWDOC is delinquent in payment of bills for water rates and charges, an additional charge equal to two percent (2%) of such delinquent amount shall be assessed to the MWDOC Member Agency for each month or fraction thereof in which the delinquent amount is not paid. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

Additional charges provided herein for delinquent payments may be waived by the Board upon written request by the MWDOC Member Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the MWDOC Member Agency, provided that the delinquent Member Agency reimburses MWDOC for all costs and penalties actually incurred by MWDOC as a result of the delinquent payment. In the event that any MWDOC Member Agency which receives deliveries of water from MWDOC shall be delinquent for more than thirty (30) days in the payment of billings for

MWDOC's charges, the Board, in its discretion and upon other conditions as it may prescribe, after giving the MWDOC Member Agency a twenty-day (20-day) notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to MWDOC, and may authorize such other action as may be appropriate.

7.3 Certification of Retail Meters. On or before the first day of February of each year, each of MWDOC's Member Agencies shall certify the number of retail water service meters that were "in service" (see 2.4.1) within the territory of each agency which is within MWDOC as of January 1st of that year on a form provided by MWDOC. The number of meters specified thereon shall be subject to MWDOC confirmation and shall be used to calculate billings for MWDOC's Retail Meter Charge.

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

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency that requires annual reconciliation (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each Fiscal Year to determine what quantity of water qualifies for the incentive or penalty. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

7.6 Certifications. In the event water is delivered to a MWDOC Member Agency under a classification of delivery of water that requires certification, the MWDOC Member

Agency must submit the required certifications, in a format provided by MWDOC, documenting the quantity of water used for such purposes.

7.7 Blank

7.8 Reporting of Water Transfers or Exchanges. Transfers or exchanges of Imported Water between MWDOC Member Agencies affecting the calculation of the Metropolitan RTS Charge or other charges imposed by Metropolitan or MWDOC must be reported by the MWDOC Member Agency to MWDOC within sixty (60) days following the month of delivery, in order to qualify for an adjustment of the Metropolitan RTS Charge or other charges.

SECTION 8. WATER WHEELING, EXCHANGES AND TRANSFERS:

8.1 Water Wheeling, Exchanges and Transfers that will result in water being delivered into MWDOC's service area and that are entered into between two or more MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent.

SECTION 9. SUPERCEDES PRIOR RESOLUTIONS.

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

SECTION 10. SEVERABILITY:

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

SECTION 11.EFFECTIVE DATE:

This Ordinance shall be effective July 1, 2016. Said Ordinance No. 53 was adopted, on roll call, by the following vote:

AYES: Directors

NOES: None

ABSENT: Directors

ABSTAIN: None

I certify the foregoing is a true and correct copy of Ordinance No. 53, adopted by the Board of Directors at its meeting held on May 18, 2016.

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Maribeth Goldsby,  
District Secretary



**ACTION ITEM**  
May 18, 2016

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contact:** Hilary Chumpitazi

**SUBJECT:** **Annual Review of District Investment Policy and Guidelines**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors: Adopt Resolution incorporating the changes made to the Administrative Code (in June 2015).

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**DETAILED REPORT**

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MWDOC's Administrative Code requires an annual review of this policy. In October 2012, the Board adopted Resolution No. 1942, establishing the District's Investment Policy and Guidelines, and then in June 2015, the Board made some minor revisions to the Policy when the Administrative Code was revised.

The attached red-lined version represents the changes made to the Administrative Code and staff recommends no further changes at this time.

Budgeted (Y/N): Y	Budgeted amount: \$75,000	Core _X_	Choice __
Action item amount: NA		Line item: 7040-2000-41	
Fiscal Impact (explain if unbudgeted):			

**RESOLUTION NO.  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
INVESTMENT POLICY AND GUIDELINES**

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**RESOLUTION NO.  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
INVESTMENT POLICY AND GUIDELINES  
2016**

BE IT RESOLVED by the Board of Director of the Municipal Water District of Orange County that the following is the policy and guidelines of the District for investment of funds and rescinds prior Resolution No. 1942, dated October 17, 2012.

