

REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
18700 Ward Street, Board Room, Fountain Valley, California  
May 17, 2017, 8:30 a.m.

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**AGENDA**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENTS/PARTICIPATION**

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

**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>.

**NEXT RESOLUTION NO. 2050**

**CONSENT CALENDAR (Items 1 to 10)**

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

**1. MINUTES**

- a. April 5, 2017 Workshop Board Meeting
- b. April 4, 2017 Special Board Meeting
- c. April 19, 2017 Regular Board Meeting
- d. April 26, 2017 Special Board Meeting

*Recommendation: Approve as presented.*

**2. COMMITTEE MEETING REPORTS**

- a. Planning & Operations Committee: April 3, 2017
- b. Administration & Finance Committee: April 12, 2017
- c. Public Affairs & Legislation Committee: April 17, 2017
- d. Executive Committee Meeting: April 20, 2017

*Recommendation: Receive and file as presented.*

**3. TREASURER'S REPORTS**

- a. MWDOC Revenue/Cash Receipt Register as of April 30, 2017
- b. MWDOC Disbursement Registers (April/May)

*Recommendation: Ratify and approve as presented.*

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of March 31, 2017
- d. PARS Monthly Statement (OPEB Trust)
- e. Water Use Efficiency Projects Cash Flow

*Recommendation: Receive and file as presented.*

**4. FINANCIAL REPORT**

- a. Combined Financial Statements and Budget Comparative for the period ending March 31, 2017
- b. Quarterly Budget Report

*Recommendation: Receive and file as presented.*

**5. WEROC SOUTH EMERGENCY OPERATIONS CENTER (EOC) SEISMIC STUDY CONSULTANT APPROVAL**

*Recommendation: Approve the selection of IDS Group to conduct a Seismic Assessment of the WEROC South EOC.*

**6. DISTRICT CONFERENCES**

- a. Orange County Business Council Advocacy Trip, Washington, DC, May 1-3, 2017

*Recommendation: Ratify attendance at the OCBC Advocacy conference.*

**7. SELECTION OF FINANCIAL CONSULTANT SERVICES**

*Recommendation: Authorize the General Manager to enter into a professional services contract with Davis Farr LLP for Financial Consultant Services for up to five (5) years.*

**8. AWARD CONTRACT ON FINANCIAL STATEMENT AUDIT SERVICES**

*Recommendation:* Authorize the General Manager to enter into an audit contract with Vasquez & Company LLP, to perform an annual financial audit of the District's financial statements for FY 2017-18, in an amount of \$23,300, with an option to renew the agreement for up to four additional one-year terms at slightly higher amounts, not to exceed \$25,220/year.

**9. TRAVEL TO WASHINGTON, D.C. TO COVER FEDERAL INITIATIVES**

*Recommendation:* Receive and file report.

**10. TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES**

*Recommendation:* Receive and file report.

– End Consent Calendar –

**ACTION ITEMS****11-1 APPROVAL of MWDOC'S FINAL BUDGET FOR 2017-18**

**RES. NO. \_\_\_\_\_**

*Recommendation:* Adopt resolution approving the budget as proposed or approve a modified budget based on Board amendments.

**11-2 PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2017-18**

**RES. NO. \_\_\_\_\_**

*Recommendation:* (1) Increase the MWDOC Retail Meter Charge from \$10.95 to \$12.10 per meter, and the Groundwater Customer Charge from \$392,666 to \$473,560, effective July 1, 2017; and (2) Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2017 and January 1, 2018 as identified in the Water Rate Resolution for Fiscal Year 2017-18.

**11-3 H.R. 1430 (LAMAR SMITH, R-TX) – HONEST AND OPEN NEW EPA SCIENCE TREATMENT ACT OF 2017**

*Recommendation:* Adopt a watch position on H.R. 1430 (Smith, TX).

**11-4 H.R. 1431 (FRANK LUCAS, R-OK) – EPA SCIENCE ADVISORY BOARD REFORM ACT OF 2017**

*Recommendation:* Adopt a watch position on H.R. 1431 (Lucas, OK).

**11-5 H.R. 1654 (MCCLINTOCK, R-CA) – WATER SUPPLY PERMITTING COORDINATION ACT**

*Recommendation:* Adopt a support position on H.R. 1654 (McClintock, CA).

**11-6 SB 231 (HERTZBERG) – LOCAL GOVERNMENT FEES AND CHARGES**

*Recommendation: Adopt a watch position on SB 231 (Hertzberg).*

**11-7 AUTHORIZATION TO CONTRACT FOR MWDOC ENTRY HALLWAY**

*Recommendation: Authorize entering into a contract with Bang! Creative Inc. for the design, construction, and installation of a display in the MWDOC entry hallway at a cost of \$31,937.*

**11-8 ASSOCIATION OF CALIFODRANIA WATER AGENCIES (ACWA) REGION 10  
CALL FOR CANDIDATES RES. NO. \_\_\_\_\_**

*Recommendation: The Public Affairs & Legislation Committee will review this item on May 15, 2017 and make a recommendation to the Board.*

**11-9 AUTHORIZATION TO PARTICIPATE IN SOUTHERN CALIFORNIA WATER  
COMMITTEE CALIFORNIA WATERFIX EDUCATION CAMPAIGN**

*Recommendation: Consider participating in the Southern California Water Committee's (SCWC) California WaterFix Education Campaign. SCWD is requesting contributions of \$30,000 from water agencies in its portfolio of members consisting of both public and private entities.*

**INFORMATION CALENDAR** (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

**12. GENERAL MANAGER'S REPORT, MAY 2017 (ORAL AND WRITTEN)**

*Recommendation: Receive and file report(s) as presented.*

**13. MWDOC GENERAL INFORMATION ITEMS**

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

*Recommendation: Receive and file as presented.*

**ADJOURNMENT**

Note: 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 contacting 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.

**MINUTES OF THE WORKSHOP BOARD MEETING  
OF THE BOARD OF DIRECTORS OF  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)  
WITH THE MWDOC MET DIRECTORS**

April 5, 2017

At 8:30 a.m. President Osborne called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWDOC) at the District facilities located in Fountain Valley. Director Thomas led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Brett R. Barbre\*  
Larry Dick\*  
Joan Finnegan  
Wayne Osborne  
Megan Yoo Schneider  
Sat Tamaribuchi  
Jeffrey M. Thomas

**MWDOC STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Joe Byrne, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Harvey De La Torre, Associate General Mgr.  
Melissa Baum-Haley, Sr. Water Resource Analyst  
Kevin Hostert, Water Resources Analyst  
Charles Busslinger, Principal Engineer  
Joe Berg, Director of Water Use Efficiency

\*Also MWDOC MET Directors

**OTHER MWDOC MET DIRECTORS**

Larry McKenney  
Linda Ackerman

**OTHERS PRESENT**

Demetri Polzos  
Fred Adjarian  
William Kahn  
Mark Monin  
Jose Vergara  
Mike Dunbar  
Peer Swan  
Paul Weghorst  
Paul Shoenberger  
Don Froelich  
Bill Hunt  
John Kennedy  
Saundra Jacobs  
Dennis Erdman  
Rick Erkeneff  
Andy Brunhart  
Al Nederhood  
Ed Means  
Kelly Rowe  
Debbie Cook

Metropolitan Water District of So. Calif.  
El Toro Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
Emerald Bay Service District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water  
Moulton Niguel Water District  
Orange County Water District  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Means Consulting  
Water Resources Consultant

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED** - Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting with General Manager Hunter responding no items were distributed.

**PUBLIC PARTICIPATION/PUBLIC COMMENTS**

President Osborne inquired whether any members of the public wished to comment on agenda items.

**ACTION ITEM**

**H.R. 1269 (LAMALFA, R-CA) – SACRAMENTO VALLEY WATER STORAGE AND RESTORATION ACT**

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (7-0), the Board adopted a support position on H.R. 1269 and authorized staff to send a letter to the bill's author(s) and members of the Orange County Congressional delegation. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, Tamaribuchi, and Thomas voted in favor.

**PRESENTATION/DISCUSSION/INFORMATION ITEMS**

**INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION**

Director Sandra Jacobs (Santa Margarita Water District) asked for a status update on the Colorado River Drought Contingency Agreement, with General Manager Hunter noting that the that potential updates/discussions to the Drought Contingency Agreement have been delayed due to significant rainfall which has improved Lake Mead water levels.

Director Barbre reported on his participation on MET's Finance & Insurance Committee, noting that the fixed treatment charge issue should be finalized in April (noting it will result in either status quo or a new charge).

Director Dick noted that MET's continued focus is the California WaterFix, IRP policy discussions, and the fixed treatment charge.

Director Ackerman noted that negotiations continue regarding the California WaterFix.

Director McKenney updated the Board on the Conservation & Local Resources Committee, as well as the IRP Committee activities.

Discussion ensued regarding the Oroville Dam and recent structural damage and how this may affect the California WaterFix. Directors McKenney and Barbre both commented that they believe the Oroville issues may increase the speed of the WaterFix negotiations.

### **WATER SUPPLY CONDITION UPDATE AND ORANGE COUNTY PERFORMANCE REPORT FOR JANUARY 2017**

Water Resources Analyst Kevin Hostert reported on Orange County's water supply conditions and conservation performance for January 2017, noting that for the month of January Orange County saved 27%, exceeding the MWDOC Countywide saving goal of 10%. He also reviewed supply conditions, reservoir storage, snowpack levels, rainfall amounts, and the "Table A" State Water Project Allocations for 2017 (set at 60% for 2017).

Discussion was held regarding Northern California rainfall amounts, potential calculations for indoor usage, and total rainfall for Southern California as a whole.

### **PRESENTATION BY DEMETRI POLZOS OF THE METROPOLITAN WATER DISTRICT ON THE STATE WATER CONTRACTORS' CURRENT AND FUTURE INVOLVEMENT IN STATE WATER PROJECT OPERATIONS AND MAINTENANCE OF ITS SYSTEM AND FACILITIES**

Mr. Demetri Polzos provided an overview of the State Water Project (SWP), which included information regarding its framework, contracting agencies and their respective contract percentages, and the SWP's cost to MET (MET's largest annual expenditure). Mr. Polzos also reviewed the process for recovery of water system costs, the allocation of water system costs, an overview of the current FY 2016/17 SWP net charges (projections) as well as SWP charges and water receipts. He outlined the actions underway to control cost growth, opportunities to be part of the decision making process, and an overview of the California WaterFix and its impact on the SWP.

Discussion ensued regarding MET's storage levels (MET is planning on exceeding its historical deliveries to storage this year), the increase in labor costs on the SWP (in an effort to retain the best employees), soil issues, the impact that warm weather on the snow pack may have on Oroville, pumping capacities needed to capture more water, the need to place more water in the groundwater basins (staff is working with MET and OCWD on a Cyclic Storage Agreement), and the amounts OCWD has purchased for refilling the basin.

The Board received and filed the report.

### **MWD ITEMS CRITICAL TO ORANGE COUNTY**

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

The Board received and filed the information as presented.

**METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

- a. Summary regarding February/March MET Board Meetings
- b. Review Items of significance for the Upcoming MET Board and Committee Agendas

No new information was presented; the information was received and filed.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 10:30 a.m.

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Maribeth Goldsby  
Board Secretary



MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
April 4, 2017

At 9:00 a.m., President Osborne called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors in Conference Room 101 at the District facilities, 18700 Ward Street, Fountain Valley, California.

**MWDOC DIRECTORS**

Brett R. Barbre  
Larry Dick  
Joan Finnegan  
Megan Yoo Schneider (absent)  
Wayne Osborne  
Sat Tamaribuchi (absent)  
Jeffery M. Thomas

**STAFF PRESENT**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Hilary Chumpitzi, Accounting Manager  
Damon Micalizzi, Dir. Of Public Affairs  
Heather Baez, Governmental Affairs Mgr.  
Cathy Harris, Admin. Services Manager  
Kelly Hubbard, WEROC Programs Manager  
Linda Ackerman, MWDOC MET Director  
Joe Diaz, Legal Counsel

**PUBLIC COMMENTS**

No public comments were received.

**WORKSHOP ITEM**

**HARASSMENT PREVENTION TRAINING CONDUCTED BY LEGAL COUNSEL  
(BEST, BEST & KRIGER)**

Mr. Joe Diaz of Best, Best & Krieger conducted a Sexual Harassment Prevention Training course as required under AB 1661.

**ADJOURNMENT**

There being no further business to come before the Board, President Osborne adjourned the meeting at 11:15 a.m.

**Respectfully submitted,**

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Maribeth Goldsby, Secretary

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
April 19, 2017**

At 8:30 a.m., President Osborne called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Brett R. Barbre (absent)  
Larry Dick  
Joan Finnegan (absent)  
Wayne Osborne  
Sat Tamaribuchi  
Jeffery M. Thomas  
Megan Yoo Schneider

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Jeff Dunn, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Harvey De La Torre, Associate General Manager  
Damon Micalizzi, Director of Public Affairs  
Jonathan Volzke, Public Affairs Manager  
Joe Berg, Director of Water Use Efficiency  
Kevin Hostert, Water Resources Analyst  
Melissa Baum-Haley, Sr. Water Resources Analyst  
Heather Baez, Governmental Affairs Manager  
Keith Lyon, Principal Analyst  
Charles Busslinger, Principal Engineer

**ALSO PRESENT**

Larry McKenney  
Linda Ackerman  
William Kahn  
Dennis Erdman  
Rick Erkeneff  
Andy Brunhart  
Al Nederhood  
Brooke Jones  
Patty Quilizapa  
Christine Carson

MWDOC MET Director  
MWDOC MET Director  
El Toro Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Yorba Linda Water District  
Metropolitan Water District of So. Calif.  
Aleshire & Wynder

**ACKNOWLEDGEMENT OF KEITH LYON ON THE OCCASION OF HIS RETIREMENT**

Assistant General Manager Karl Seckel, presented Keith Lyon a Proclamation on this occasion of his retirement.

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

President Osborne announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Osborne asked whether there were any comments on other items which would be heard at this time.

No public comments were received.

### **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were received.

### **ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed.

### **CONSENT CALENDAR**

President Osborne stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Director Tamaribuchi pulled Item No. 2(c) (Public Affairs & Legislation Committee minutes for February) from the Consent Calendar for further discussion.

Upon MOTION by Director Thomas, seconded by Director Dick, and carried (5-0), the Board approved the balance of the Consent Calendar items as follows. Directors Dick, Osborne, Tamaribuchi, Thomas and Yoo Schneider all voted in favor. Directors Barbre and Finnegan were absent.

### **MINUTES**

The following minutes were approved.

March 1, 2017 Adjourned Workshop Board Meeting  
March 15, 2017 Regular Board Meeting

### **COMMITTEE MEETING REPORTS**

The following Committee Meeting reports were received and filed as presented.

Planning & Operations Committee Meeting: March 6, 2017  
Administration & Finance Committee Meeting: March 8, 2017  
Public Affairs & Legislation Committee Meeting: March 20, 2017  
Executive Committee Meeting: March 16, 2017  
MWDOC/OCWD Joint Planning Committee Meeting: March 22, 2017

### **TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 31, 2017  
MWDOC Disbursement Registers (March/April)

The following items were received and filed as presented.

MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of February 28, 2017

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

### **FINANCIAL REPORT**

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending February 28, 2017

### **TECHNICAL ASSISTANCE TO STAFF ON ELECTROMAGNETIC FLOWMETERS (MAG METERS) OR ULTRASONIC FLOWMETERS (SONIC METERS)**

The Board authorized the General Manager to enter into a contract with Black & Veatch Engineers for technical assistance to support staff on a not to exceed basis of \$16,000.

### **END CONSENT CALENDAR**

### **ITEMS PULLED FROM THE CONSENT CALENDAR**

#### **PUBLIC AFFAIRS & LEGISLATION COMMITTEE MEETING MINUTES: MARCH 20, 2017**

Director Tamaribuchi requested the meeting minutes be revised to reflect the correct voting members of the Committee (page 4 of the minutes).

Upon MOTION by Director Tamaribuchi, seconded by Directors Thomas and Osborne, and carried (5-0), the Board approved the February 21, 2017 Public Affairs & Legislation Committee meeting minutes as revised to reflect the correct voting members of the Committee. Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

### **ACTION CALENDAR**

#### **UPDATE TO THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY CONTINUITY OF OPERATIONS PLAN (COOP)**

Upon MOTION by Director Thomas, seconded by Director Dick, and carried (5-0), the Board adopted RESOLUTION NO. 2048 adopting the revised MWDOC Continuity of Operations Plan by the following roll call vote:

AYES: Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas  
NOES: None  
ABSENT: Directors Barbre and Finnegan  
ABSTAIN: None

**AB 1667 (FRIEDMAN) – URBAN WATER SUPPLIERS: LANDSCAPE WATER METERS**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted an oppose position on AB 1667 (Friedman). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 869 (RUBIO) – RECYCLED WATER STATUTORY PROTECTIONS**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted a support position on AB 869 (Rubio). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 732 (FRAZIER) – DELTA LEVEE MAINTENANCE**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted an oppose position on AB 732 (Frazier). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 791, AB 792, AND AB 793 (FRAZIER) – DELTA REGION MEASURES**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted an oppose position on AB 791, AB 792, and AB 793 (Frazier). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 574 (QUIRK) – RECYCLED WATER**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted a support position on AB 574 (Quirk). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 968 (RUBIO) – LONG-TERM WATER USE EFFICIENCY**

General Manager Hunter advised that the Public Affairs & Legislation Committee reviewed this legislation in draft form and suggested the Board “support as proposed to be amended.” Subsequent to the Committee meeting the author of the bill (Rubio) accepted the draft document and as a result staff recommends the Board adopt a support position.

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (5-0), the Board adopted a support position on AB 968 (Rubio). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AB 1654 (RUBIO) – WATER SHORTAGE: URBAN WATER MANAGEMENT PLANNING**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted a support position on AB 1654 (Rubio). Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) CALL FOR NOMINATIONS, SEAT C**

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (5-0), the Board received and filed the report as presented. Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**AUTHORIZATION TO CONTRACT FOR SOCIAL MEDIA CONSULTING SERVICES FOR A CA WATERFIX & ECORESTORE CAMPAIGN**

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (5-0) the Board authorized entering into a contract with HashtagPinpoint Corporation for strategic social media consulting services for the Municipal Water District of Orange County (MWD OC) California WaterFix & EcoRestore Outreach Campaign at a base cost of \$5,000 per month for three months. Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas voted in favor. Directors Barbre and Finnegan were absent.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS**

Upon MOTION by Director Thomas, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted RESOLUTION NO. 2049, in support of the Association of California Water Agencies Policy Statement on Bay-Delta Flow Requirements. Said RESOLUTION NO. 2049 was adopted by the following roll call vote:

AYES:	Directors Dick, Osborne, Yoo Schneider, Tamaribuchi & Thomas
NOES:	None
ABSENT:	Directors Barbre and Finnegan
ABSTAIN:	None

**RESOLUTION FOR RETIRING MET DIRECTOR ROBERT WUNDERLICH**

This item was tabled.

**INFORMATION CALENDAR****GENERAL MANAGER'S REPORT, APRIL 2017**

General Manager Hunter advised that the General Manager's report was included in the Board packet.

General Manager Hunter announced that MWDOC would host its Elected Officials Forum on April 26, 2017 at 6:00 pm

President Osborne referenced the letters received from the Member Agencies opposing the addition of the Government Affairs position to the draft FY 2017-18 budget. Mr. Hunter advised that he would contact the Board members to seek their input.

The Board received and filed the report as presented.

## **MWDOC GENERAL INFORMATION ITEMS**

### **BOARD OF DIRECTORS**

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District.

On behalf of Director Barbre, Secretary Goldsby read aloud the written report submitted by Director Barbre. The meetings Mr. Barbre attended in his capacity of a MWDOC Director included: the MWDOC Board, Workshop Board, Executive Committee, Public Affairs & Legislation Committee (March and April), Administration & Finance Committee, MWDOC/OCWD Joint Planning Committee, and Planning & Operations Committee meetings, as well as the MWDOC/YLWD/OCWD joint meeting, the OC Water Summit planning meeting, the ISDOC luncheon, the Sexual Harassment Prevention training, a meeting with representatives from the City of Placentia and Golden State Water Company regarding McFadden turf replacement, and a meeting with Mike Dunbar regarding OC water issues. The meetings Mr. Barbre attended in his capacity of MET Director included: the MET Director luncheon meeting (4<sup>th</sup> Monday), the 4<sup>th</sup> Tuesday MET Committee day, the La Habra City Council meeting, the MWDOC/MET Director caucus, the Inland Empire caucus, the MET Board meeting, the City of Buena Park Water Committee meeting, as well as hosting a Colorado River 3-day inspection trip.

Director Dick reported that he attended the following meetings in his capacity as MWDOC Director: Planning & Operations, Administration & Finance, Executive Committee, Public Affairs & Legislation Committee (March and April), MWDOC/OCWD Joint Planning Committee, and the Workshop Board meetings, as well as the WACO and WACO Planning Committee, the South OC Economic Coalition meeting, the ISDOC Executive Committee and ISDOC luncheon meetings, and a meeting with Director Yoo Schneider. The meetings Mr. Dick attended in his capacity of MET Director included: the Urban Water Institute meeting, the MET Director luncheon meeting (4<sup>th</sup> Monday), the MET Executive Committee meeting, a legislative trip to Sacramento, the Water Policy dinner, the Sexual Harassment Prevention training, the MWDOC/MET Director caucus, a meeting with the MWDOC MET Directors, the MET Board and Committee meetings, the MET Caucus (Inland Empire), the Garden Grove and Tustin Chamber of Commerce meetings, a meeting with Feedy Mares (MET), and the OC Taxpayers Association meeting.

Director Tamaribuchi noted his attendance at all of the MWDOC Board and Committee meetings (except the Planning & Operations Committee and Water Policy dinner), a School Program presentation at El Toro High School, a meeting with Director Yoo Schneider and staff from Inside

the Outdoors regarding the high school curriculum, the Water Policy Conference 26 in San Diego, and the CCEEB/ CED meetings regarding the WaterFix and Climate Change.

Director Thomas stated that he attended the Water Policy dinner, the Public Affairs & Legislation and Administration & Finance Committee meetings, the Workshop Board meeting, the South OC Economic Coalition meeting, the OC Water Summit Planning meeting, the WACO meeting, and the Sexual Harassment Prevention training.

Director Yoo Schneider reported on attending all MWDOC Board and Committee meetings, a meeting with Director Dick, a meeting with MWDOC staff, a meeting with Mary Jane Foley regarding OC water issues, and a meeting with legal counsel. She advised that she would be meeting with a member agency later in the week, and that she will be providing two presentations on water during her upcoming vacation to Korea. Director Yoo Schneider advised that although she did not attend the Sexual Harassment Prevention training, she did complete the training via an on-line webinar and that she will also be completing her Governance Training via webinar.

Director Osborne advised that he attended the Board meeting, the Workshop Board meeting, the Planning & Operations, Administration & Finance, Public Affairs & Legislation (March/April), the MWDOC/OCWD Joint Planning Committee, and the Executive Committee meetings, as well as the WACO Planning Committee meeting (3/21), the ISDOC luncheon (3/30), the Water Policy dinner (3/30), the Sexual Harassment Prevention training (4/4), and the WACO meeting (4/7).

## **CLOSED SESSION**

At 9:12 a.m., Legal Counsel Dunn announced that the Board would adjourn to closed session pursuant to Government Code Section 54956.9(2)(d) for a conference with legal counsel regarding anticipated litigation (one case).

## **RECONVENE**

The Board reconvened at 9:33 a.m., and Legal Counsel Dunn announced that no reportable action was taken in closed session.

## **ADJOURNMENT**

There being no further business to come before the Board, President Osborne adjourned the meeting at 9:34 a.m.

Respectfully submitted,

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Maribeth Goldsby, Secretary



MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
April 26, 2017

At 6:00 p.m., President Osborne called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors Board Room at the District facilities, 18700 Ward Street, Fountain Valley, California. Fountain Valley Councilman John Collins led the Pledge of Allegiance.

**MWDOC DIRECTORS**

Brett R. Barbre  
Larry Dick  
Joan Finnegan  
Wayne Osborne  
Megan Yoo Schneider (absent)  
Sat Tamaribuchi  
Jeffery M. Thomas

**STAFF PRESENT**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Maribeth Goldsby, Board Secretary  
Harvey De La Torre, Assoc. General Mgr.  
Joe Berg, Water Use Eff. Programs Mgr.  
Jonathan Volzke, Public Affairs Manager  
Kevin Hostert, Water Resources Analyst  
Heather Baez, Government Affairs Manager  
Melissa Baum-Haley, Sr. Water Res. Analyst  
Damon Micalizzi, Dir. Of Public Affairs

**ALSO PRESENT**

Larry McKenney  
Cecilia Hupp  
Chris Emeterio  
Doug Davert  
John Sears  
Lisa Ohlund  
Scott Goldman  
Jose Vergara  
Mark Monin  
Cheryl Brothers  
John Collins  
Mark Lewis  
Brian Ragland  
Mary Aileen Mathias  
Doug Reinhart  
Peer Swan  
Jim Atkinson  
Jim Fisler  
Stacy Taylor  
Duane Cave  
Scott Colton  
Richard Fiore  
Brian Probolsky  
Don Froelich  
Gary Kurtz  
Jake Vollebregt  
Chuck Gibson  
Justin McCusker

MWDOC MET Director  
City of Brea  
City of Brea  
East Orange County Water District  
East Orange County Water District  
East Orange County Water District  
El Toro Water District  
El Toro Water District  
El Toro Water District  
City of Fountain Valley  
City of Fountain Valley  
City of Fountain Valley  
City of Huntington Beach  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water  
Mesa Water  
Mesa Water  
Moulton Niguel Water District  
Moulton Niguel Water District  
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Moulton Niguel Water District  
Moulton Niguel Water District  
Moulton Niguel Water District  
Santa Margarita Water District  
Santa Margarita Water District

Dan Ferons	Santa Margarita Water District
Schelly Sustarsic	City of Seal Beach
Greg Mills	Serrano Water District
Jerry Vilander	Serrano Water District
Dennis Erdman	South Coast Water District
Bill Green	South Coast Water District
Rick Erkeneff	South Coast Water District
Andy Brunhart	South Coast Water District
Glen Acosta	Trabuco Canyon Water District
Stephen Dopudja	Trabuco Canyon Water District
Chuck Puckett	City of Tustin
J. Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Marc Marcantonio	Yorba Linda Water District
Liz Mendelson-Goossens	San Diego County Water Authority

## **PUBLIC COMMENTS**

No public comments were received.

President Osborne opened the meeting with introductions of each MWDOC Board member.

## **DISCUSSION ITEMS**

### **DISCUSSION WITH REPRESENTATIVES FROM MWDOC'S MEMBER AGENCIES REGARDING KEY REGIONAL ISSUES AND KEY ORANGE COUNTY ISSUES, INCLUDING THE GOVERNOR BROWN'S UPDATED DROUGHT REGULATIONS, THE CALIFORNIA WATER FIX, AND WATER SUPPLY CONDITIONS AND ISSUES.**

President Osborne stated that the evening would consist of three presentations by General Manager Robert Hunter, and that following each presentation there would be time allotted for dialogue/questions between the Board and audience. The following topics were covered:

MWDOC FY 2017-18 Draft Budget  
Making Water Conservation a California Way of Life  
San Diego County Water Authority Outreach Program

Mr. Hunter provided an overview of the proposed budget for FY 2017-18, including the budget process, review by the Member Agencies, changes between the first and second draft budget documents, Choice MWDOC activities, outside funding (grants, etc.), MET rates, MET and MWDOC total cost amounts (per meter/per month), MWDOC's proposed rates, key priorities and projects, and staffing levels.

Fountain Valley Mayor, John Collins suggested future presentations include a hard copy of the budget for attendees; it was noted that the draft budget document was posted on MWDOC's website.

Mr. Hunter then provided an overview of the proposed legislation which was recently introduced as a result of the Governor's Executive Order B-37-16 (Making Water

Conservation a California Way of Life). He highlighted the fact that the Governor's trailer bill language (Trailer Bill 810) would allow the SWRCB to set interim standards, allows only one mechanism to achieve these conservation standards, with no oversight from the Legislature and no CEQA review, imposes SWRCB cease and desist order processes and misdemeanor penalties for failure to meet any efficiency planning targets, specifies that state efficiency standards supersede water rights, extends the duration of State mandates during a declared emergency to one year, requires multiple arbitrary stages set by the SWRCB that may not reflect local conditions, and strands and disincentivizes resiliency investments (conservation requirements are applied to all water supplies including recycled water). He then compared AB 1668 and AB 1669 (Friedman) to AB 869, AB 968, and AB 1643 (Rubio), noting that the MWDOC Board adopted oppose positions on the Friedman bills, but supports the Rubio bills in that AB 869 requires recycled water use to be considered a water use efficiency measure and prohibits water retailers from having to reduce the amount of recycled water it produces/uses at any time. In addition, AB 968 allows local agencies to establish long-term goals, targets and standards, and allows for multiple compliance methods. Lastly, AB 1654 allows local suppliers to develop and report annual supply/demand assessments, develop and implement their own water shortage contingency plans, maintains water rights, and keeps the authority with the Legislature to establish or change long-term goals, targets or standards. Mr. Hunter concluded this presentation with an overview of the timing and movement of this legislation and encouraged all in attendance to either join MWDOC's coalition letters opposing the Friedman legislation and supporting the Rubio legislation, or send individual letters.

Considerable discussion ensued with specific emphasis on the need to engage ACWA in this effort, the potential loss of local control if the trailer bill (or Friedman bills) language is accepted, the need for community outreach on this issue (social media and other avenues), and the need for various groups to be involved and active (building industry, labor organizations, and the agricultural community, etc.).

Government Affairs Manager Heather Baez distributed copies of MWDOC's coalition letters.

General Manager Hunter then provided an overview of the San Diego County Water Authority's (SDCWA) Outreach Program which calls for education and public relations campaign to expand into other parts of the MET service area including Orange and Ventura Counties, and Inland Empire area. The SDCWA's MET public outreach budget was increased to \$875,000 and its purpose is to achieve near-term and long-term changes at MET by informing and educating local elected officials on MET rates and fiscal issues. He commented that much of SDCWA's message is unfounded and contrary to what other MET agencies believe. SDCWA's message has been focused on how MET is out-of-control on spending, overcharging ratepayers, and not transparent or fiscally accountable. He encouraged those in attendance to ask questions of their MET Directors, to know and understand that there are two sides to every issue; he provided counterpoints to each of the SDCWA issues. Mr. Hunter asked each attendee to notify MWDOC in the event they are contacted by SDCWA.

## **ROUNDTABLE DISCUSSION**

Mr. John Collins (Fountain Valley) had several line-item questions regarding MWDOC's budget and was encouraged to contact staff with further questions.

Discussion was again held regarding the Trailer Bill language, the need to oppose this, and a process for the agencies to work collaboratively on this issue; it was noted that Heather Baez would contact each local water agency for input.

**ADJOURNMENT**

There being no further business to come before the Board, President Osborne adjourned the meeting at 8:00 p.m.

**Respectfully submitted,**

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Maribeth Goldsby, Secretary

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Jointly with the  
**PLANNING & OPERATIONS COMMITTEE**  
April 3, 2017 – 8:30 am to 9:34 am  
MWDOC Conference Room 101

**P&O Committee:**

Director Larry Dick  
Director Sat Tamaribuchi (absent)  
Director Yoo Schneider

**Staff:**

Robert Hunter, Karl Seckel, Joe Berg,  
Harvey De La Torre, Katie Davanaugh,  
Kelly Hubbard, Charles Busslinger,  
Francisco Soto, Damon Micalizzi,  
Kevin Hostert, Melissa Baum-Haley

**Also Present:**

MWDOC Director Wayne Osborne  
MWDOC Director Brett Barbre  
MWDOC Director Joan Finnegan  
Linda Ackerman, MWDOC MET Director  
Paul Weghorst, Irvine Ranch Water District

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Chair Dick called the meeting to order at 8:30 a.m. Director Osborne sat on the Committee in the absence of Director Tamaribuchi.

**PUBLIC COMMENTS**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

No items were presented.

**ACTION ITEMS**

**UPDATE TO THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
CONTINUITY OF OPERATION (COOP) PLAN**

It was noted that the COOP plan was last updated in 2007. Ms. Hubbard extended appreciation to MWDOC intern, Colin Eckerle, for his work and efforts on a majority of the updates to the plan. Megan Yoo Schneider commended staff for their efforts.

Upon MOTION by Director Yoo Schneider, seconded by Director Osborne, and carried (3-0), the Committee recommended approval of the Update to the MWDOC Continuity of

Operations Plan and supporting resolution at the April 19, 2017 Board meeting. Directors Dick, Osborne and Yoo Schneider voted in favor.

### **TECHNICAL ASSISTANCE TO STAFF ON ELECTROMAGNETIC FLOWMETERS (MAG METERS) OR ULTRASONIC FLOWMETERS (SONIC METERS)**

Mr. Seckel noted that this item has been budgeted as a core item and funds are available for this project, although it was not reported on the staff report. This work will benefit member agencies with flows that are below 10% of their current meters. Connections CM 10 and CM 12 are primary examples of meter connections that MWDOC would like to change out from the existing venturi meters to allow larger flow ranges of the mag (or sonic) meters. It is proposed that Black and Veatch will provide technical guidance, recommendations, sketches and conceptual cost estimates for change-out of the CM 10 and 12 locations. The capital cost of any improvement or change in a service connection is typically borne by the local agency but MET maintains the on-going costs.

Upon MOTION by Director Osborne, seconded by Director Yoo Schneider, and carried (3-0), the Committee recommended approval of a contract with Black & Veatch for Technical Assistance to Staff on Electromagnetic Flowmeters (MAG meters) or ultrasonic Flowmeters (Sonic meters) (not to exceed \$16,000) at the April 19, 2017 Board meeting. Directors Dick, Yoo Schneider and Osborne voted in favor.

### **INFORMATION ITEMS**

#### **INFORMATION RELATED TO MET INSTALLING STEEL LINERS FOR NINE MILES OF PRESTRESSED CONCRETE CYLINDER PIPE FOR THE LOWER ALLEN MCCOLLOCH PIPELINE (AMP)**

Metropolitan Water District will be installing about 9 miles of steel liners in the Allen McColloch Pipeline from Irvine to Mission Viejo. It is likely that this work will require two or more extended shutdowns and the work is anticipated to commence in the next 5 to 10 years. There are many details that still need to be coordinated prior to starting this work, which are outlined in the staff report.

#### **INFORMATION RELATED TO THE ORANGE COUNTY FLOOD CONTROL ENCROACHMENT UPDATE**

The concept calls for closer coordination efforts on mapping issues to identify where conflicts may arise relative to water and sewer lines within the OC Flood Control property. Director Dick noted that discussions are only in the very early stages. Updates will be provided by staff as they develop.

#### **DOHENY DESALINATION WORKSHOP ON MARCH 22, 2017**

South Coast Water District held a workshop on March 22<sup>nd</sup> to examine costs and benefits for methods of financing, building and operating two different sized desalination plants at Doheny State Beach. A main topic of discussion was risk transfer and who would assume liability of problems that might arise with the slantwell intake system.

## **STATUS REPORTS**

- a. Ongoing MWDOC Reliability and Engineering/Planning Projects
- b. WEROC
- c. Water Use Efficiency Projects
- d. Water Use Efficiency Programs Savings and Implementation Report

The informational reports were received and filed.

## **REVIEW OF ISSUES RELATED TO CONSTRUCTION PROGRAMS, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS**

No information was presented.

## **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 9:34 a.m.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Jointly with the **ADMINISTRATION & FINANCE (A&F) COMMITTEE**

April 12, 2017 – 8:30 a.m. to 10:37 a.m.

MWDOC Conference Room 101

**Committee Members:**

Director Jeff Thomas, Chair  
Director Joan Finnegan  
Director Brett Barbre

**Staff:**

Robert Hunter, Karl Seckel, Harvey DeLaTorre,  
Katie Davanaugh, Cathy Harris, Joe Berg,  
Heather Baez, Jonathan Volzke, Lina Gunawan,  
Lina Gunawan, Kelly Hubbard, Jeff Stalvey,  
Tiffany Baca, Damon Micalizzi,  
Melissa Baum-Haley

**Also Present:**

Director Megan Yoo Schneider  
Director Wayne Osborne  
Director Larry Dick  
Director Sat Tamaribuchi  
Linda Ackerman, MWDOC MET Director  
Larry McKenney, MWDOC MET Director  
Paul Cook, Irvine Ranch Water District  
Mark Monin, El Toro Water District  
Dan Feron, Santa Margarita Water District  
Saundra Jacobs, Santa Margarita Water District  
Kelly Rowe, Water Resources Consultant  
Paul Weghorst, Irvine Ranch Water District  
William Kahn, El Toro Water District

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Director Thomas called the meeting to order at 8:30 a.m.

**PUBLIC COMMENTS**

No comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

Mr. Hunter reported that comment letters were received in response to MWDOC's FY2017-18 budget from Moulton Niguel Water District, Orange County Water District, and Irvine Ranch Water District in addition to the comment letter included in the packet from Santa Margarita Water District. Copies of those letters were distributed to the Committee and posted to the District's website.



**PROPOSED BOARD CONSENT CALENDAR ITEMS****TREASURER'S REPORT**

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

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (3-0), the Committee recommended the Treasurer's Report and the Financial Report for approval at the April 19, 2017 Board meeting. Directors Thomas, Finnegan and Barbre all voted in favor.

**FINANCIAL REPORT**

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

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (3-0), the Committee recommended the Financial Report for approval at the April 19, 2017 Board meeting. Directors Thomas, Finnegan and Barbre all voted in favor.

**DISCUSSION ITEMS****SECOND DRAFT OF MWDOC'S BUDGET FOR 2017-18**

Directors Thomas and Finnegan thanked staff for their efforts in preparing a thorough review and presentation of the budget.

General Manager Hunter provided an overview of the proposed 2017-18 budget as provided in the staff report, noting the proposed addition of a Government Affairs staff position (DC focus), and grant funding as a consulting contract including core and choice components. It was noted that grant application had been submitted recently which added \$100,000 in matching funds to the water use efficiency program, thus an illustration of how valuable grant fund can be. Additionally, Director Barbre noted that a review of costs and revenues for federal lobbying efforts over the past 13+ years indicates that revenues exceeded costs (\$1.57million vs \$1.18 million).

Discussion was held on adding an additional holiday and whether it should be a designated day or a floating holiday, as well as the potential impact on the budget. Directors Barbre, Thomas, and Finnegan expressed support for adding a floating holiday. There were opposing views by Committee members and other Board member on whether the additional day should be a designated day or floating. The Committee requested that this be agendaized for further discussion, following review of survey information from member agencies, illustrating practices followed by respective agencies. Ms. Harris indicated that

she will distribute survey information and Mr. Hunter indicated that this item would be agendaized for further discussion.

Comment letters from member agencies were reviewed to address opposition to the addition of a governmental affairs staff member. Saundra Jacobs and Paul Cook expressed opposition to adding this position to the budget. Considerable discussion was held by the Committee and audience on the addition of a Government Affairs position and whether this work could be handled by 1) the current federal affairs consultant, Jim Barker, 2) another new consultant, or 3) whether some assistance could be provided internally by other staff and 4) review of the current work assignments within the department or the District. Director Osborne voiced his opposition to adding the position.

Mr. Hunter noted that the current responsibilities of the Governmental Affairs staff member includes attendance at all member agency meetings, a large number state and federal legislative meetings, county supervisors and local business group meetings, etc. Mr. Hunter requested that the Board define a list of services that they would like to have accomplished as well as a list goals to determine whether there is a need for an additional Governmental Affairs staff member. Discussion was also held on the overall cost of salary and benefits of adding this position over a 10-year period versus the potential benefits received. It was noted that a copy of the job description of the proposed new staff member had been provided to all Board members, following discussion at a recent Executive Committee meeting.

Director Dick noted that there had been a lengthy vacancy in the Director of Public Affairs Manager position until January of this year and that consideration of an additional staff member could be postponed until the Director of Public Affairs is fully up to speed. Director Thomas noted that he is in support of adding a staff member if it is necessary.

Director Yoo Schneider was in support of adding an additional staff member, noting the heavy workload of the existing staff. Discussion was held on whether interns may be able to assist with some of the workload but it was determined that this would most likely not be a viable option.

Director Tamaribuchi expressed opposition of adding a staff member, noting that it would be more prudent and more cost effective to enlist the services of a lobbyist or consultant. He also suggested that a thorough review of responsibilities for this department be conducted to determine whether there is an actual need for additional staff. The Committee directed staff to prepare a list of responsibilities and assignments of the current and proposed position governmental affairs and public affairs staff and to present the information at the May committee meeting.

Discussion turned to the topic of services by Mr. Barker and whether he might be able to assist with additional services and his current level of availability and providing quarterly meetings via teleconference or video conference. Director Barbre noted that he believes the cost of additional services from Mr. Barker would be costly due to associated travel costs.

Discussion turned to whether there is a need for additional services for grant writing and whether existing staff or a consultant could assist in this effort. It was noted that this topic was discussed at a recent member agency manager's meeting. Mr. Hunter noted that the intent would be to find grant projects that could benefit the Orange County region and member agencies could partake in such projects if interested which could be defined as either core or choice services, depending on the grant opportunity and member agency needs. Director Tamaribuchi thought \$70,000 was too expensive but suggested that a consultant could be hired at a lower cost to evaluate what grants are available or viable, and utilize services on a retainer/performance basis. Mr. Hunter noted that staff could meet with consultants to negotiate fees. Director Yoo Schneider expressed support for seeking grant funding opportunities as there are many untapped opportunities available.

Mr. Hunter requested clarification on the proposed draw on reserves with the Committee discussing the draw on reserves for the 2017-18 budget year. Director Dick expressed opposition to a draw on reserves and supported a balanced budget. It was determined that discussion on reserve levels would be continued at the May Administration & Finance Committee meeting.

### **MWDOC RESERVE POLICY & PFM MEMO REPORT**

As noted in the staff report, "in general there is support for and little concern with changing to the "cash days" method for establishing reserve targets". One of the items questioned was whether there should be an allowance in reserves for involvement in a large project for which the District currently does not have specific plans. The proposed dollar amount in question was \$5-\$10 million range, which could be accumulated over a period of a few to several years, if such a project came to fruition.

PFM Financial Advisors LLC was retained to review the District's reserve policy funding considerations and make recommendations to the policy, if any. PFM provided an assessment of adequate reserve levels for MWDOC should MWDOC undertake a large project. Their review and analysis was outlined as presented in the staff report which included background, a review of the existing policy, reserve levels under existing operations and expanded operations, project funding sources and reserves, as well as recommendations.

General Manager Hunter emphasized that the reserve policy issued from the PFM report is not part of the budget process and that discussions will continue into future months.

### **COUNTY OF ORANGE – TREASURY OVERSIGHT COMMITTEE**

The item was received and filed without discussion.

### **INFORMATION ITEMS**

#### **INDIVIDUAL CHARGES DISCLOSURE FOR THE PERIOD JAN-DEC 2016**

#### **UPDATE REGARDING RECORDS MANAGEMENT PROGRAM**

#### **REBATE PROGRAM – 2016 1099-MISC FILING**

**DEPARTMENT ACTIVITIES REPORTS**

- a. Administration
- b. Finance and Information Technology

**MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION**

The informational reports were received and filed without notation.

**OTHER ITEMS**

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

No information was presented.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:37 a.m.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**

Jointly with the  
**PUBLIC AFFAIRS AND LEGISLATION COMMITTEE**

April 17, 2017 - 8:30 a.m. to 10:10 a.m.

MWDOC Conference Room 101

**Committee:**

Director Sat Tamaribuchi, Chairman  
Director Larry Dick  
Director Megan Yoo Schneider

**Staff:**

Robert Hunter, Karl Seckel, Heather Baez,  
Jonathan Volzke, Pat Meszaros,  
Tiffany Baca, Harvey De La Torre,  
Bryce Roberto, Melissa Baum-Haley,  
Damon Micalizzi, Laura Loewen

**Also Present:**

Brett Barbre, MWDOC Director  
Wayne Osborne, MWDOC Director  
Joan Finnegan, MWDOC Director/  
Larry McKenney, MWDOC MET Director  
Linda Ackerman, MWDOC MET Director  
William Kahn, El Toro Water District  
Dick Ackerman, Ackerman Consulting  
John Lewis, Lewis Consulting  
Jim Leach, Santa Margarita Water District  
Tony Solorzano, Discovery Cube  
Syrus Devers, BBK (via phone)  
Stacy Taylor, Mesa Water  
Alicia Dunkin, OCWD  
Kevin Perkins, HashtagPinpoint  
Pasquale Talarico, HashtagPinpoint

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Chair Tamaribuchi called the meeting to order at 8:30 a.m.

**PUBLIC PARTICIPATION**

No items were presented.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

No items were presented.

**DISCUSSION ITEMS****LEGISLATIVE ACTIVITIES****a. Federal Legislative Report (Barker)**

Chair Tamaribuchi stated he'd like to have Jim Barker call in periodically, at least quarterly, and he would like more information on the \$40 million of authorized environmental infrastructure funding for California. Director Barbre stated that the Corps of Engineers will allocate the funds for doing preliminary studies before you have an actual project. There was then discussion on the process for getting a project approved. Mr. Seckel noted that, historically, what we've run into is that without an approved appropriation, the Corps will not write the regulations for use of the funding.

**b. State Legislative Report (BBK)**

Mr. Syrus Devers noted that the big news is that the Governor's plan for permanent conservation regulations has been released along with a legislative package centered on trailer bill language. It includes a finalized report, trailer bill language, and at least one legislative bill. It reaches deeply into the authority of water districts and gives the State Water Resources Control Board all the power they had under the Emergency Executive Order for drought which includes setting standards, enforcement, penalizing for non-compliance, etc. Further, Mr. Devers stated it's a direct threat against local control. A trailer bill doesn't go through a policy committee to incorporate input and comments. He stated further that a group met with Assemblyman Garcia, Chair of the Assembly Water, Parks and Wildlife Committee to encourage him to go the Policy Committee route to implement the long term framework instead of a trailer bill. Chair Tamaribuchi inquired what the three worst things are in this trailer bill language. Mr. Devers stated he would have to give it more thought. He noted that the loss of local control and the potential to override existing water rights would be at the top of the list.

Mr. Hunter inquired of Mr. Devers what our approach should be. Mr. Devers suggested a two-step approach: First, derail the trailer bill language and instead have legislation that goes through the Policy Committee. Secondly, start working on building support for AB 968 and AB 1664 (Rubio). MET is well positioned but they, too, are working with ACWA. Chair Tamaribuchi stated that we need to get the Chamber, Farm Bureau, etc. to oppose this trailer bill language.

Director Barbre suggested that MWDOC take action and prepare an op-ed signed by our President now. Discussion occurred on this with Chair Tamaribuchi noting that he's not comfortable with that. Ms. Taylor noted that ACWA is meeting this morning with lobbyists to discuss the coalition's plan for attacking the trailer bill and on Friday, there's a State Leg meeting. Mr. Hunter suggested that this be discussed further at the Executive Committee meeting after more information becomes available.

**c. County Legislative Report (Lewis)**

Mr. Lewis reported that, last Wednesday, he attended the LAFCO meeting where the

agenda included discussion of their opening for a public member; the annual strategic plan; implementation of SB 1266 regarding oversight for JPAs; the upcoming schedule for Municipal Service Reviews (MSRs); and that LAFCO sent out an RFP to hire a consultant to help with the MSRs. Mr. Hunter noted that it is a condition that the public member position not be on a board so it's truly a member of the public.

**d. Legal and Regulatory Report (Ackerman)**

Mr. Ackerman noted that a pediatric dental office in Anaheim that had been shut down due to poor water quality was in the process of re-opening.

**e. MWDOC Legislative Matrix**

**f. Metropolitan Legislative Matrix**

The legislative matrices were received and filed without discussion.

**ACTION ITEMS**

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS CALL FOR NOMINATIONS – SOUTHERN NETWORK REGION SEAT C FOR THE 2016-2020 TERM**

The Committee opted to defer this item.

**AUTHORIZATION TO CONTRACT FOR SOCIAL MEDIA CONSULTING SERVICES FOR CA WATERFIX & ECOSTORE CAMPAIGN**

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (3-0), the Committee recommended approval of entering into an agreement with Hashtag Pinpoint Corporation for strategic social media consulting services for the Municipal Water District of Orange County (MWDOC) California WaterFix & EcoRestore Outreach Campaign at a base cost of \$5,000 per month for three months at the April 19, 2017 Board Meeting. Directors Dick, Yoo Schneider and Tamaribuchi voted in favor.

**ADOPT LEGISLATIVE POSITIONS:**

- a. AB 1667 (Friedman) – oppose
- b. AB 869 (Rubio) – support
- c. AB 732 (Frazier) – oppose
- d. AB 791, AB 792 and AB 793 (Frazier) – oppose
- e. AB 574 (Quirk) – support
- f. AB 968 (Rubio) – support **as proposed to be amended**
- g. AB 1654 (Rubio) – support

Upon MOTION by Director Yoo Schneider, seconded by Director Dick, and carried (3-0), the Committee recommended adopting staff' recommendations (as above) with the exception of AB 968 (Rubio) where they added "as proposed to be amended" to the support

position; this item will be presented to the Board on April 19, 2017. Directors Dick, Yoo Schneider and Tamaribuchi voted in favor.

### **ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS**

Mr. Hunter stated that ACWA's Board has adopted a strong policy statement urging the State Water Resources Control Board (SWRCB) to set aside its "unimpaired flow" approach in the Delta. The SWRCB staff is pushing for unimpaired flows which are intended to mimic natural flows. This is consistent with the environmental community's sole focus on flows in the Delta. The ACWA policy statement talks about a broader regulatory approach.

Director Dick inquired whether others have taken a position to which Ms. Baez stated IRWD, Mesa Water and SMWD are in support. Ms. Dunkin of OCWD stated that her board would be adopting a resolution. Per Mr. Hunter, it will be widely supported by the water community.

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (3-0), the Committee recommended the Board adopt the resolution in support of ACWA's policy statement on Bay-Delta flow requirements at the April 19, 2017 Board Meeting. Directors Dick, Yoo Schneider and Tamaribuchi voted in favor.

### **RESOLUTION FOR RETIRING MET DIRECTOR ROBERT WUNDERLICH**

Director Barbre stated that Director Wunderlich hasn't actually announced his retirement yet. Director McKenney noted that Director Wunderlich said it would take three months before he retires. Director Dick suggested we prepare a resolution for Director Michael Touhey instead and hold off on Director Wunderlich's until he announces his retirement.

Upon MOTION by Director Dick, seconded by Director Yoo Schneider, and carried (3-0), the Committee recommended the Board consider a Resolution for former MET Director Michael Touhey instead and hold off on Director Wunderlich's until he announces his retirement at the April 19, 2017 Board Meeting. Directors Dick, Yoo Schneider and Tamaribuchi voted in favor.

### **INFORMATION ITEMS**

#### **EDUCATION REPORT**

- a. Elementary**
- b. High School**

#### **RECAP ON WATER POLICY DINNER (MARCH 30, 2017)**

#### **UPDATE ON WATER SUMMIT PLANNING (JUNE 16, 2017)**

#### **OC LAFCO UPDATE**

The informational reports were received and filed.



## **PUBLIC AFFAIRS ACTIVITIES REPORT**

Director Osborne inquired about the conference call with Director Fisler and Marnie Primmer, Executive Director of OCCOG, where they discussed OCCOG membership. Ms. Loewen noted that it would be discussed at the May ISDOC meeting. Ms. Baez clarified that MWDOC is not a member of OCCOG but ISDOC is a member.

Director Barbre stated that he'd like for staff to agendize SB 231 for the next PAL, as well as support for H.R. 1430, 1431; and HR 1654.

## **OTHER ITEMS**

### **REVIEW ISSUES RELATED TO LEGISLATION, OUTREACH, PUBLIC INFORMATION ISSUES, AND MET**

## **ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:10 a.m.

MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF THE  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
jointly with the  
**EXECUTIVE COMMITTEE**  
April 20, 2017, 8:30 a.m. to 10:50 a.m.  
Conference Room 102

**Committee:**

Director Osborne, President  
Director Barbre, Vice President (absent)  
Director Dick

**Staff:**

R. Hunter, M. Goldsby,

**Also Present:**

Director Tamaribuchi  
Director Thomas

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At 8:30 a.m., President Osborne called the meeting to order.

**PUBLIC PARTICIPATION**

No public comments were received.

**ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

No items were presented.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

At the beginning of the meeting, Staff distributed the draft agendas for the upcoming meetings.

**EXECUTIVE COMMITTEE PROPOSALS FOR FUTURE AGENDAS**

The Committee reviewed and discussed the draft agendas for each of the meetings and made revisions/additions as noted below.

a. Elected Officials Forum

Staff proposed that the presentation material/topics for the Elected Officials Forum should include the budget, outreach efforts (both by MWDOC on WaterFix issues and by San Diego County Water Authority (SDCWA)), and proposed state legislation (legislation regarding water use efficiency). Considerable discussion ensued regarding what topics should be included and what efforts should be presented. Discussion was also held concerning the SDCWA outreach efforts, as well as the option of including additional funds in the draft budget for outreach, consultants, etc. The Committee suggested the full Board weigh-in on consultants, etc.

Discussion then ensued regarding the conservation regulations and the legislation recently introduced, the differences between all the bills, the potential loss of local control, how to ensure the County of Orange is engaged in the discussion, reaching out to MET member agencies for support, and the need for MET to get more involved in developing a message. The Committee also discussed outreach, and who to contact, as well as the best options for getting the message out. It was recommended that Directors Tamaribuchi, Barbre, and Osborne meet regarding this issue.

The Committee continued to discuss the draft budget presentation, highlighting the Administration & Finance Committee's request to include an additional Governmental Affairs position in the draft budget. The Committee discussed the need (if any) for this position and the correct process for removing it from the draft budget if necessary. The discussion evolved from possibly leaving funding in the draft budget for a contract/temporary position (instead of the full time position), to leaving the position in the budget but not filling the position, to ultimately removing the position from the draft budget. The Directors present expressed opposition for keeping it in the budget, stating they would highlight and discuss this at the next Administration & Finance Committee meeting.

In reference to the Government Affairs position, Director Tamaribuchi suggested the Board evaluate its goals on the federal level and decide on the amount of effort, time and resources MWDOC should allocate to federal efforts. Mr. Tamaribuchi expressed his support for a continued MWDOC presence and effort in Sacramento. It was noted the issue of MWDOC's long and short-term goals at the federal level would be placed on a future Public Affairs & Legislation Committee agenda for discussion.

In reference to the draft budget discussion, the Committee requested staff include additional consultant/contractor funds for outreach efforts.

b. Planning & Operations Committee

Director Dick advised that both he and Director Yoo Schneider would be absent; Director Tamaribuchi confirmed he would be in attendance and would seek Committee participation from President Osborne and another Director in attendance at that meeting.

c. Workshop Board meeting

The Committee requested staff invite MWDOC's legislative advocate, Syrus Devers, to present information on the conservation legislation.

d. Administration & Finance Committee

It was noted that, as discussed above, the issue of possibly removing the additional Government Affairs position from the budget would be discussed.

e. Public Affairs & Legislation Committee

Committee requested that Jim Barker call-in to this meeting. Director Tamaribuchi referenced ACWA and the need to use ACWA and other organizations for outreach efforts.

Mr. Hunter highlighted that staff is sometimes requested to present legislation to the Committee that conflicts with MWDOC's Policy Principles. It was noted that these pieces of legislation would be discussed at the PAL Committee meeting.

f. Executive Committee

No new items were added to the agenda.

## **DISCUSSION REGARDING UPCOMING ACTIVITIES OF SIGNIFICANCE**

General Manager Hunter highlighted the following matters for the Committee's information:

- OCWD Wildlife Exhibit – OCWD's write up was distributed to those present;
- OCTA's request for applicants for the Environmental Cleanup Allocation Committee; Committee recommended MWDOC's Principal Engineer Charles Busslinger be asked to submit an application;
- Recognition of Debra Man (retirement); following considerable discussion on various ideas, and due to timing, it was recommended staff prepare a proclamation for presenting to Ms. Man at an upcoming meeting
- Bolsa Chica Conservancy – Committee reviewed the request for sponsorship at the Conservancy's Barefoot Ball (June 10, 2017) and recommended no sponsorship
- Southern California Water Committee's request for sponsorship on its 2017 Communications Plan – following discussion, the Committee asked that staff bring a more detailed request to the Public Affairs & Legislation Committee

## **MEMBER AGENCY RELATIONS**

No further information was presented.

## **STATUS UPDATE ON ENVIRONMENTAL GROUP ACTIVITIES**

Director Tamaribuchi updated the Committee on his activities with various environmental groups (CCEEB, CED, CoastKeepers, etc.), highlighting his efforts in Sacramento to assist in developing a vision for restoration of the Delta (EcoRestore).

## **MWDOC COMMUNITY OUTREACH**

It was noted that outreach efforts were discussed above.

## **GENERAL MANAGER'S REPORTS**

General Manager confirmed the process of Director/staff requests, noting that any requests for work should be routed through the General Manager's office.

The Committee approved late business expense reports from staff members Jonathan Volzke and Karl Seckel.

**REVIEW AND DISCUSS DISTRICT AND BOARD ACTIVITIES**

No new information was presented.

**ADJOURNMENT**

There being no further business to be brought before the Committee, the meeting adjourned at 10:50 a.m.

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

**WATER REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
04/03/17	City of Fountain Valley	February 2017 Water deliveries	13,712.14
04/03/17	City of Seal Beach	February 2017 Water deliveries	7,403.61
04/03/17	City of La Palma	February 2017 Water deliveries	51,962.25
04/06/17	City of Newport Beach	February 2017 Water deliveries	456,013.51
04/06/17	City of Garden Grove	February 2017 Water deliveries	34,334.39
04/07/17	City of Buena Park	February 2017 Water deliveries	212,135.64
04/07/17	City of San Clemente	February 2017 Water deliveries	374,262.15
04/10/17	South Coast Water District	February 2017 Water deliveries	299,519.48
04/10/17	Santa Margarita Water District	February 2017 Water deliveries	704,141.55
04/12/17	Laguna Beach County Water District	February 2017 Water deliveries	54,394.87
04/12/17	City of Westminster	February 2017 Water deliveries	90,262.76
04/13/17	El Toro Water District	February 2017 Water deliveries	243,096.48
04/13/17	City of San Juan Capistrano	February 2017 Water deliveries	121,345.26
04/14/17	East Orange County Water District	February 2017 Water deliveries	60,227.40
04/14/17	Irvine Ranch Water District	February 2017 Water deliveries	113,695.79
04/14/17	Moulton Niguel Water District	February 2017 Water deliveries	966,583.97
04/14/17	Yorba Linda Water District	February 2017 Water deliveries	229,949.16
04/14/17	Golden State Water Company	February 2017 Water deliveries	149,589.88
04/14/17	City of Orange	February 2017 Water deliveries	41,799.47
04/24/17	City of Newport Beach	March 2017 Water deliveries	955,401.41
04/25/17	City of Garden Grove	March 2017 Water deliveries	34,334.39
04/28/17	City of Fountain Valley	March 2017 Water deliveries	13,712.14
04/28/17	City of Huntington Beach	March 2017 Water deliveries	962,348.53
04/28/17	City of San Clemente	March 2017 Water deliveries	340,390.83

TOTAL REVENUES **\$ 6,530,617.06**

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

**MISCELLANEOUS REVENUES**

<b>Date</b>	<b>From</b>	<b>Description</b>	<b>Amount</b>
04/03/17	Costa Mesa Sanitary District	3/30/17 Water Policy dinner	160.00
04/03/17	Santa Margarita Water District	3/30/17 Water Policy dinner	640.00
04/03/17	Square	3/30/17 Water Policy dinner	758.53
04/06/17	Cadiz	3/30/17 Water Policy dinner	640.00
04/07/17	City of Buena Park	3/30/17 Water Policy dinner	240.00
04/07/17	Judy Pfister	Apr-Jun 2017 Retiree Health insurance	119.43
04/19/17	Stan Sprague	Apr-May 2017 Retiree Health insurance	468.00
04/28/17	Keith Lyon	May 2017 Retiree Health insurance	86.02
04/06/17	Laura Loewen	Movie tickets	25.50
04/21/17	2 Checks	Movie tickets	136.00
04/17/17	Eastern Municipal Water District	Reimbursement for 20% of cost for 3/1/17 DC Briefing Lunch	385.48
04/24/17	Santa Ana Police Department	Nov 16-Feb 17 Purchase of 6 Fuel Trailers	109,023.79
04/17/17	Moulton Niguel Water District	February 2017 Rotating Nozzle and Turf Removal rebate program	20,604.79
04/10/17	City of Newport Beach	February 2017 Turf Removal rebate program	333.00
04/12/17	City of Westminster	February 2017 Turf Removal rebate program	888.00
04/13/17	El Toro Water District	February 2017 Turf Removal rebate program	6,840.10
04/21/17	City of Fountain Valley	February 2017 Turf Removal rebate program	777.00
04/12/17	Laguna Beach County Water District	February 2017 So Cal Watersmart Residential rebate program	15.00
04/13/17	El Toro Water District	February 2017 So Cal Watersmart Residential rebate program	180.00
04/14/17	City of San Clemente	February 2017 So Cal Watersmart Residential rebate program	725.00
04/17/17	Moulton Niguel Water District	February 2017 So Cal Watersmart Residential rebate program	17,000.00
04/19/17	Irvine Ranch Water District	February 2017 So Cal Watersmart Residential rebate program	47,207.00
04/17/17	Department of Water Resources	Oct-Dec 2016 Comprehensive Landscape WUE	2,072.16
04/06/17	Mesa Water	FY 15-16 O & M Costs of the EOCF #2	27,976.96
04/13/17	City of Garden Grove	Addition to the Choice School Program FY 16-17	2,529.77
04/19/17	City of Westminster	Addition to the Choice School program FY 16-17	457.47
04/21/17	City of Buena Park	Addition to the Choice School Program FY 16-17	136.85
04/03/17	City of Orange	Water Loss Control technician - WSO, Inc.	28,557.00
04/06/17	City of Newport Beach	Water Loss Control technician - WSO, Inc.	9,432.00
04/07/17	City of San Clemente	Water Loss Control technician - WSO, Inc.	9,432.00
04/11/17	City of La Habra	Water Loss Control technician - WSO, Inc.	73,982.00
04/12/17	Laguna Beach County Water District	Water Loss Control technician - WSO, Inc.	9,432.00

TOTAL MISCELLANEOUS REVENUES **\$ 371,260.85**

**TOTAL REVENUES \$ 6,901,877.91**



Robert J. Hunter, General Manager



Hilary Chumipitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Core Expenditures:</b>		
	<b><i>Aleshire &amp; Wynder LLP</i></b>	
41407	March 2017 Legal services	120.00
41762	April 2017 Legal services	1,963.90
	*** Total ***	2,083.90
	<b><i>ALTA FoodCraft</i></b>	
517040660	4/4/17 Coffee & tea supplies	335.67
	*** Total ***	335.67
	<b><i>Awards &amp; Trophies Company</i></b>	
16327	2 Name plates and 5 name plate holders	78.86
	*** Total ***	78.86
	<b><i>Best Best and Krieger LLP</i></b>	
55401-MAR17	March 2017 Legal services	7,695.12
793619	March 2017 State legislative advocacy services	7,500.00
	*** Total ***	15,195.12
	<b><i>CDM Smith</i></b>	
90013343	2/19/17-3/18/17 Engineering services for O.C. Water Reliability Investigation	1,115.00
	*** Total ***	1,115.00
	<b><i>Fry's Electronics</i></b>	
21904471	4/7/17 Computer supplies	119.61
21904386/CM4453	4/7/17 Computer supplies	32.02
	*** Total ***	151.63
	<b><i>Genisys Corporation</i></b>	
051406	Components for main server memory upgrade	460.82
	*** Total ***	460.82
	<b><i>Gladwell Governmental Services, Inc.</i></b>	
3694	April 2017 Records management services	870.00
	*** Total ***	870.00
	<b><i>Goin Native Therapeutic Gardens</i></b>	
GN2017	May 6-7, 2017 Eco Garden Expo exhibitor space registration	200.00
	*** Total ***	200.00
	<b><i>Great Wolf Lodge</i></b>	
PM#9180	3/30/17 Water Policy Dinner banquet facilities	15,230.38
	*** Total ***	15,230.38



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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>HashtagPinpoint Corporation</i></b>	
1093	4/24/17-5/23/17 Services to create social advocacy messaging for the California WaterFix project	5,000.00
	*** Total ***	5,000.00
	<b><i>Humanscale Corporation</i></b>	
2287249	Freight for bracket for two monitor set-up for M. Conway	63.74
2287250	Bracket for two monitor set-up for M. Conway	511.08
	*** Total ***	574.82
	<b><i>James C. Barker, P.C.</i></b>	
105-0417	April 2017 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	<b><i>Karen's Detail Custom Frames</i></b>	
2908	Custom framing for resolution using existing materials for K. Lyon	26.94
2912	Custom framing for resolution using existing materials for R. Behrens	26.94
	*** Total ***	53.88
	<b><i>L. A. Design Studio</i></b>	
4793	March-April 2017 Services to redesign MWDOC website	14,250.00
	*** Total ***	14,250.00
	<b><i>Lewis Consulting Group, LLC</i></b>	
2017-121	April 2017 Consulting services	3,562.50
	*** Total ***	3,562.50
	<b><i>Los Angeles Times</i></b>	
7289-2017	May 2017 - April 2018 Annual subscription	191.26
	*** Total ***	191.26
	<b><i>Matrix Imaging Products, Inc.</i></b>	
0417-2777	March 2017 On site scanning services for records management	1,215.00
	*** Total ***	1,215.00
	<b><i>Edward G. Means III</i></b>	
MWDOC-1047	April 2017 Support for MET issues & guidance to Engineering staff	1,011.77
	*** Total ***	1,011.77
	<b><i>Occu-Med, Ltd.</i></b>	
04174100A	2/10/17 Pre-employment physical	120.00
	*** Total ***	120.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b>Office Solutions</b>	
I-01126511	3/10/17 Office supplies	26.94
I-01142600	4/6/17 Office supplies	154.90
I-01145995	Name and address stamp for Public Affairs	21.23
I-01147630	Tackboard with installation for B. Fahl	307.09
I-01151389	4/21/17 Office supplies	6.47
I-01153456	4/25/17 Office supplies	788.74
I-01157777	Tackboard with installation for D. Micalizzi	271.53
I-01158919	5/4/17 Office supplies	52.60
	*** Total ***	1,629.50
	<b>Orange County Water District</b>	
17396	March 2017 Postage, shared office & maintenance expense	7,873.61
	*** Total ***	7,873.61
	<b>Patricia Kennedy Inc.</b>	
21231	April 2017 Plant maintenance	214.00
21273	May 2017 Plant maintenance	214.00
	*** Total ***	428.00
	<b>Petty Cash</b>	
043017	March-April 2017 Petty Cash reimbursement	302.88
	*** Total ***	302.88
	<b>Staffing Network, LLC</b>	
95699053	4/10/17-4/16/17 Temporary help for scanning records and front desk coverage	1,060.80
95699780	4/17/17-4/23/17 Temporary help for scanning records and front desk coverage	1,060.80
95700326	4/24/17-4/30/17 Temporary help for scanning records and front desk coverage	1,060.80
	*** Total ***	3,182.40
	<b>Staples Advantage</b>	
8043854920	4/1/17 Office supplies	110.71
8044171205	4/22/17 Office supplies	151.93
	*** Total ***	262.64
	<b>Water Systems Optimization, Inc.</b>	
1146	March 2017 Water Loss Control program	4,677.52
1158	April 2017 Water Loss Control program	1,062.80
	*** Total ***	5,740.32
	<b>Total Core Expenditures</b>	<hr/> 89,119.96

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
<b>Choice Expenditures:</b>		
	<b><i>Bryton Printing Inc.</i></b>	
13491	5,000 Water rebate flyers printed	584.02
	*** Total ***	584.02
	<b><i>Discovery Science Center</i></b>	
DSOC/IV/000529	March 2017 for School program	32,501.44
	*** Total ***	32,501.44
	<b><i>Droplet Technologies LLC</i></b>	
1060	Annual license fee for web based rebate processing and database platform for Water Use Efficiency rebate programs	41,514.00
	*** Total ***	41,514.00
	<b><i>Orange County Dept. of Education</i></b>	
94KI4016	January-April 2017 High School program	91,660.00
	*** Total ***	91,660.00
	<b><i>Orange County Water District</i></b>	
17396	March 2017 Postage for Water Use Efficiency rebate programs	41.47
	*** Total ***	41.47
	<b><i>Spotlight Video</i></b>	
JV-1158	Completion of The California WaterFix animated whiteboard video	8,525.00
	*** Total ***	8,525.00
	<b><i>Top Hat Productions</i></b>	
92750	4/6/17 Lunch for Water Use Efficiency Workgroup meeting	441.07
	*** Total ***	441.07
	<b><i>Total Choice Expenditures</i></b>	<hr/> 175,267.00
<b>Other Funds Expenditures:</b>		
	<b><i>EcoTechServices, Inc.</i></b>	
864	April 2017 Landscape Design Assistance program	15,000.00
	*** Total ***	15,000.00
	<b><i>Geoscience Support Services</i></b>	
15025-16-11	March 2017 Doheny Ocean Desal Slant Well decommissioning	10,074.51
	*** Total ***	10,074.51
	<b><i>Kustom Imprints</i></b>	
24444	2 Jackets with WEROC logo for staff	138.87
24603	1 Jacket with WEROC logo for staff	55.97
	*** Total ***	194.84

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<b><i>Mission RCD</i></b>	
2234	April 2017 Field verifications for Water Use Efficiency rebate programs	16,754.97
	*** Total ***	16,754.97
	<b><i>Orange County Fast Print</i></b>	
54536	Business cards for F. Soto	58.88
	*** Total ***	58.88
	<b><i>Water Systems Optimization, Inc.</i></b>	
1146	March 2017 Water Loss Control program	27,615.57
1158	April 2017 Water Loss Control program	22,778.20
	*** Total ***	50,393.77
	<b><i>Total Other Funds Expenditures</i></b>	<hr/> 92,476.97
	<b><i>Total Expenditures</i></b>	<hr/> <hr/> 356,863.93

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>Core Disbursements:</b>				
<b>136666</b>	<b>4/5/17</b>	<b>SPECTB</b>	<b>Spectrum Business</b>	
		5210-APR17	April 2017 Telephone and internet expense	1,274.70
			***Total ***	1,274.70
<b>136667</b>	<b>4/5/17</b>	<b>VERIZO</b>	<b>Verizon Wireless</b>	
		9782707299	March 2017 4G Mobile broadband unlimited service	114.03
			***Total ***	114.03
<b>136679</b>	<b>4/14/17</b>	<b>HOMED1</b>	<b>Home Depot Credit Services</b>	
		7785-MAR17	Small tools for server room	33.65
			***Total ***	33.65
<b>136681</b>	<b>4/14/17</b>	<b>IRONMO</b>	<b>Iron Mountain</b>	
		NSM6102	April 2017 Archived document storage and withdrawal fees	1,275.37
			***Total ***	1,275.37
<b>136685</b>	<b>4/14/17</b>	<b>RAESAR</b>	<b>Sarah Rae</b>	
		040117	March-April 2017 Business expense	35.26
			***Total ***	35.26
<b>136688</b>	<b>4/14/17</b>	<b>SPECTB</b>	<b>Spectrum Business</b>	
		3564-APR14	April 2017 Telephone expense for 3 analog fax lines	107.90
			***Total ***	107.90
<b>ACH002487</b>	<b>4/14/17</b>	<b>ACKEEX</b>	<b>Linda Ackerman</b>	
		033117	March 2017 Business expense	74.90
			***Total ***	74.90
<b>ACH002493</b>	<b>4/14/17</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		033117	March 2017 Business expense	96.18
			***Total ***	96.18
<b>ACH002496</b>	<b>4/14/17</b>	<b>BUSSLI</b>	<b>Charles Busslinger</b>	
		033117	March 2017 Business expense	486.12
			***Total ***	486.12
<b>ACH002499</b>	<b>4/14/17</b>	<b>DICKEK</b>	<b>Larry Dick</b>	
		033117	March 2017 Business expense	134.85
			***Total ***	134.85
<b>ACH002500</b>	<b>4/14/17</b>	<b>DINHPA</b>	<b>Patrick Dinh</b>	
		033117	March 2017 Business expense	21.40
			***Total ***	21.40

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

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
<b>ACH002503</b>	<b>4/14/17</b>	<b>FINNEG</b>	<b>Joan Finnegan</b>	
		033117	March 2017 Business expense	99.43
			***Total ***	99.43
<b>ACH002508</b>	<b>4/14/17</b>	<b>LOEWEN</b>	<b>Laura Loewen</b>	
		033117	March 2017 Business expense	167.11
			***Total ***	167.11
<b>ACH002519</b>	<b>4/14/17</b>	<b>ROBERT</b>	<b>Bryce Roberto</b>	
		033117	March 2017 Business expense	157.68
			***Total ***	157.68
<b>ACH002520</b>	<b>4/14/17</b>	<b>SCHNEI</b>	<b>Megan Yoo Schneider</b>	
		033117	March 2017 Business expense	513.73
			***Total ***	513.73
<b>ACH002521</b>	<b>4/14/17</b>	<b>THOMAS</b>	<b>Jeffery Thomas</b>	
		033117	March 2017 Business expense	165.85
			***Total ***	165.85
<b>136700</b>	<b>4/28/17</b>	<b>LYONKE</b>	<b>Keith Lyon</b>	
		042817	April 2017 Business expense	61.66
			***Total ***	61.66
<b>136702</b>	<b>4/28/17</b>	<b>FRANCI</b>	<b>Pari Francisco</b>	
		033117	March 2017 Business expense	76.25
			***Total ***	76.25
<b>136707</b>	<b>4/28/17</b>	<b>STALVE</b>	<b>Jeff Stalvey</b>	
		040617	March-April 2017 Business expense	71.53
			***Total ***	71.53
<b>136708</b>	<b>4/28/17</b>	<b>STAPLC</b>	<b>Staples Credit Plan</b>	
		84362-APR17	Copy paper for Public Affairs' printing	14.32
			***Total ***	14.32
<b>136709</b>	<b>4/28/17</b>	<b>TAMARI</b>	<b>Satoru Tamaribuchi</b>	
		033117	March 2017 Business expense	291.36
			***Total ***	291.36
<b>136710</b>	<b>4/28/17</b>	<b>USBANK</b>	<b>U.S. Bank</b>	
		4140/5443-MAR17	2/23/17-3/22/17 Cal Card charges	21,460.31
			***Total ***	21,460.31
			(See attached sheet for details)	

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>136711</b>	<b>4/28/17</b>	<b>VOLZKE 033017</b>	<b>Jonathan Volzke</b> January-March 2017 Business expense ***Total ***	 326.22 326.22
<b>ACH002534</b>	<b>4/28/17</b>	<b>SECKEL 040117</b>	<b>Karl Seckel</b> January-March 2017 Business expense ***Total ***	 223.94 223.94
<b>Total Core Disbursements</b>				<b>27,283.75</b>
<b>Choice Disbursements:</b>				
<b>ACH002493</b>	<b>4/14/17</b>	<b>BERGJO 033117</b>	<b>Joseph Berg</b> March 2017 Business expense ***Total ***	 76.60 76.60
<b>136710</b>	<b>4/28/17</b>	<b>USBANK 4140-MAR17</b>	<b>U.S. Bank</b> 2/22/17-3/22/17 Cal Card charges ***Total *** (See attached sheet for details)	 424.39 424.39
<b>Total Choice Disbursements</b>				<b>500.99</b>
<b>Other Funds Disbursements:</b>				
<b>136667</b>	<b>4/5/17</b>	<b>VERIZO 9782707299</b>	<b>Verizon Wireless</b> March 2017 4G Mobile broadband unlimited service ***Total ***	 38.01 38.01
<b>136672</b>	<b>4/14/17</b>	<b>ATTUVEOC 8599-APR17</b>	<b>AT&amp;T</b> April 2017 U-verse internet service for WEROC N. EOC ***Total ***	 55.00 55.00
<b>136684</b>	<b>4/14/17</b>	<b>OCWD 17311</b>	<b>Orange County Water District</b> February 2017 GWRS MET credit ***Total ***	 609,373.23 609,373.23
<b>136691</b>	<b>4/14/17</b>	<b>TRABUC 9151</b>	<b>Trabuco Canyon Water District</b> January & February 2017 Credits for water sold to other agencies ***Total ***	 70,341.19 70,341.19
<b>136695</b>	<b>4/14/17</b>	<b>TURFRP TR8-R-IRWD-7940-7905</b>	<b>Turf Removal Program</b> T. Enomoto (Re-issue) ***Total ***	 596.00 596.00