**SECTION 2100 - PURPOSE**

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

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

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

**SECTION 2101 - STATUTORY AND DELEGATED AUTHORITY**

Authority to manage the investment of surplus funds is derived from California Government Code Sections 53601, et seq. In accordance with Section 53607 of the Government Code of the State of California, the authority of the Board of Directors to invest public funds may be delegated to the Treasurer for a one-year period, which may be renewed annually.

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

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

The delegations in Resolution Nos. 1277 and 1434 are renewed on the adoption of this Policy.  
The Treasurer shall be responsible for all transactions undertaken and shall establish procedures and a system of internal controls to regulate the activities of subordinate officials.

#### **SECTION 2102 - ORGANIZATION**

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

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

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

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

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

#### **SECTION 2103- INVESTMENT PHILOSOPHY**

Except where specifically directed by the State Constitution, statutes or regulations, the general investment policies of MWDOC will be guided by the prudent investor standard ("Standard") set forth in California Government Code Section 53600.3. Under this Standard, those with investment responsibility for public funds are trustees and, as trustees, shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of MWDOC, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of the agency.

This Standard shall be applied in the context of managing the overall investment portfolio. The investment officer, acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's



credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

#### **SECTION 2104 - SCOPE**

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

Deleted: WFC

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

- Operating and Fiduciary Funds - These funds are to provide for the ordinary annual operating expenses of MWDOC (General Fund, Water Fund) and Funds to provide for trustee functions and expenditures (WFC, with the exception of the Debt Service Reserve) and other specified reoccurring and non-reoccurring purposes where MWDOC serves in a fiduciary role. These funds are considered "short-term" for investment purposes and will be invested to provide the safety and liquidity to meet all anticipated expenditures.
- Reserve Funds – These funds are designated for contingencies or emergencies and may be used to supplement the other funds as necessary. These funds may be invested "longer-term" as defined in this Investment Policy.

#### **SECTION 2105- INVESTMENT OBJECTIVES**

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing MWDOC's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of MWDOC. The third objective is to achieve a maximum return on invested funds (California Government Code Section 53600.5.). It is the policy of MWDOC to invest funds in a manner to obtain the highest yield possible while meeting the daily cash flow demands of MWDOC as long as investments meet the criteria established by this investment policy for safety and liquidity and conform to all laws governing the investment of MWDOC's funds.

##### **Safety of Principal.**

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

1) Credit risk will be mitigated by:

- (a) Limiting investments to only the most creditworthy types of permissible investments as described in Section 2106;
- (b) By pre-qualifying the financial institutions with which the Agency will do business; and
- (c) By diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

2) Interest rate risk will be mitigated by:

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

**Liquidity**

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

**Rates of Return**

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

**SECTION 2106- INVESTMENT POLICY GUIDELINES**

MWDOC authorized investment types, amounts, maturities, and other characteristics are stated in the Government Code Section 53601 (as periodically amended), and with the following exceptions as noted below.

- ° Collective Investment (Pools) - Assets of any of the funds may be invested in collective investment pools run and managed by other public bodies and banks that are approved by the Board of Directors. However, no such investment shall be made in a pool where the investment objectives differ from the investment objectives listed in Section 2105 of this investment policy, nor should any investment be made in a fund that engages in market timing or anticipating interest rate changes or that uses derivatives or other securities other than as a hedge against interest rate risk.