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
<b>ACH002493</b>	<b>4/14/17</b>	<b>BERGJO</b>	<b>Joseph Berg</b>	
		033117	March 2017 Business expense	4.50
			***Total ***	4.50
<b>ACH002509</b>	<b>4/14/17</b>	<b>MESAWA</b>	<b>Mesa Water</b>	
		9140	February 2017 Credit for Local Resources program	15,722.95
			***Total ***	15,722.95
<b>136696</b>	<b>4/28/17</b>	<b>CATALI</b>	<b>Catalina Island Conservancy</b>	
		0014107	April 2017 WEROC radio repeater site lease	1,718.29
			***Total ***	1,718.29
<b>136703</b>	<b>4/28/17</b>	<b>SANTI1</b>	<b>Santiago Aqueduct Commission</b>	
		JAN2017A	Revised January 2017 SAC Pipeline operation surcharge	4,082.96
		JAN17A	Reverse January 2017 SAC Pipeline operation surcharge	(4,366.80)
		FEB2017	February 2017 SAC Pipeline operation surcharge	2,350.22
			***Total ***	2,066.38
<b>136704</b>	<b>4/28/17</b>	<b>SCHUNK</b>	<b>Janine Schunk</b>	
		033117	March 2017 Business expense	31.03
			***Total ***	31.03
<b>136705</b>	<b>4/28/17</b>	<b>SOTOFR</b>	<b>Francisco Soto</b>	
		040917	April 2017 Business expense	116.20
		042417	April 2017 Business expense	108.23
			***Total ***	224.43
		<b>TURFRP</b>	<b>Turf Removal Program</b>	
<b>136714</b>	<b>4/28/17</b>	TR10-R-IRWD-13438-13388	R. Schneider	1,300.00
<b>136715</b>	<b>4/28/17</b>	TR10-R-ETWD-5171-5101	T. Peters	1,404.09
<b>136716</b>	<b>4/28/17</b>	TR10-R-MNT-12306-12261	A. Mendoza	1,538.00
<b>136717</b>	<b>4/28/17</b>	TR10-R-WEST-4977-4905	M. Bowles	364.00
<b>136718</b>	<b>4/28/17</b>	TR10-R-MNT-13359-13308	L. Svrakov	1,010.00
<b>136719</b>	<b>4/28/17</b>	TR10-R-SOCO-4999-4928	R. Cornell	816.00
<b>136720</b>	<b>4/28/17</b>	TR10-R-SOCO-7632-7595	A. Champagne	590.00
<b>136721</b>	<b>4/28/17</b>	TR10-R-SWD-7780-7755	H. Niederberger	1,000.00
<b>136722</b>	<b>4/28/17</b>	TR8A-R-IRWD-7880-7847	C. Nguyen	496.43
<b>136723</b>	<b>4/28/17</b>	TR10-R-O-8067-8031	L. Ulfelder	1,000.00
<b>136724</b>	<b>4/28/17</b>	TR10-R-BREA-11188-1010	P. orland	608.00
<b>136725</b>	<b>4/28/17</b>	TR10-R-SOCO-4681-4599	I. Himmelberg	738.00
<b>136726</b>	<b>4/28/17</b>	TR10-R-MNT-13357-13306	D. Mulder	620.00
<b>136727</b>	<b>4/28/17</b>	TR10-R-O-4845-4768	T. Gavello	1,000.00
<b>136728</b>	<b>4/28/17</b>	TR10-R-MNT-12305-12260	E. Robertson	918.00
<b>136729</b>	<b>4/28/17</b>	TR10-R-ETWD-12244-12198	K. Wheeler	558.48
<b>136730</b>	<b>4/28/17</b>	TR10-R-FV-5208-5137	A. Hoppe	599.99



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

<b>Check #</b>	<b>Date</b>	<b>Vendor # Invoice/CM #</b>	<b>Name / Description</b>	<b>Net Amount</b>
136731	4/28/17	TR10-R-LB-5217-5147	D. Schumacher	2,048.00
136732	4/28/17	TR8A-R-IRWD-7938-7903	D. Chey	461.24
136733	4/28/17	TR10-R-O-7305-7242	H. Kim	339.00
136734	4/28/17	TR10-R-O-7511-7472	M. Toplansky	1,000.00
136735	4/28/17	TR10-R-LB-7380-7336	J. Chamberlin	1,280.00
136736	4/28/17	TR10-R-MNT-12262-12215	R. Venanzi	3,450.93
136737	4/28/17	TR9-R-MNT-7507-7469	M. Dale	914.00
136738	4/28/17	TR10-R-BREA-7620-7581	T. Joseph	809.00
136739	4/28/17	TR8-R-IRWD-7571-7532	B. Shah	1,094.00
136740	4/28/17	TR10-R-NWPT-12291-12244	H. Kane	575.00
136741	4/28/17	TR10-R-LB-7860-7826	C. Billy	2,371.00
136742	4/28/17	TR8A-R-IRWD-9091-9052	L. Chandsawang	1,444.00
136743	4/28/17	TR9A-R-MNT-7855-7821	J. Pepe	4,420.00
136744	4/28/17	TR8A-R-IRWD-9095-9057	D. Kim	1,912.00
136745	4/28/17	TR10-R-MNT-12263-12216	S. Blythe	6,000.00
136746	4/28/17	TR8A-R-IRWD-9122-9081	W. Tsai	598.72
136747	4/28/17	TR9A-R-MNT-9062-9026	J. Weiss	1,104.00
136748	4/28/17	TR8A-R-IRWD-8036-7999	E. Dupont	760.00
136749	4/28/17	TR9A-R-MNT-12181-12134	K. Afshar	2,138.00
136750	4/28/17	TR9A-R-MNT-11134-11091	E. Higley	782.00
136751	4/28/17	TR8A-R-IRWD-8029-7991	A. Leu	1,314.00
136752	4/28/17	TR9A-R-MNT-12144-12101	R. Kollar	1,072.00
136753	4/28/17	TR8A-C-IRWD-12274-12226	The Irvine Co. (Irvine)	3,070.00
136754	4/28/17	TR10-R-MNT-13302-13257	M. Green	944.00
136755	4/28/17	TR10-R-WEST-13363-13312	D. Emery	630.00
136756	4/28/17	TR10-R-MNT-12182-12135	K. Haboian	1,100.00
136757	4/28/17	TR9A-R-MNT-11128-11085	T. Pevzner	650.80
136758	4/28/17	TR8A-R-IRWD-11138-11096	R. Tomsic	500.00
136759	4/28/17	TR10-R-BREA-12179-12132	S. Rider	899.00
136760	4/28/17	TR10-R-SOCO-12160-12115	S. Pebley	1,000.00
136761	4/28/17	TR9A-R-MNT-12184-12138	J. Herrera	1,352.00
136762	4/28/17	TR10-R-ETWD-12233-12188	S. Patel	1,714.00
136763	4/28/17	TR8A-R-IRWD-12177-12130	J. Allam	1,560.00
136764	4/28/17	TR8A-R-IRWD-12221-12179	J. Lassiter	3,772.00
136765	4/28/17	TR8A-R-IRWD-12248-12202	J. Chung	988.00
136766	4/28/17	TR8A-R-IRWD-12249-12203	S. Kurup	562.00
136767	4/28/17	TR8A-C-IRWD-12260-12213	Orange County Rescue Mission (Tustin)	4,738.00
136768	4/28/17	TR10-R-IRWD-13350-13299	A. Odonnell	1,212.00
136769	4/28/17	TR10-C-BREA-7509-12246	The Arbor HOA (Brea)	479.00
136770	4/28/17	TR10-R-MNT-13304-13259	L. Fitzer	1,036.00
136771	4/28/17	TR10-R-IRWD-13437-13387	O. Upchurch III	852.00
136772	4/28/17	TR10-R-SOCO-13315-13266	J. Daniel	643.00
			***Total ***	78,149.68
ACH002535	4/28/17	SANTAM FEB2017	<b>Santa Margarita Water District</b> February 2017 SCP Pipeline operation surcharge	16,675.61
			***Total ***	16,675.61

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
WIRE-170428	4/28/17	METWAT 8960	Metropolitan Water District February 2017 Water deliveries ***Total***	4,161,772.74 4,161,772.74
<b>Total Other Funds Disbursements</b>				<u>4,956,769.04</u>
<b>Total Disbursements</b>				<u><u>4,984,553.78</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

**Cal Card Statement Detail**  
**Statement Date: March 22, 2017**  
**Payment Date: April 28, 2017**

Date	Description	Amount
<b><u>K. Seckel Card</u></b>		
02/21/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Airfare for Director Schneider	\$ 568.55
02/21/17	Legislative activities in Sacramento, CA on Mar. 24, 2017 - Airfare for H. Baez	377.39
02/22/17	Lunch for MET Managers' meeting	157.07
02/22/17	Orange County Business Council Advocacy trip in Sacramento, CA from Mar. 13-14, 2017 - Airfare for H. Baez	321.89
02/22/17	Legislative activities in Sacramento, CA on Apr. 21, 2017 - Airfare for H. Baez	283.87
02/23/17	Orange County Delegation luncheon in Washington, DC on Mar. 1, 2017	1,927.42 <span style="border: 1px solid black; padding: 0 2px;">1</span>
02/23/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Airfare for R. Hunter	1,214.88 <span style="border: 1px solid black; padding: 0 2px;">2</span>
02/24/17	2/8/17 - 2/7/18 Annual maintenance & support for Sage Human Resources software	890.80
02/25/17	Legislative activities in Washington, DC from Feb.28-Mar. 2, 2017 - Accommodations for Director Barbre	669.64 <span style="border: 1px solid black; padding: 0 2px;">3</span>
02/27/17	Camcorder case returned	(119.00)
02/27/17	California Water Policy conference in San Diego, CA from Apr. 6-7, 2017 - Registration for Director Tamaribuchi	399.00
02/27/17	UPS delivery charges for return to B & H Video, Inc. on Feb. 16, 2017	32.48
02/28/17	Facebook posts for Water Use Efficiency Turf Removal and Spray to Drip rebate programs	173.80
02/28/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Meal for Director Ackerman, H. Baez and 4 guests	171.15
02/28/17	California Water Efficiency Partnership meeting in Sacramento, CA on Mar. 8, 2017 - Airfare for J. Berg	491.88
03/02/17	ACWA DC 2017 dinner in Washington, DC on Mar. 2, 2017	2,531.56
03/02/17	Computer components	136.00
03/02/17	California Special Districts Association Governance Foundations training in Sacramento, CA from Mar. 27-28, 2017 - Airfare for Director Schneider	320.88
03/03/17	Legislative activities in Sacramento, CA on Mar. 3, 2017 - Accommodations for H. Baez	240.80
03/03/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Accommodations for Director Tamaribuchi	456.86
03/03/17	ACWA DC 2017 conference in Washington, DC from Feb. 28-Mar. 2, 2017 - Accommodations for Director Schneider	609.04
03/03/17	Legislative activities in Washington, DC from Feb.28-Mar. 2, 2017 - Accommodations for Director Thomas	319.37 <span style="border: 1px solid black; padding: 0 2px;">4</span>

**Cal Card Statement Detail**  
**Statement Date: March 22, 2017**  
**Payment Date: April 28, 2017**

Date	Description	Amount
03/06/17	UPS delivery charges for Board packets on Mar. 11, 2017	59.87
03/07/17	MET Directors trip in Sacramento, CA from Mar. 28-29, 2017 - Airfare for Director Barbre	535.88 <span style="border: 1px solid black; padding: 0 2px;">5</span>
03/08/17	2 Cables for camcorder	75.40
03/08/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for Director Tamaribuchi	699.00
03/08/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for Director Thomas	699.00
03/08/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for K. Seckel	699.00
03/08/17	MET Directors trip in Sacramento, CA from Mar. 28-29, 2017 - Accommodations for Director Barbre	389.91 <span style="border: 1px solid black; padding: 0 2px;">6</span>
03/08/17	ACWA Legislative symposium in Sacramento, CA on Mar. 8, 2017 - Accommodations for Director Tamaribuchi	217.80
03/08/17	Orange County Business Council Advocacy trip in Sacramento, CA from Mar. 13-14, 2017 - Airfare for Director Tamaribuchi	491.88
03/09/17	Lunch for UCI Education team meeting	60.31
03/10/17	Food for Staff development meeting	29.98
03/11/17	FedEx delivery charges for Board of Supervisors on Mar. 9, 2017	16.85
03/11/17	Orange County Business Council Advocacy trip in Sacramento, CA from Mar. 13-14, 2017 - Accommodations for Director Tamaribuchi	207.54
03/13/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for R. Hunter	699.00
03/13/17	UPS delivery charges for Board packets on Mar. 10, 2017	6.12
03/14/17	One Stop employment ad for Water Use Efficiency Intern position	165.00
03/14/17	Brown and Caldwell employment ad for Water Resource Analyst position	200.00
03/14/17	California Environmental Dialogue Longview Committee meeting in Sonoma, CA from Apr. 12-13, 2017 - Accommodations for Director Tamaribuchi	230.83
03/14/17	California Environmental Dialogue Longview Committee meeting in Sonoma, CA from Apr. 12-13, 2017 - Airfare for Director Tamaribuchi	255.88
03/15/17	Computer components	270.58
03/15/17	Television wall mount	43.09
03/15/17	Water District Jobs employment ad for Water Resource Analyst position	145.00
03/16/17	Facebook posts for Water Use Efficiency Turf Removal and Spray to Drip rebate programs	238.25
03/16/17	Facebook posts for Water Use Efficiency Turf Removal and Spray to Drip rebate programs	12.34
03/16/17	5 Year domain name registration for ocfriendlylandscapes.com	112.80
03/16/17	Lunch for Managers' meeting	471.50

**Cal Card Statement Detail**  
**Statement Date: March 22, 2017**  
**Payment Date: April 28, 2017**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
03/16/17	California Environmental Dialogue meeting in San Francisco, CA on Mar. 31, 2017	351.88
03/18/17	FedEx delivery charges for Board of Supervisors on Mar. 16, 2017	16.81
<b>Total</b>		<b>19,576.83</b>

- [1] MWDOC to be reimbursed \$385.48 each from agencies Eastern Municipal Water District, Inland Empire Utilities Agency, Long Beach Water Department and Western Municipal Water District
- [2] Trip was canceled, airfare will be used for future trip
- [3] Director Barbrie reimbursed MWDOC \$166.80
- [4] Charge for 1 night due to short notice cancellation
- [5] Trip was canceled, Southwest refunded \$535.88 to MWDOC on 3/22/17
- [6] Trip was canceled, Embassy Suites refunded \$389.91 to MWDOC on 3/24/17

**R. Hunter Card**

2/23/17-3/22/17	Meals for R. Hunter's meetings	\$ 38.11
03/20/17	ACWA Spring conference in Monterey, CA from May 9-12, 2017 - Registration for Director Osborne	699.00
03/20/17	California Environmental Dialogue Longview Committee meeting in Sonoma, CA from Apr. 12-14, 2017 - Airfare for R. Hunter	377.88
03/20/17	Legislative activities in Sacramento, CA on Mar. 31, 2017 - Airfare for H. Baez	442.88
03/21/17	Retirement gift for R. Behrens	750.00
<b>Total</b>		<b>2,307.87</b>

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
<b>Core Disbursements:</b>				
136665	4/5/17	JARVIS 26510-STR	<b>Jarvis Restoration</b> February-March 2017 Hallway wall repair and paint	6,462.36
			***Total ***	6,462.36
136668	4/12/17	CALNEV AWWA041217	<b>California Nevada Section, AWWA</b> 4/12/17 Conference registration for J. Berg	315.00
			***Total ***	315.00
136697	4/28/17	GREENSHDS 110391	<b>Greenshades Software</b> 2016 W-2 Tax form upload fee	15.81
			***Total ***	15.81
136706	4/28/17	STAFFI 95698741	<b>Staffing Network, LLC</b> 4/3/17-4/9/17 Temporary help for scanning records and front desk coverage	1,060.80
			***Total ***	1,060.80
136712	4/28/17	FRANKP MWDOC4-11-17-002	<b>Frank Pitman Designs, Inc.</b> Additional carpet for hallway refurbishment	609.34
			***Total ***	609.34
			<b>Total Core Disbursements</b>	8,463.31
<b>Choice Disbursements:</b>				
			<b>Total Choice Disbursements</b>	-
<b>Other Funds Disbursements:</b>				
			<b>Total Other Funds Disbursements</b>	-
			<b>Total Disbursements</b>	8,463.31

  
 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 Consolidated Summary of Cash and Investment

March 31, 2017

Street Address:

18700 Ward Street

Fountain Valley, California 92708

Mailing Address:

P.O. Box 20895

Fountain Valley, CA 92728-0895

(714) 963-3058

Fax: (714) 964-9389

[www.mwdoc.com](http://www.mwdoc.com)Wayne S. Osborne  
PresidentBrett R. Barbre  
Vice PresidentLarry D. Dick  
DirectorJoan C. Finnegan  
DirectorMegan Yoo Schneider  
DirectorSat Tamaribuchi  
DirectorJeffery M. Thomas  
DirectorRobert J. Hunter  
General Manager

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

Fund	Book Value	% of Portfolio
<b>Designated Reserves</b>		
General Operations	\$2,715,630	22.67%
Grant & Project Cash Flow	1,500,000	12.52%
Election Expense	475,000	3.97%
Building Repair	350,407	2.93%
OPEB	209,006	1.75%
<b>Total Designated Reserves</b>	<b>5,250,043</b>	<b>43.84%</b>
<b>General Fund</b>	<b>5,219,774</b>	<b>43.58%</b>
<b>Water Fund</b>	<b>1,540,329</b>	<b>12.86%</b>
<b>Conservation Fund</b>	<b>88,459</b>	<b>0.74%</b>
<b>Desalination Feasibility Study Fund</b>	<b>(229,137)</b>	<b>(1.91%)</b>
<b>WEROC Fund</b>	<b>188,206</b>	<b>1.57%</b>
<b>WEROC Fuel Trailers</b>	<b>(109,024)</b>	<b>(0.91%)</b>
<b>Trustee Activities</b>	<b>28,047</b>	<b>0.23%</b>
<b>Total</b>	<b>\$11,976,697</b>	<b>100.00%</b>

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.81%	\$97,079	\$97,079
<b>Short-term investment</b>			
• LAIF	4.70%	\$563,257	\$563,257
• OCIP	69.42%	8,313,838	8,313,838
<b>Long-term investment</b>			
• Corporate Bond	6.28%	752,523	752,988
• Certificates of Deposit	18.79%	2,250,000	2,261,985
<b>Total</b>	<b>100.00%</b>	<b>\$11,976,697</b>	<b>\$11,989,147</b>

The average number of days to maturity/call as of March 31, 2017 equaled 165 and the average yield to maturity is 1.099%. During the month, the District's average daily balance was \$14,978,896.29. 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 2017.

The \$12,450 difference between the book value and the market value on March 31, 2017 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter  
General ManagerHilary Chumpitazi  
Treasurer

## MEMBER AGENCIES

City of Brea

City of Buena Park

East Orange County Water District

El Toro Water District

Emerald Bay Service District

City of Fountain Valley

City of Garden Grove

Golden State Water Co.

City of Huntington Beach

Irvine Ranch Water District

Laguna Beach County Water District

City of La Habra

City of La Palma

Mesa Water District

Moulton Niguel Water District

City of Newport Beach

City of Orange

Orange County Water District

City of San Clemente

City of San Juan Capistrano

Santa Margarita Water District

City of Seal Beach

Serrano Water District

South Coast Water District

Trabuco Canyon Water District

City of Tustin

City of Westminster

Yorba Linda Water District



# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY



## Portfolio Management - Portfolio Summary March 31, 2017

3/31/2017	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	2,250,000.00	2,261,985.00	2,250,000.00	18.94	494	1.726
Corporate Bond	750,000.00	752,987.50	752,522.58	6.31	1,114	2.238
Local Agency Investment Funds	563,257.38	563,257.38	563,257.38	4.74	1	0.821
Orange County Investment Pool	8,313,837.90	8,313,837.90	8,313,837.90	70.00	1	0.845
<b>Total Investments</b>	<b>11,877,095.28</b>	<b>11,892,067.78</b>	<b>11,879,617.86</b>	<b>99.99</b>	<b>165</b>	<b>1.099</b>
<b>Cash</b>						
Cash	97,078.79	97,078.79	97,078.79		1	0.00
<b>Total Cash and Investments</b>	<b>11,974,174.07</b>	<b>11,989,146.57</b>	<b>11,976,696.65</b>		<b>165</b>	<b>1.099</b>

Total Earnings	Month Ending March	Fiscal Year to Date
Current Year	12,830.96	145,523.74
Average Daily Balance	14,978,896.29	
Effective Rate of Return	1.099%	

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 Chumtipitaji, Treasurer

Date



**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Long-Term Portfolio Details - Investments**  
**March 31, 2017**

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Negotiable Certificate Of Deposit</b>									
Ally Bank	02008LEFV0	7/23/2014	250,000.00	250,270.00	250,000.00	1.150	1.150	115	7/24/2017
American Express Bank	02587CEA4	7/29/2015	250,000.00	250,905.00	250,000.00	1.450	1.450	304	1/29/2018
Barclays Bank	06740KJP3	9/24/2015	250,000.00	252,290.00	250,000.00	1.900	1.900	906	9/23/2019
Capital One Bank	140420TY6	8/5/2015	250,000.00	251,002.50	250,000.00	1.700	1.700	493	8/6/2018
Capital One Natl Assn	14042E6C9	9/2/2015	250,000.00	252,600.00	250,000.00	1.950	1.950	886	9/3/2019
Discover Bank	2546712Y5	7/23/2014	250,000.00	250,927.50	250,000.00	1.600	1.600	479	7/23/2018
Goldman Sachs Bank	36163FJC8	7/25/2014	250,000.00	250,270.00	250,000.00	1.200	1.200	116	7/25/2017
HSBC Bank	40434AK65	1/21/2016	250,000.00	251,292.50	250,000.00	1.550	2.534	296	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	252,427.50	250,000.00	2.050	2.050	851	7/30/2019
<b>Sub Total</b>			<b>2,250,000.00</b>	<b>2,261,985.00</b>	<b>2,250,000.00</b>	<b>1.617</b>	<b>1.726</b>	<b>494</b>	
<b>Corporate Bond</b>									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	501,720.00	501,309.15	2.250	2.152	997	1/23/2020
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,267.50	251,213.43	2.550	2.409	1,347	12/7/2020
<b>Sub Total</b>			<b>750,000.00</b>	<b>752,987.50</b>	<b>752,522.58</b>	<b>2.350</b>	<b>2.238</b>	<b>1,114</b>	
<b>Total Investments</b>			<b>3,000,000.00</b>	<b>3,014,972.50</b>	<b>3,002,522.58</b>	<b>1.800</b>	<b>1.854</b>	<b>649</b>	

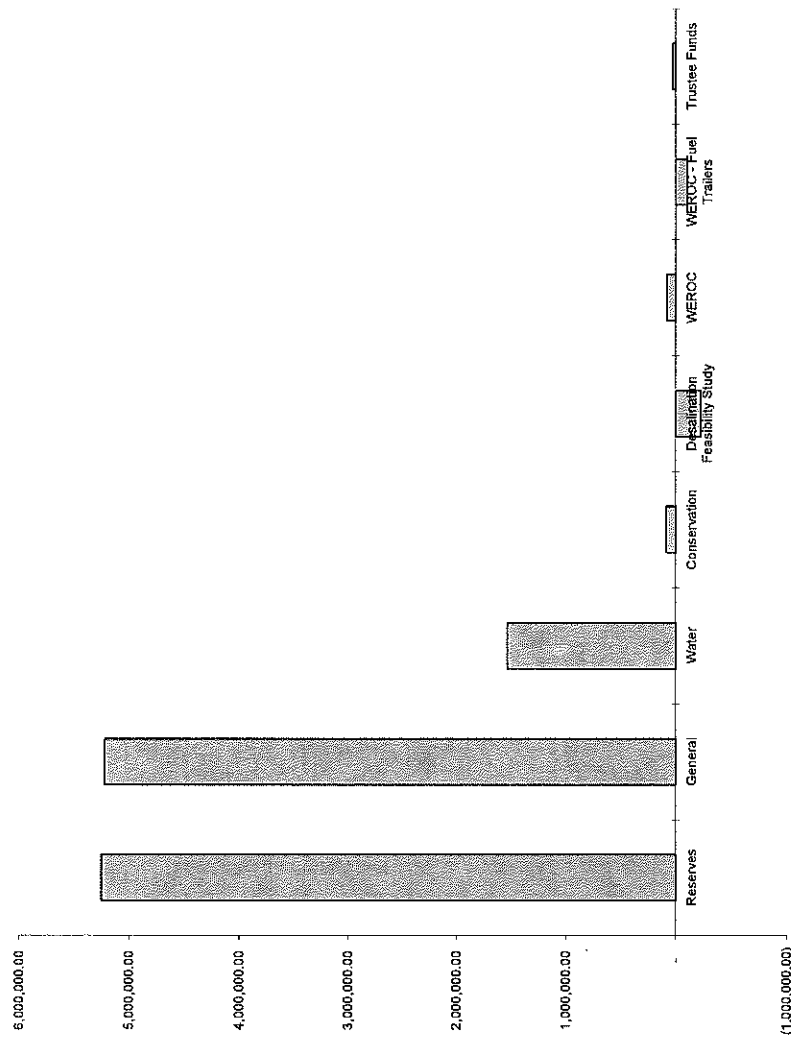
<b>Total Earnings</b>			<b>Month Ending September</b>	<b>Fiscal Year To Date</b>
<b>Current Year</b>			4,637.62	40,573.58

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**Portfolio Management**  
**Short-Term Portfolio Details - Cash and Investments**  
**March 31, 2017**

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
<b>Local Agency Investment Funds</b>									
LAIF LGIP	LAIF	6/30/2010	563,257.38	563,257.38	563,257.38	0.821	0.821	1	N/A
<b>Sub Total</b>			<b>563,257.38</b>	<b>563,257.38</b>	<b>563,257.38</b>	<b>0.821</b>	<b>0.821</b>	<b>1</b>	
<b>Orange County Investment Pool</b>									
County of Orange LGIP	OCIP	6/29/2005	8,313,837.90	8,313,837.90	8,313,837.90	0.845	0.845	1	N/A
<b>Sub Total</b>			<b>8,313,837.90</b>	<b>8,313,837.90</b>	<b>8,313,837.90</b>	<b>0.845</b>	<b>0.845</b>	<b>1</b>	
<b>Total Investments</b>			<b>8,877,095.28</b>	<b>8,877,095.28</b>	<b>8,877,095.28</b>	<b>0.843</b>	<b>0.843</b>		
<b>Cash</b>									
Bank of America Cash	CASH0547	7/1/2011	96,578.79	96,578.79	96,578.79	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>97,078.79</b>	<b>97,078.79</b>	<b>97,078.79</b>	<b>0.000</b>	<b>0.000</b>	<b>1</b>	
<b>Total Cash and Investments</b>			<b>8,974,174.07</b>	<b>8,974,174.07</b>	<b>8,974,174.07</b>	<b>0.843</b>	<b>0.843</b>	<b>1</b>	
<b>Total Earnings</b>									
Current Year		Month Ending September	8,193.34	Fiscal Year To Date	104,950.16				

**Municipal Water District of Orange County  
Cash and Investments at March 31, 2017**

ALLOCATION	AMOUNT	%
<b>MWDOC</b>		
Designated Reserves		
General	\$ 2,715,630	22.67%
Grant & Project Cash Flow	1,500,000	12.52%
Election Expense	475,000	3.97%
Building Repair	350,407	2.93%
OPEB	209,006	1.75%
Total Designated Reserves	5,250,043	43.84%
General	5,219,774	43.58%
Water	1,540,329	12.86%
Conservation	88,459	0.74%
Desalination Feasibility Study	(229,137)	-1.91%
WEROC	188,206	1.57%
WEROC - Fuel Trailers	(109,024)	-0.91%
<b>TOTAL MWDOC</b>	<b>\$ 11,948,650</b>	<b>99.77%</b>
<b>TRUSTEE ACTIVITIES</b>		
AMP Sales Admin	\$ 28,047	0.23%
<b>TOTAL TRUSTEE ACTIVITIES</b>	<b>\$ 28,047</b>	<b>0.23%</b>
<b>TOTAL CASH &amp; INVESTMENTS</b>	<b>\$ 11,976,697</b>	<b>100.00%</b>



**MUNICIPAL WATER DIST OF ORANGE COUNTY**  
**PARS OPEB Trust Program****Monthly Account Report for the Period**  
**3/1/2017 to 3/31/2017**Rob Hunter  
General Manager  
Municipal Water Dist of Orange County  
18700 Ward Street  
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 3/1/2017	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 3/31/2017
OPEB	\$1,900,782.58	\$0.00	\$8,240.15	\$840.94	\$0.00	\$0.00	\$1,908,181.79
<b>Totals</b>	<b>\$1,900,782.58</b>	<b>\$0.00</b>	<b>\$8,240.15</b>	<b>\$840.94</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,908,181.79</b>

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

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

**Investment Return**

1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
			3-Years	5-Years	10-Years	
0.43%	3.80%	9.68%	4.51%	6.50%	-	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

## PARS DIVERSIFIED PORTFOLIOS MODERATE

Q1 2017

### WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

#### Comprehensive Investment Solution

HighMark® Capital Management, Inc.'s (HighMark) diversified investment portfolios are designed to balance return expectations with risk tolerance. Key features include: sophisticated asset allocation and optimization techniques, four layers of diversification (asset class, style, manager, and security), access to rigorously screened, top tier money managers, flexible investment options, and experienced investment management.

#### Rigorous Manager Due Diligence

Our manager review committee utilizes a rigorous screening process that searches for investment managers and styles that have not only produced above-average returns within acceptable risk parameters, but have the resources and commitment to continue to deliver these results. We have set high standards for our investment managers and funds. This is a highly specialized, time consuming approach dedicated to one goal: competitive and consistent performance.

#### Flexible Investment Options

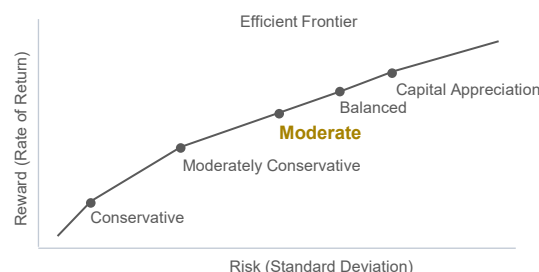
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation approach.

#### Risk Management

The portfolio is constructed to control risk through four layers of diversification – asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process helps to drive return potential while reducing portfolio risk.

### INVESTMENT OBJECTIVE

To provide 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.



### ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	50%
Fixed Income	40 - 60%	45%	47%
Cash	0 - 20%	5%	3%

### ANNUALIZED TOTAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

#### HighMark Plus (Active)

Current Quarter*	3.72%
Blended Benchmark**	3.20%
Year To Date	3.72%
Blended Benchmark	3.20%
1 Year	9.67%
Blended Benchmark	8.96%
3 Year	4.58%
Blended Benchmark	5.21%
5 Year	6.34%
Blended Benchmark	6.79%
10 Year	4.97%
Blended Benchmark	5.25%

#### Index Plus (Passive)

Current Quarter*	3.08%
Blended Benchmark**	3.20%
Year To Date	3.08%
Blended Benchmark	3.20%
1 Year	8.75%
Blended Benchmark	8.96%
3 Year	4.67%
Blended Benchmark	5.21%
5 Year	6.39%
Blended Benchmark	6.79%
10 Year	5.08%
Blended Benchmark	5.25%

\* Returns less than 1-year are not annualized. \*\*Breakdown for Blended Benchmark: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM FREE, 6% MSCI EAFE, 33.50% BC US Agg, 10% ML 1-3 Yr US Corp/Gov't, 1.50% US High Yield Master II, 1.75% Wilshire REIT, and 5% Citi 1 Mth T-Bill. Prior to October 2012, the blended benchmarks were 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE, 15% ML 1-3 Year Corp./Govt, 30% BC Agg, 5% Citi 1 Mth T-Bill. Prior to April 2007, the blended benchmarks were 50% S&P 500, 15% ML 1-3Yr Corp/Gov, 30% BC Agg, and 5% Citi 1 Mth T-Bill.

### ANNUAL RETURNS

#### HighMark Plus (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.44%

#### Index Plus (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%

### PORTFOLIO FACTS

#### HighMark Plus (Active)

Inception Data	10/2004
No of Funds in Portfolio	19

#### Index Plus (Passive)

Inception Data	05/2006
No of Funds in Portfolio	13

## HOLDINGS

### HighMark Plus (Active)

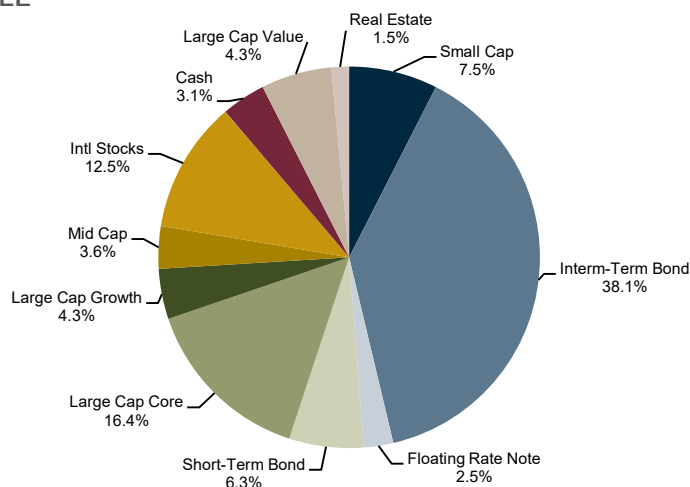
COLUMBIA CONTRARIAN CORE-Z  
VANGUARD GROWTH & INCOME-ADM  
DODGE & COX STOCK FUND  
HARBOR CAPITAL APPRECIATION-INST  
T ROWE PRICE GROWTH STOCK-I  
ISHARES RUSSELL MID-CAP ETF  
NUVEEN REAL ESTATE SECUR-I  
UNDISC MGRS BEHAV VAL-L  
T ROWE PRICE NEW HORIZONS-I  
NATIONW BAILRD INT EQ-INST  
DODGE & COX INTL STOCK FUND  
MFS INTL GROWTH-I  
HRTFRD SCHR EM MRKT EQ-I  
VANGUARD S/T INVEST GR-ADM  
PIMCO TOTAL RETURN FUND-INST  
PRUDENTIAL TOTAL RETRN BND-Q  
NATIONW HIGHMARK BND-R6  
EATON VAN FL RT & HI INC-INS  
FIRST AM GOV OBLIG-Z

### Index Plus (Passive)

ISHARES CORE S&P 500 ETF  
ISHARES S&P 500 VALUE ETF  
ISHARES S&P 500 GROWTH ETF  
ISHARES RUSSELL MID-CAP ETF  
VANGUARD REIT ETF  
ISHARES RUSSELL 2000 VALUE E  
ISHARES RUSSELL 2000 GROWTH  
ISHARES MSCI EAFE ETF  
VANGUARD FTSE EMERGING MARKE  
VANGUARD S/T INVEST GR-ADM  
ISHARES CORE U.S. AGGREGATE  
POWERSHARES SENIOR LOAN  
FIRST AM GOV OBLIG-Z

*Holdings are subject to change at the discretion of the investment manager.*

## STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives and do not have equity concentration of 25% or more in one common stock security.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of March 31, 2017, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.54 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. In Q1 2010, the PARS Composite definition was changed from \$750,000 minimum to no minimum. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

Blended benchmarks represent HighMark's strategic allocations between equity, fixed income, and cash and are rebalanced monthly. Benchmark returns do not reflect the deduction of advisory fees or other expenses of investing but assumes the reinvestment of dividends and other earnings. An investor cannot invest directly in an index. The unmanaged S&P 500 Index is representative of the performance of large companies in the U.S. stock market. The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Free Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The US High Yield Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. Wilshire REIT index measures U.S. publicly traded Real Estate Investment Trusts. The unmanaged Bloomberg Barclays Capital (BC) U.S. Aggregate Bond Index is generally representative of the U.S. taxable bond market as a whole. The Merrill Lynch (ML) 1-3 Year U.S. Corporate & Government Index tracks the bond performance of The ML U.S. Corporate & Government Index, with a remaining term to final maturity less than 3 years. The unmanaged Citigroup 1-Month Treasury Bill Index tracks the yield of the 1-month U.S. Treasury Bill.

HighMark Capital Management, Inc. (HighMark), an SEC-registered investment adviser, is a wholly owned subsidiary of MUFG Union Bank, N.A. (MUB). HighMark manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds, common trust funds, and collective investment funds. MUB, a subsidiary of MUFG Americas Holdings Corporation, provides certain services to HighMark and is compensated for these services. Past performance does not guarantee future results. Individual account management and construction will vary depending on each client's investment needs and objectives. **Investments employing HighMark strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal.**

## HIGHMARK CAPITAL MANAGEMENT

350 California Street  
Suite 1600  
San Francisco, CA 94104  
800-582-4734

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

### ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has over 90 years (including predecessor organizations) of institutional money management experience with more than \$15.9 billion in assets under management. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

### ABOUT THE PORTFOLIO MANAGEMENT TEAM

#### Andrew Brown, CFA®

Senior Portfolio Manager  
Investment Experience: since 1994  
HighMark Tenure: since 1997  
Education: MBA, University of Southern California; BA, University of Southern California

#### Andrew Bates, CFA®

Portfolio Manager  
Investment Experience: since 2008  
HighMark Tenure: since 2015  
Education: BS, University of Colorado

#### Salvatore "Tory" Milazzo III, CFA®

Senior Portfolio Manager  
Investment Experience: since 2004  
HighMark Tenure: since 2014  
Education: BA, Colgate University

#### J. Keith Stribling, CFA®

Senior Portfolio Manager  
Investment Experience: since 1985  
HighMark Tenure: since 1995  
Education: BA, Stetson University

#### Christiane Tsuda

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2010  
Education: BA, International Christian University, Tokyo

#### Anne Wimmer, CFA®

Senior Portfolio Manager  
Investment Experience: since 1987  
HighMark Tenure: since 2007  
Education: BA, University of California, Santa Barbara

### Asset Allocation Committee

Number of Members: 16  
Average Years of Experience: 26  
Average Tenure (Years): 13

### Manager Review Group

Number of Members: 8  
Average Years of Experience: 19  
Average Tenure (Years): 7

# Item No. 3e

## Municipal Water District of Orange County WATER USE EFFICIENCY PROJECTS Cash Flow as of 4/30/17

Cash - Beginning Balance	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	TOTALS
\$	(2,257,237.25)	\$ (3,224,747.37)	\$ (2,270,840.96)	\$ (400,006.46)	\$ (100,015.28)	\$ (92,342.95)	\$ 32,509.77	\$ 36,819.09	\$ (32,876.53)	\$ 88,459.08	\$ (40,556.33)	\$ (40,556.33)	
<b>REVENUES:</b>													
BUREC				36,748.36			95,010.00						\$ 131,758.36
City of Brea	339.97		144.99		294.99								779.95
City of Buena Park	332.10		111.00	222.00	111.00		111.00	333.00					1,220.10
City of Fountain Valley										777.00			777.00
City of Fullerton		75.00											75.00
City of Garden Grove			222.00	666.00									1,665.00
City of Huntington Beach	640.85	49.99	519.99	117.96	557.99		1,116.13						3,002.91
City of La Habra	111.00		111.00										222.00
City of San Clemente					1,110.00			125.00		725.00			2,071.00
City of San Juan Capistrano	111.00		111.00	402.70									1,049.58
City of Tustin	11,583.00	25,459.59			424.88								40,413.59
City of Newport Beach	450.00		238.99		3,371.00		7,516.00		376.05	333.00			9,290.03
City of Orange	2,869.43		333.00	291.00	375.99		111.00		1,665.00				5,380.43
City of Westminster										888.00			888.00
County of Orange				25,297.04			3,777.75	1,697.75		2,072.16			25,297.04
Department of Water Resources		40,479.67											48,027.33
East Orange County Water District								15.00	625.00	7,020.10			10,804.09
El Toro Water District	75.00	75.00		2,552.00	368.99								-
East Orange County Water District													2,105.00
Golden State Water Company	1,980.00		75.00	50.00									1,307,932.29
Invine Ranch Water District	93,764.10	542,331.88	132,095.59	309,490.34	45,597.19		32,010.98	56,012.38	35,922.83	47,207.00			2,577.00
Laguna Beach County Water District	1,110.00	1,041.00		396.00					15.00	15.00			2,617.35
Mesa Water District	1,127.37		80.00		149.99								
Metropolitan Water District			1,934,765.85	28,195.82			70,484.98		158,687.96				2,192,134.61
Moulton Niguel Water District	459,396.32	683,295.61	17,279.42	102,026.49	96,834.06		4,400.00	35,654.00	90,041.00	37,604.79			1,631,296.33
Orange County Water District									2,247.70				2,247.70
Santa Margarita Water District	6,821.55	3,703.49	10,737.34	8,062.96			4,215.84	12,326.00					47,561.15
Serrano Water District	75.00												75.00
South Coast Water District													-
Trabuco Canyon Water District	475.00	150.00	200.00	100.00	100.00		100.00		300.00				1,625.00
Yorba Linda Water District					596.00								596.00
<b>Miscellaneous Revenues</b>													-
Miscellaneous		103.68		884.00									987.68
Interest Revenue													-
<b>Total Revenues</b>	580,811.69	1,287,325.91	2,097,100.17	515,712.66	149,294.08	219,110.55	124,486.49	104,132.38	289,880.54	96,642.05	-	-	\$ 5,474,476.52
<b>EXPENDITURES:</b>													
Aquaficient	5,400.00						5,400.00			5,400.00			\$ 16,200.00
Brylton Printing					2,500.00								2,500.00
Conservation Consulting, LLC				28,894.25									28,894.25
DeLorenzo International										26,550.00			26,550.00
City													-
City of Tustin, City of Westminster													-
El Toro WD					100.00								100.00
Golden State Water Company					100.00								100.00
Laguna Beach CWD							240.00	560.00		320.00			1,120.00
Metropolitan Water District	229,162.49	111,028.73			19,364.33		13,053.16						450,121.65
Mesa RCD	18,300.13	14,225.68	38,367.35		8,770.78		24,081.46	9,322.50	28,525.40	77,512.94			179,318.14
Regions UCI Medical								18,684.00		37,724.84			18,684.00
Santa Ana Glzmo					675.00								675.00
Tuolumne removal	1,287,489.27	214,655.09	175,786.98	179,854.83	110,111.64		57,547.37	140,776.50	110,756.26	78,149.68			2,458,023.45
UC Medical									6,500.00				6,500.00
<b>Miscellaneous Expenses</b>													
Interest Expense	7,579.92			5,087.40				178.18					12,845.50
Salary & Benefit	390.00	3,510.00	12,111.34	1,885.00			6,989.00	4,030.00	22,763.27				56,163.61
<b>Total Expenditures</b>	1,548,321.81	343,419.50	226,265.67	215,721.48	141,621.75	94,257.83	120,157.17	173,828.00	168,544.93	225,657.46	-	-	\$ 3,257,795.60
<b>Cash - Ending Balance</b>	<b>\$ (3,224,747.37)</b>	<b>\$ (2,270,840.96)</b>	<b>\$ (400,006.46)</b>	<b>\$ (100,015.28)</b>	<b>\$ (92,342.95)</b>	<b>\$ 32,509.77</b>	<b>\$ 36,819.09</b>	<b>\$ (32,876.53)</b>	<b>\$ 88,459.08</b>	<b>\$ (40,556.33)</b>	<b>\$ (40,556.33)</b>	<b>\$ (40,556.33)</b>	

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**  
**COMBINED FINANCIAL STATEMENTS**  
**AND**  
**BUDGET COMPARATIVE**  
**JULY 1, 2016 THRU MARCH 31, 2017**



**Municipal Water District of Orange County  
Combined Balance Sheet  
As of March 31, 2017**

<b><u>ASSETS</u></b>	<b>Amount</b>
Cash in Bank	97,078.79
Investments	11,879,617.86
Accounts Receivable	14,590,318.39
Accounts Receivable - Other	56,695.69
Accrued Interest Receivable	18,457.02
Prepays/Deposits	514,382.93
Leasehold Improvements	3,415,059.92
Furniture, Fixtures & Equipment	447,719.37
Less: Accum Depreciation	(2,658,397.16)
Net OPEB Asset	<u>117,085.00</u>
<b>TOTAL ASSETS</b>	<b><u>\$28,478,017.81</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>	
<b>Liabilities</b>	
Accounts Payable	14,135,666.47
Accounts Payable - Other	272.50
Accrued Salaries and Benefits Payable	339,130.63
Other Liabilities	869,321.39
Unearned Revenue	<u>2,076,778.49</u>
Total Liabilities	<u>17,421,169.48</u>
 <b>Fund Balances</b>	
Restricted Fund Balances	
Water Fund - T2C	<u>968,399.74</u>
Total Restricted Fund Balances	<u>968,399.74</u>
Unrestricted Fund Balances	
Designated Reserves	
General Operations	2,832,714.74
Grant & Project Cash Flow	1,500,000.00
Election Expense	475,000.00
Building Repair	350,407.45
OPEB	<u>209,006.00</u>
Total Designated Reserves	<u>5,367,128.19</u>
GENERAL FUND	2,244,103.41
WEROC	<u>101,241.62</u>
Total Unrestricted Fund Balances	<u>7,712,473.22</u>
Excess Revenue over Expenditures	
Operating Fund	2,697,309.97
Other Funds	<u>(321,334.60)</u>
Total Fund Balance	<u>11,056,848.33</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$28,478,017.81</u></b>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>REVENUES</u></b>						
Retail Connection Charge	0.00	6,786,864.75	6,786,865.00	100.00%	0.00	0.25
Ground Water Customer Charge	0.00	392,666.00	392,666.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,179,530.75	7,179,531.00	100.00%	0.00	0.25
Interest Revenue	12,074.39	144,576.06	123,000.00	117.54%	0.00	(21,576.06)
Subtotal	12,074.39	7,324,106.81	7,302,531.00	100.30%	0.00	(21,575.81)
Choice Programs	2,029.29	1,290,758.99	1,494,789.00	86.35%	0.00	204,030.01
Choice Prior Year Carry Over	0.00	0.00	44,416.00	0.00%	0.00	44,416.00
Miscellaneous Income	47,770.52	49,517.00	3,000.00	1650.57%	0.00	(46,517.00)
School Contracts	14,752.43	62,618.65	70,000.00	89.46%	0.00	7,381.35
Transfer-In From Reserve	0.00	0.00	535,873.00	0.00%	0.00	535,873.00
Subtotal	64,552.24	1,402,894.64	2,148,078.00	65.31%	0.00	745,183.36
<b>TOTAL REVENUES</b>	<b>76,626.63</b>	<b>8,727,001.45</b>	<b>9,450,609.00</b>	<b>92.34%</b>	<b>0.00</b>	<b>723,607.55</b>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<b><u>EXPENSES</u></b>						
Salaries & Wages	435,161.13	2,331,487.47	3,437,120.00	67.83%	0.00	1,105,632.53
Salaries & Wages - Grant Recovery	(17,671.24)	(29,118.50)	(31,600.00)	92.15%	0.00	(2,481.50)
Salaries & Wages - Recovery	(819.00)	(16,871.40)	0.00	0.00%	0.00	16,871.40
Directors' Compensation	18,385.25	156,887.10	231,937.00	67.64%	0.00	75,049.90
MWD Representation	10,748.30	92,330.11	132,535.00	69.66%	0.00	40,204.89
Employee Benefits	91,735.67	678,462.82	968,160.00	70.08%	0.00	289,697.18
OPEB Annual Contribution	0.00	400,000.00	105,249.00	380.05%	0.00	(294,751.00)
Employee Benefits - Grant Recovery	(4,117.03)	(6,960.11)	0.00	0.00%	0.00	6,960.11
Employee Benefits - Recovery	(156.00)	(3,213.60)	0.00	0.00%	0.00	3,213.60
Director's Benefits	6,958.71	50,277.06	66,297.00	75.84%	0.00	16,019.94
Health Ins \$'s for Retirees	2,258.34	25,183.05	50,326.00	50.04%	0.00	25,142.95
Training Expense	0.00	5,379.00	12,000.00	44.83%	575.00	6,046.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	1,312.74	13,664.43	0.00	0.00%	1,335.57	(15,000.00)
Personnel Expenses	543,796.87	3,697,507.43	4,977,024.00	74.29%	1,910.57	1,277,606.00
Engineering Expense	1,115.00	94,929.98	405,000.00	23.44%	113,655.14	196,414.88
Legal Expense	7,815.12	126,316.53	320,000.00	39.47%	193,683.47	0.00
Audit Expense	0.00	18,437.00	24,000.00	76.82%	0.00	5,563.00
Professional Services	76,015.63	562,429.92	1,504,497.00	37.38%	411,251.53	530,815.55
Professional Fees	84,945.75	802,113.43	2,253,497.00	35.59%	718,590.14	732,793.43
Conference-Staff	770.00	11,778.13	22,125.00	53.23%	0.00	10,346.87
Conference-Directors	3,209.00	10,473.00	10,725.00	97.65%	0.00	252.00
Travel & Accom.-Staff	7,277.96	29,906.79	71,130.00	42.05%	491.88	40,731.33
Travel & Accom.-Directors	5,437.04	17,077.86	38,250.00	44.65%	1,564.49	19,607.65
Travel & Conference	16,694.00	69,235.78	142,230.00	48.68%	2,056.37	70,937.85
Membership/Sponsorship	1,500.00	124,936.51	134,458.00	92.92%	0.00	9,521.49
CDR Support	0.00	29,978.64	39,972.00	75.00%	9,992.86	0.50
Dues & Memberships	1,500.00	154,915.15	174,430.00	88.81%	9,992.86	9,521.99
Business Expense	560.45	3,729.08	6,000.00	62.15%	0.00	2,270.92
Maintenance Office	6,985.85	67,225.00	123,185.00	54.57%	54,240.00	1,720.00
Building Repair & Maintenance	851.26	8,553.29	11,000.00	77.76%	704.21	1,742.50
Storage Rental & Equipment Lease	1,243.02	5,458.54	7,000.00	77.98%	1,541.46	0.00
Office Supplies	2,221.72	25,519.86	38,280.00	66.67%	1,338.46	11,421.68
Postage/Mail Delivery	857.01	9,366.04	11,400.00	82.16%	526.15	1,507.81
Subscriptions & Books	0.00	720.86	2,000.00	36.04%	0.00	1,279.14
Reproduction Expense	87.45	3,799.72	36,225.00	10.49%	6,598.07	25,827.21
Maintenance-Computers	136.00	5,527.22	10,000.00	55.27%	1,040.50	3,432.28
Software Purchase	727.31	23,987.30	31,300.00	76.64%	0.00	7,312.70
Software Support	2,191.58	33,247.90	46,000.00	72.28%	0.00	12,752.10
Computers and Equipment	270.58	26,126.92	32,500.00	80.39%	0.00	6,373.08
Automotive Expense	1,770.81	13,251.48	13,828.00	95.83%	0.00	576.52
Toll Road Charges	191.80	659.78	1,100.00	59.98%	0.00	440.22
Insurance Expense	8,786.21	80,563.37	90,000.00	89.51%	0.00	9,436.63
Utilities - Telephone	1,582.61	14,481.72	19,200.00	75.43%	0.00	4,718.28
Bank Fees	881.59	8,964.28	10,500.00	85.37%	0.00	1,535.72
Miscellaneous Expense	6,043.10	51,743.99	114,020.00	45.38%	2.40	62,273.61
MWDOC's Contrb. To WEROC	12,532.50	112,792.50	150,390.00	75.00%	0.00	37,597.50
Depreciation Expense	425.35	4,557.01	0.00	0.00%	0.00	(4,557.01)
Other Expenses	48,346.20	500,275.86	753,928.00	66.36%	65,991.25	187,660.89
Election Expense	0.00	521,577.61	592,000.00	88.10%	0.00	70,422.39
MWDOC's Building Expense	10,253.44	261,267.17	495,000.00	52.78%	14,447.48	219,285.35
Capital Acquisition	0.00	22,799.05	62,500.00	36.48%	0.00	39,700.95
TOTAL EXPENSES	705,536.26	6,029,691.48	9,450,609.00	63.80%	812,988.67	2,607,928.85
NET INCOME (LOSS)	(628,909.63)	2,697,309.97	0.00			

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

	<b>Month to Date</b>	<b>Year to Date</b>	<b>Annual Budget</b>	<b>% Used</b>	<b>Budget Remaining</b>
<b><u>WATER REVENUES</u></b>					
Water Sales	5,979,771.50	95,522,868.50	121,881,702.00	78.37%	26,358,833.50
Readiness to Serve Charge	866,439.80	8,932,965.24	12,674,093.00	70.48%	3,741,127.76
Capacity Charge CCF	295,400.00	3,301,095.00	4,829,790.00	68.35%	1,528,695.00
SCP/SAC Pipeline Surcharge	23,956.70	233,121.47	365,000.00	63.87%	131,878.53
Interest	<u>724.78</u>	<u>5,988.11</u>	<u>4,800.00</u>	<u>124.75%</u>	<u>(1,188.11)</u>
<b>TOTAL WATER REVENUES</b>	<u><b>7,166,292.78</b></u>	<u><b>107,996,038.32</b></u>	<u><b>139,755,385.00</b></u>	<u><b>77.28%</b></u>	<u><b>31,759,346.68</b></u>
<b><u>WATER PURCHASES</u></b>					
Water Sales	5,979,771.50	95,522,868.50	121,881,702.00	78.37%	26,358,833.50
Readiness to Serve Charge	866,439.80	8,932,965.24	12,674,093.00	70.48%	3,741,127.76
Capacity Charge CCF	295,400.00	3,301,095.00	4,829,790.00	68.35%	1,528,695.00
SCP/SAC Pipeline Surcharge	<u>23,956.70</u>	<u>233,121.47</u>	<u>365,000.00</u>	<u>63.87%</u>	<u>131,878.53</u>
<b>TOTAL WATER PURCHASES</b>	<u><b>7,165,568.00</b></u>	<u><b>107,990,050.21</b></u>	<u><b>139,750,585.00</b></u>	<u><b>77.27%</b></u>	<u><b>31,760,534.79</b></u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u><u><b>724.78</b></u></u>	<u><u><b>5,988.11</b></u></u>	<u><u><b>4,800.00</b></u></u>		

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

	Year to Date Actual	Annual Budget	% Used
<b>Landscape Performance Certification</b>			
Revenues	10,911.95	118,900.00	9.18%
Expenses	10,807.23	118,900.00	9.09%
Excess of Revenues over Expenditures	104.72	0.00	
<b>Industrial Water Use Reduction</b>			
Revenues	95,009.98	91,236.00	104.14%
Expenses	49,512.00	91,236.00	54.27%
Excess of Revenues over Expenditures	45,497.98	0.00	
<b>Spray To Drip Conversion</b>			
Revenues	675.00	468,552.34	0.14%
Expenses	681.52	468,552.34	0.15%
Excess of Revenues over Expenditures	(6.52)	0.00	
<b>Water Smart Landscape for Public Property</b>			
Revenues	0.00	168,588.80	0.00%
Expenses	0.00	168,588.80	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
<b>Member Agency Administered Passthru</b>			
Revenues	1,120.00	150,000.00	0.75%
Expenses	1,120.00	150,000.00	0.75%
Excess of Revenues over Expenditures	0.00	0.00	
<b>ULFT Rebate Program</b>			
Revenues	36,544.02	205,000.00	17.83%
Expenses	36,544.02	205,000.00	17.83%
Excess of Revenues over Expenditures	0.00	0.00	
<b>HECW Rebate Program</b>			
Revenues	257,147.66	432,000.00	59.52%
Expenses	257,173.53	432,000.00	59.53%
Excess of Revenues over Expenditures	(25.87)	0.00	
<b>CII Rebate Program</b>			
Revenues	225,690.00	325,000.00	69.44%
Expenses	274,840.00	325,000.00	84.57%
Excess of Revenues over Expenditures	(49,150.00)	0.00	
<b>Large Landscape Survey</b>			
Revenues	440.30	30,000.00	1.47%
Expenses	329.38	30,000.00	1.10%
Excess of Revenues over Expenditures	110.92	0.00	

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

	Year to Date Actual	Annual Budget	% Used
<b>Indoor-Outdoor Survey</b>			
Revenues	1.53	3,500.00	0.04%
Expenses	14.06	3,500.00	0.40%
Excess of Revenues over Expenditures	<u>(12.53)</u>	<u>0.00</u>	
<b>Turf Removal Program</b>			
Revenues	1,406,754.88	1,750,000.00	80.39%
Expenses	1,233,682.94	1,750,000.00	70.50%
Excess of Revenues over Expenditures	<u>173,071.94</u>	<u>0.00</u>	
<b>Comprehensive Landscape (CLWUE)</b>			
Revenues	229,429.10	399,751.00	57.39%
Expenses	261,069.73	399,751.00	65.31%
Excess of Revenues over Expenditures	<u>(31,640.63)</u>	<u>0.00</u>	
<b>CII, Large Landscape, Performance (OWOW)</b>			
Revenues	0.00	121,210.00	0.00%
Expenses	52,251.24	121,210.00	43.11%
Excess of Revenues over Expenditures	<u>(52,251.24)</u>	<u>0.00</u>	
<b>WUE Projects</b>			
Revenues	2,263,724.42	4,263,738.14	53.09%
Expenses	2,178,025.65	4,263,738.14	51.08%
Excess of Revenues over Expenditures	<u>85,698.77</u>	<u>0.00</u>	
<b>WEROC</b>			
Revenues	267,486.29	300,780.00	88.93%
Expenses	181,471.19	293,780.00	61.77%
Excess of Revenues over Expenditures	<u>86,015.10</u>	<u>7,000.00</u>	
<b>WEROC - Fuel Trailers</b>			
Revenues	109,023.79	146,140.80	74.60%
Expenses	109,023.79	146,140.80	74.60%
Excess of Revenues over Expenditures	<u>0.00</u>	<u>0.00</u>	



## Memorandum

**DATE:** March 10, 2017

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

**FROM:** Robert Hunter

**SUBJECT:** Quarter ending March 2017 YTD Financials Actual versus Budget

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The following reports are attached:

- Revenues and Expenditures Actual versus Budget for the General Fund
- Revenues and Expenditures Actual versus Budget Detailed Comparative Report for the General Fund
- Revenues and Expenditures Actual versus Budget for Water Funds
- Revenues and Expenditures Actual versus Budget for Other Funds
- Revenues and Expenditures Actual versus Budget for the Water Use Efficiency Projects

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget Summary Report  
Fiscal Year to Date ending March 2017 (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 Charge	6,787	6,787	100.0%
Ground Water Customer Charge	393	393	100.0%
Subtotal	7,180	7,180	100.0%
Other Revenues:			
Interest income <sup>(1)</sup>	145	123	117.5%
Choice Programs <sup>(2)</sup>	1,291	1,539	83.9%
School Contracts	63	70	89.5%
Other income <sup>(3)</sup>	50	3	1650.6%
Transfer in from Reserve <sup>(4)</sup>	0	536	0.0%
Subtotal	1,547	2,271	68.1%
<b>TOTAL REVENUES</b>	<b>8,727</b>	<b>9,451</b>	<b>92.3%</b>
<u>EXPENSES</u>			
Personal Expenses (incl. Dir.)	3,698	4,977	74.3%
Professional services <sup>(5)</sup>	581	1,528	38.0%
Outside engineering <sup>(6)</sup>	95	405	23.4%
Legal expense <sup>(7)</sup>	126	320	39.5%
Travel & Conference <sup>(8)</sup>	69	142	48.7%
Dues and memberships <sup>(9)</sup>	155	174	88.8%
General & Admin expense	1,022	1,346	75.9%
Building repair & expense	261	495	52.8%
Capital acquisition (not including building repairs)	23	63	36.5%
<b>TOTAL EXPENSES</b>	<b>6,030</b>	<b>9,451</b>	<b>63.8%</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>2,697</b>		

RESERVE FUND

Beginning Balance	4,690
Nov 2016 - excess from FY 15-16 General Fund	560
Net OPEB Asset	117
<b>TOTAL RESERVE FUND</b>	<b>5,367</b>

(1) Interest Income is higher due to operating income received in August and raising yields at OCIP.

(2) Choice programs billed in September and January.

(3) ACWA JPIA Liability Insurance retrospective premium adjustment.

(4) Transfer in from Reserves is for the Board of Directors election expense.

(5) Professional Services - Public Affairs projects in progress.

(6) Engineering projects in progress.

(7) Legal is budgeted for unanticipated events.

(8) Travel & conference mostly occurs in the Fall and Spring.

(9) Dues and memberships are primarily paid in the beginning of the year.



Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending March 2017 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	6,786,865	6,786,865	100.00%
Ground Water Customer Charge	392,666	392,666	100.00%
Water rate revenues	7,179,531	7,179,531	100.00%
Choice Programs	1,290,759	1,494,789	86.35%
Choice Prior Year Carry Over	0	44,416	0.00%
Interest Revenue	144,576	123,000	117.54%
Miscellaneous Income	49,517	3,000	1650.57%
School Contracts	62,619	70,000	89.46%
Transfer in from Reserve	0	535,873	0.00%
Other revenues	1,547,471	2,271,078	68.14%
TOTAL REVENUES	8,727,001	9,450,609	92.34%

OPERATING EXPENSES			
Salaries & Wages	2,331,487	3,437,120	67.83%
less Recovery's	(45,990)	(31,600)	145.54%
Directors' Compensation	156,887	231,937	67.64%
MWD Representation	92,330	132,535	69.66%
Employee Benefits	678,463	968,160	70.08%
less Recovery's	(10,174)	0	0.00%
OPEB Annual Contribution	400,000	105,249	380.05%
Directors Benefits	50,277	66,297	75.84%
Health Insurances for Retirees	25,183	50,326	50.04%
Training Expense	5,379	12,000	44.83%
Tuition Reimbursement	0	5,000	0.00%
Temporary Help Expense	13,664	0	0.00%
Personnel Expenses	3,697,507	4,977,024	74.29%
Engineering Expense	94,930	405,000	23.44%
Legal Expense	126,317	320,000	39.47%
Audit Expense	18,437	24,000	76.82%
Professional Services	562,430	1,504,497	37.38%
Professional Fees	802,113	2,253,497	35.59%
Conference-Staff	11,778	22,125	53.23%
Conference-Directors	10,473	10,725	97.65%
Travel & Accom.-Staff	29,907	71,130	42.05%
Travel & Accom.-Directors	17,078	38,250	44.65%
Travel & Conference	69,236	142,230	48.68%
Membership/Sponsorship	124,937	134,458	92.92%
CDR Support	29,979	39,972	75.00%
Dues & Memberships	154,915	174,430	88.81%

Municipal Water District of Orange County  
Revenues and Expenditures Actual vs Budget Line Item Report  
Fiscal Year to Date ending March 2017 (Unaudited)  
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	3,729	6,000	62.15%
Maintenance Office	67,225	123,185	54.57%
Building Repair & Maintenance	8,553	11,000	77.76%
Storage Rental & Equipment Lease	5,459	7,000	77.98%
Office Supplies	25,520	38,280	66.67%
Postage/Mail Delivery	9,366	11,400	82.16%
Subscriptions & Books	721	2,000	36.04%
Reproduction Expense	3,800	36,225	10.49%
Maintenance-Computers	5,527	10,000	55.27%
Software Purchase	23,987	31,300	76.64%
Software Support	33,248	46,000	72.28%
Computers and Equipment	26,127	32,500	80.39%
Automotive Expense	13,251	13,828	95.83%
Toll Road Charges	660	1,100	59.98%
Insurance Expense	80,563	90,000	89.51%
Utilities - Telephone	14,482	19,200	75.43%
Bank Fees	8,964	10,500	85.37%
Miscellaneous Expense	51,744	114,020	45.38%
MWDOC's Contribution To WEROC	112,793	150,390	75.00%
Depreciation Expense	4,557	0	0.00%
Election Expense	521,578	592,000	88.10%
MWDOC Building Expense	261,267	495,000	52.78%
Capital Acquisition	22,799	62,500	36.48%
Other Expenses	1,305,920	1,903,428	68.61%
TOTAL EXPENSES	6,029,691	9,450,609	63.80%
EXCESS OF REVENUES OVER EXPENSES	2,697,310	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Statement of Revenues and Expenditures  
Fiscal Year to Date ending March 2017 (Unaudited)  
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>Water Revenues</u></b>			
Water Sales	95,522,869	121,881,702	(26,358,834)
Ready to Serve Charge	8,932,965	12,674,093	(3,741,128)
Capacity Charge Flat Rate	3,301,095	4,829,790	(1,528,695)
SCP/SAC Pipeline Surcharge	233,121	365,000	(131,879)
Interest	<u>5,988</u>	<u>4,800</u>	<u>1,188</u>
Total Water Revenues	<u>107,996,038</u>	<u>139,755,385</u>	<u>(31,759,347)</u>
 <b><u>Water Purchases</u></b>			
Water Sales	95,522,869	121,881,702	(26,358,834)
Ready to Serve Charge	8,932,965	12,674,093	(3,741,128)
Capacity Charge	3,301,095	4,829,790	(1,528,695)
SCP/SAC Pipeline Surcharge	<u>233,121</u>	<u>365,000</u>	<u>(131,879)</u>
Total Water Purchases	<u>107,990,050</u>	<u>139,750,585</u>	<u>(31,760,535)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,988</u>	<u>4,800</u>	<u>1,188</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
Revenues and Expenditures Actual versus Budget  
Fiscal Year to Date ending March 2017 (Unaudited)  
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<b><u>WEROC</u></b>			
Revenues	267,486	300,780	(33,294)
Expenditures	181,471	293,780	(112,309)
Excess of Revenues over Expenditures	86,015	7,000	79,015
 <b><u>WEROC Fuel Trailers</u></b>			
Revenues	109,024	146,141	(37,117)
Expenditures	109,024	146,141	(37,117)
Excess of Revenues over Expenditures	0	0	0
 <b><u>WUE Projects (details on next page)</u></b>			
Revenues	2,263,724	4,263,738	(2,000,014)
Expenditures	2,178,026	4,263,738	(2,085,712)
Excess of Revenues over Expenditures	85,699	0	85,699

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 2017 (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	10,912		118,900	9.18%	118,900
Expenditures	<u>10,807</u>		<u>118,900</u>	9.09%	<u>118,900</u>
Excess of Revenues over Expenditures	105	1%	0		

Actual Variance:

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

**Industrial Water Use Reduction**

Revenues	95,010		91,236	104.14%	91,236
Expenditures	<u>49,512</u>		<u>91,236</u>	54.27%	<u>91,236</u>
Excess of Revenues over Expenditures	45,498	48%	0		

Actual Variance: Grant came in ahead of expenses.

Budget Variance:

**Spray to Drip Conversion**

Revenues	675		468,552	0.14%	468,552
Expenditures	<u>682</u>		<u>468,552</u>	0.15%	<u>468,552</u>
Excess of Revenues over Expenditures	(7)	-1%	0		

Actual Variance:

Budget Variance: Program has not started up this fiscal year. Plan start up is June 2017.

**Water Smart Landscape for Public Property**

Revenues	0		168,589	0.00%	168,589
Expenditures	<u>0</u>		<u>168,589</u>	0.00%	<u>168,589</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: No activity to report. Program has ended.

Budget Variance: No activity to report. Program has ended.

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 2017 (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	1,120		150,000	0.75%	150,000
Expenditures	<u>1,120</u>		<u>150,000</u>	0.75%	<u>150,000</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance:

Budget Variance: Difference is due to the program starting in January of 2017, and MET's rebate funding dropping from \$2.00 to \$0.30.

**ULFT Rebate Program**

Revenues	36,544		205,000	17.83%	205,000
Expenditures	<u>36,544</u>		<u>205,000</u>	17.83%	<u>205,000</u>
Excess of Revenues over Expenditures	0	0%	0		

Actual Variance: This tracks agency toilet programs, agencies slow to implement.

Budget Variance: Agencies slow to report.

**HECW Rebate Program**

Revenues	257,148		432,000	59.52%	432,000
Expenditures	<u>257,174</u>		<u>432,000</u>	59.53%	<u>432,000</u>
Excess of Revenues over Expenditures	(26)	0%	0		

Actual Variance:

Budget Variance: Member Agency Pass-thru program. Agencies slow to report.

**CII Rebate Program**

Revenues	225,690		325,000	69.44%	325,000
Expenditures	<u>274,840</u>		<u>325,000</u>	84.57%	<u>325,000</u>
Excess of Revenues over Expenditures	(49,150)	-22%	0		

Actual Variance: Revenues come from Grants. Reporting to Grants is quarterly, Expenses are monthly.

Budget Variance: Should be on target by fiscal year end.

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 2017 (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	440		30,000	1.47%	30,000
Expenditures	<u>329</u>		<u>30,000</u>	1.10%	<u>30,000</u>
Excess of Revenues over Expenditures	111	25%	0		

Actual Variance: Activity on this program ended in September 2016.

Budget Variance: \$30,000 was estimated at budget time.

<b><u>Indoor-Outdoor Survey</u></b>					
Revenues	2		3,500	0.04%	3,500
Expenditures	<u>14</u>		<u>3,500</u>	0.40%	<u>3,500</u>
Excess of Revenues over Expenditures	(13)	-8%	0		

Actual Variance: Activity on this program ended in September 2016.

Budget Variance: \$3,500 was estimated at budget time.

<b><u>Turf Removal Program</u></b>					
Revenues	1,406,755		1,750,000	80.39%	1,750,000
Expenditures	<u>1,233,683</u>		<u>1,750,000</u>	70.50%	<u>1,750,000</u>
Excess of Revenues over Expenditures	173,072	12%	0		

Actual Variance: Grant revenue is collected out ahead of expense.

Budget Variance: Regional turf program started in January 2017. Should be close to target by fiscal year end.

<b><u>Comprehensive Landscape (CLWUE)</u></b>					
Revenues	229,429		399,751	57.39%	399,751
Expenditures	<u>261,070</u>		<u>399,751</u>	65.31%	<u>399,751</u>
Excess of Revenues over Expenditures	(31,641)	-14%	0		

Actual Variance: Expenditures out ahead of revenue due to Grants slow to pay.

Budget Variance: Should be close to budget by fiscal year end.

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 2017 (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>CII, Large Landscape, Performance (OWOW)</u></b>					
Revenues	0		121,210	0.00%	121,210
Expenditures	<u>52,251</u>		<u>121,210</u>	43.11%	<u>121,210</u>
Excess of Revenues over Expenditures	(52,251)	0%	0		

Actual Variance: Grant revenue received in prior fiscal year and we draw down at year end.

Budget Variance: Should be close to budget by fiscal year end.

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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.





**CONSENT CALENDAR ITEM**

May 17, 2017

**TO:** Board of Directors

**FROM: Planning & Operations Committee**  
(Directors Dick, Tamaribuchi, Yoo Schneider)

Robert Hunter  
General Manager

Staff Contact: Kelly Hubbard

**SUBJECT: WEROC South Emergency Operations Center (EOC) Seismic Study  
Consultant Approval**

**STAFF RECOMMENDATION**

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Staff recommends the Board of Directors approve the selection of IDS Group to conduct a Seismic Assessment of the WEROC South EOC.

**COMMITTEE RECOMMENDATION**

---

Committee concurred with staff recommendation.

**DETAILED REPORT**

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Following the recommendations of the WEROC EOC Facilities Assessment that was presented to the Board in November 2016, WEROC staff developed a Project Scope of Work to conduct a seismic study of the WEROC South EOC. The Project Scope of Work dated March 8, 2017 outlined two concepts as central goals of the assessment:

1. Life-safety protections of employees or volunteers working at the facility
2. The ability of the facility to continue serving as an EOC following anticipated shaking.

The project scope was sent to four firms that had been identified as providing seismic assessments and three quotes for services were received.

Budgeted (Y/N): N	Budgeted amount: 0	Core _X_	Choice __
Action item amount: \$3,700		Line item: 7040- Professional Services	
Fiscal Impact (explain if unbudgeted): From WEROC Reserves – At the time the budget was developed this effort was not anticipated. It arose based on the EOC Assessment completed earlier this year.			

Proposals were received from:

- IDS Group
- RMS Engineering & Design, Inc.
- Emami Engineering

The WEROC Manager, Principal Engineer and MWDOC Assistant General Manager reviewed all responses independently to determine whether the proposed scope of work met the requested scope of work. The proposals had a quite wide range of costs from a low of \$3,700 to a high of \$18,725. Evaluation of the three proposals plus follow-up questions indicated that all three met the requested scope of work.

Kelly Hubbard checked references for the IDS Group, including from MET, and received positive feedback for the company. Staff was concerned about the low quote from IDS and asked them directly whether they felt comfortable with the level of their quote and they responded in the affirmative and noted that they had designed and reviewed many of these types of structures. Staff recommends the Board of Directors approve staff recommendation to enter a contract with IDS Group for the completion of the South EOC Seismic Assessment.

### **Project Schedule**

Once the contract is completed with the consultant, the estimated project timeline is 2 months. Staff expects to bring back the South EOC Seismic Assessment to the Board in August 2017.



**CONSENT CALENDAR ITEM**

May 17, 2017

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Pat Meszaros

**SUBJECT: ORANGE COUNTY BUSINESS COUNCIL ADVOCACY TRIP  
WASHINGTON, DC, MAY 1-3, 2017**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors ratify attendance at the conference.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**DETAILED REPORT**

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OCBC's Annual Advocacy Trip to Washington, DC, is an excellent opportunity to meet with lawmakers, members of the administration, and other decision makers on business issues including economic development, education, housing, transportation and water. Registration includes accommodations, meals, materials and sessions.

Director Barbre attended this conference and because it was not possible to get board approval prior, staff is asking the Board to ratify his attendance.

Per Administrative Code, Section 1405:

When it is necessary for the General Manager and/or Directors to travel outside California but not possible to receive Board approval prior to travel dates, the General Manager may approve travel outside California for himself and/or members of the Board.

Budgeted (Y/N): No	Budgeted amount: NA	Core ____	Choice ____
Action item amount: \$3,163	Line item:		
Fiscal Impact (explain if unbudgeted): Conference registration: \$1,785 + airfare (\$1,378)			



# ADVOCACY TRIP

## WASHINGTON D.C. \* MAY 1-3

**Help OCBC make the voice of business heard and advance Orange County's competitive advantage by joining the annual One Voice, Two Capitols advocacy trip to Washington, D.C.**

Meet with lawmakers, members of the administration, and other decision makers on business issues such as economic development, education, housing, transportation and water. Participants include representatives from some of Orange County's leading companies.



High-level meetings with Obama administration and congressional leadership to advocate for OC's legislative priorities.



Accommodations at an ideally located and luxurious hotel, meals, materials and sessions included in cost.



Unparalleled networking opportunities with business and elected leaders.



For info on advocacy and sponsorships, contact Bryan Starr,  
Senior Vice President, Government Affairs, at 949.794.7210 or [bstarr@ocbc.org](mailto:bstarr@ocbc.org).

For info on trip registration contact Katie Tomarchio, Interim Events Manager, at 949.794.7204 or [ktomarchio@ocbc.org](mailto:ktomarchio@ocbc.org).

**DEADLINE: Please register or submit cancellations no later than Monday, March 27, 2017.**



**CONSENT CALENDAR ITEM**  
May 17, 2017

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Hilary Chumpitazi

**SUBJECT: Selection of Financial Consultant Services**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors: Authorize the General Manager to enter into a professional services contract with Davis Farr LLP for Financial Consultant Services for up to five (5) years.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**DETAILED REPORT**

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Finance is looking for assistance with financials beyond the scope of what our auditors are allowed to do. Staff prepared and issued a Request for Proposals (RFP) for Financial Consultant Services, posted it to our website and CSMFO's website, as well as sent it to the following consultants:

- Lance, Soll & Lunghard, LLP
- Macias Gini & O'Connell, LLP
- Vasquez & Company, LLP
- The Pun Group
- Davis Farr, LLP
- Crowe Horwath
- Vavrinek, Trine, Day & Co. LLP

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$80,000/year	Core <u>X</u>	Choice <u>  </u>
<b>Action item amount: \$40,000/year</b>	Line item: 7040-2000-41		
<b>Fiscal Impact (explain if unbudgeted):</b>			

- Platinum Consulting Group

The RFP schedule is below:

<b>Project Timeline</b>	
Task Item	Completion Date
1. MWDOC release of RFP to Vendors	March 15, 2017
2. Deadline for Written Questions Regarding RFP	March 22, 2017
3. Proposal Due Date	March 29, 2017, 5:00pm
4. Proposal Review	March 30, 2017
5. Vendor Interviews (Tentative, if needed)	Weeks of April 17&24, 2017
6. Recommendation to the Administration & Finance Committee	May 10, 2017
7. Authorization by MWDOC Board	May 17, 2017
8. Contract Execution	May, 2017

### **Proposals and Proposal Evaluation**

MWDOC received six proposals by the closing date:

- Davis Farr LLP
- Vavrinek, Trine, Day & Co. LLP
- Badawi & Associates
- Lance, Soll & Lunghard, LLP
- Rahban CPA & Consulting Inc.
- Eadie and Payne LLP

All six proposals received met the initial qualifying criteria and were reviewed by a Committee of Staff consisting of: Rob Hunter, Hilary Chumpitazi, Jeff Stalvey, Lina Gunawan and Mary Snow; who rated and scored each proposal individually.

The individual scores were totaled and the top rated firm was Davis Farr LLP.

### **Recommendation**

Staff's recommendation is to proceed with a contract with Davis Farr LLP to provide Financial Consultant Services. Their proposal stood out based on the following qualities the committee felt were important for MWDOC.

1. They are local and have more experience with special districts. Their staff were also one of the highest in skill and knowledge.
2. Their proposal gave pricing on the specific initial projects listed in our RFP which was interpreted as they understood our requests and have enough experience to know how long it would take to complete.
3. Their pricing was in the middle and acceptable.