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- Money Market Mutual Funds - Investment in shares of money market mutual funds may be made if the investments meet the same restrictions as those of collective investment pools described in Section 2105. In addition, purchase of these funds must not result in payment of a purchase premium or commission. These mutual funds must attain the highest ranking of two nationally recognized ratings services and the investment adviser must be registered with the Securities and Exchange Commission (SEC) as an investment adviser with not less than five years experience managing market mutual funds with investment portfolios of greater than \$500 million.
- Cash Holdings - The portfolio will hold sufficient cash equivalent investments to ensure availability of sufficient funds to meet known obligations for the next three months. Idle cash will be invested to the fullest extent practicable in interest-bearing investments.
- Other permissible investments for the Operating and Fiduciary funds are:
  - Bank checking accounts, time deposits or certificates of deposit not to exceed the current Federal Deposit Insurance Corporation (FDIC) limit without being collateralized. Negotiated certificates of deposit shall not exceed 20% of portfolio in effect immediately after such investment.
  - U.S. Treasury obligations.
  - U.S. Government Agency obligations and, U.S. Government Instrumentality obligations.
  - Prime Commercial Paper rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment).
  - Prime Banker's Acceptances rated A-1/P-1/F-1 by Moody's, Standard and Poor's or Fitch (shall not exceed 20% of portfolio in effect immediately after such investment).
  - Corporate Securities (Medium-Term Notes) with a rating of "A" or better by at least two nationally recognized rating services (shall not exceed 30% of portfolio in effect immediately after such investment)
  - Loans with an agreement for the collateral to be repurchased by the borrower (Repurchase Agreements); the amount of such instruments will not exceed 10% of the market value of the portfolio. U.S. Treasury and Agency securities are acceptable collateral with a market value of at least 102% of the value of the Repurchase Agreement. Prior to investment, a Master Repurchase Agreement will be signed with the qualified counterparty.
- Permissible investments for Reserve Funds are:
  - All investments permitted for the Operating and Fiduciary funds, except maturities may not exceed five years without Board approval prior to investment.
  - Corporate Securities with a rating of "A" or better by at least two nationally recognized rating service (shall not exceed 20% of portfolio in effect immediately after such investment).
- Prohibited Investments and Investment Practices - The following are prohibited:
  - Purchases on margin or short sales.
  - "Derivative" securities of any type.
  - Lending securities with an agreement to buy them back after a stated period of time (Reverse Repurchase Agreements).

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- Futures, Options and Margin Trading
  - In no instance shall a swap be used in speculation. Losses are only acceptable if the proposed swap or trade can clearly enhance quality or yield (value) over the life of the new security on a Total Return basis.
  - Investments are limited to maturities of five years or less without express authorization of the Board prior to the investment.
- Diversification - The investment portfolio will be diversified to avoid undue concentration in securities of one type or securities of one financial institution, so that no single investment or class of investments can have a disproportionate impact on the total portfolio. This restriction does not apply to U.S. Treasury securities.
  - Exemptions - Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by the current policy.

#### **SECTION 2107 - EXECUTION**

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

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

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

#### **SECTION 2108 - PERSONAL CONDUCT**

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

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

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall be governed in their personal investment activities by the codes of

conduct established by the applicable state statutes, the Financial Industry Regulatory Authority (FINRA), the Securities and Exchange Commission, and the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

All persons responsible for investment decisions or who are involved in the management of MWDOC assets shall refrain from any personal business activity that could conflict with the proper execution and management of the MWDOC investment program, or that could impair their ability to make impartial investment decisions.

#### **SECTION 2109 - REPORTING**

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

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

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

#### **SECTION 2110 - GLOSSARY**

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

**BROKER:** A broker brings buyers and sellers together for a commission.

**BROKER-DEALER:** A person or firm acting as a principal in securities transaction as either a broker or a dealer depending on the transaction. Technically, a broker is only an agent who executes orders on behalf of clients, whereas a dealer acts as a principal and trades from the firm's own account. Transaction confirmations must disclose this information. Because most

brokerage firms act as both brokers and principals, the term broker-dealer is commonly used to describe them.

**CASH EQUIVALENTS (CE):** Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR):** The official annual report of ~~MWD~~OC. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**COUPON:** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (*e.g., U.S. Treasury Bills.*)

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

Deleted: the (entity).

**DURATION:** A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

**FEDERAL CREDIT AGENCIES:** Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per entity.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL (LGIP):** The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.



**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

**REPURCHASE AGREEMENT (REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):** A reverse-repurchase agreement (reverse repo) involves an investor borrowing cash from a financial institution in exchange for securities. The investor agrees to repurchase the securities at a specified date for the same cash value plus an agreed upon interest rate. Although the transaction is similar to a repo, the purpose of entering into a reverse repo is quite different. While a repo is a straightforward investment of public funds, the reverse repo is a borrowing.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15(C)3-1:** See Uniform Net Capital Rule.