**CONSENT CALENDAR ITEM**

May 17, 2017

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Hilary Chumpitazi

**SUBJECT: Selection of Financial Statement Audit Services**

**STAFF RECOMMENDATION**

It is recommended that the Board of Directors: Authorize the General Manager to enter into an audit contract with Vasquez & Company LLP, to perform an annual financial audit of the District's financial statements for FY 2017-18, in an amount of \$23,300, with an option to renew the agreement for up to four additional one-year terms at slightly higher amounts, not to exceed \$25,220/year.

**COMMITTEE RECOMMENDATION**

Committee concurred with staff recommendation.

**DETAILED REPORT**

Section 1301 of the Administrative Code states, the District's auditor term limit should not exceed a period of five (5) years. Vavrinek, Trine, Day & Co. LLP has been performing the District financial audit for the last five years. Staff prepared and issued a Request for Proposals (RFP) for Financial Statement Audit Services, posted it to our website and CSMFO's website, as well as sent it to the following consultants:

- Lance, Soll & Lunghard, LLP
- Macias Gini & O'Connell, LLP
- Mayer Hoffman McCann
- Vasquez & Company, LLP
- The Pun Group

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$40,000/year	Core <u>X</u>	Choice <u>  </u>
<b>Action item amount: \$23,300-\$25,220</b>		Line item: 7030-2000-41	
<b>Fiscal Impact (explain if unbudgeted):</b>			

- Davis Farr
- Crowe Horwath
- Vavrinek, Trine, Day & Co. LLP

The RFP schedule is below:

<b>Project Timeline</b>	
Task Item	Completion Date
1. MWDOC release of RFP to Vendors	March 15, 2017
2. Deadline for Written Questions Regarding RFP	March 22, 2017
3. Proposal Due Date	March 29, 2017, 5:00pm
4. Proposal Review	March 30, 2017
5. Vendor Interviews (Tentative, if needed)	Weeks of April 17&24, 2017
6. Recommendation to the Administration & Finance Committee	May 10, 2017
7. Authorization by MWDOC Board	May 17, 2017
8. Contract Execution	May, 2017

### **Proposals and Proposal Evaluation**

MWDOC received five proposals by the closing date:

- Harshwal & Company LLP
- Vasquez & Company LLP
- The Pun Group
- White Nelson Diehl Evans LLP
- Badawi & Associates

All five proposals received met the initial qualifying criteria and were reviewed by a Committee of Staff consisting of: Rob Hunter, Hilary Chumpitazi, Jeff Stalvey, Lina Gunawan and Mary Snow; who rated and scored each proposal individually.

The individual scores were totaled and unanimously the top rated firm was Vasquez & Company LLP.

### **Recommendation**

Staff's recommendation is to proceed with a contract with Vasquez & Company LLP to provide Financial Statement Audit Services. Their proposal stood out based on the following qualities the committee felt were important for MWDOC.

1. They are local and have comparably more experience auditing water utilities.
2. Their proposed timeline coincides with MWDOC's preferred audit timeline.
3. Their pricing was in the middle and acceptable.



**CONSENT CALENDAR ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick and Yoo Schneider)

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT: TRAVEL TO WASHINGTON D.C. TO COVER FEDERAL INITIATIVES****STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file the report.

**COMMITTEE RECOMMENDATION**

Committee recommends (To be determined at Committee Meeting)

**REPORT****DIRECTORS**

For the third quarter (Jan.-Mar. 2017) of fiscal year 2016-2017, three trips were taken.

The following is budgeted for fiscal year 2016/2017 for directors:

Washington D.C. Legislative Travel Budget - \$11,000, 6 trips

- Total cost for this quarter: \$3,149.68, 3 trips
- Year-to-date spent: \$5,001.27, 4 trips
- Budget remaining: \$5,998.73

For the third quarter (Jan.-Mar. 2017) of fiscal year 2016-2017, three trips were taken

- January 11-14 – Director Barbre
- February 28-March 2 – Director Barbre

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: Washington D.C. Legislative Advocacy - \$11,000/staff; \$11,000/directors.	Core <u>X</u>	Choice ____
<b>Action item amount: n/a</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b> Within projected budget			

- February 28-March 2 – Director Thomas

## **STAFF**

For the third quarter (Jan.-Mar. 2017) of fiscal year 2016-2017, one trip was taken

- January 11-14 – Heather Baez

The following is budgeted for fiscal year 2016/2017 for **staff**:

Washington D.C. Legislative Travel - \$11,000, 6 trips

- Total cost for this quarter: \$1,336.47, 1 trip
- Year-to-date spent: \$4,429.86, 2 trips
- Budget remaining: \$6,570.47

Projecting out for the 4th Quarter of fiscal year 2016/2017

- Upcoming trips:

April 19-21 – Director Barbe

The focus of these trips were on the importance of the CA WaterFix (federal permits and funding), benefits California has received due to the passage of S.612, the drought bill, and visits to representative offices to discuss long term conservation and tax parity water rebate issues (turf removal program, et al).

## **OTHER WASHINGTON D.C. TRIPS**

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Per request of the Executive Committee, outlined below are additional trips to Washington D.C. that are not classified as legislative advocacy. These fall under a separate budget item. The following trip took place during the third quarter – ACWA D.C. Conference (Feb. 28-Mar.2)

### **DIRECTORS**

- Total travel budget for ACWA D.C.: \$5,000, 2 directors
- Actual spent: \$3,551.81
  - This includes airfare, hotel and meals for Directors Tamaribuchi & Yoo Schneider
- Remaining budget: \$1,448.19

### **STAFF**

- Total travel budget for ACWA D.C.: \$5,000, 2 staff
- Actual spent: \$4,437.93
  - This includes airfare, hotel and meals for Rob Hunter, Heather Baez and the Orange County delegation dinner
- Remaining budget: \$562.06

**CONSENT CALENDAR ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Dick, Tamaribuchi and Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: TRAVEL TO SACRAMENTO TO COVER STATE INITIATIVES****STAFF RECOMMENDATION**

Staff recommends the Board of Directors receive and file the report.

**COMMITTEE RECOMMENDATION**

Committee recommends (To be determined at Committee Meeting)

**REPORT****DIRECTORS**

For the third quarter (Jan.-Mar. 2017) of fiscal year 2016-2017, no trips were taken.

The following is budgeted for fiscal year 2016/2017 for directors:

Sacramento Legislative Travel Budget - \$4,000, 8 trips

- Total cost for this quarter: \$0
- Year-to-date spent: \$504.95, 1 trip
- Budget remaining: \$3,495.05

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: Sacramento Legislative Advocacy - \$9,500/staff; \$4,000/directors.	Core <u>X</u>	Choice __
<b>Action item amount: n/a</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b> Within projected budget			

## STAFF

For the third quarter (Jan.-Mar. 2017) of fiscal year 2016-2017, seven trips were taken.

- January 17-18 – Heather Baez
- January 20 – Heather Baez
- February 8 – Heather Baez & Joe Berg
- February 10 – Heather Baez
- March 3 – Heather Baez
- March 24 – Heather Baez
- March 31 – Heather Baez

The following is budgeted for fiscal year 2016-2017 for staff:

Sacramento Legislative Travel - \$9,500

- Total cost for this quarter: \$2,923.13, 7 trips
- Year-to-date spent: \$4,279.65, 10 trips
- Budget remaining: \$5,220.35

Projecting out for the 4<sup>th</sup> Quarter of fiscal year 2016/2017

- Upcoming trips:

April 21  
May 19  
June 9  
June 30

The purpose of these trips are to meet with members of the delegation, attend the ACWA State Legislative Committee meetings and State Water Resources Control Board meetings.



**ACTION ITEM**

May 17, 2017

**TO: Board of Directors**

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

**Robert Hunter**  
General Manager

**SUBJECT: APPROVAL of MWDOC'S FINAL BUDGET FOR 2017-18**

**A&F COMMITTEE REQUESTED INFORMATION UPDATE**

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The A&F Committee requested the General Manager to provide updated financial information for three potential actions at the Board of Directors meeting.

1. The Board of Directors passes the budget as voted out of A&F Committee without any modifications
  - a. Draw on Reserves: \$137,378
  - b. Retail Meter Charge: \$12.10 per meter
  - c. Groundwater Customer Charge: \$473,560
2. The Board of Directors amends the budget to eliminate the additional Government Affairs position and applies the reduction in expenses to reduce the draw on reserves
  - a. Draw on Reserves: \$10,190
  - b. Retail Meter Charge: \$12.10 per meter
  - c. Groundwater Customer Charge: \$471,873
3. The Board of Directors amends the budget to eliminate the additional Government Affairs position and applies the reduction in expenses to reduce the proposed charges
  - a. Draw on Reserves: \$138,470
  - b. Retail Meter Charge: \$11.90 per meter
  - c. Groundwater Customer Charge: \$468,565

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

## STAFF RECOMMENDATION

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

1. Adopt the budget Resolutions as proposed, with a budget total of \$182,956,647 and a consolidated general fund budget of \$9,433,985 (Revenue).
2. The total revenue amount for the baseline consolidated budget (CORE + CHOICE) represents an increase of \$519,250 or 5.82% over the current year's budget. However there is a significant shift from CHOICE to CORE budget items.
3. The budget includes a planned draw on reserves of \$137,378. This is a significant change from the \$417,578 draw on reserves in the previous version of the budget (change of \$280,200) and is in response to the comments in the April A&F Committee. Every \$0.05 change in the retail meter charge equates to an approximate \$32,500 change in the reserve.
4. For the FINAL budget, the proposed increase in the fixed rate is \$1.15 per retail meter (10.50%) to a total retail service charge of \$12.10 per retail meter. OCWD's contribution increases \$80,894 to \$473,560 per year.
5. The treatment of the FINAL budget additional Government Affairs staff position has not been modified and the consulting contract for the grant-related activity has been reduced from \$70,000 to \$20,000; in accordance with the directions of the A&F Committee. A review of the costs and revenues (i.e., grants) for the Federal lobbying activity over the last 13.5 years indicated revenues exceeded costs (\$1.57 million versus \$1.18 million). However, grants from the competitive proposal process greatly exceeded either category at \$4.56 million.
6. The building improvements expense is estimated at \$356,400.
7. The total amount of Water Use Efficiency (WUE) outside funding for rebates and grants will decrease from a FY2016-17 budget of approximately \$4.26 million to a proposed budget of \$4.18 million. This is directly related to the decrease in grant funding from the U.S. Bureau of Reclamation and the CA Department of Water Resources. However, this is approximately a 13% increase over the FY2014-15 budget levels.
8. The total outside funding from WUE and Local Resource Project (LRP) sources will be approximately \$20.8 million in FY2017-18. This means that MWDOC will be bringing in outside revenue that is approximately 2.3 times its total consolidated operating budget.
9. OPEB has been fully funded with the target of 85%-95% of the liability in the irrevocable trust and the balance in a reserve account.
10. WEROC is entering a period of increased capital needs. The magnitude of those needs and alternative approaches to meet them will be researched and implemented during the next 14 months. Preliminary estimates of the capital needs have been made and are included in this budget. The WEROC reserve fund has been split into

an Operations & Maintenance Reserve Fund and a Capital Reserve Fund. As the amount of capital and the institutional arrangements for the capital investment are unclear at this time, the first year of the capital requirement is included in the MWDOC budget.

11. For dealing with the Pension Liability issue, staff is recommending continuation of the practice of increasing the staff contribution towards pension payments by 1% each year until a total of 7% as been achieved. This year, the budget was developed assuming that the staff contribution would be 6%.
12. The draft budget includes an increase in the Total Full-Time Equivalent (FTE) staff of 1.85 FTEs, with the total number of full-time MWDOC and WEROC employees increasing from 31 to 33. One additional employee in the baseline budget is for an administrative assistant for database management and the second is the additional Government Affairs employee.
13. A merit pool amount of 5% is included in the budget of which 4% is for merit increases and 1% is for the PERS employee offset for the increased employee contribution amount (from 5% to 6%).
14. The budget is based on the same number of holidays (11) as in previous years.
15. The FINAL budget for FY2017-18 incorporates the 100% fixed rate structure, which was implemented from last year's rate study for the Core Budget. The OCWD component has been updated for the ten-year rolling average calculation.
16. Significant project activities in FY2017-18 will include:
  - Orange County Reliability Study continuing actions, including an update and work on the emergency connection between OCWD and South Orange County
  - Communication outreach programs related to the California WaterFix (Bay Delta), MET activities and regulatory/legislative activities
  - Water Use Efficiency efforts on long-term efficiency standards beyond 20% by 2020, water savings potential, cost efficient programs, water loss control and landscape design assistance
  - Metropolitan activities and communication of those activities to our Member Agencies including policy issues from the Integrated Resource Plan Policy discussion, Water Supply Allocation Plan modifications, MET business and investment model, water conservation policy, the Carson Regional Recycling project, Local Resource Program (LRP) funding, Biennial Budget, and Groundwater replenishment including storage issues (e.g. Cyclic Storage)
  - Governmental Affairs activities at the local, state, and federal levels focusing on both legislative and regulatory developments.

- WEROC will be initiating an 18 month exercise and training program focused on an unknown contaminate of OC water systems. The program will require over 40 hours of training for many Member Agency staff, not including planning and exercise development. The program will include staff from 4 fire agencies, law enforcement, Division of Drinking Water, OC Health Care Agency, OC Emergency Management Division, as well as other local, state and federal partners.

17. The CHOICE Activities for this year will include:

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

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

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

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

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

## **COMMITTEE RECOMMENDATION**

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Committee recommends that the Board of Directors approve the budget as proposed or approve a modified budget based on Board amendments.

## **CHANGES FROM THE SECOND DRAFT TO THE THIRD DRAFT**

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Based on the A&F Committee’s recommendation on May 10, no changes have been made from the THIRD DRAFT to the FINAL version of the budget. However, for background purposes, below are the following changes from the SECOND to the THIRD draft budget:

- The expense estimate for the grant opportunity review contractor was reduced from \$70,000 to \$20,000;
- Estimated expenses for the WEROC radio system replacement program were increased by \$47,210 based on revised information for the cost of installation and the number of radios for the new system;
- The Public Affairs budget was increased by \$5,000 for a sponsorship of a Girl Scout “water badge” program similar to the program for Boy Scouts;



- The Public Affairs budget was increased by \$40,000 for consulting services for an Strategic Outreach Program Consultant, as requested by the Executive Committee;
- Corrections were made to the Conference/Meeting schedule and budget to reflect updated travel costs for Director and Staff representation totaling an additional \$24,830;
- IT expenses of \$3,700 were added for malware software licenses;
- The Choice School program was updated and increased by \$47,171;
- Based on the A&F Committee comments, revenues were increased so as to reduce the budget draw on reserves from \$417,578 to \$137,378.

## **MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET**

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The year-to-year changes in the total expenses between FY2016-17 and FY2017-18 are only 1.20% or an increase of \$113,256. However there have been major shifts in programs and financial goals that have produced an increase in budgeted revenues of 5.82% (\$519,205), an increase retail meter charge of \$1.15, and an increase in the groundwater customer charge of \$80,894. These significant shifts can be attributed to four primary factors: (1) the shift of the CHOICE Public Affairs communication program to the CORE budget, (2) the increase in the CORE budget for Salaries & Wages and Employee Benefits, (3) a budget policy change away from drawing on reserve funds to balance the budget, and (4) the recognition of significant capital improvement requirements for WEROC.

### **(1) CHOICE to CORE SHIFT**

The year-to-year budget for CORE expenses increases by \$475,842 even with decreases in the election expense of \$592,000 and Building expenses of \$136,600. The year-to-year budget for CHOICE expenses decreases by \$362,586. The Public Affairs CHOICE budget decreases by \$277,301 and the Public Affairs CORE budget increases by \$150,339. This shift is aligned with the change of the program from a drought & Water Use Efficiency focused program to one focused on the California Water Fix. The California Water Fix program benefits all Member Agencies and OC ratepayers and therefore is appropriately funded as a CORE program.

### **(2) SALARIES & WAGES and EMPLOYEE BENEFITS**

The other major increase in the CORE budget was from the addition of two new full-time employees: a database technician and the additional Government Affairs position. The combined increase in Salaries & Wages and Employee Benefits is \$423,789 including a 4% merit increase.

### **(3) DRAW ON RESERVES**

Last year's budget called for a draw on reserves of \$543,372. This year's SECOND DRAFT budget included a draw on reserves of \$417,578. Based on Director discussions in the April A&F Committee meeting the fees and revenues were adjusted in the THIRD DRAFT and FINAL budgets so as to reduce the projected draw on reserves to \$137,378. This draft-to-draft change of \$280,200 equates to an increase in the retail meter charge of approximately \$0.45.

### **(4) WEROC CAPITAL IMPROVEMENTS**

A series of facility evaluations are being conducted on the Emergency Operations Centers (EOCs) to consolidate and improve the facilities. It is anticipated that capital improvements will be required as a result of these evaluations. The THIRD DRAFT

and FINAL budgets include \$281,657 in capital improvements of which \$227,210 (81%) is associated with critical changes to the radio system.

## DETAILED REPORT

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

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

A short discussion on each item follows:

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

MWDOC's budget is developed in a process that begins in December with initial notification to the Member Agencies, and is planned to conclude with the formal budget approval by the Board of Directors in May or June. A budget must be approved prior to the beginning of the fiscal year on July 1<sup>st</sup>. Feedback from the Member Agency staff indicates a preference for MWDOC to approve rates sooner rather than later to facilitate the incorporation of the costs into the Member Agency budgets and rates. The Metropolitan Water District of Southern California (MET) budget and rates for FY2017-18 were passed on May 18, 2016. The general budget schedule is outlined below.

<b>December 2016</b>
<ul style="list-style-type: none"> <li>• Notification to Member Agencies of start of budget process and solicitation of input</li> </ul>
<b>January 2017</b>
<ul style="list-style-type: none"> <li>• MWDOC staff begins preparation of budget hours and costs on program and line-item basis</li> <li>• Review of five month actuals and fiscal year-end projections</li> <li>• Review budget adjustments for current fiscal year</li> <li>• Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year)</li> </ul>
<b>February 2017</b>
<ul style="list-style-type: none"> <li>• Initial review of budget issues with A&amp;F Committee for feedback</li> <li>• Initial discussion of budget issues with Member Agencies for feedback</li> <li>• Request for Member Agencies' preliminary indication of participation in CHOICE</li> </ul>
<b>March 2017</b>

<ul style="list-style-type: none"> <li>• Publish and post the FIRST DRAFT Budget in the packet for the A&amp;F Committee</li> </ul>
<ul style="list-style-type: none"> <li>• Review Full Draft Budget with A&amp;F Committee (3-8-17)</li> </ul>
<ul style="list-style-type: none"> <li>• Formally request comments from all Member Agencies</li> </ul>
<ul style="list-style-type: none"> <li>• DRAFT information completed on prior year CHOICE WUE program benefits to Member Agencies to serve as basis for charging agencies for the upcoming year for CHOICE WUE activities</li> </ul>
<ul style="list-style-type: none"> <li>• Member Agencies' initial confirmation of participation in CHOICE Services by March 15 the Final Agreement by the end of April and after the Elected Officials Meeting</li> </ul>
<ul style="list-style-type: none"> <li>• Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting (3-16-17)</li> </ul>
<ul style="list-style-type: none"> <li>• Meet with Member Agencies as requested or scheduled</li> </ul>
<b>April 2017</b>
<ul style="list-style-type: none"> <li>• FINAL information completed on prior year CHOICE WUE benefits to Member Agencies to serve as basis of charging agencies for the upcoming year for WUE activities</li> </ul>
<ul style="list-style-type: none"> <li>• Discuss SECOND DRAFT Budget in A&amp;F Committee (4-12-17)</li> </ul>
<ul style="list-style-type: none"> <li>• Member Agencies' submit Formal Comments about the Budget before April 15</li> </ul>
<ul style="list-style-type: none"> <li>• Review SECOND DRAFT Budget at Member Agency Managers' Meeting (4-20)</li> </ul>
<ul style="list-style-type: none"> <li>• Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics before the end of April</li> </ul>
<ul style="list-style-type: none"> <li>• Confirm CHOICE Participation</li> </ul>
<b>May 2017</b>
<ul style="list-style-type: none"> <li>• THIRD DRAFT Budget and Rates presented to A&amp;F Committee (5-10-17)</li> </ul>
<ul style="list-style-type: none"> <li>• Member Agencies' Formal Comments presented to A&amp;F Committee</li> </ul>
<ul style="list-style-type: none"> <li>• Discussion at Member Agency Manager's meeting (5-18-17)</li> </ul>
<ul style="list-style-type: none"> <li>• Board approval of FY2017-18 FINAL Budget and Rates</li> </ul>

## **2. MWDOC Budget Principles for FY2017-18**

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

- Principle #1: Budget Investments Align with MWDOC's Priorities & Value**  
 The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders.
- Principle #2: Activities Based on a County-wide Perspective**  
 MWDOC's service area extends to Orange County's borders and the budgeted activities must comprehensively address issues, needs, and benefits for the entire service area.
- Principle #3: Efficient Program Design & Performance**  
 The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.

- **Principle #4: Full Cost Recovery**

The budget will be developed so as to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves.

- **Principle #5: Compliance with Administrative Code**

The Proposed budget and budget process should fully comply with applicable sections of the MWDOC Administrative Code.

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

Budget input has been received at the A&F Committee meeting and the Member Agency Manager's meeting. A limited number of presentations have been made to Member Agency Boards. In general, the response has been supportive of MWDOC's budget and budget process. A significant number of comments have been made questioning the proposed duties and value of the additional Government Affairs position as well as the configuration of the grants position or contract. In general, the commenting agencies have indicated that any additional Government Affairs staffing should be done only as a CHOICE budget program. Six written comment letters have been received from Member Agencies prior to the date of the posting of this committee package (Santa Margarita Water District, Irvine Ranch Water District, Moulton Niguel Water District, Orange County Water District, Trabuco Canyon Water District and El Toro Water District).

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

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

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

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

These are discussed below.

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

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

- MET is key in providing and underwriting supply reliability and regional system reliability in Southern California. Many of MWDOC's initiatives are aimed at maintaining a close working relationship with MET and other MET member agencies to guide the efforts at MET in a constructive manner; in the best interest of the region

and Orange County. Key issues will include IRP policy discussions, local and regional resource investments, water supply allocations, supply and system reliability projects and programs, Groundwater replenishment and storage, the State Water Project investments, including the California WaterFix, Colorado River Aqueduct, Water Quality, water use efficiency, and Communication activities and legislation.

- MWDOC appoints four MET Directors who sit on the MET Board and directly advocate on behalf of the district and its member agencies. These four MET Directors work with the other three Directors from Orange County (Anaheim, Fullerton, and Santa Ana) as well as MET Directors from outside of Orange County. Our Orange County MET contingent and the overall MET Board are faced with ensuring the economic health of MET which directly impacts the economic health of Orange County, the region and the State. To this end, our Directors have advocated for financial issues at MET to ensure its viability over the long run, maintain an appropriate level of reserves, and preserve financial policies that minimize and level long-term costs and rates impacts, while allowing new investments to be made. Significant upcoming investments include the California WaterFix and potentially the Carson IPR project.
- Over the past year, the advocacy of our MET Directors has resulted in MET significantly improving its position with respect to pension liability, OPEB liability, investments in rehabilitation and repair of facilities locally and regionally, (i.e. State Water Project and the Colorado River Aqueduct), and in incorporating future long term investments such as the California WaterFix while remaining strong financially.
- When MET becomes involved in a lawsuit, particularly such as the SDCWA lawsuit, the results can be a zero sum game where the outcome results in winners and losers within the MET family. MWDOC will continue its involvement in the lawsuit between SDCWA and MET as it moves through the appeal process, as well as other litigation that protects the interest of Orange County and its ratepayers. The outcome of this lawsuit is critically important to Orange County and our involvement is to ensure the ratepayers of Orange County are fully represented.
- The coming year involves a number of critically important issues at MET, such as the review of MET's Integrated Resources Plan (IRP) policies and MET's role in both local supplies and imported supplies to meet total Southern California demands over the next 20 years. In particular the decision to move forward on the Carson Demonstration Project will be an active consideration. In addition, creating the opportunity to see how we can better integrate imported supplies with groundwater basin management will be an important undertaking.

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

This coming fiscal year will involve the review and approval of MET's biennial budget

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

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

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

1. To provide outreach and communication of the implications of the 2016 study.
2. Follow-up regarding potential reliability improvements within Orange County. An update of the 2016 Study is planned to incorporate new information on the forecast of supplies from the State Water Project and the Colorado River and will provide further insight into up-coming decision-making.
3. Provide regional assistance to the San Juan Watershed Project and the Doheny Project that both are critical to South Orange County.
4. Work with MET and DWR to better understand the risks and duration of import systems to determine if recommendations for emergency storage reserves are needed.
5. A new initiative is planned for 2017-18 that involves entering into electrical load aggregation contracts that will translate into a cost-savings for our agencies and will improve their emergency operations by having energy storage devices at key facilities. These actions include the possibility of securing state of the art emergency generator back-ups that meet AQMD standards. This is an extremely exciting proposition that is just now being kicked off at the start of the budget preparation.

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

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

### **Water Emergency Response**

MWDOC made significant changes towards the preparedness of the Water Emergency Response Organization of Orange County (WEROC) this past year to improve and

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

### **Communication**

Communication with our Member Agencies and the public we serve is a critical component of MWDOC's core function. Communication related to critical water resource issues, water supply and system reliability, and water resource projects and investments are all essential elements of the Communications Program. To maximize both effectiveness and efficiency MWDOC is working with our Member Agencies on coordinated communication efforts. MWDOC generally provides program efforts at the regional level and above while providing necessary assistance to the retail agencies for communications with the local ratepayers. Crucial issues in the coming year will be the SWRCB permanent efficiency regulations, issues surrounding Bay Delta, and regional reliability.

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

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

### **Governmental Affairs**

Governmental Affairs continues to work at the local, state and national levels with our Member Agencies, organizations, delegations, agencies and bureaus to advance Orange County's agenda. Central to this effort are policy, legislative and regulatory developments and opportunities. In FY2017-18 there will be tremendous activity in the legislative session in Sacramento for water issues including the proposals in support of the Permanent Water

Efficiency framework and the California WaterFix and EcoRestore. Enhanced activities have been requested on two fronts. There has been a request to increase MWDOC's federal activities with the addition of a staff position with a focus on federal issues and activities. There has also been a request to increase MWDOC's program in obtaining project grant funds and financial strategy development and implementation.

## **5. MWDOC Key Initiatives**

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

- Continue to work closely with MET on rate/stability issues, support for the California WaterFix, completion of the IRP policy review and management of water in Southern California.
- Advance projects from the OC Water Reliability Study. The following work is anticipated:
  - A conjunctive use program between OCWD and South Orange County
  - Consideration of ocean desalination
  - Improvements to respond to emergency outages
  - On-going work with OCWD on basin issues (In Lieu delivery, cyclic storage, SARRCUP)
  - A key element is to obtain concurrence for the introduction and conveyance of local water in the East Orange County Feeder No. 2 (EOCF#2). This has never been done, but when accomplished opens up a number of options for Orange County.
  - Continue to examine opportunities for local or regional reliability via banking programs.
- Continue with implementation of the Water Use Efficiency Master Plan including methods to firm up local funding options for local agencies. Begin integrating recycled water use into the Water Use Efficiency Programs by accelerating recycled water connections through customer incentives.
- Staff is projecting \$23,279 in Water Use Efficiency Department staff time reimbursement from state and federal grants
- Continue Rebate Programs and emphasize landscape opportunities
- Expand Water Loss Control effort to include sales meter accuracy testing  
Continue to convene the Water Loss Control Work Group and evaluate the feasibility of in-house MWDOC Water Loss Control services including meter accuracy testing, leak detection, shared sounding equipment, etc. for access by member agencies.
- MWDOC will continue to use the Droplet rebate administration platform for both Turf Removal and Spray-to-Drip rebate processing including electronic signatures. These programs will be implemented in partnership with member agencies. In the coming



year, emphasis will be on identifying and implementing program refinements that streamline the participation process for both water agencies and program participants.

- Started late in FY2016-17 budget cycle, Landscape Design Assistance will be fully operational in the coming year targeting residential turf removal rebate program participants. This new program is designed to break down barriers to program participation and ensure turf replacement projects are attractive examples to others. Proper maintenance of California Friendly landscapes materials will be developed and posted on our website.
- Currently on pause pending a water savings evaluation, the Water Smart Landscape Program that provides monthly irrigation performance reports for dedicated landscape meters is anticipated to restart with an overhauled implementation framework. This is not only one of MWDOC's longest standing programs but will be instrumental in helping agencies to comply with the proposed long-term water efficiency standards proposed by state agencies.
- In the coming year the Water Loss Control Technical Assistance will transition from Phase II to Phase III. MWDOC will continue to partner with Water Systems Optimization in providing this assistance to member agencies.
- The States' new Long Term Water Use efficiency framework will require significant research to better understand and inform stakeholders on the standard setting. As a result, research funding has been budgeted in the Core WUE program. This research may be focused locally or through partnerships beyond Orange County such as the California Water Efficiency Partnership (previously known as the California Urban Water Conservation Council).
- Metropolitan WUE policy development will be a main focus for the department especially in helping to prepare agencies for compliance with new state mandates. Staff will also seek to maximize access to Metropolitan Water Use Efficiency program funding for regional and local program implementation. Staff will advocate for Program refinements that ensure Orange County program needs are met and continue to evolve.
- Staff will provide a leadership for the California Water Efficiency Partnership (previously known as the California Urban Water Conservation Council) as they transition the organization in FY2017-18.
- Secure MET funding; over the past several years, MWDOC has brought in about \$4 million annually for WUE funding. This year funding will be approximately at that level. Identification and procurement of funding for OC will be a greater emphasis. Our WUE staff continues to perform for the benefit of Orange County.
- The Public Affairs Department looks to amplify efforts to facilitate community awareness and involvement with issues and challenges related to the reliable

delivery of potable water. The recently completed MWDOC Orange County Reliability Study deemed the California WaterFix as the single most cost effective project to ensure Orange County's long-term water reliability.

- As such, MWDOC is preparing to launch a robust communications campaign focusing on the WaterFix and EcoRestore. Social media will be the heart of this campaign - with new graphics, videos and newsfeeds and articles. This will also coincide with the launch of the MWDOC's new website. The District's new website will feature a Member Agency Portal that will be the central hub for all supporting tools and materials.
- The proposed education and outreach plan for the California WaterFix and EcoRestore is budgeted at \$100,000. The yearlong campaign will emphasize the need to finish the State Water Project with the twin tunnels, which are essentially a storm water capture project. The EcoRestore would also be included in the messaging and campaign, to educate leaders and the public that environmentalists agree doing nothing is not an option and the combined projects are best for the state water infrastructure and for the Delta ecosystem.
- The campaign will primarily target decision-makers and those with influence upon the decision-makers, although local government and grass root elements are included in the plan, as well.
- The plan has an emphasis on social media, targeting specific audiences with pinpoint accuracy, as well as "listening" to public sentiment about the project and identify any growing concerns or opposition.
- Gaining endorsements of the projects from remaining OC water agencies and cities is part of the proposed plan, then building on that success to business and other groups. Staff also proposes print advertising in the Sacramento region, in the Sacramento Bee, which carries influence with the California Legislature.
- Staff is aware other agencies and organizations are preparing outreach campaigns as well, and would communicate with them and coordinate when appropriate.
- MWDOC will also be required to expend resources in responding to the recently initiated outreach program by the San Diego County Water Authority, The Authority has increased contractor funding by almost \$900,000 to outreach to elected officials in neighboring jurisdictions, including Orange County. MWDOC staff have found the materials the Authority has had prepared for this effort to be, at best, misleading.
- MWDOC's renewed efforts on Governmental Affairs will focus on funding and regulatory programs at the state and federal level. We are accelerating efforts with the Orange County and California delegations and select Committee Members to

marshal support, funding and beneficial modifications for national programs. At the state level, significant efforts will be made in tracking both funding opportunities for Orange County projects and relevant legislation. A large volume of legislation is already evident which will require actions to support, oppose or amend. The scope of activities will be partially dependent on the resolution of the staffing alternatives.

- Monitor and track the State Water Resources Control Board and Department of Water Resource proposed water efficiency regulations and program funding plans/proposals.
- Protect MWDOC and local agency interests in MET via continued participation in the SDCWA lawsuit against MET. Oral arguments for the appeal trial are scheduled for May 10, 2017 with a decision required within 90 days.
- Participate in other water-related lawsuits, as appropriate, in support of our Member Agencies and the residents of Orange County.
- Continue to seek areas of efficiency in the District's operations.
- WEROC will be starting a multiple year training and exercise program that focuses on responding to an unknown contamination of our water supplies and utilizing protocols for the Emergency Water Quality Sample Kits (EWQSK). This program will involve the participation of 4 Fire Hazardous Materials Teams, law enforcement, Division of Drinking Water, cities, the County and our member agencies. A consultant for coordination of the field and functional components of the program will be critical to developing and supporting a successful training and exercise year. Again this coming year, each of the WEROC EOC staff members will participate in about 40 hours of training to participate in the training program and help WEROC remain at a high state of readiness.
- Staff are researching and looking to implement a new WEROC Radio system in FY 2017/2018. The system being considered (through OC Sheriff's Department) is estimated to cost about \$227,000 initially and would reduce the annual radio maintenance and repeater budget by as much as \$7,000 to \$12,000.
- WEROC staff will be spending a significant amount of time implementing the recommendations of the WEROC EOC Site Study; including seismic evaluation, electrical evaluation and generator sharing at the South EOC site. Some of these assessments may result in additional recommendations, of which will be discussed with the WEROC funding group, member agencies and the Board.
- Utilizing the WEROC EOC Assessment, staff have identified capital costs for the WEROC program that are proposed to mostly occur in the next two fiscal years. Staff believes that these projects are critical to the reliability of the WEROC South EOC. Staff are proposing that the WEROC capital program be funded by MWDOC. Modifications to the MWDOC Administration Building to facilitate its use as a back-

up EOC are being incorporated into MWDOC Building Improvements and will provide additional functionality of the space for trainings and meetings.

- Promoting Orange County positions in the policy formation based on the MET update of its Integrated Resources Plan. Work from the OC Water Reliability Study positioned us well to provide input into the IRP policy discussion. Topics are likely to include MET investments in supply projects like the Carson Regional Recycling project, LRP funding policy and decisions, modifications to allocation policies and procedures, and MET's groundwater policies.
- Tracking progress on the California WaterFix and education of local, state and federal officials, including key organizations.
- Review of staffing levels and succession planning issues.

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

The Choice Programs for FY2017-18 include:

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

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

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

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

### **General District Reserves**

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

**Cash Flow Reserve:**

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

**Election Expense:**

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

**Building Expense Reserve:**

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

**OPEB Reserve:**

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

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

**8. Water Rates and Charges**

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

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

For FY 2017-18 the proposed Retail Meter Charge is \$12.10.

For FY 2017-18 the proposed Groundwater Customer Charge is \$473,560.

**Attachments:**

Attached hereto is the detailed budget for this coming year.



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

### **Draft 3 Budget**

#### **MWDOC's mission is:**

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

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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 2,943,115	\$ 2,794,148	\$ (148,968)	\$ 3,240,192 <sup>1</sup>	\$ 446,045	\$ 297,077
less for Recovery from Grants	\$ -	\$ -	\$ -	\$ -	-	0
Employee Benefits	834,890	844,102	9,212	961,602 <sup>2</sup>	117,500	126,712
Director Compensation	231,937	224,016	(7,921)	243,197	19,181	11,260
Director Benefits	66,297	75,746	9,449	81,728	5,982	15,431
MWD Representation	132,535	129,209	(3,326)	138,969	9,760	6,434
OPEB Annual Contribution	105,249	400,000	294,751	-	(400,000)	(105,249)
Overhead Reimbursement	(193,712)	(138,460)	55,252	(151,910)	(13,450)	41,802
Health Insurance Coverage for Retirees	50,326	32,683	(17,643)	59,554	26,871	9,228
Audit Expense	24,000	18,437	(5,563)	40,000	21,563	16,000
Automotive & Toll Road Expenses	14,928	16,490	1,562	17,400	910	2,472
Conference Expense - Staff	22,125	18,000	(4,125)	38,945	20,945	16,820
Conference Expense - Directors	10,725	9,500	(1,225)	23,700	14,200	12,975
Engineering Expense	405,000	270,509	(134,491)	360,000	89,491	(45,000)
Insurance Expense	90,000	105,000	15,000	110,250	5,250	20,250
Legal Expense - General	320,000	208,751	(111,249)	250,000	41,249	(70,000)
Maintenance Expense	123,185	92,000	(31,185)	123,500	31,500	315
Membership / Sponsorship	134,458	133,770	(688)	142,102	8,332	7,644
CDR Participation	39,972	39,972	-	48,803	8,831	8,831
Miscellaneous Expense	111,020	90,210	(20,810)	124,650	34,440	13,630
Postage / Mail Delivery	11,400	8,800	(2,600)	9,700	900	(1,700)
Professional Fees	705,677	497,100	(208,577)	983,678	486,578	278,001
Rents & Leases	7,000	6,500	(500)	8,400	1,900	1,400
Outside Printing, Subscription & Books	38,225	27,177	(11,048)	28,775	1,598	(9,450)
Office Supplies	38,280	26,345	(11,935)	35,580	9,235	(2,700)
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	10,000	9,950	(50)	10,000	50	-
Business Expense	6,000	4,981	(1,019)	5,200	219	(800)
Software Support & Expense	77,300	76,220	(1,080)	93,154	16,934	15,854
Computers and Equipment	32,500	31,490	(1,010)	33,050	1,560	550
Telecommunications Expense	19,200	19,226	26	21,300	2,074	2,100
Temporary Help Expense	-	12,000	12,000	5,000	(7,000)	5,000
Training Expense	12,000	7,500	(4,500)	10,000	2,500	(2,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-



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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>						
Travel & Accommodations - Staff	71,130	55,000	(16,130)	95,600	40,600	24,470
Travel & Accommodations - Directors	38,250	34,526	(3,724)	49,850	15,324	11,600
MWDOC's Contribution to WEROC: Operations	150,390	150,390	0	179,217	28,827	28,827
and to WEROC Capital Improvements			-	281,657	281,657	0.00%
Capital Acquisition (excluding building)	62,500	62,500	-	249,500	187,000	187,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 6,761,902</b>	<b>\$ 6,403,289</b>	<b>\$ (358,614)</b>	<b>\$ 7,968,344</b>	<b>\$ 1,565,055</b>	<b>\$ 1,206,442</b>
MWDOC's Building Expense	\$ 495,000	\$ 280,000	\$ (215,000)	\$ 356,400	\$ 76,400	\$ (138,600)
Election Expense	592,000	521,578	(70,422)	-	(521,578)	(592,000)
<b>TOTAL EXPENSES</b>	<b>\$ 7,848,902</b>	<b>\$ 7,204,867</b>	<b>\$ (644,035)</b>	<b>\$ 8,324,744</b>	<b>\$ 1,119,877</b>	<b>\$ 475,842</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,786,865	\$ 6,786,865	\$ 0	\$ 7,560,806	\$ 773,941	\$ 773,941
Ground Water Customer Charge	392,666	392,666	-	473,560	80,894	80,894
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	123,000	158,365	35,365	150,000	(8,365)	27,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
<b>TOTAL REVENUES</b>	<b>\$ 7,305,530</b>	<b>\$ 7,340,896</b>	<b>\$ 35,365</b>	<b>\$ 8,187,366</b>	<b>\$ 846,470</b>	<b>\$ 881,836</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ (543,372)</b>	<b>\$ 136,029</b>	<b>\$ 679,401</b>	<b>\$ (137,378)</b>	<b>\$ (273,407)</b>	<b>\$ 405,994</b>

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

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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 501,505	\$ 386,893	\$ (114,612)	\$ 427,946 <sup>1</sup>	\$ 41,053	\$ (73,559)
less for Recovery from Grants	\$ (31,600)	\$ (29,886)	\$ 1,714	\$ (23,279) <sup>1</sup>	6,607	8,321
Employee Benefits	133,269	113,794	(19,475)	127,111 <sup>2</sup>	13,316	(6,158)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
OPEB Annual Contribution						
Overhead Reimbursement	193,712	138,460	(55,252)	151,910	13,450	(41,802)
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	-	-	-	-	-	-
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
CDR Participation	-	-	-	-	-	-
Miscellaneous Expense	13,500	13,500	-	6,000	(7,500)	(7,500)
Postage / Mail Delivery	-	2,821	2,821	800	(2,021)	800
Professional Fees	798,819	522,611	(276,208)	556,132	33,521	(242,687)
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	-	-	-
Telecommunications Expense	-	-	-	-	-	-
Computers and Equipment	-	-	-	-	-	-
Temporary Help Expense	-	-	-	-	-	-
Training Expense	-	-	-	-	-	-
Tuition Reimbursement	-	-	-	-	-	-

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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ (461,012)</b>	<b>\$ 1,246,619</b>	<b>\$ 98,426</b>	<b>\$ (362,586)</b>

<b>REVENUES:</b>						
Choice Revenue	1,609,205	1,148,193	(461,012)	1,246,619	98,426	(362,586)
<b>TOTAL REVENUES</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ (461,012)</b>	<b>\$ 1,246,619</b>	<b>\$ 98,426</b>	<b>\$ (362,586)</b>

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

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

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

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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES:</b>						
Salaries & Wages	\$ 3,444,620	\$ 3,181,040	\$ (263,580)	\$ 3,668,138 <sup>1</sup>	\$ 487,097	\$ 223,518
less for Recovery from Grants	\$ (31,600)	\$ (29,886)	\$ 1,714	\$ (23,279)	6,607	8,321
Employee Benefits	968,159	957,897	(10,262)	1,088,713 <sup>2</sup>	130,816	120,554
Director Compensation	231,937	224,016	(7,921)	243,197	19,181	11,260
Director Benefits	66,297	75,746	9,449	81,728	5,982	15,431
MWD Representation	132,535	129,209	(3,326)	138,969	9,760	6,434
OPEB Annual Contribution	105,249	400,000	294,751	-	(400,000)	(105,249)
Overhead Reimbursement	-	-	-	-	-	0
Health Insurance Coverage for Retirees	50,326	32,683	(17,643)	59,554	26,871	9,228
Audit Expense	24,000	18,437	(5,563)	40,000	21,563	16,000
Automotive & Toll Road Expenses	14,928	16,490	1,562	17,400	910	2,472
Conference Expense - Staff	22,125	18,000	(4,125)	38,945	20,945	16,820
Conference Expense - Directors	10,725	9,500	(1,225)	23,700	14,200	12,975
Engineering Expense	405,000	270,509	(134,491)	360,000	89,491	(45,000)
Insurance Expense	90,000	105,000	15,000	110,250	5,250	20,250
Legal Expense - General	320,000	208,751	(111,249)	250,000	41,249	(70,000)
Maintenance Expense	123,185	92,000	(31,185)	123,500	31,500	315
Membership / Sponsorship	134,458	133,770	(688)	142,102	8,332	7,644
CDR Participation	39,972	39,972	-	48,803	8,831	8,831
Miscellaneous Expense	124,520	103,710	(20,810)	130,650	26,940	6,130
Postage / Mail Delivery	11,400	11,621	221	10,500	(1,121)	(900)
Professional Fees	1,504,496	1,019,711	(484,785)	1,539,810	520,099	35,314
Rents & Leases	7,000	6,500	(500)	8,400	1,900	1,400
Outside Printing, Subscription & Books	38,225	27,177	(11,048)	28,775	1,598	(9,450)
Office Supplies	38,280	26,345	(11,935)	35,580	9,235	(2,700)
Building Repair & Maintenance	11,000	9,500	(1,500)	11,000	1,500	0
Computer Maintenance	10,000	9,950	(50)	10,000	50	-
Business Expense	6,000	4,981	(1,019)	5,200	219	(800)
Software Support & Expense	77,300	76,220	(1,080)	93,154	16,934	15,854
Computers and Equipment	32,500	31,490	(1,010)	33,050	1,560	550
Telecommunications Expense	19,200	19,226	26	21,300	2,074	2,100
Temporary Help Expense	-	12,000	12,000	5,000	(7,000)	5,000
Training Expense	12,000	7,500	(4,500)	10,000	2,500	(2,000)
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

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

	FY 2016-2017 ADOPTED BUDGET	FY 2016-2017 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2017-2018 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
<b>OPERATING EXPENSES: continued</b>	-	-		-		
Travel & Accommodations - Staff	71,130	55,000	(16,130)	95,600	40,600	24,470
Travel & Accommodations - Directors	38,250	34,526	(3,724)	49,850	15,324	11,600
MWDOC's Contribution to WEROC: Operations	150,390	150,390	0	179,217	28,827	28,827
and to WEROC Capital Improvements	-	-	-	281,657	281,657	281,657
Capital Acquisition (excluding building)	62,500	62,500	-	249,500	187,000	187,000
<b>NORMAL OPERATING EXPENSES</b>	<b>\$ 8,371,107</b>	<b>\$ 7,551,481</b>	<b>\$ (819,626)</b>	<b>\$ 9,214,963</b>	<b>\$ 1,663,482</b>	<b>\$ 843,856</b>
MWDOC's Building Expense	\$ 495,000	\$ 280,000	\$ (215,000)	\$ 356,400	\$ 76,400	\$ (138,600)
Election Expense	592,000	521,578	(70,422)	-	(521,578)	(592,000)
<b>TOTAL EXPENSES</b>	<b>\$ 9,458,107</b>	<b>\$ 8,353,059</b>	<b>\$ (1,105,048)</b>	<b>\$ 9,571,363</b>	<b>\$ 1,218,304</b>	<b>\$ 113,256</b>

<b>REVENUES:</b>						
Retail Meter Charge	\$ 6,786,865	\$ 6,786,865	\$ -	\$ 7,560,806	\$ 773,941	\$ 773,941
Ground Water Customer Charge	392,666	392,666	-	473,560	80,894	80,894
Water Increment Charge	-	-	-	-	-	0
Interest Revenue	123,000	158,365	35,365	150,000	(8,365)	27,000
Miscellaneous Income	3,000	3,000	-	3,000	-	0
Inter Fund In	-	-	-	-	-	0
Choice Revenue	1,609,205	1,148,193	(461,012)	1,246,619	98,426	(362,586)
<b>TOTAL REVENUES</b>	<b>\$ 8,914,735</b>	<b>\$ 8,489,089</b>	<b>\$ (425,647)</b>	<b>\$ 9,433,985</b>	<b>\$ 944,897</b>	<b>\$ 519,250</b>

<b>EFFECT ON RESERVES:</b>						
<b>TOTAL CONTRIBUTION (DRAW) FROM RESERVES</b>	<b>\$ (543,372)</b>	<b>\$ 136,029</b>	<b>\$ 679,401</b>	<b>\$ (137,378)</b>	<b>\$ (273,407)</b>	<b>\$ 405,994</b>

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

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

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

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

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

**Exhibit B  
Expenditures by Program**

Cost Center	PROGRAM	FY 2016-2017 BUDGET FTE	FY 2017-2018 BUDGET FTE	FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
11	Administrative - Board	1.97	1.89	\$ 1,264,229	\$ 1,045,706	\$ 1,148,384
12	Administrative - General	2.62	3.86	541,237	591,083	645,146
13	Personnel / Staff Development	1.42	1.40	286,546	237,815	335,590
19	Overhead	3.53	3.92	1,204,533	1,167,004	1,119,349
21	Planning & Resource Development	3.78	3.58	816,876	607,321	738,946
22	Research Participation	0.00	0.00	39,972	39,972	48,803
23	Met Issues and Special Projects	4.68	4.48	907,844	815,692	900,499
31	Governmental Affairs	1.18	2.03	479,535	417,206	599,210
35	Water Use Efficiency (Core)	0.58	0.58	171,239	178,835	417,986
32	Public Affairs	2.90	3.74	571,671	447,873	722,010
41	Finance	3.18	3.13	521,660	419,350	552,106
45	Information Technology	1.00	0.99	285,672	285,042	279,442
25	MWDOC's Contribution to WEROC <sup>1</sup>	2.00	2.00	150,390	150,390	460,874
<b>CORE TOTAL</b>		<b>28.82</b>	<b>31.61</b>	<b>\$ 7,241,403</b>	<b>\$ 6,403,289</b>	<b>\$ 7,968,344</b>
62	Water Use Efficiency Program	6.48	5.77	928,798	700,006	835,106
63	School Programs	0.15	0.10	358,691	357,998	411,513
67	Outreach	0.19	0.00	277,300	90,189	-
65	Poseidon Desal	0.00	0.00	44,416	-	-
<b>CHOICE TOTAL</b>		<b>6.82</b>	<b>5.88</b>	<b>\$ 1,609,205</b>	<b>\$ 1,148,193</b>	<b>\$ 1,246,619</b>
<b>CORE &amp; CHOICE TOTAL</b>		<b>35.64</b>	<b>37.49</b>	<b>\$ 8,850,608</b>	<b>\$ 7,551,481</b>	<b>\$ 9,214,963</b>
Includes:						
	Full-time employees	29.00	31.00			
	WEROC Full-time employee	2.00	2.00			
	Part-time employees	1.68	1.99			
	Interns	2.96	2.50			

<sup>1</sup> FTE accounts for WEROC, Manager Kelly Hubbard and 1 full time employee. Total cost of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton, and South Orange County Wastewater Authority. Dollars shown are MWDOC's share only.



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

	Projected ACTUALS FY16-17	BUDGET FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Beginning Designated Reserve Balance - MWDOC	\$5,367	\$ 5,503	\$ 5,366	\$ 4,928	\$ 5,028	\$ 4,780	\$ 5,228
OPEB Contribution above the ARC	117	117	117	117	117	117	117
OPEB Reserve	209	209	209	209	209	209	209
Adjusted Reserve Balance	5,041	5,177	5,040	4,602	4,702	4,454	4,902
<b>Revenues</b>							
Water Rate Revenues:							
Retail Meter Agency Charge	6,787	7,561	7,749	7,956	8,161	8,335	8,452
Ground Water Customer Charge	393	474	485	498	510	523	536
Subtotal	7,180	8,034	8,234	8,453	8,671	8,858	8,988
Other Revenues:							
Choice Revenues	1,148	1,247	1,278	1,310	1,342	1,376	1,410
Interest Earnings	158	150	134	128	156	178	213
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,310	1,400	1,414	1,441	1,501	1,557	1,626
<b>Total Revenues</b>	8,489	9,434	9,648	9,895	10,173	10,415	10,615
<b>Expenses</b>							
Core Expenses	6,341	7,719	7,912	8,110	8,312	8,520	8,733
Choice Expenses	1,148	1,247	1,278	1,310	1,342	1,376	1,410
Capital Acquisitions (not including building)	63	250	20	20	20	20	20
<b>Total Expenses w/o Building &amp; Election</b>	7,551	9,215	9,210	9,439	9,675	9,916	10,164
<b>Revenue Over Expenses w/o Building &amp; Election</b>	938	219	439	455	498	499	451
<b>ELECTION Reserve Beginning Balance</b>	475	257	476	258	562	170	474
<b>Annual Election Reserve Contribution</b>	304	219	304	304	304	304	304
<b>Annual Election Expense</b>	522	-	522		696		522
<b>Election Reserve Ending Balance</b>	257	476	258	562	170	474	256
<b>BUILDING Reserve Beginning Balance</b>	350	350	350	350	350	350	350
<b>Annual Building Reserve Contribution</b>	280	356	355	355	50	50	50
<b>Annual Building Expense</b>	280	356	355	355	50	50	50
<b>Building Reserve Ending Balance</b>	350	350	350	350	350	350	350
<b>CASH FLOW Reserve Beginning Balance</b>	1,500						
<b>Annual Cash Flow Reserve Contribution</b>	-	-	-	-	-	-	-
<b>Cash Flow Reserve Ending Balance</b>	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>Ending General Fund &amp; Cash Flow Reserves</b>	\$ 4,570	\$ 4,214	\$ 3,993	\$ 3,789	\$ 3,933	\$ 4,078	\$ 4,175
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
<b>MWDOC Water Rates</b>							
Water Sales in Acre Feet	165,813	184,270	186,221	188,218	190,118	190,254	191,334
Total Retail Customer Meters	619,805	624,860	627,421	631,421	635,111	641,151	645,211
OCWD BPP %	75%	75%	73%	73%	73%	73%	73%
<b>Increment Rate</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Connection Charge</b>	\$ 10.95	\$ 12.10	\$ 12.35	\$ 12.60	\$ 12.85	\$ 13.00	\$ 13.10
Fixed Charge %		100%	100%	100%	100%	100%	100%

1 Assumptions for FMP:

Inflation factor:

Rate of return on Investment of portfolio:

2.50% per year

1.25% per year

## Total Core Expenses

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	2,943,113	2,794,148	3,240,192
	S & W Reimb. DSC or Recov from Grants	-	-	-
6090	Directors Compensation - MWDOC	231,937	224,016	243,197
6095	Directors Compensation - MWD	132,535	129,209	138,969
6105	Benefits - Admin	834,891	844,102	961,602
	OPEB Annual Contribution	105,249	400,000	-
	Overhead Reimbursement	(193,712)	(138,460)	(151,910)
6115	Benefits - Directors	66,297	75,746	81,728
6120	Health Insurance Coverage for Retirees	50,326	32,683	59,554
6205	Training	12,000	7,500	10,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	12,000	5,000
7010	Engineering - Outside Services	405,000	270,509	360,000
7020	Legal - General	320,000	208,751	250,000
7030	Audit	24,000	18,437	40,000
7040	Other Professional Fees	705,678	497,100	983,678
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	22,125	18,000	38,945
7115	Conference - Directors	10,725	9,500	23,700
7150	Travel & Accommodations - Employee	71,130	55,000	95,600
7155	Travel & Accommodations - Director	38,250	34,526	49,850
7210	Membership / Sponsorship	134,208	133,770	142,102
7250	CDR Participation	39,972	39,972	48,803
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance	123,185	92,000	123,500
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	7,000	6,500	8,400
7330	Office Supplies	38,280	26,345	35,580
7340	Postal / Mail Delivery	11,400	8,800	9,700
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense	36,225	26,377	27,275
7410	Computer & Peripherals Maint	10,000	9,950	10,000
7430	Software Purchase	31,300	31,110	44,260
7440	Software Support	46,000	45,110	48,894
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	32,500	31,490	33,050
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,828	15,740	16,400
7615	Toll Road Charges	1,100	750	1,000
7620	Insurance Expense	90,000	105,000	110,250
7640	Utilities - Telephone	19,200	19,226	21,300
7650	Bank Fees	10,500	11,711	11,000
7670	Miscellaneous Expenses	100,520	78,499	113,650
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	62,500	62,500	249,500
	<b>Total Expenditure</b>	<b>6,611,262</b>	<b>6,252,899</b>	<b>7,507,470</b>

MWDOC's Contribution:

to WERO Capital improvements	-	-	281,657
to WERO Operations	150,390	150,390	179,217
MWDOC's Election Expense	592,000	521,578	-
MWDOC's Building Expense	495,000	280,000	356,400
	<u>7,848,652</u>	<u>7,204,867</u>	<u>8,324,744</u>

**Total Choice Revenue and Expense**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
	Choice Revenue	1,494,789	1,287,948	976,030
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry Over	44,416	-	200,589
		-	-	-
	Choice billing over/under	-	(209,755)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	<b>Total Revenue</b>	1,609,205	1,148,193	1,246,619

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	501,505	386,893	427,946
	S & W Reimb. DSC or Recov from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	133,269	113,794	127,111
	Overhead Reimbursement	193,712	138,460	151,910
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	-	-	-
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	463,330	187,122	165,972
	Other Professional Fees - School Programs	335,489	335,489	390,160
7110	Conference - Employee	-	-	-
7115	Conference - Directors	-	-	-
7150	Travel & Accommodations - Employee	-	-	-
7155	Travel & Accommodations - Director	-	-	-
7210	Membership / Sponsorship	-	-	-
7220	CUWA Participation	-	-	-
7240	AWWARF Participation	-	-	-
7250	CDR Participation	-	-	-
7310	Office Maintenance	-	-	-
7320	Rents & Leases	-	-	-
7330	Office Supplies	-	-	-
7340	Postal / Mail Delivery	-	2,821	800
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	-	-	-
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7615	Toll Road Charges	-	-	-
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	-
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	13,500	13,500	6,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	<b>Total Expenditure</b>	1,609,205	1,148,193	1,246,619

### Total Core and Choice Expenses

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,444,618	3,181,040	3,668,138
	S & W Reimb. DSC or Recov from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWDOC	231,937	224,016	243,197
6095	Directors Compensation - MWD	132,535	129,209	138,969
6105	Benefits - Admin	968,160	957,897	1,088,713
	OPEB Annual Contribution	105,249	400,000	-
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	66,297	75,746	81,728
6120	Health Insurance Coverage for Retirees	50,326	32,683	59,554
6205	Training	12,000	7,500	10,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	-	12,000	5,000
7010	Engineering - Outside Services	405,000	270,509	360,000
7020	Legal - General	320,000	208,751	250,000
7030	Audit	24,000	18,437	40,000
7040	Other Professional Fees	1,169,008	684,222	1,149,650
	Other Professional Fees - School Programs	335,489	335,489	390,160
7047	Prof Service-Grant Recovery	-	-	-
7110	Conference - Employee	22,125	18,000	38,945
7115	Conference - Directors	10,725	9,500	23,700
7150	Travel & Accommodations - Employee	71,130	55,000	95,600
7155	Travel & Accommodations - Director	38,250	34,526	49,850
7210	Membership / Sponsorship	134,208	133,770	142,102
7250	CDR Participation	39,972	39,972	48,803
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance	123,185	92,000	123,500
7315	Building Repair & Maintenance	11,000	9,500	11,000
7320	Rents & Leases	7,000	6,500	8,400
7330	Office Supplies	38,280	26,345	35,580
7340	Postal / Mail Delivery	11,400	11,621	10,500
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense	36,225	26,377	27,275
7410	Computer & Peripherals Maint	10,000	9,950	10,000
7430	Software Purchase	31,300	31,110	44,260
7440	Software Support	46,000	45,110	48,894
7450	Software Development	-	-	-
7510	Site Maintenance	-	-	-
7540	Computers and Equipment	32,500	31,490	33,050
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	13,828	15,740	16,400
7615	Toll Road Charges	1,100	750	1,000
7620	Insurance Expense	90,000	105,000	110,250
7640	Utilities - Telephone	19,200	19,226	21,300
7650	Bank Fees	10,500	11,711	11,000
7670	Miscellaneous Expenses	114,020	91,999	119,650
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8810	Capital Acquisition	62,500	62,500	249,500
	<b>Total Expenditure</b>	<b>8,220,467</b>	<b>7,401,091</b>	<b>8,754,089</b>

MWDOC's Contribution:

to WEROC Capital improvements	-	-	281,657
to WEROC Operations	150,390	150,390	179,217
MWDOC's Election Expense	592,000	521,578	-
MWDOC's Building Expense	495,000	280,000	356,400
	<u>9,457,857</u>	<u>8,353,059</u>	<u>9,571,363</u>

**Administrative - Board**

11

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	263,608	250,749	265,231	
6090	Directors Compensation - MWDOC	231,937	224,016	243,197	1
6095	Directors Compensation - MWD	132,535	129,209	138,969	2
6105	Benefits - Admin	71,508	69,642	72,968	
6115	Benefits - Directors	66,297	75,746	81,728	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	285,000	200,251	220,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	10,725	9,500	23,700	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	38,250	34,526	49,850	5
7210	Membership / Sponsorship	25,040	25,141	25,141	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,500	3,800	3,900	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	9,828	9,500	9,800	
7615	Toll Road Charges	700	500	600	
7620	Insurance Expense				
7640	Utilities - Telephone	1,100	1,226	1,300	
7650	Bank Fees				
7670	Miscellaneous Expenses	6,200	11,900	12,000	7
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	1,147,228	1,045,706	1,148,384	

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

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

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

5 See Exhibit F.

6 LAFCO Annual Assessment  
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Election Expense

592,000	521,578
1,739,228	1,567,284
	1,148,384

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	208,804	263,883	291,603
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	58,591	78,534	98,842
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help		12,000	5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	72,900	60,900	5,000
7110	Conference - Employee	22,125	18,000	38,945
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	71,130	55,000	95,600
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	93,037	88,495	94,356
7250	CDR Participation			
7305	Business Expense	6,000	4,981	5,200
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	2,000	800	1,500
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	4,000	6,240	6,600
7615	Toll Road Charges	400	250	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,000	2,000	2,100
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	540,987	591,083	645,146

1 See Exhibit J.

2 See Exhibit E.

3 See Exhibit D.

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	168,504	152,176	173,664	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	49,292	46,239	51,625	1 • Staff Technical Training & Leadership Development Training
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	12,000	7,500	10,000	1
6210	Tuition Reimbursement	5,000	-	5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	35,000	8,500	30,000	2 • Best, Best & Krieger
7030	Audit				
7040	Other Professional Fees	7,500	7,500	49,000	3
7110	Conference - Employee				3 • Eval 401a, 457 plans \$ 9,000 • Salary Benchmark Study \$ 40,000 \$ 49,000
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				4 • Applicant Background Checks & Physical \$ 2,500 • Team Building, Lunch meetings \$ 2,500 • Holiday Lunch \$ 2,400 • OCWD Health Fair \$ 200 • Employee Flu Shots \$ 200 • Job Ads Recruiting \$ 4,000 • TAD Executive Assessments \$ 4,500 \$ 16,300
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	16,750	15,900	16,300	4
8410	Overhead Reimbursement				
8610	Depreciation Expense				
8710	Election Expenses				
8810	Capital Acquisition				
	<b>Total Expenditure</b>	294,046	237,815	335,590	

**Overhead  
19**

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



**Planning and  
Resource Development  
21**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	486,651	396,030	460,941
6012	Salaries & Wages - Reimb. from Grants	-		-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,725	104,291	116,005
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	197,500	100,000	155,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,000	7,000	7,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	816,876	607,321	738,946

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

**Research Participation**  
**22**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin			
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation	39,972	39,972	48,803
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	39,972	39,972	48,803

1 Center for Demographic Research at  
Cal State University Fullerton

1

**Met Issues and Special Projects**  
23

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	544,550	497,802	536,677
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	155,794	147,381	158,822
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	207,500	170,509	205,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7045	Other Professional Fees - MET			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	907,844	815,692	900,499

**Government Affairs**  
**31**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	136,892	100,924	211,427
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	43,903	36,974	71,363
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	275,000	263,000	294,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	420	420	420
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	23,320	15,888	22,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	479,535	417,206	599,210

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

2	• BB & K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 10,000
	• Lewis Consulting	\$ 42,000
	• Ackerman	\$ 36,000
	• Grant Research & Acquisition	\$ 20,000
		<u>\$ 294,000</u>

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

**Public Affairs**  
**32**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	250,473	237,379	320,239
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	69,965	69,373	97,288
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	191,178	101,400	239,178
7047	Prof Service-Grant Recovery			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	26,805	22,500	23,055
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	33,250	17,221	42,250
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	<b>571,671</b>	<b>447,873</b>	<b>722,010</b>

<b>1 Public Affairs Activities:</b>	
• Strategic Outreach Program Support	\$ 40,000
• Resolutions	\$ 2,000
• Member Agency Workshops PAW	\$ 7,000
• Consumer Confidence Reports	\$ 34,178
• Website Hosting & Maintenance	\$ 8,000
• Event Registration Fees	\$ 2,500
• PAW meeting materials	\$ 1,500
• High School Program	\$ 64,000
Subtotal	\$ 159,178

<b>Communications Plan Activities:</b>	
• Advertising	\$ 20,000
• CA Water Fix PSA Campaign	\$ 60,000
Subtotal	\$ 80,000
	<u>\$ 239,178</u>

<b>2</b>	
• Promo Attire	\$ 3,000
• Promotional Items	\$ 14,555
• Poster Slogan Award & Ceremony	5,500
	\$ 23,055

<b>3</b>	
• Ricki Maint and Repair	\$ 2,750
• Children's Water Festival Sponsorship	\$ 3,500
• Industry Events	\$ 5,000
• Event Display Materials	\$ 2,500
• Speaker Recognition	\$ 500
• Wyland Mayor's Challenge	\$ 10,000
• Boy Scout Program	\$ 8,000
• Girl Scout Program	\$ 5,000
• Sponsorship Contingency Fund	\$ 5,000
	\$ 42,250

**Water Use Efficiency  
(Core)  
35**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	91,137	91,742	93,037
6010	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	25,971	33,960	27,344
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	38,000	33,000	275,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	16,131	20,134	22,605
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	171,239	178,835	417,986

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

**General Finance**  
**41**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	294,702	287,534	304,554
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	86,958	87,779	91,553
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit	24,000	18,437	40,000
7040	Other Professional Fees	115,000	25,000	115,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	600	1,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	521,660	419,350	552,106

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

1

**Information Technology**  
**45**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	98,096	98,618	102,221	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	35,776	36,773	38,017	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				1 • Misc repairs, maint & components
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				3 • Email Management Support \$ 5,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Financial Management System \$ 23,773
7330	Office Supplies				• Cisco Smartnet support \$ 3,300
7340	Postal / Mail Delivery				• Misc NAV development \$ 2,000
7350	Subscriptions / Books				• Jet Reports support \$ 1,521
7360	Reproduction Expense				• Blythco ABRA \$ 900
7410	Computer & Peripherals Maint	10,000	9,950	10,000	1 • ECS Laserfiche Annual Support \$ 9,100
7430	Software Purchase	31,300	31,110	44,260	2 • JMP Software Maintenance \$ 960
7440	Software Support	46,000	45,110	48,894	3 \$ 48,894
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment	32,500	31,490	33,050	4 • 1 iPad/Surface Pro \$ 1,000
7580	Maintenance Expense				• 5 desktop computers w/ 9 monitors \$ 5,000
7610	Automotive / Mileage				• 2 Cisco Switches and 1 Router \$ 7,700
7615	Toll Road Charges				• RICOH color printer support \$ 350
7620	Insurance Expense				• 2 UPS for Server Room \$ 5,500
7640	Utilities - Telephone				• Data Server \$ 13,500
7650	Bank Fees				\$ 33,050
7670	Miscellaneous Expenses	3,000	2,990	3,000	5
8410	Overhead Reimbursement				5 • Misc supplies \$ 1,700
8610	Depreciation Expense				• MWDOC Website \$ 1,200
8710	Election Expenses				• Amazon Prime Membership \$ 100
8810	Capital Acquisition	29,000	29,000		\$ 3,000
	<b>Total Expenditure</b>	285,672	285,042	279,442	



**Water Use Efficiency  
(choice)  
62**

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

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	475,474	366,026	415,020
6012	Salaries & Wages - Recovery from Grants	(31,600)	(29,886)	(23,279)
6090	Directors Compensation - MWD			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	125,895	106,988	123,678
	Overhead Reimbursement	184,114	131,661	146,916
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	168,914	116,397	165,972
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery		2,821	800
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	928,797	700,006	835,106

1 Recovery from WUE Grants for some Salaries and Benefits:

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

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

**School Program  
(choice)  
63**

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
4215	Choice Revenue	288,691	290,425	339,086
4205	School Contracts	70,000	70,000	70,000
4705	Prior Year Carry over			2,427
	Choice billing over/under		(2,427)	
	<b>Total Revenue</b>	358,691	357,998	411,513

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	9,505	9,085	12,925
6010	Sal & Wages - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	3,069	3,491	3,433
	Overhead Reimbursement	3,128	2,432	4,994
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7040	Other Professional Fees - School Programs	335,489	335,489	390,160
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AWWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	7,500	7,500	
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	358,691	357,998	411,513

1 • Assemblies: FY17-18

Goal is 67,361 students

• Digital Program	\$ 42,436
• High Schools	\$ 97,612
• Elementary Schools	\$ 250,112
	<u>\$ 390,160</u>

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

**Poseidon Desal  
(choice)  
65**

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

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	-
	Overhead Reimbursement		-	-
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	44,416		
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	44,416	-	-

No more expenses are foreseen at this time

**Public Affairs  
(choice)  
67**

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

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	16,526	11,782	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	4,305	3,315	-
	Overhead Reimbursement	6,470	4,367	-
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	250,000	70,725	1
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	277,301	90,189	-

1 • OC Register Value of Water Page

**WEROC**  
**25**

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

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

2 • WEROC Reserves

MWDOC Contribution to Capital Improvements 281,657  
640,934

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	168,740	148,086	197,354
6012	Salaries & Wages - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	58,513	55,793	64,892
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	3,000	52,262	30,000
7110	Conference - Employee	2,180	2,221	3,835
7115	Conference - Directors			
7150	Travel & Accomodations - Employee	4,300	4,405	3,900
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship	390	320	620
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases	20,046	20,046	21,049
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	9,798	1,000
7410	Computer & Peripherals Maint	4,373	4,373	5,805
7430	Software Purchase			
7440	Software Support	7,088	6,750	6,750
7450	Software Development			
7510	Site Maintenance	850	594	710
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	3,000	2,000
7581	Maintenance - Radios	2,000	2,000	2,000
7582	Maintenance - EOC's	3,000	3,000	3,000
7610	Automotive / Mileage	1,700	1,000	1,700
7615	Toll Road Charges	100	100	100
7620	Insurance Expense	1,500	1,500	1,500
7640	Utilities - Telephone	9,000	7,528	7,218
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
7671	Miscellaneous Training	2,000	2,000	3,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	293,780	326,776	358,434
	Capital Improvements			282,500
	Contribution to Operating Reserves	7,000	7,000	
		300,780	333,776	640,934

3 Exhibit J

4 Catalina Repeater (5% increase)

5 Updated WEROC Map Printing

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

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

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

		FY 2016-2017 BUDGET	FY 2016-2017 PROJECTED ACTUALS	FY 2017-2018 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,626	-	6,403
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	879	-	1,548
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	15,000		11,553
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	<b>Total Expenditure</b>	19,505	-	19,505

## Exhibit D

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

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

## Exhibit D

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

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

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



# Exhibit E

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

Conference / Meeting	Registration	Travel <sup>(1)</sup>	Approval included in Budget Approval
ACWA - DC Conference (2 staff)	\$ 1,935	\$ 7,500	√
- Fall Conference, Anaheim (7 staff)	5,075	700	√
- Spring Conference, Northern California (4 staff)	2,900	5,000	√
- Legislative Symposium (1 staff)	275	650	√
ACCOC Advocacy Trip - Sacramento (2 staff)	2,400	1,000	√
ACCOC Advocacy Trip - Washington DC (1 staff)	1,800	900	√
ACWA Region 10 (2 Staff)	100	200	√
Assoc. of Metrop. Water Agencies Misc. Conference (AMWA) (1 staff)	1,600	2,500	√
Assoc. of Metrop. Wtr Agencies Exec. (AMWA) Conf., St. Simons, Georgia(1 staff)	1,600	2,500	√
Assoc. of Metrop. Water Agencies Water Policy Conference, DC (AMWA) (1 staff)	1,600	2,500	√
AWWA Cal Nevada & National Conf, Reno, Nevada (3 Staff)	1,500	3,000	√
AWWA Cal Nevada & National Conf, Spring, Northern Calif. (3 Staff)	1,500	3,000	√
AWWA ACE Annual Conference, Las Vegas, Nevada (2 staff)	1,000	2,000	√
Bond Buyers Conference (1 Staff)	200	-	√
California Assoc.of Public Inform. Officials Conference (1Staff) Santa Rosa	300	1,600	√
California Council for Environmental & Economic Balance (5 Trips)		5,000	√
California Council for Environmental & Economic Balance, Lake Tahoe (2 staff)	850	3,200	√
California Dept. of Water Resources (USC & ITP) (1 staff)	-	600	√
Calif. Soc. of Mun. Finance Officers (2 staff)	200	400	√
Cal Desal Conference (1 staff)	250	800	√
CRWUA, Las Vegas - Fall (3 staff)	1,485	3,750	√
CSDA Annual Conference (2 staff)	1,200	2,000	√
CSDA Legislative Days (2 staff)	400	1,200	√
CUWCC Board Plenary & Committee Meetings (13 meetings)	-	6,500	√
DWR Stakeholder Meetings (4 trips)	-	1,600	√
Gov. Finance Officers Assoc. Seminar (1 staff)	200	400	√
Information Technology Seminar (2 staff)	500	1,000	√
Irrigation Association Annual Conference, Orlando Florida (1 staff)	400	1,000	√
Liebert Cassidy & Whitmore Employment Law Conference (2 Staff)	950	-	√
Orange Co.Business Council (OCBC) Advocacy Trip-Sacramento (1 Staff)	1,200	1,000	√
Orange Co.Business Council (OCBC) Advocacy Trip-DC (1 Staff)	1,800	1,000	√
Sacramento Legislative Advocacy (18 trips)	-	10,500	√
Urban Water Institute Annual Conference, San Diego (4 Staff)	1,500	4,000	√
Urban Water Institute Spring Conference, Palm Springs (3 Staff)	1,125	3,000	√
Washington Legislative Advocacy (6 trips)	-	10,800	√
North American Water Loss Conference (1 staff), San Diego	300	500	√
Water Smart Innovations, Las Vegas Nevada (2 Staff)	800	1,800	√
Miscellaneous*	2,000	2,500	√
<b>General Fund Total **</b>	<b>\$ 38,945</b>	<b>\$ 95,600</b>	
International Assoc. of Emergency Managers (Long Beach) (2 Staff)	\$ 1,600	\$ -	√
California State Training Institute (1 WEROC staff)	600	1,500	√
Enhanced Incident Management / Unified Command (MGT 314) ***	0	0	√
American Red Cross Disaster Academy	135		√
California Emergency Services Association (2 staff)	1,500	2,400	√
<b>WEROC Program Total</b>	<b>\$ 3,835</b>	<b>\$ 3,900</b>	
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 38,945</b>	<b>\$ 95,600</b>	

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

\*\* Excludes automotive mileage.

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

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

## Exhibit F

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

Conference	Registration	Travel (1)	Approval included in Budget Approval	
ACCOC Advocacy Trip - Sacramento (2 Directors)	\$ 2,400	\$ 1,000	√	New
ACCOC Advocacy Trip - Washington DC (2 Directors)	\$ 3,600	\$ 1,800	√	New
ACWA DC Conference (2 Directors)	\$ 1,935	\$ 7,500	√	
ACWA Fall Conference, Anaheim (3 Directors)	\$ 2,175	\$ 500	√	
ACWA Spring Conference, Northern Calif. (3 Directors)	\$ 2,175	\$ 3,750	√	
ACWA Region 10 (2 Directors)	\$ 100	\$ 200	√	
Bond Buyers Conference (2 Directors)	\$ 400	\$ -	√	
CRWUA Fall Conf, Las Vegas (2 Directors)	\$ 990	\$ 2,500	√	
CSDA Annual Conference (1 Director)	\$ 600	\$ 1,000	√	
CSDA Legislative Day (1 Director)	\$ 200	\$ 600	√	
California Council for Environmental & Economic Balance (5 Trips)		\$ 5,000	√	
Calif. Council for Environ. & Econ. Balance Conf. Lake Tahoe(1 Dir.)	\$ 425	\$ 1,600	√	New
Orange County Business Council (OCBC) Advocacy Trip-Sacramento (2 Directors)	\$ 2,400	\$ 1,800	√	New
Orange County Business Council (OCBC) Advocacy Trip-DC (2 Directors)	\$ 3,600	\$ 1,800	√	New
Sacramento Legislative Advocacy (8 Trips)	-	\$ 4,600	√	
Washington DC Legislative Advocacy ( 6 trips)	-	\$ 10,800	√	
Urban Water Institute Annual Conference, San Diego (2 Directors)	750	\$ 2,000	√	
Directors)	750	\$ 2,000	√	New
Miscellaneous*	\$ 1,200	\$ 1,400	√	
<b>TOTAL**</b>	<b>\$ 23,700</b>	<b>\$ 49,850</b>		
<b>PROPOSED GENERAL FUND BUDGET</b>	<b>\$ 23,700</b>	<b>\$ 49,850</b>		

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

\*\* Excludes automotive mileage.