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**TOTAL RETURN:** A measure of performance, Total Return is the actual rate of return of an investment or a pool of investments, over a given evaluation period. Total Return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed-income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) INCOME YIELD is obtained by dividing the current dollar income by the current market price for the security. (b) NET YIELD or YIELD TO MATURITY is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

BE IT FURTHER RESOLVED the investment policy shall be reviewed by the Administration and Finance Committee annually, and as frequently as necessary, to enable the Treasurer to respond to changing market conditions;

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

AYES: Directors  
NOES: None  
ABSTAIN: None  
ABSENT: Directors

I certify the foregoing is a true, full and correct copy of Resolution No.1942 adopted by the Board of Director of Municipal Water District of Orange County at its Regular meeting held on May 18, 2016.

\_\_\_\_\_  
Maribeth Goldsby, District Secretary  
Municipal Water District of Orange County

Deleted: Clark, Dick, Hinman, Osborne & Thomas

Deleted: Barbre and Finnegan

Deleted: October

Deleted: 171

Deleted: 2



**INFORMATION ITEM**

May 11, 2016

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

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

Staff Contact: Hilary Chumpitazi

**SUBJECT:**   **Rebate Program – 1099 Update**

**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 2,475 1099's electronically with the IRS on Friday, April 29, 2016. We had an 82% return rate on our request for W-9's completed by our 2015 turf rebate recipients.

As of yet, there has been no action taken on the bill to approve the federal tax exemption for water rebates.

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

**Administration Activities Report  
April 4, 2016 to May 5, 2016**

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, as well as a couple of comprehensive research projects</li> <li>• Maribeth reapplied for the Transparency of Excellence award and is currently awaiting a response (the District was notified that a response will be made in May or June)</li> <li>• Maribeth is orchestrating updates to the Open Government Portal and recommending changes/updates.</li> <li>• Maribeth continues to send the Water Supply Reports to the member agencies</li> <li>• Maribeth responded to a Public Records Act request</li> <li>• Maribeth participated in a Webinar regarding SB 272 (Technology requirements relating to the Public Records Act)</li> <li>• Maribeth orchestrated the logistics for the Elected Officials Forum.</li> <li>• Maribeth is orchestrating the conservation awards</li> <li>• Pat has been scheduling meetings for Karl, Keith and Harvey, MET Directors' luncheon meeting, OC MET Managers and ordering lunches for several meetings.</li> <li>• Pat prepared and sent out dues' payment letters to the ISDOC membership. She also updated the 2016 ISDOC Directory.</li> <li>• Pat has been scheduling meetings for Karl, Keith and Harvey, MET Directors' luncheon meeting, OC MET Managers and ordering lunches for several meetings.</li> <li>• Pat proofed and formatted letters for Rob, Karl, Joe and Heather</li> <li>• Pat registered staff and board members for the ACWA Conference, and scheduled travel for ACWA Federal Affairs and Legislative Committees, Advocacy Trip, CUWCC, and other misc. travel and/or workshops, which</li> </ul>