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

## Exhibit H

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

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

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

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Engineering Expenses</b>					
<b>Planning &amp; Operation (21)</b>	(To be determined)	Various Engineering/Technical Services	197,500	155,000	
<b>Met Issues &amp; Special Projects (23)</b>	Ed Means Consulting	Consulting on MET issues	50,000	50,000	√
	(To be determined)	MET and Reliability Planning	157,500	155,000	
<b>Total Engineering Expenses</b>			<b>405,000</b>	<b>360,000</b>	
<b>Legal Expenses</b>					
<b>Administration (11 &amp; 13)</b>	Best, Best & Krieger	General Legal Counsel Services	260,000	195,000	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	25,000	25,000	√
	Best, Best & Krieger	Labor Counsel Services	35,000	30,000	√
<b>Total Legal Expenses</b>			<b>320,000</b>	<b>250,000</b>	
<b>Audit Expenses</b>					
<b>Finance (41)</b>	(To be determined)	Annual Financial Audit and Federal Single Audit	24,000	40,000	
<b>Training</b>					
<b>Administration (13)</b>	TBD/Cal State University Fullerton Leadership	Staff Development/Training/indiv. Employee training	12,000	10,000	√
<b>Building Expense</b>					
<b>Overhead (19)</b>	(To be determined)	Bldg Improvements - Eval / Design / Space Planning /Architect/Construction Mgmt. Costs		100,000	
<b>Professional Fees</b>					
<b>Administration (12 &amp; 13 &amp; 19)</b>	Dissinger Associates	Pension Plan Administration	4,200	4,500	√
	(To be determined)	Evaluate fund portfolios for 401 and 457 Plans	7,500	9,000	
	Wage Works	Cafeteria Plan Administration	1,900	2,000	√
	(To be determined)	Scanning services staffing	48,000		
	(To be determined)	Benchmark Study		40,000	
<b>Governmental Affairs (31)</b>	Gladwell Services	Records Management Consulting	24,900	5,000	√
	BBK Legislation	State Legislative Advocate	94,000	90,000	√
	James C. Barker	Federal Legislative Advocate	94,000	96,000	√
	Lewis Consulting	County Issues Consulting	48,000	42,000	√
	(To be determined)	Grant Research and Acquisition Assistance		20,000	
<b>Public Affairs (32)</b>	Ackerman	Legal and Regulatory	36,000	36,000	√
	(To be determined)	Miscellaneous	3,000	10,000	
	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	34,178	34,178	√
	(To be determined)	Public Outreach	2,000		
	(To be determined)	Collateral materials update and resolutions	5,000	2,000	
<b>WUE - Core (35)</b>	(To be determined)	Event Registration Fees	2,500	2,500	
	(To be determined)	Strategic Outreach Program Support		40,000	
	(To be determined)	PAW Meeting Materials	2,500	1,500	
	(To be determined)	Client Agency Workshops for PAW	15,000	7,000	
	(To be determined)	CA Water Fix PSA Campaign		60,000	
<b>Finance &amp; IT (41 &amp; 45)</b>	(To be determined)	Surveys - Phone and IPSO	35,000		
	(To be determined)	Advertising	20,000	20,000	
	(To be determined)	Core High School Program	15,000	64,000	
	(To be determined)	Website updates and Maintenance	60,000	8,000	
	(To be determined)	General WUE Research		75,000	
<b>WUE - Core (35)</b>	(To be determined)	Landscape Education and Outreach Program		50,000	
	Water Systems Optimization	Water Loss Control Work Grp	33,000	50,000	√
	(To be determined)	Leak Detection Equipment		100,000	
	Gilbert & Associates	Project Audit	5,000		√
	Union Bank	Custodial Bank fees	3,000	3,000	√
<b>Finance &amp; IT (41 &amp; 45)</b>	(To be determined)	Financial Consulting	112,000	112,000	
<b>Total Professional Fees</b>			<b>705,678</b>	<b>1,058,678</b>	

**WEROC**

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>WEROC (25)</b>	(To be determined)	SEOC Space Planning		15,000	
	(To be determined)	SEOC Seismic Retrofit		30,000	
	(To be determined)	New Radio System OC Sheriff's Dept		227,210	
	(To be determined)	Exercise Consultant		30,000	
<b>Total Professional Fees</b>			<b>-</b>	<b>302,210</b>	

**Trustee Activities**

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

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

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

Department	Consultant	Service	Budget FY 16-17	Budget FY 17-18	* Approval included in Budget Approval
<b>Professional Fees</b>					
<b>Water Use Efficiency (62)</b>	Various Printers	Printing of marketing materials for all WUE programs	50,000	40,000	√
	(To be determined)	CSANS & Base Schedule Calculator Web		14,400	
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	66,514	45,072	√
	Droplet	E-Signature		16,500	√
	(To be determined)	Water Smart Landscape Budget Reports	50,000	50,000	
	Enterprise Information Systems	California Sprinkler Adjustment Program (Web Hosting)	2,400		√
<b>Public Affairs (67)</b>	(To be determined)	Communications Plan	250,000		√
<b>Poseidon Desal (65)</b>	(To be determined)	(To be determined)	44,162		
<b>School Program (63)</b>	Discovery Science Center	Assemblies (Grades 1-6)	253,089	250,113	√
	ITO	Assemblies (Grades 9-12)	82,400	97,612	
	ITO	Digital Program		42,436	
<b>Total Professional Fees</b>			<b>798,565</b>	<b>556,133</b>	

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

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

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	RPOI <sup>1</sup>	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>2</sup>	Consolidated Budget Total
<b>Revenues:</b>									
Water Sales		\$ 155,822,443					\$ 155,822,443		\$ 155,822,443
Local Resource Program Incentives		\$ (16,071,858)					\$ (16,071,858)		\$ (16,071,858)
Retail Meter Charge	6,786,865						6,786,865		6,786,865
Ground Water Customer Charge	392,666						392,666		392,666
Water Increment Charge	-						-		-
Interest Revenue	123,000	4,800					127,800		127,800
MWDOC's Contribution			49,000	150,390			199,390	(199,390)	-
Outside Fundings	-		4,214,738	150,390	19,505	4,746	4,389,379		4,389,379
Carryover Funds				(0)			(0)		(0)
Choice Revenue	1,609,205						1,609,205		1,609,205
Miscellaneous Income	3,000						3,000		3,000
<b>Total Revenues</b>	<b>8,914,735</b>	<b>139,755,385</b>	<b>4,263,738</b>	<b>300,780</b>	<b>19,505</b>	<b>4,746</b>	<b>153,258,889</b>	<b>(199,390)</b>	<b>153,059,499</b>
<b>Expenses:</b>									
Water Purchases	-	139,750,585					139,750,585		139,750,585
Salaries & Wages	3,444,620			168,740	3,626		3,616,986		3,616,986
less S & W Reimb. DSC or Recov from Grants	(31,600)						(31,600)		(31,600)
Employee Benefits	1,073,408			58,513	879		1,132,800		1,132,800
Engineering Expense	405,000						405,000		405,000
Professional Fees	1,496,997		4,263,738	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							-	-	-
RPOI Distribution to Member Agencies						4,746	4,746		4,746
<b>Others:</b>									
MWD Representation	132,535						132,535		132,535
Director Benefits	66,297						66,297		66,297
Health Insurance Coverage for Retirees	50,326				-		50,326		50,326
Audit Expense	24,000				-		24,000		24,000
Automotive & Toll Road Expenses	14,928			1,800			16,728		16,728
Conference Expense - Staff	22,125			2,180			24,305		24,305
Conference Expense - Directors	10,725						10,725		10,725
CDR Participation	39,972						39,972		39,972
Business Expense	6,000						6,000		6,000
Miscellaneous Expense	124,520			6,000	-		130,520		130,520
Postage / Mail Delivery	11,400						11,400		11,400
Rents & Leases	7,000			20,046			27,046		27,046
Outside Printing, Subscription & Books	38,225			1,000			39,225		39,225
Office Supplies	38,280			1,000			39,280		39,280
Computer Maintenance	10,000			4,373			14,373		14,373
Software Support & Expense	77,300			7,087			84,387		84,387
Computers and Equipment	32,500			-			32,500		32,500
Telecommunications Expense	19,200			9,000			28,200		28,200
Temporary Help Expense	-						-		-
Training Expense	12,000						12,000		12,000
Tuition Reimbursement	5,000						5,000		5,000
Travel & Accommodations - Staff	71,130			4,300			75,430		75,430
Travel & Accommodations - Directors	38,250						38,250		38,250
MWDOC Building Expense	495,000						495,000		495,000
WEROC Sinking Fund Expense (generator & radios)				7,000			7,000		7,000
Capital Acquisition	62,500						62,500		62,500
All Other Expenses	1,409,213	-	-	63,786	-	-	1,472,999	-	1,472,999
<b>Total Expenses</b>	<b>9,450,608</b>	<b>139,750,585</b>	<b>4,263,738</b>	<b>300,780</b>	<b>19,505</b>	<b>4,746</b>	<b>153,789,962</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>\$ (531,073)</b>	<b>\$ -</b>	<b>\$ (531,072)</b>

1 Revised Percentage Of Investment (RPOI) - distribution of installment AMP sales proceeds from bond participants.

2 Adjustment for MWDOC's contributions to other funds.

3 Net change to restricted reserves for interest revenue.

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

	Core & Choice	Water Fund	Water Use Efficiency	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers <sup>1</sup>	Consolidated Budget Total
<b>Revenues:</b>								
Water Sales		\$ 185,673,707				\$ 185,673,707		\$ 185,673,707
Local Resource Program Incentives		(16,574,748)				(16,574,748)		(16,574,748)
Retail Meter Charge	7,560,806					7,560,806		7,560,806
Ground Water Customer Charge	473,560					473,560		473,560
Water Increment Charge	-					-		-
Interest Revenue	150,000	9,400				159,400		159,400
MWDOC's Contribution			49,000	460,874		509,874	(509,874)	-
Outside Fundings	-		4,214,738	179,216	19,505	4,413,459		4,413,459
Carryover Funds				843		843		843
Choice Revenue	1,246,619					1,246,619		1,246,619
Miscellaneous Income	3,000					3,000		3,000
<b>Total Revenues</b>	<b>9,433,985</b>	<b>169,108,359</b>	<b>4,263,738</b>	<b>640,934</b>	<b>19,505</b>	<b>183,466,521</b>	<b>(509,874)</b>	<b>182,956,647</b>
<b>Expenses:</b>								
Water Purchases	-	169,098,959				169,098,959		169,098,959
Salaries & Wages	3,668,138			197,354	6,403	3,871,895		3,871,895
less S & W Reimb. DSC or Recov from Grants	(23,279)					(23,279)		(23,279)
Employee Benefits	1,088,713			64,892	1,548	1,155,154		1,155,154
Engineering Expense	360,000					360,000		360,000
Professional Fees	1,539,810		4,263,738	30,000		5,833,548	(49,000)	5,784,548
Election Expense (annualized)	-					-		-
Legal Expense - General	250,000			-	11,553	261,553		261,553
Maintenance Expense	134,500			4,710		139,210		139,210
Insurance Expense	110,250			1,500		111,750		111,750
Membership / Sponsorship	142,102			620		142,722		142,722
Director Compensation	243,197					243,197		243,197
MWDOC Contribution to WEROC Operations	179,217					179,217	(179,217)	-
MWDOC Contribution to WEROC Capital Improv	281,657					281,657	(281,657)	-
RPOI Distribution to Member Agencies						-		-
<b>Others:</b>								
MWD Representation	138,969					138,969		138,969
Director Benefits	81,728					81,728		81,728
Health Insurance Coverage for Retirees	59,554				-	59,554		59,554
Audit Expense	40,000				-	40,000		40,000
Automotive & Toll Road Expenses	17,400			1,800		19,200		19,200
Conference Expense - Staff	38,945			3,835		42,780		42,780
Conference Expense - Directors	23,700					23,700		23,700
CDR Participation	48,803					48,803		48,803
Business Expense	5,200					5,200		5,200
Miscellaneous Expense	130,650			7,000	-	137,650		137,650
Postage / Mail Delivery	10,500					10,500		10,500
Rents & Leases	8,400			21,049		29,449		29,449
Outside Printing, Subscription & Books	28,775			1,000		29,775		29,775
Office Supplies	35,580			1,000		36,580		36,580
Computer Maintenance	10,000			5,805		15,805		15,805
Software Support & Expense	93,154			6,750		99,904		99,904
Computers and Equipment	33,050			-		33,050		33,050
Telecommunications Expense	21,300			7,218		28,518		28,518
Temporary Help Expense	5,000					5,000		5,000
Training Expense	10,000					10,000		10,000
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	95,600			3,900		99,500		99,500
Travel & Accommodations - Directors	49,850					49,850		49,850
MWDOC Building Expense	356,400					356,400		356,400
WEROC Sinking Fund Expense (generator & radios)				-		-		-
Capital Acquisition	249,500			282,500		532,000		532,000
All Other Expenses	1,597,058	-	-	341,857	-	1,938,915	-	1,938,915
<b>Total Expenses</b>	<b>9,571,363</b>	<b>169,098,959</b>	<b>4,263,738</b>	<b>640,934</b>	<b>19,505</b>	<b>183,594,498</b>	<b>(509,874)</b>	<b>183,084,624</b>
<b>EFFECT ON RESERVES / FUND BALANCE</b>	<b>\$ (137,378)</b>	<b>\$ 9,400 <sup>2</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (127,977)</b>	<b>\$ -</b>	<b>\$ (127,977)</b>

1 Adjustment for MWDOC's contributions to other funds.

2 Net change to restricted reserves for Interest revenue.



**ACTION ITEM**  
May 17, 2017

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contact:** Harvey De La Torre

**SUBJECT: Proposed MWDOC Water Rate Resolution for Fiscal Year 2017-18**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors:

1. Increase the MWDOC Retail Meter Charge from \$10.95 to \$12.10 per meter, and the Groundwater Customer Charge from \$392,666 to \$473,560, effective July 1, 2017; and
2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2017 and January 1, 2018 as identified in the Water Rate Resolution for Fiscal Year 2017-18.

**COMMITTEE RECOMMENDATION**

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Committee concurred with staff recommendation.

**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 the proposed MWDOC Water Rate Resolution for Fiscal

<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>			



Year 2017-2018. In order to show the proposed changes compared to last year's version, the attached proposed water rate resolution is in a redline form. The most significant changes are within the choice service programs.

Below is a summary of the proposed Rates and Charges for FY2017-18:

<b>Proposed Rates</b>	<b>Proposed Rates July 1, 2017</b>	<b>Proposed Rates January 1, 2018</b>
MWDOC Retail Meter Charge	\$12.10/meter	\$12.10/meter
MWDOC Groundwater Customer Charge*	\$473,560	-
System Access Rate	\$289.00	\$299.00
System Power Rate	\$124.00	\$132.00
Water Stewardship Rate	\$52.00	\$55.00
MWDOC Melded Supply Rate	\$201.00	\$209.00
Treatment Surcharge	\$313.00	\$320.00
Treated Full Service Rate	\$979.00	\$1,015.00
Untreated Full Service Rate	\$666.00	\$695.00

[\*] This is an annual charge to OCWD

#### **Attachment A – Proposed MWDOC Water Rate Resolution for Fiscal Year 2017-18**

**RESOLUTION NO. 2034**  
**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 the Capacity Charges~~system capacity~~ and Readiness-to-Serve, which are imposed on MWDOC as a condition of receiving water deliveries from Metropolitan; and,

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

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

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

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

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

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

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

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

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated budgets, and the methods for allocating such costs to the member agencies, and has directed staff to bill for those costs pursuant to Section 104 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, <del>2017</del> <del>46</del>	Beginning January 1, 20 <del>18</del> <del>17</del>
Untreated Full Service	<del>\$666.00</del> <del>594.00</del>	<del>\$695.00</del> <del>666.00</del>
Treated Full Service	<del>\$979.00</del> <del>942.00</del>	<del>\$1,015.00</del> <del>979.00</del>
<b>Unbundled Rate By Component:</b>		
System Access Rate	<del>\$289.00</del> <del>259.00</del>	<del>\$299.00</del> <del>289.00</del>
System Power Rate	<del>\$124.00</del> <del>138.00</del>	<del>\$132.00</del> <del>124.00</del>
Water Stewardship Rate	<del>\$52.00</del> <del>41.00</del>	<del>\$55.00</del> <del>52.00</del>
MWDOC Melded Supply Rate*	<del>\$201.00</del> <del>156.00</del>	<del>\$209.00</del> <del>201.00</del>
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
<b>Subtotal Untreated Full Service:</b>	<del>\$666.00</del> <del>594.00</del>	<del>\$695.00</del> <del>666.00</del>
Treatment Surcharge	<del>\$313.00</del> <del>348.00</del>	<del>\$320.00</del> <del>313.00</del>
<b>Total Treated Full Service:</b>	<del>\$979.00</del> <del>942.00</del>	<del>\$1,015.00</del> <del>979.00</del>

\* 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 20~~17-18~~~~16-17~~ 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 \$~~10,600,882~~~~41,532,284~~. 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 20~~17-18~~~~46-47~~ charges, the four-year average shall be based on fiscal years 20~~12-13~~~~41-42~~ through 20~~15-16~~~~44-45~~). 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 20~~17-18~~~~46-47~~ MWDOC Readiness to Serve Charge Rate

For fiscal year 20~~17-18~~~~46-47~~, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$~~10,600,882~~~~41,532,284~~. 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 20~~17-18~~~~46-47~~ 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 20~~1847~~, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be ~~\$3,854,9703,544,800~~. 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 ~~m~~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 20~~1847~~ charges, the highest peak day flow shall be based on May 1 through September 30, 20~~1443~~, 20~~1544~~ and 20~~1645~~). 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 20~~1847~~ 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 \$~~12.10-\$10.95~~. MWDOC's Retail Meter Charge shall be collected in accordance with Section ~~104~~ 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.

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**SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE**

The annual charge to be imposed on OCWD for Core services provided by MWDOC for fiscal year 20~~17-18~~~~16-17~~ shall be \$~~473,560-\$392,666~~. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section ~~104~~ of this Resolution.

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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 20~~17-18~~~~16-17~~ general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on the most recent 10-year historical water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.



**SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 2017-1846-17**

The Choice services to the member agencies shall be provided and charged for as follows for 2017-1846-17:

- (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/or any other outside sources of funding ~~from the program~~ in calendar year ~~2016~~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—~~The Elementary School Education Program will provide grade-specific water education programs for students in Grade 1 through Grade 6 in private and public schools located in Orange County. 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 ~~\$3,914.03~~ per student. The School Education Program in fiscal year 20176-187 offers other

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additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure.

~~(b)(c) The~~<sup>A</sup> High School Education Program will provide for a grade-specific water education program for students in Grade 9 through Grade 12 in private and public schools within Orange County in conjunction with a digital program and teachers' training program~~is also offered for grades 9-12~~. The High School program is charged based on an agreed upon the level of participation and the program structure. For Fiscal Year 2017-18, the participation rate is \$4,244,120.00 per participating High School, ~~—The~~ and the total cost for the digital program and teachers' education is \$42,436,120 in 2017-18 for the total program cost. ~~These total costs are~~ is apportioned over all agencies participating based on the percentage of each agency's high school students compared to the total number of high school students in the program (all cities and water agencies participating). ~~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.

~~(e) — 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.~~

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~~(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 2016-18~~7~~, but~~and~~ will maintain~~refund~~ 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 to each agency who deposited funds towards the Poseidon Workgroup.~~

(f) ~~Value of Water Communications Program — The charge for the Value of Water Communications Program Choice activities for fiscal year 2016-17 are uncertain at the time the Board is adopting the budgets and setting the rates and charges.~~

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

~~(g)(d) The Water Loss Control Program: Program provides professional services with~~  
Water Systems Optimization, Inc. for water loss control technical assistance to retail agencies in Orange County, as well as technical services with McCall's Meters, Inc. and with Westerly Meter Service Company to provide meter accuracy testing accuracy services. The costs for the program varies per agency according to the level of professional and technical service selected by each participating the agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year. 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

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~~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 104 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 78. 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 89.**                    **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 949.**                    **EFFECTIVE DATE.**

The rates set forth in this Resolution shall become effective as of July 1, 20~~17~~<sup>14</sup> or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

**SECTION 104.**                    **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 or as otherwise during the fiscal 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. 53 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year 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 112. 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 MWD OC, 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 123. REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 20~~17-18~~~~16-17~~ 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 134. 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 145. RATES SUBJECT TO ORDINANCE.**

The rates for water service established herein are subject to Ordinance No. 53 as it may be amended from time to time.

**SECTION 156. 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 MWD OC's member agencies.

Said Resolution No. ~~2031~~ was adopted ~~May 18, 2016~~ by the following roll call vote:

AYES: Directors ~~Barbre, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas~~

NOES: ~~None~~

ABSENT: ~~Director Dick~~

ABSTAIN: ~~None~~

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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 2017-18**

**DRAFT**

Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2017/18 =	\$ 17,683,514.00
Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2017/18 =	\$ (7,082,632.00)
Net MWD RTS Charge =	\$ 10,600,882.00

Agency						AF Share (%)	Net RTS	2017	2018
	2012-13	2013-14	2014-15	2015-16	4-Yr Ave			Monthly Charge July - December	Monthly Charge January - June
Brea	3,163	3,459	3,285	1,553	2,865	1.35%	\$ 143,141	\$ 11,659	\$ 12,198
Buena Park	5,252	4,571	2,782	716	3,330	1.57%	\$ 166,367	\$ 13,550	\$ 14,178
East Orange County Water District	3,512	4,765	3,164	1,726	3,292	1.55%	\$ 164,444	\$ 13,394	\$ 14,014
El Toro Water District	9,420	10,165	8,631	6,967	8,796	4.15%	\$ 439,417	\$ 35,790	\$ 37,447
Fountain Valley	3,201	2,644	2,618	1,985	2,612	1.23%	\$ 130,492	\$ 10,628	\$ 11,120
Garden Grove	6,893	5,183	5,928	3,301	5,326	2.51%	\$ 266,090	\$ 21,673	\$ 22,676
Golden State Water Company	8,793	8,209	5,863	3,395	6,565	3.09%	\$ 327,975	\$ 26,713	\$ 27,950
Huntington Beach	9,545	9,342	7,692	6,060	8,160	3.85%	\$ 407,654	\$ 33,203	\$ 34,740
Irvine Ranch Water District	23,516	21,127	16,680	11,732	18,264	8.61%	\$ 912,436	\$ 74,316	\$ 77,757
La Habra	938	42	232	10	306	0.14%	\$ 15,267	\$ 1,243	\$ 1,301
La Palma	505	663	539	491	549	0.26%	\$ 27,442	\$ 2,235	\$ 2,339
Laguna Beach County Water District	3,637	3,926	3,641	3,310	3,628	1.71%	\$ 181,268	\$ 14,764	\$ 15,447
Mesa Water District	2,900	0	0	202	776	0.37%	\$ 38,744	\$ 3,156	\$ 3,302
Moulton Niguel Water District	28,361	28,869	26,792	23,429	26,863	12.66%	\$ 1,342,027	\$ 109,305	\$ 114,366
Newport Beach	4,651	6,045	4,338	3,167	4,550	2.14%	\$ 227,319	\$ 18,515	\$ 19,372
Orange	8,583	7,796	6,516	4,103	6,749	3.18%	\$ 337,191	\$ 27,464	\$ 28,735
Orange County Water District	24,360	55,215	65,759	45,125	47,615	22.44%	\$ 2,378,743	\$ 193,744	\$ 202,714
San Clemente	9,014	9,654	8,917	6,512	8,524	4.02%	\$ 425,866	\$ 34,686	\$ 36,292
San Juan Capistrano	4,731	5,189	5,166	4,998	5,021	2.37%	\$ 250,852	\$ 20,431	\$ 21,377
Santa Margarita Water District	27,929	28,779	26,725	21,892	26,331	12.41%	\$ 1,315,451	\$ 107,141	\$ 112,101
Seal Beach	1,188	1,164	787	1,033	1,043	0.49%	\$ 52,099	\$ 4,243	\$ 4,440
Serrano Water District	501	4,034	4,682	216	2,358	1.11%	\$ 117,804	\$ 9,595	\$ 10,039
South Coast Water District	5,625	6,030	5,714	4,910	5,570	2.62%	\$ 278,253	\$ 22,663	\$ 23,712
Trabuco Canyon Water District	2,832	3,183	2,968	2,198	2,795	1.32%	\$ 139,651	\$ 11,374	\$ 11,901
Westminster	3,980	3,760	2,356	459	2,639	1.24%	\$ 131,816	\$ 10,736	\$ 11,233
Yorba Linda Water District	10,820	10,881	5,595	3,375	7,668	3.61%	\$ 383,073	\$ 31,200	\$ 32,645
<b>Sum of MWDOC Agencies</b>	<b>213,850</b>	<b>244,694</b>	<b>227,369</b>	<b>162,864</b>	<b>212,195</b>	<b>100%</b>	<b>\$ 10,600,882</b>	<b>\$ 863,419</b>	<b>\$ 903,395</b>

**EXHIBIT B**  
**Capacity Charge for MWD OC Member Agencies for CY 2018**

**DRAFT 3/27/17**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Peak</b>
<b>MWD OC's Peak to MWD (cfs)</b>	443.1	293.0	406.0	<b>443.1</b>
<b>Date</b>	7/25/14	7/3/15	7/12/16	<b>7/25/14</b>

**Metropolitan Capacity Charge to MWD OC for CY 2018** **\$ 3,854,970 \***

Agency	Capacity Charge Eligible Flows (CFS)				CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2014	2015	2016	3-Yr Peak			
City of Brea	12.4	8.5	6.8	12.4	2.26%	\$ 87,254	\$ 7,271
City of Buena Park	4.9	7.6	4.0	7.6	1.39%	\$ 53,625	4,469
City of San Juan Capistrano	14.8	14.6	13.9	14.8	2.71%	\$ 104,296	8,691
East Orange County Water District	18.9	11.4	12.8	18.9	3.45%	\$ 133,051	11,088
El Toro Water District	20.2	15.9	16.3	20.2	3.68%	\$ 142,053	11,838
City of Fountain Valley	0.0	3.6	3.3	3.6	0.66%	\$ 25,508	2,126
City of Garden Grove	14.2	9.0	13.0	14.2	2.60%	\$ 100,261	8,355
City of Huntington Beach	29.7	25.0	28.4	29.7	5.43%	\$ 209,289	17,441
Irvine Ranch Water District	43.3	41.2	43.5	43.5	7.94%	\$ 306,255	25,521
City of La Habra	0.0	2.3	1.7	2.3	0.42%	\$ 16,293	1,358
City of La Palma	0.0	1.4	2.9	2.9	0.53%	\$ 20,403	1,700
Laguna Beach County Water District	7.5	7.0	7.6	7.6	1.39%	\$ 53,564	4,464
Mesa Water District	0.0	0.0	0.0	0.0	0.00%	\$ -	-
Moulton Niguel Water District	55.5	45.1	59.9	59.9	10.95%	\$ 422,279	35,190
City of Newport Beach	11.8	10.3	8.9	11.8	2.16%	\$ 83,340	6,945
Orange County Water District	101.4	61.0	135.9	135.9	24.84%	\$ 957,677	79,806
City of Orange	18.5	15.8	17.8	18.5	3.38%	\$ 130,229	10,852
City of San Clemente	20.0	21.6	21.6	21.6	3.95%	\$ 152,379	12,698
Santa Margarita Water District	61.1	53.9	62.3	62.3	11.38%	\$ 438,653	36,554
City of Seal Beach	5.5	5.5	5.5	5.5	1.01%	\$ 39,074	3,256
Serrano Water District	0.0	0.0	2.0	2.0	0.37%	\$ 14,091	1,174
Golden State Water Company	14.1	7.9	12.9	14.1	2.58%	\$ 99,356	8,280
South Coast Water District	10.9	7.3	6.5	10.9	1.99%	\$ 76,748	6,396
Trabuco Canyon Water District	6.5	6.0	6.1	6.5	1.19%	\$ 45,941	3,828
City of Westminster	4.8	5.3	4.7	5.3	0.96%	\$ 37,154	3,096
Yorba Linda Water District	15.1	12.6	12.7	15.1	2.75%	\$ 106,198	8,850
<b>Total</b>	<b>547.1</b>			<b>547.1</b>	<b>100%</b>	<b>\$ 3,854,970</b>	\$ 321,248
<b>MWD OC Capacity Charge Per CFS:</b>						<b>\$ 7,046</b>	

\* Based on MWD OC's aggregate peak flow of 443.1 cfs on 7/25/2014 charge at MET's 2018 rate of \$8,700 per cfs

**Exhibit C**  
**MWDOC Member Agency Choice Services Program Summary**  
Cost Allocations by Agencies for FY 2017-18

**DRAFT**  
As of 5/4/2017

Retail Agency	Water Use Efficiency [1]	School Education (Elementary)[2]	School Education (High School)[2]	Poseidon Ocean Desalination Refund [3]	Doheny 2014 Refund	Water Loss Control Program [4]	Total Choice Allocation
Brea	TBD: Pending Final Cost Allocation	\$ 6,448	\$ 4,839	TBD: Pending Final Cost Allocation	\$ -	TBD: Pending Each Agency's Level of Service	\$ 11,287
Buena Park		\$ 8,463	\$ 4,860		\$ -		\$ 13,323
East Orange County WD		\$ 1,451	\$ 8,488		\$ -		\$ 9,939
El Toro WD		\$ 5,795	\$ 8,510		\$ -		\$ 14,305
Fountain Valley		\$ 5,054	\$ 5,963		\$ -		\$ 11,016
Garden Grove		\$ 19,247	\$ 7,479		\$ -		\$ 26,726
Golden State Water Company		\$ 6,613	\$ 11,910		\$ -		\$ 18,524
Huntington Beach		\$ 22,165	\$ 7,232		\$ -		\$ 29,397
Irvine Ranch WD		\$ -	\$ -		\$ -		\$ -
La Habra		\$ 8,060	\$ 1,403		\$ -		\$ 9,463
La Palma		\$ 2,789	\$ 685		\$ -		\$ 3,474
Laguna Beach County WD		\$ -	\$ -		\$ (10,000)		\$ (10,000)
Mesa Water		\$ 3,426	\$ 5,007		\$ -		\$ 8,433
Moulton Niguel WD		\$ 18,872	\$ 17,838		\$ -		\$ 36,710
Newport Beach		\$ -	\$ -		\$ -		\$ -
Orange		\$ 9,015	\$ 1,600		\$ -		\$ 10,615
Orange County WD		\$ -	\$ -		\$ -		\$ -
San Clemente		\$ 2,567	\$ 5,155		\$ (10,000)		\$ (2,278)
San Juan Capistrano		\$ 7,879	\$ 5,300		\$ -		\$ 13,178
Santa Margarita WD		\$ 14,105	\$ 8,472		\$ -		\$ 22,577
Seal Beach		\$ 2,462	\$ -		\$ -		\$ 2,462
Serrano WD		\$ 1,689	\$ 738		\$ -		\$ 2,426
South Coast WD		\$ 4,755	\$ 5,056		\$ (10,000)		\$ (188)
Trabuco Canyon WD		\$ 1,955	\$ -		\$ -		\$ 1,955
Tustin		\$ 13,299	\$ 5,672		\$ -		\$ 18,971
Westminster		\$ 9,414	\$ 1,423		\$ -		\$ 10,837
Yorba Linda WD		\$ 4,167	\$ -		\$ -		\$ 4,167
Anaheim		\$ 29,951	\$ 10,392		\$ -		\$ 40,343
Fullerton		\$ 10,297	\$ 2,621		\$ -		\$ 12,918
Santa Ana		\$ 51,528	\$ 9,405		\$ -		\$ 60,933
<b>Orange County Total</b>	<b>\$ -</b>	<b>\$ 271,465</b>	<b>\$ 140,048</b>	<b>\$ -</b>	<b>\$ (30,000)</b>	<b>\$ -</b>	<b>\$ 381,513</b>

**Note:** Totals may not foot due to rounding.

Budgeted amounts, not billed

**\*\* These numbers are draft and subject to change**

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY2017-18 will be available May 15

[2] Preliminary cost, to be confirmed on an agency by agency basis

[3] The Poseidon Ocean Desalination Choice Program will be refunded to each participating agency based on their contribution amount.

[4] For FY2017-18 the Water Loss Control Program includes Phase II & III. Agency costs will vary basis on the selection of technical & professional Services. The Final cost by agency are not expected to be determined until Fall 2017

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT:** **H.R. 1430 (Lamar Smith, R-TX) – Honest and Open New EPA Science Treatment Act of 2017****STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to adopt a watch position on H.R. 1430 (Smith, TX).

**COMMITTEE RECOMMENDATION**

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Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

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H.R. 1430, the Honest and Open New Environmental Protection Agency (EPA) Science Treatment Act of 2017 or the HONEST Act would amend the Environmental Research, Development, and Demonstration Authorization Act of 1978 to prohibit the EPA from proposing, finalizing, or disseminating a covered action unless all scientific and technical information relied on to support such action is the best available science, specifically identified, and publicly available in a manner sufficient for independent analysis and substantial reproduction of research results.

A covered action includes a risk exposure, or hazard assessment, criteria document, standard, limitation, regulation, regulatory impact analysis, or guidance. Personally identifiable information, trade secrets, or commercial or financial information obtained from a person and privileged or confidential must be redacted prior to public availability.

<b>Budgeted (Y/N):</b> n/a	Budgeted amount: n/a	Core x	Choice __
<b>Action Item Amount:</b> none		Line Item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			

## BACKGROUND

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H.R. 1430 builds on previous House passed legislation from 2015, H.R. 1030 (Smith, TX) - The Secret Science Reform Act. That bill also required the EPA to base its decisions on information available to scientists and the American public. (Note, H.R. 1030 passed the House but was not signed into law.)

H.R. 1430 adds provisions to protect personally identifiable information and confidential business information and stipulates that this bill does *not* retroactively apply to past regulations, but instead focuses on new regulations.

## ARGUMENTS IN SUPPORT

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According to the author, H.R. 1430 ensures that sound science is the basis for EPA decisions and regulatory actions. "In our modern information age, federal regulations should be based only upon data that is available for every American to see and can be subjected to independent review. That's the scientific method. We can all agree that the government should rely on the best available science. Unfortunately, the government does not always hold to this standard."

Proponents of this measure believe that if the EPA's mandates are based on sound science, then they should demonstrate to the public the data that was used to justify that decision. The EPA's refusal to share the data is leading some to believe that they have something to hide or are making decisions based on a political agenda instead of science. H.R. 1430 would require that data be available for everyone's review in a manner that is sufficient for independent analysis and substantial reproduction of research results. It would increase transparency and public confidence in the EPA's use of science.

## ARGUMENTS IN OPPOSITION

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Opponents of the bill argue that the bill would prevent the EPA from using studies that it needs to create important programs. The EPA has itself noted that it would use far fewer scientific studies to develop public protections and make less of its science publicly available under the proposed law. Standards that safeguard children from lead-based paint hazards, protect first responders from chemical explosions, and help reduce contaminants in drinking water, for example, rely in large part on the types of studies that H.R. 1430 would prohibit. By preventing the EPA from drawing on a large body of useful research, the bill would stifle the agency's ability to protect the public as required by law.

Many scientists fear H.R. 1430 would jeopardize public health by restricting EPA's authority to make decisions about air and water quality. The bill would mandate that the EPA release all the data from studies it uses to justify its regulations, so that it can be reanalyzed, reevaluated and replicated, said Thomas Burke, associate dean for public health practice and training at the Johns Hopkins University. The EPA would not be able to take action,

despite evidence of a threat, until all data are available for analysis – which is a difficult threshold to meet.

Lastly, the term “best available science” is difficult to determine, is subjective, and is not defined in the bill.

## **MWDOC LEGISLATIVE POLICY PRINCIPLES**

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As MWDOC’s adopted policy principles do not cover this particular area/subject matter, and consistent with MWD’s approach, staff recommends a watch position.

## **COMMENTS**

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Coauthors to H.R. 1430:

Congressman Henry Cuellar (D - TX)  
 Congressman Frank Lucas (R – OK)  
 Congressman Andy Biggs (R – AZ)  
 Congressman Jim Banks (R – IN)  
 Congressman Dana Rohrabacher (R – CA)  
 Congressman Bill Posey (R – FL)  
 Congressman Mo Brooks (R- AL)  
 Congressman Randy Weber (R- TX)  
 Congressman Brian Babin (R – TX)  
 Congressman Gary Palmer (R – AL)  
 Congressman Clay Higgins (R –LA)  
 Congressman Randy Hultgreen (R – IL)  
 Congressman Jim Bridestine (R – OK)  
 Congressman Ralph Lee Abraham (R – LA)  
 Congressman Darin LaHood (R – IL)  
 Congressman Daniel Webster (R – FL)  
 Congressman Roger Marshall (R – KS)  
 Congressman Neal Dunn (R – FL)  
 Congressman Pete Sessions (R – TX)  
 Congressman Jason Chaffetz (R –UT)  
 Congressman David Schweikert (R – AZ)  
 Congressman Bruce Westerman (R – AR)  
 Congressman Steven Palazzo (R – MS)  
 Congressman Don Young (R – AK)  
 Congressman Joe Barton (R – TX)  
 Congressman Stevan Pearce (R – NM)  
 Congressman Paul Gosar (R – AZ)  
 Congressman Scott Tipton (R – CO)  
 Congressman Bob Goodlatte (R – VA)

This measure was approved by the House by a vote of 228-194 on March 29, 2017.

## **DETAILED REPORT**

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The full text of H.R. 1430 is attached for your information.



115TH CONGRESS  
1ST SESSION

# H. R. 1430

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IN THE SENATE OF THE UNITED STATES

MARCH 30, 2017

Received; read twice and referred to the Committee on Environment and  
Public Works

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## AN ACT

To prohibit the Environmental Protection Agency from proposing, finalizing, or disseminating regulations or assessments based upon science that is not transparent or reproducible.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Honest and Open New  
3 EPA Science Treatment Act of 2017” or the “HONEST  
4 Act”.

5 **SEC. 2. DATA TRANSPARENCY.**

6       Section 6(b) of the Environmental Research, Devel-  
7 opment, and Demonstration Authorization Act of 1978  
8 (42 U.S.C. 4363 note) is amended to read as follows:

9       “(b)(1) The Administrator shall not propose, finalize,  
10 or disseminate a covered action unless all scientific and  
11 technical information relied on to support such covered ac-  
12 tion is—

13           “(A) the best available science;

14           “(B) specifically identified; and

15           “(C) publicly available online in a manner that  
16 is sufficient for independent analysis and substantial  
17 reproduction of research results, except that any  
18 personally identifiable information, trade secrets, or  
19 commercial or financial information obtained from a  
20 person and privileged or confidential, shall be re-  
21 dacted prior to public availability.

22       “(2) The redacted information described in para-  
23 graph (1)(C) shall be disclosed to a person only after such  
24 person signs a written confidentiality agreement with the  
25 Administrator, subject to guidance to be developed by the  
26 Administrator.

1 “(3) Nothing in the subsection shall be construed  
2 as—

3 “(A) requiring the Administrator to disseminate  
4 scientific and technical information;

5 “(B) superseding any nondiscretionary statu-  
6 tory requirement; or

7 “(C) requiring the Administrator to repeal, re-  
8 issue, or modify a regulation in effect on the date of  
9 enactment of the Honest and Open New EPA  
10 Science Treatment Act of 2017.

11 “(4) In this subsection—

12 “(A) the term ‘covered action’ means a risk, ex-  
13 posure, or hazard assessment, criteria document,  
14 standard, limitation, regulation, regulatory impact  
15 analysis, or guidance; and

16 “(B) the term ‘scientific and technical informa-  
17 tion’ includes—

18 “(i) materials, data, and associated proto-  
19 cols necessary to understand, assess, and ex-  
20 tend conclusions;

21 “(ii) computer codes and models involved  
22 in the creation and analysis of such informa-  
23 tion;

24 “(iii) recorded factual materials; and

1                   “(iv) detailed descriptions of how to access  
2                   and use such information.

3           “(5) The Administrator shall carry out this sub-  
4 section in a manner that does not exceed \$1,000,000 per  
5 fiscal year, to be derived from amounts otherwise author-  
6 ized to be appropriated.”.

          Passed the House of Representatives March 29,  
2017.

Attest:

KAREN L. HAAS,  
*Clerk.*

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick and Yoo Schneider)

Robert Hunter, General Manager

Staff Contact: Heather Baez

**SUBJECT:** **H.R. 1431 (Frank Lucas, R-OK) – EPA Science Advisory Board Reform Act of 2017****STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt a watch position on H.R. 1431 (Lucas, OK).