	<p>includes preparation of purchase requisitions and back-up.</p> <ul style="list-style-type: none"> <li>• Pat scanned and emailed Managers' meeting handouts to our agency managers.</li> </ul>
<b>MWDOC/OCWD Joint Administration</b>	<ul style="list-style-type: none"> <li>• Cathy is working closely with OCWD and the design firm in completing the punch list of items on the recent remodel for the joint areas and MWDOC's lobby and restrooms.</li> </ul>
<b>Health Benefits</b>	No information to report.
<b>Records Management</b>	<ul style="list-style-type: none"> <li>• Sarah purged 1 box of outdated reference materials from the Library.</li> <li>• Sarah prepared a destruction order for 73 boxes of Water Use Efficiency files at Iron Mountain.</li> <li>• Sarah &amp; Pari purged 2 boxes of Water Use Efficiency files from the vault</li> <li>• Sarah, Kevin, and Karl purged 10 boxes of redundant files from Richard Bell's office</li> <li>• Sarah prepared 6 boxes of previously scanned documents to send to South Coast Water District</li> <li>• Maribeth, Sarah, and Patrick participated in a CSDA Webinar about Public Records Act Requests</li> <li>• Katie is conducting a search to locate Records Management consultants so that an RFP can be sent out to assist in moving forward with completing tasks outlined in the recent Records Management Needs Assessment report.</li> </ul>
<b>CalPERS</b>	No information to report.
<b>Agency Inquiries</b>	<p>Cathy responded to the following agencies:</p> <ul style="list-style-type: none"> <li>• Inquiry from Central Basin Municipal Water District regarding Directors per diem and benefits.</li> <li>• Inquiry from Moulton Niguel Water District regarding General Manager Salary and benefits.</li> <li>• Inquiry from Mesa regarding Legal Counsel services and fees.</li> </ul>
<b>Recruitment /Departures</b>	<ul style="list-style-type: none"> <li>• Recruitment for Principal Engineer position is underway.</li> <li>• Cathy and Katie are currently assisting the Water Use Efficiency department in developing a recruitment flyer for the Water Use Efficiency Specialist position.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cathy is coordinating with the General Manager on Recruitment efforts for the Director of Public Affairs position.</li> <li>• Ivan Flores began his assignment as the Public Affairs Intern on April 25<sup>th</sup>. Ivan recently graduated from the University of California Merced with a Bachelors in Political Science and is attending Cal State Fullerton to obtain his Master's in Public Administration.</li> <li>• WEROC Coordinator Brandon Stock resigned from his position as of April 28<sup>th</sup>. HR and Kelly Hubbard will be reviewing the position, update the job description and develop a recruitment flyer.</li> <li>• Recruitment is also underway for an Engineering/WEROC intern.</li> </ul>
<b>Projects and Activities</b>	<ul style="list-style-type: none"> <li>• Cathy is continuing to work with the Pacific Design Center to evaluate the upcoming office areas to be renovated (MWDOC lobby and restrooms) and office space planning options to make better use of existing office space and work stations.</li> <li>• The new color copier will be installed on May 18<sup>th</sup> and Katie is coordinating those efforts with IT, staff and previous vendor.</li> </ul>



**INFORMATION ITEM**  
**May 11, 2016**

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

**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 2015-16. Highlighted items reflect updates from last month.

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
Preparation of documents for FY16-17 budget process.	<b>90%</b>	5/31/16	In Progress
Rate Study Services – Raftelis	<b>100%</b>	05/11/16	Raftelis final report delivered on May 11 <sup>th</sup> .
1099 filing with IRS. Filed 2,440 1099's with IRS electronically on April 29 <sup>th</sup> .	<b>100%</b>	05/02/16	Completed
2016 W-9 collection for water rebates. Currently holding 43 April rebate checks out of 662 awaiting completed W-9's.	<b>94%</b>	05/16/16	In Progress
<b><u>Information Technology</u></b>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Implement and install E-mail Archiver system.	<b>90%</b>	6/30/16	In Progress
Upgrade Exchange E-mail Server to the latest version	<b>70%</b>	6/30/16	In Progress
Upgrade District Desktop Computers to Windows 10	<b>90%</b>	6/30/15	In Progress

Description	% of Completion	Estimated Completion date	Status
<b><u>FY 2015-16 Completed Special Tasks</u></b>			
<b><u>Finance</u></b>			
Rate Study RFP	<b>100%</b>	12/16/15	Completed
MetLife Global security matured. Re-invested in Wells Fargo corp. security 4yr at 2.55% and HSBC Bank 5yr callable step-up note at 1.55%.	<b>100%</b>	01/21/16	First call on callable is 01/21/18 and steps to 2.25%. 1% increase each year.
All 1099's and W2's sent out on time including 2,877 from Turf and Spray-to-Drip programs.	<b>100%</b>	02/01/16	Completed
<b><u>Information Technology</u></b>			
Recycle obsolete and non-functional IT Equipment.	<b>100%</b>	1/28/16	Completed
Virtualize and migrate HR ABRA database Server	<b>100%</b>	2/1/16	Completed