**COMMITTEE RECOMMENDATION**

Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

H.R. 1431 would amend the Environmental Research, Development, and Demonstration Authorization Act of 1978 to revise the process of selecting members of the Science Advisory Board, guidelines for participation in board advisory activities, and terms of office. The board provides scientific advice to the Environmental Protection Agency (EPA). This bill requires the board to independently provide that advice.

**BACKGROUND**

The Science Advisory Board (SAB) is authorized to review the quality and relevance of the scientific and technical information being used by the EPA or proposed as the basis for Agency regulations; review EPA research programs and plans; provide science advice as requested by the EPA Administrator, and advise the agency on broad scientific matters.

Most (though not all) preliminary work of the SAB is done by subcommittees or panels focused on various environmental science topics. These groups are chaired by SAB members. Recommendations of subcommittees and panels are transmitted to the SAB for

<b>Budgeted (Y/N):</b> n/a	Budgeted amount: n/a	Core x	Choice __
<b>Action Item Amount:</b> none	Line Item:		
<b>Fiscal Impact (explain if unbudgeted):</b>			

discussion and deliberation. Recommendations are forwarded to EPA only if the SAB determines that it is appropriate.

The SAB has seven standing committees:

- Agricultural Science Committee
- Chemical Assessment Advisory Committee
- Drinking Water Committee
- Ecological Processes and Effects Committee
- Environmental Economics Advisory Committee
- Environmental Engineering Committee
- Radiation Advisory Committee

Members of the SAB are listed below:

<a href="#">Thorne, Peter S.</a>	<b>Chair</b> University of Iowa	Iowa City	IA
<a href="#">Arvai, Joseph</a>	University of Michigan	Ann Arbor	MI
<a href="#">Bennett, Deborah Hall</a>	University of California, Davis	Davis	CA
<a href="#">Berhane, Kiros T.</a>	University of Southern California	Los Angeles	CA
<a href="#">Brouder, Sylvie M.</a>	Purdue University	West Lafayette	IN
<a href="#">Burken, Joel G.</a>	Missouri University of Science and Technology	Rolla	MO
<a href="#">Chambers, Janice E.</a>	Mississippi State University	Starksville	MS
<a href="#">Cullen, Alison C.</a>	University of Washington	Seattle	WA
<a href="#">Diez Roux, Ana V.</a>	Drexel University	Philadelphia	PA
<a href="#">Doering III, Otto C.</a>	Purdue University	W. Lafayette	IN
<a href="#">Dourson, Michael</a>	University of Cincinnati	Cincinnati	OH
<a href="#">Ducoste, Joel J.</a>	North Carolina State University	Raleigh	NC
<a href="#">Felter, Susan P.</a>	Procter & Gamble	Mason	OH
<a href="#">Field, R. William</a>	University of Iowa	Iowa City	IA
<a href="#">Frey, H. Christopher</a>	North Carolina State University	Raleigh	NC
<a href="#">Gardella, Joseph A.</a>	University at Buffalo	Buffalo	NY
<a href="#">Hamburg, Steven P.</a>	Environmental Defense Fund	Boston	MA
<a href="#">Harris, Cynthia M.</a>	Florida A&M University	Tallahassee	FL
<a href="#">Johnston, Robert J.</a>	Clark University	Worcester	MA
<a href="#">Jones, Kimberly L.</a>	Howard University	Washington	DC
<a href="#">Karr, Catherine J.</a>	University of Washington	Seattle	WA
<a href="#">Khanna, Madhu</a>	University of Illinois at Urbana-Champaign	Urbana	IL
<a href="#">Laden, Francine</a>	Harvard T.H. Chan School of Public Health	Boston	MA
<a href="#">Mace, Robert E.</a>	Texas Water Development Board	Austin	TX
<a href="#">Martin, Clyde F.</a>	Texas Tech University	Crofton	MD
<a href="#">Marty, Sue</a>	The Dow Chemical Company	Midland	MI
<a href="#">Mauzerall, Denise</a>	Princeton University	Princeton	NJ
<a href="#">Mena, Kristina D.</a>	University of Texas Health Science Center at Houston	El Paso	TX
<a href="#">Menon, Surabi</a>	ClimateWorks Foundation	San Francisco	CA
<a href="#">Nadeau, Kari</a>	Stanford University School of Medicine	Stanford	CA
<a href="#">Opaluch, James</a>	University of Rhode Island	Kingston	RI
<a href="#">Parkerton, Thomas F.</a>	ExxonMobil Biomedical Science	Houston	TX

<a href="#">Poirot, Richard L.</a>	Independent Consultant	Burlington	VT
<a href="#">Portier, Kenneth M.</a>	American Cancer Society	Atlanta	GA
<a href="#">Ramos, Kenneth</a>	University of Arizona	Tucson	AZ
<a href="#">Richardson, David B.</a>	University of North Carolina	Chapel Hill	NC
<a href="#">Sabo-Attwood, Tara L.</a>	University of Florida	Gainesville	FL
<a href="#">Schlesinger, William</a>	Cary Institute of Ecosystem Studies	Millbrook	NY
<a href="#">Solomon, Gina</a>	California Environmental Protection Agency	Sacramento	CA
<a href="#">Stram, Daniel O.</a>	University of Southern California	Los Angeles	CA
<a href="#">Turner, Jay</a>	Washington University	St. Louis	MO
<a href="#">van Wijngaarden, Edwin</a>	University of Rochester	Rochester	NY
<a href="#">VanBriesen, Jeanne M.</a>	Carnegie Mellon University	Pittsburgh	PA
<a href="#">Weber, Elke</a>	Princeton University	Princeton	NJ
<a href="#">Werth, Charles</a>	University of Texas at Austin	Austin	TX
<a href="#">Wilcoxon, Peter J.</a>	Syracuse University	Syracuse	NY
<a href="#">Wilson, Robyn S.</a>	Ohio State University	Columbus	OH

## ARGUMENTS IN SUPPORT

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According to the author, H.R. 1431, "The Science Advisory Board (or SAB) was created in 1978 to provide independent expert advice on scientific and technical information. This information is used to justify important policy decisions and should be held to a high standard.

In the subsequent decades and years, there have been serious deficiencies with the SAB and the process to select Board Members. Among other issues, there has been limited public participation, EPA interference with expert advice, and potential conflicts of interest. If the EPA undermines the Board's independence or prevents it from providing candid advice to Congress, then the SAB serves no value to the EPA. The Board should be free to function as intended to ensure that sound science is driving policy decisions.

We must reaffirm the Board's independence so that the public can be confident that policy decisions are not hijacked by a pre-determined political agenda. It's time to update the law to restore scientific integrity to the process and independence to the Board."

## ARGUMENTS IN OPPOSITION

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According to opponents, H.R. 1431 would make it easier for members of private industry to sit on the SAB while placing increased restrictions on scientists. The provisions of the measure states that scientists applying to sit on the board cannot hold an EPA grant, and that current members cannot apply for such grants for three years, or have current contracts with the EPA. It also bans academic scientists from participating in "advisory activities that directly or indirectly involve review and evaluation of their own work."

The goal of this language is to prevent conflicts of interest, but it only applies to academic scientists—not to representatives of for-profit corporations. Instead, language in the bill states that SAB members who have financial ties to corporations that may be affected by the board's decisions are specifically not excluded. This is presumably to balance the SAB

with additional members from industry as many feel it is stacked with scientists who are supportive of the EPA's views.

## **MWDOC LEGISLATIVE POLICY PRINCIPLES**

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As MWDOC's adopted policy principles do not cover this particular area/subject matter, and consistent with MWD's approach, staff recommends a watch position.

## **COMMENTS**

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Coauthors to H.R. 1431:

Congressman Collin Peterson (D – NM)  
 Congressman Lamar Smith (R – TX)  
 Congressman Andy Biggs (R – AZ)  
 Congressman Jim Banks (R – IN)  
 Congressman Dana Rohrabacher (R – CA)  
 Congressman Bill Posey (R – FL)  
 Congressman Mo Brooks (R- AL)  
 Congressman Randy Weber (R- TX)  
 Congressman Brian Babin (R – TX)  
 Congressman Clay Higgins (R –LA)  
 Congressman Randy Hultgreen (R – IL)  
 Congressman Jim Bridestine (R – OK)  
 Congressman Ralph Lee Abraham (R – LA)  
 Congressman Darin LaHood (R – IL)  
 Congressman Daniel Webster (R – FL)  
 Congressman Roger Marshall (R – KS)  
 Congressman Neal Dunn (R – FL)  
 Congressman Pete Sessions (R – TX)  
 Congressman Jason Chaffetz (R –UT)  
 Congressman David Schweikert (R – AZ)  
 Congressman Bruce Westerman (R – AR)  
 Congressman Steven Palazzo (R – MS)  
 Congressman Don Young (R – AK)  
 Congressman Joe Barton (R – TX)  
 Congressman Stevan Pearce (R – NM)  
 Congressman Blake Farenthold (R –TX)  
 Congressman Paul Gosar (R – AZ)  
 Congressman Scott Tipton (R – CO)  
 Congressman Bob Goodlatte (R – VA)

This measure was approved by the House by a vote of 229-193 on March 30, 2017.

## **DETAILED REPORT**

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The full text of H.R. 1431 is attached for your information.



115TH CONGRESS  
1ST SESSION

# H. R. 1431

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IN THE SENATE OF THE UNITED STATES

MARCH 30, 2017

Received; read twice and referred to the Committee on Environment and  
Public Works

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## AN ACT

To amend the Environmental Research, Development, and  
Demonstration Authorization Act of 1978 to provide for  
Scientific Advisory Board member qualifications, public  
participation, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “EPA Science Advisory  
3 Board Reform Act of 2017”.

4 **SEC. 2. SCIENCE ADVISORY BOARD.**

5       (a) INDEPENDENT ADVICE.—Section 8(a) of the En-  
6 vironmental Research, Development, and Demonstration  
7 Authorization Act of 1978 (42 U.S.C. 4365(a)) is amend-  
8 ed by inserting “independently” after “Advisory Board  
9 which shall”.

10       (b) MEMBERSHIP.—Section 8(b) of the Environ-  
11 mental Research, Development, and Demonstration Au-  
12 thorization Act of 1978 (42 U.S.C. 4365(b)) is amended  
13 to read as follows:

14       “(b)(1) The Board shall be composed of at least nine  
15 members, one of whom shall be designated Chairman, and  
16 shall meet at such times and places as may be designated  
17 by the Chairman.

18       “(2) Each member of the Board shall be qualified by  
19 education, training, and experience to evaluate scientific  
20 and technical information on matters referred to the  
21 Board under this section. The Administrator shall ensure  
22 that—

23               “(A) the scientific and technical points of view  
24       represented on and the functions to be performed by  
25       the Board are fairly balanced among the members of  
26       the Board;

1           “(B) at least ten percent of the membership of  
2     the Board are from State, local, or tribal govern-  
3     ments;

4           “(C) persons with substantial and relevant ex-  
5     pertise are not excluded from the Board due to af-  
6     filiation with or representation of entities that may  
7     have a potential interest in the Board’s advisory ac-  
8     tivities, so long as that interest is fully disclosed to  
9     the Administrator and the public and appointment  
10    to the Board complies with section 208 of title 18,  
11    United States Code;

12          “(D) in the case of a Board advisory activity on  
13    a particular matter involving, or for which the Board  
14    has evidence that it may involve, a specific party, no  
15    Board member having an interest in the specific  
16    party shall participate in that activity;

17          “(E) Board members may not participate in ad-  
18    visory activities that directly or indirectly involve re-  
19    view or evaluation of their own work, unless fully  
20    disclosed to the public and the work has been exter-  
21    nally peer-reviewed;

22          “(F) Board members shall be designated as  
23    special Government employees;

24          “(G) no registered lobbyist is appointed to the  
25    Board; and

1           “(H) a Board member shall have no current  
2       grants or contracts from the Environmental Protec-  
3       tion Agency and shall not apply for a grant or con-  
4       tract for 3 years following the end of that member’s  
5       service on the Board.

6       “(3) The Administrator shall—

7           “(A) solicit public nominations for the Board by  
8       publishing a notification in the Federal Register;

9           “(B) solicit nominations from relevant Federal  
10      agencies, including the Departments of Agriculture,  
11      Defense, Energy, the Interior, and Health and  
12      Human Services;

13          “(C) solicit nominations from—

14               “(i) institutions of higher education (as de-  
15               fined in section 101(a) of the Higher Education  
16               Act of 1965 (20 U.S.C. 1001(a))); and

17               “(ii) scientific and research institutions  
18               based in work relevant to that of the Board;

19          “(D) make public the list of nominees, includ-  
20      ing the identity of the entities that nominated each,  
21      and shall accept public comment on the nominees;

22          “(E) require that, upon their provisional nomi-  
23      nation, nominees shall file a written report disclosing  
24      financial relationships and interests, including Envi-  
25      ronmental Protection Agency grants, contracts, co-

1       operative agreements, or other financial assistance,  
2       that are relevant to the Board's advisory activities  
3       for the three-year period prior to the date of their  
4       nomination, and relevant professional activities and  
5       public statements for the five-year period prior to  
6       the date of their nomination; and

7           “(F) make such reports public, with the excep-  
8       tion of specific dollar amounts, for each member of  
9       the Board upon such member's selection.

10       “(4) Disclosure of relevant professional activities  
11       under paragraph (3)(E) shall include all representational  
12       work, expert testimony, and contract work as well as iden-  
13       tifying the party for which the work was done.

14       “(5) Except when specifically prohibited by law, the  
15       Agency shall make all conflict of interest waivers granted  
16       to members of the Board, member committees, or inves-  
17       tigative panels publicly available.

18       “(6) Any recusal agreement made by a member of  
19       the Board, a member committee, or an investigative panel,  
20       or any recusal known to the Agency that occurs during  
21       the course of a meeting or other work of the Board, mem-  
22       ber committee, or investigative panel shall promptly be  
23       made public by the Administrator.

24       “(7) The terms of the members of the Board shall  
25       be three years and shall be staggered so that the terms

1 of no more than one-third of the total membership of the  
2 Board shall expire within a single fiscal year. No member  
3 shall serve more than two terms over a ten-year period.”.

4 (c) RECORD.—Section 8(c) of such Act (42 U.S.C.  
5 4365(c)) is amended—

6 (1) in paragraph (1)—

7 (A) by inserting “or draft risk or hazard  
8 assessment,” after “at the time any proposed”;

9 (B) by striking “formal”; and

10 (C) by inserting “or draft risk or hazard  
11 assessment,” after “to the Board such pro-  
12 posed”; and

13 (2) in paragraph (2)—

14 (A) by inserting “or draft risk or hazard  
15 assessment,” after “the scientific and technical  
16 basis of the proposed”; and

17 (B) by adding at the end the following:  
18 “The Board’s advice and comments, including  
19 dissenting views of Board members, and the re-  
20 sponse of the Administrator shall be included in  
21 the record with respect to any proposed risk or  
22 hazard assessment, criteria document, standard,  
23 limitation, or regulation and published in the  
24 Federal Register.”.

1 (d) MEMBER COMMITTEES AND INVESTIGATIVE PAN-  
 2 ELS.—Section 8(e)(1)(A) of such Act (42 U.S.C.  
 3 4365(e)(1)(A)) is amended by adding at the end the fol-  
 4 lowing: “These member committees and investigative pan-  
 5 els—

6 “(i) shall be constituted and operate  
 7 in accordance with the provisions set forth  
 8 in paragraphs (2) and (3) of subsection  
 9 (b), in subsection (h), and in subsection  
 10 (i);

11 “(ii) do not have authority to make  
 12 decisions on behalf of the Board; and

13 “(iii) may not report directly to the  
 14 Environmental Protection Agency.”.

15 (e) PUBLIC PARTICIPATION.—Section 8 of such Act  
 16 (42 U.S.C. 4365) is amended by amending subsection (h)  
 17 to read as follows:

18 “(h)(1) To facilitate public participation in the advi-  
 19 sory activities of the Board, the Administrator and the  
 20 Board shall make public all reports and relevant scientific  
 21 information and shall provide materials to the public at  
 22 the same time as received by members of the Board.

23 “(2) Prior to conducting major advisory activities, the  
 24 Board shall hold a public information-gathering session to

1 discuss the state of the science related to the advisory ac-  
2 tivity.

3 “(3) Prior to convening a member committee or in-  
4 vestigative panel under subsection (e) or requesting sci-  
5 entific advice from the Board, the Administrator shall ac-  
6 cept, consider, and address public comments on questions  
7 to be asked of the Board. The Board, member committees,  
8 and investigative panels shall accept, consider, and ad-  
9 dress public comments on such questions and shall not ac-  
10 cept a question that unduly narrows the scope of an advi-  
11 sory activity.

12 “(4) The Administrator and the Board shall encour-  
13 age public comments, including oral comments and discus-  
14 sion during the proceedings, that shall not be limited by  
15 an insufficient or arbitrary time restriction. Public com-  
16 ments shall be provided to the Board when received, and  
17 shall be published in the Federal Register grouped by com-  
18 mon themes. If multiple repetitious comments are re-  
19 ceived, only one such comment shall be published along  
20 with the number of such repetitious comments received.  
21 Any report made public by the Board shall include written  
22 responses to significant comments, including those that  
23 present an alternative hypothesis-based scientific point of  
24 view, offered by members of the public to the Board.



1       “(5) Following Board meetings, the public shall be  
2 given 15 calendar days to provide additional comments for  
3 consideration by the Board.”.

4       (f) OPERATIONS.—Section 8 of such Act (42 U.S.C.  
5 4365) is further amended by amending subsection (i) to  
6 read as follows:

7       “(i)(1) In carrying out its advisory activities, the  
8 Board shall strive to avoid making policy determinations  
9 or recommendations, and, in the event the Board feels  
10 compelled to offer policy advice, shall explicitly distinguish  
11 between scientific determinations and policy advice.

12       “(2) The Board shall clearly communicate uncertain-  
13 ties associated with the scientific advice provided to the  
14 Administrator or Congress.

15       “(3) The Board shall ensure that advice and com-  
16 ments reflect the views of the members and shall encour-  
17 age dissenting members to make their views known to the  
18 public, the Administrator, and Congress.

19       “(4) The Board shall conduct periodic reviews to en-  
20 sure that its advisory activities are addressing the most  
21 important scientific issues affecting the Environmental  
22 Protection Agency.

23       “(5) The Board shall be fully and timely responsive  
24 to Congress.”.

1 **SEC. 3. RELATION TO THE FEDERAL ADVISORY COM-**  
2 **MITTEE ACT.**

3 Nothing in this Act or the amendments made by this  
4 Act shall be construed as supplanting the requirements of  
5 the Federal Advisory Committee Act (5 U.S.C. App.).

6 **SEC. 4. RELATION TO THE ETHICS IN GOVERNMENT ACT OF**  
7 **1978.**

8 Nothing in this Act or the amendments made by this  
9 Act shall be construed as supplanting the requirements of  
10 the Ethics in Government Act of 1978 (5 U.S.C. App.).

Passed the House of Representatives March 30,  
2017.

Attest:

KAREN L. HAAS,  
*Clerk.*

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT:** H.R. 1654 (McClintock, R-CA)–Water Supply Permitting Coordination Act**STAFF RECOMMENDATION**

Staff recommends the Board of Directors vote to adopt a support position on H.R. 1654 (McClintock, CA).

**COMMITTEE RECOMMENDATION**

Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

This bill would authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes.

**ARGUMENTS IN SUPPORT**

According to the author, H.R. 1654, "... will establish a framework in which federal agencies with permitting responsibilities for the construction of new surface water storage projects must work together, coordinate their schedules, share data and technical materials, and make their findings publicly available. The end result would be fewer delays, more efficient use of taxpayer dollars, and ultimately, more abundant water supplies."

<b>Budgeted (Y/N):</b> n/a	Budgeted amount: n/a	Core x	Choice __
<b>Action Item Amount:</b> none		Line Item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			

In addition, “It also requires transparency, assuring that all data is available to the public online so the science guiding these decisions can be rigorously scrutinized by all interested parties.”

It allows water agencies to fund the review process if federal funding isn’t provided, removing one of the excuses that federal agencies have made in slow-walking or stalling review of these projects. This provision also has plenty of precedent – it is modeled on provisions sponsored by House Democrats that expedited improvements on the Hetch Hetchy dam, serving the San Francisco region.

This does not bypass ANY environmental laws – it simply says that the process needs to be more efficient and that government agencies should talk with each other and not past each other.

Nor does the bill affect the rigorous engineering process required to assure dam safety.

## **ARGUMENTS IN OPPOSITION**

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None on file

## **MWDOC LEGISLATIVE POLICY PRINCIPLES**

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MWDOC’s adopted policy principles support legislation that, “Supports the development of, provides funding for, and authorizes and/or facilitates the expanded use of, water recycling, potable reuse, conservation, groundwater recovery and recharge, storage, brackish and ocean water desalination and surface water development projects where the beneficiaries of the project pay for the portions of the project not funded by state or federal funds.”

## **COMMENTS**

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Coauthors to H.R. 1654:

Congresswoman Liz Cheney (D-WY)  
 Congressman Paul Cook (R-CA)  
 Congressman Kevin Cramer (R-ND)  
 Congressman Paul Gosar (R-AZ)  
 Congressman Darrell Issa (R-CA)  
 Congressman Doug LaMalfa (R-CA)  
 Congressman Dana Rohrabacher (R-CA)  
 Congressman Scott Tipton (R-CO)

This measure was approved by the House Natural Resources Committee by a vote of 24-16 on April 27, 2017. It will next be sent to the House Floor for a vote.

## **DETAILED REPORT**

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The full text of H.R. 1654 is attached for your information.

115TH CONGRESS  
1ST SESSION

# H. R. 1654

To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2017

Mr. MCCLINTOCK (for himself, Ms. CHENEY, Mr. COOK, Mr. CRAMER, Mr. GOSAR, Mr. ISSA, Mr. LAMALFA, Mr. ROHRABACHER, and Mr. TIPTON) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Water Supply Permit-  
3   ting Coordination Act”.

4 **SEC. 2. DEFINITIONS.**

5       In this Act:

6           (1) BUREAU.—The term “Bureau” means the  
7   Bureau of Reclamation.

8           (2) COOPERATING AGENCIES.—The term “co-  
9   operating agency” means a Federal agency with ju-  
10   risdiction over a review, analysis, opinion, statement,  
11   permit, license, or other approval or decision re-  
12   quired for a qualifying project under applicable Fed-  
13   eral laws and regulations, or a State agency subject  
14   to section 3(c).

15           (3) QUALIFYING PROJECTS.—The term “quali-  
16   fying projects” means new surface water storage  
17   projects in the States covered under the Act of June  
18   17, 1902 (32 Stat. 388, chapter 1093), and Acts  
19   supplemental to and amendatory of that Act (43  
20   U.S.C. 371 et seq.) constructed on lands adminis-  
21   tered by the Department of the Interior or the De-  
22   partment of Agriculture, exclusive of any easement,  
23   right-of-way, lease, or any private holding.

24           (4) SECRETARY.—The term “Secretary” means  
25   the Secretary of the Interior.

1 **SEC. 3. ESTABLISHMENT OF LEAD AGENCY AND COOPER-**  
2 **ATING AGENCIES.**

3 (a) **ESTABLISHMENT OF LEAD AGENCY.**—The Bu-  
4 reau is established as the lead agency for purposes of co-  
5 ordinating all reviews, analyses, opinions, statements, per-  
6 mits, licenses, or other approvals or decisions required  
7 under Federal law to construct qualifying projects.

8 (b) **IDENTIFICATION AND ESTABLISHMENT OF CO-**  
9 **OPERATING AGENCIES.**—The Commissioner of the Bureau  
10 shall—

11 (1) identify, as early as practicable upon receipt  
12 of an application for a qualifying project, any Fed-  
13 eral agency that may have jurisdiction over a review,  
14 analysis, opinion, statement, permit, license, ap-  
15 proval, or decision required for a qualifying project  
16 under applicable Federal laws and regulations; and

17 (2) notify any such agency, within a reasonable  
18 timeframe, that the agency has been designated as  
19 a cooperating agency in regards to the qualifying  
20 project unless that agency responds to the Bureau in  
21 writing, within a timeframe set forth by the Bureau,  
22 notifying the Bureau that the agency—

23 (A) has no jurisdiction or authority with  
24 respect to the qualifying project;

25 (B) has no expertise or information rel-  
26 evant to the qualifying project or any review,

1 analysis, opinion, statement, permit, license, or  
 2 other approval or decision associated therewith;  
 3 or

4 (C) does not intend to submit comments  
 5 on the qualifying project or conduct any review  
 6 of such a project or make any decision with re-  
 7 spect to such project in a manner other than in  
 8 cooperation with the Bureau.

9 (c) STATE AUTHORITY.—A State in which a quali-  
 10 fying project is being considered may choose, consistent  
 11 with State law—

12 (1) to participate as a cooperating agency; and  
 13 (2) to make subject to the processes of this Act  
 14 all State agencies that—

15 (A) have jurisdiction over the qualifying  
 16 project;

17 (B) are required to conduct or issue a re-  
 18 view, analysis, or opinion for the qualifying  
 19 project; or

20 (C) are required to make a determination  
 21 on issuing a permit, license, or approval for the  
 22 qualifying project.

#### 23 **SEC. 4. BUREAU RESPONSIBILITIES.**

24 (a) IN GENERAL.—The principal responsibilities of  
 25 the Bureau under this Act are—



1           (1) to serve as the point of contact for appli-  
2           cants, State agencies, Indian tribes, and others re-  
3           garding proposed qualifying projects;

4           (2) to coordinate preparation of unified environ-  
5           mental documentation that will serve as the basis for  
6           all Federal decisions necessary to authorize the use  
7           of Federal lands for qualifying projects; and

8           (3) to coordinate all Federal agency reviews  
9           necessary for project development and construction  
10          of qualifying projects.

11         (b) COORDINATION PROCESS.—The Bureau shall  
12         have the following coordination responsibilities:

13                 (1) PREAPPLICATION COORDINATION.—Notify  
14                 cooperating agencies of proposed qualifying projects  
15                 not later than 30 days after receipt of a proposal  
16                 and facilitate a preapplication meeting for prospec-  
17                 tive applicants, relevant Federal and State agencies,  
18                 and Indian tribes—

19                         (A) to explain applicable processes, data  
20                         requirements, and applicant submissions nec-  
21                         essary to complete the required Federal agency  
22                         reviews within the timeframe established; and

23                         (B) to establish the schedule for the quali-  
24                         fying project.

1           (2) CONSULTATION WITH COOPERATING AGEN-  
2       CIES.—Consult with the cooperating agencies  
3       throughout the Federal agency review process, iden-  
4       tify and obtain relevant data in a timely manner,  
5       and set necessary deadlines for cooperating agencies.

6           (3) SCHEDULE.—Work with the qualifying  
7       project applicant and cooperating agencies to estab-  
8       lish a project schedule. In establishing the schedule,  
9       the Bureau shall consider, among other factors—

10           (A) the responsibilities of cooperating  
11       agencies under applicable laws and regulations;

12           (B) the resources available to the cooper-  
13       ating agencies and the non-Federal qualifying  
14       project sponsor, as applicable;

15           (C) the overall size and complexity of the  
16       qualifying project;

17           (D) the overall schedule for and cost of the  
18       qualifying project; and

19           (E) the sensitivity of the natural and his-  
20       toric resources that may be affected by the  
21       qualifying project.

22           (4) ENVIRONMENTAL COMPLIANCE.—Prepare a  
23       unified environmental review document for each  
24       qualifying project application, incorporating a single  
25       environmental record on which all cooperating agen-

1       cies with authority to issue approvals for a given  
 2       qualifying project shall base project approval deci-  
 3       sions. Help ensure that cooperating agencies make  
 4       necessary decisions, within their respective authori-  
 5       ties, regarding Federal approvals in accordance with  
 6       the following timelines:

7               (A) Not later than 1 year after acceptance  
 8       of a completed project application when an en-  
 9       vironmental assessment and finding of no sig-  
 10      nificant impact is determined to be the appro-  
 11      priate level of review under the National Envi-  
 12      ronmental Policy Act of 1969 (42 U.S.C. 4321  
 13      et seq.).

14             (B) Not later than 1 year and 30 days  
 15      after the close of the public comment period for  
 16      a draft environmental impact statement under  
 17      the National Environmental Policy Act of 1969  
 18      (42 U.S.C. 4321 et seq.), when an environ-  
 19      mental impact statement is required under the  
 20      same.

21             (5)       CONSOLIDATED       ADMINISTRATIVE  
 22      RECORD.—Maintain a consolidated administrative  
 23      record of the information assembled and used by the  
 24      cooperating agencies as the basis for agency deci-  
 25      sions.

1           (6) PROJECT DATA RECORDS.—To the extent  
 2       practicable and consistent with Federal law, ensure  
 3       that all project data is submitted and maintained in  
 4       generally accessible electronic format, compile, and  
 5       where authorized under existing law, make available  
 6       such project data to cooperating agencies, the quali-  
 7       fying project applicant, and to the public.

8           (7) PROJECT MANAGER.—Appoint a project  
 9       manager for each qualifying project. The project  
 10      manager shall have authority to oversee the project  
 11      and to facilitate the issuance of the relevant final  
 12      authorizing documents, and shall be responsible for  
 13      ensuring fulfillment of all Bureau responsibilities set  
 14      forth in this section and all cooperating agency re-  
 15      sponsibilities under section 5.

16 **SEC. 5. COOPERATING AGENCY RESPONSIBILITIES.**

17       (a) ADHERENCE TO BUREAU SCHEDULE.—

18           (1) TIMEFRAMES.—On notification of an appli-  
 19      cation for a qualifying project, the head of each co-  
 20      operating agency shall submit to the Bureau a time-  
 21      frame under which the cooperating agency reason-  
 22      ably will be able to complete the authorizing respon-  
 23      sibilities of the cooperating agency.

24           (2) SCHEDULE.—

1           (A) USE OF TIMEFRAMES.—The Bureau  
2           shall use the timeframes submitted under this  
3           subsection to establish the project schedule  
4           under section 4.

5           (B) ADHERENCE.—Each cooperating agen-  
6           cy shall adhere to the project schedule estab-  
7           lished by the Bureau under subparagraph (A).

8           (b) ENVIRONMENTAL RECORD.—The head of each  
9           cooperating agency shall submit to the Bureau all environ-  
10          mental review material produced or compiled in the course  
11          of carrying out activities required under Federal law, con-  
12          sistent with the project schedule established by the Bureau  
13          under subsection (a)(2).

14          (c) DATA SUBMISSION.—To the extent practicable  
15          and consistent with Federal law, the head of each cooper-  
16          ating agency shall submit all relevant project data to the  
17          Bureau in a generally accessible electronic format, subject  
18          to the project schedule established by the Bureau under  
19          subsection (a)(2).

20   **SEC. 6. FUNDING TO PROCESS PERMITS.**

21          (a) IN GENERAL.—The Secretary, after public notice  
22          in accordance with subchapter II of chapter 5, and chapter  
23          7, of title 5, United States Code (commonly known as the  
24          “Administrative Procedure Act”), may accept and expend  
25          funds contributed by a non-Federal public entity to expe-

1 dite the evaluation of a permit of that entity related to  
 2 a qualifying project.

3 (b) EFFECT ON PERMITTING.—

4 (1) IN GENERAL.—In carrying out this section,  
 5 the Secretary shall ensure that the use of funds ac-  
 6 cepted under subsection (a) will not substantively or  
 7 procedurally impact impartial decisionmaking with  
 8 respect to permits.

9 (2) EVALUATION OF PERMITS.—In carrying out  
 10 this section, the Secretary shall ensure that the eval-  
 11 uation of permits carried out using funds accepted  
 12 under this section shall—

13 (A) be reviewed by the Regional Director  
 14 of the Bureau of the region in which the quali-  
 15 fying project or activity is located (or a des-  
 16 ignee); and

17 (B) use the same procedures for decisions  
 18 that would otherwise be required for the evalua-  
 19 tion of permits for similar projects or activities  
 20 not carried out using funds authorized under  
 21 this section.

22 (3) IMPARTIAL DECISIONMAKING.—In carrying  
 23 out this section, the Secretary and the head of each  
 24 cooperating agency receiving funds under this sec-  
 25 tion for a qualifying project shall ensure that the use

1 of the funds accepted under this section for the  
2 qualifying project shall not—

3 (A) substantively or procedurally impact  
4 impartial decisionmaking with respect to the  
5 issuance of permits; or

6 (B) diminish, modify, or otherwise affect  
7 the statutory or regulatory authorities of the  
8 cooperating agency.

9 (c) LIMITATION ON USE OF FUNDS.—None of the  
10 funds accepted under this section shall be used to carry  
11 out a review of the evaluation of permits required under  
12 subsection (b)(2)(A).

13 (d) PUBLIC AVAILABILITY.—The Secretary shall en-  
14 sure that all final permit decisions carried out using funds  
15 authorized under this section are made available to the  
16 public, including on the Internet.

○

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick and Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: SB 231 (Hertzberg) – Local Government: Fees and Charges****STAFF RECOMMENDATION**

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Staff recommends the Board of Directors vote to adopt a watch position on SB 231 (Hertzberg).

**COMMITTEE RECOMMENDATION**

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Committee will review this item and make a recommendation to the Board.

**SUMMARY**

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SB 231 amends state law to clarify the statutory authority of cities, counties, and local water agencies to finance stormwater projects.

Specifically, it defines “sewer” to include storm drainage, conforming to an existing 25-year-old definition in the California Public Utilities Code and encourages the courts to adopt this definition. This clarification makes it clear that local governments may build projects necessary to manage and reuse stormwater. Additionally, this will provide opportunities to access state and federal dollars that require local matching funds.

**ARGUMENTS IN SUPPORT**

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Under current law, water agencies are limited in the type of infrastructure they can fund to manage storm and flood waters. Local governments are often underfunded and are constrained from easily charging and financing stormwater projects that we need to manage water supplies and address water pollution in our communities.

<b>Budgeted (Y/N):</b> n/a	Budgeted amount: n/a	Core x	Choice __
<b>Action Item Amount:</b> none		Line Item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			



Stormwater is a key source of local water supply and careful management is necessary now more than ever due to California's continuing cycles of drought.

## **ARGUMENTS IN OPPOSITION**

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Opponents of the bill argue that Proposition 218 was intended to provide an expansive right for the public to vote on water rates increases and only included limited exemptions from this requirement to maintain basic public health and safety services, such as providing drinking and irrigation water and disposing of sanitary sewage and refuse. Cleaning up storm water and discharging it simply to benefit the environment shouldn't fall within those categories, and, based on the Salinas court decision, it doesn't. In 2002, the Howard Jarvis Tax Payers Association (HJTPA) successfully sued the City of Salinas after the city began charging residents for "storm water runoff" as part of their sewer bill. SB 231 directly contradicts this decision. Should the Legislature override the courts, and potentially the will of the people, by allowing local governments to raise fees for storm water cleanup projects without a vote? The answer to that question is no.

## **MWDOC'S POLICY PRINCIPLES**

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MWDOC's adopted policy principles directly reflect a position regarding stormwater. Specifically, MWDOC supports legislation that, "Ensures that decision-making with regard to stormwater management and recapture is kept at the local or regional level through local water agencies, stormwater districts, cities, counties, and regional water management groups"; "Recognizes that stormwater management and recapture are important tools in a diversified water portfolio that can help to achieve improved water quality in local surface and groundwater supplies, and augment surface and groundwater supplies for local water agencies"; "Reduces or removes regulatory hurdles that hinder the use of stormwater".

SB 231 *does* allow for decision making to be kept at the local level when it comes to making decisions in regard to stormwater management and recapture. Only districts that want to add stormwater to their Prop 218 rate increase proposal would be allowed to do so under SB 231; the bill does not mandate charging for stormwater recapture. In addition, SB 231 falls in line with the policy principle that recognizes that stormwater management and recapture are important tools in a diversified water portfolio. It allows for agencies that might not otherwise use stormwater recapture, due to the cost, to add the infrastructure to do so.

However, the way that SB 231 is drafted, as regular legislation as opposed to a constitutional amendment to Prop 218 that was approved by the voters, is not good policy. The author's office believes they have legal precedence, although they acknowledge that it will likely be challenged in court.

Although MWDOC's adopted policy principles would seem to indicate support for SB 231, amending a constitutional article through legislation is not good policy. Therefore staff is recommending a watch or no position on SB 231.

## **COMMENTS**

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Support on file:

Water Foundation (source)  
Bay Area Stormwater Management Agencies Association  
California Association of Sanitation Agencies  
California Building Industries Association  
California Council for Environmental and Economic Balance  
California State Association of Counties  
California Stormwater Quality Association  
City/County Association of Governments of San Mateo County  
City of Alameda  
City of Beverly Hills  
City of Commerce  
City of Covina  
City of Commerce  
City of Hawthorne  
City of Hermosa Beach  
City of Industry  
City of Lawndale  
City of Norwalk  
City of Petaluma  
City of San Gabriel  
City of Signal Hill  
County of Contra Costa  
County of San Joaquin  
Inland Empire Utilities Agency  
Los Angeles Gateway Region Integrated Regional Water Management Authority  
Metropolitan Water District of Southern California  
Santa Clara Valley Water District  
Save the Bay  
Sierra Club California  
State Building and Construction Trades Council of California  
Tree People

Opposition on File:  
BizFed  
City of Claremont  
City of Diamond Bar  
City of Glendora  
City of Los Alamitos  
City of Rosemead  
City of Sierra Madre  
City of West Covina  
Howard Jarvis Taxpayers Association

This measure was unanimously approved by the Senate by a vote of 23-10 with 7 members not voting.

## **DETAILED REPORT**

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The full text of SB 231 is attached for your information.

**Introduced by Senator Hertzberg**

February 2, 2017

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An act to amend Section 53750 of, and to add Section 53751 to, the Government Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 231, as amended, Hertzberg. Local government: fees and charges.

Articles XIII C and XIII D of the California Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Existing law, the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with Articles XIII C and XIII D of the California Constitution and defines terms for these purposes.

This bill would define the term “sewer” for these purposes. The bill would also make findings and declarations relating to the definition of the term “sewer” for these purposes.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 53750 of the Government Code is
- 2 amended to read:
- 3 53750. For purposes of Article XIII C and Article XIII D of
- 4 the California Constitution and this article, the following words

1 have the following meanings, and shall be read and interpreted in  
2 light of the findings and declarations contained in Section 53751:

3 (a) “Agency” means any local government as defined in  
4 subdivision (b) of Section 1 of Article XIII C of the California  
5 Constitution.

6 (b) “Assessment” means any levy or charge by an agency upon  
7 real property that is based upon the special benefit conferred upon  
8 the real property by a public improvement or service, that is  
9 imposed to pay the capital cost of the public improvement, the  
10 maintenance and operation expenses of the public improvement,  
11 or the cost of the service being provided. “Assessment” includes,  
12 but is not limited to, “special assessment,” “benefit assessment,”  
13 “maintenance assessment,” and “special assessment tax.”

14 (c) “District” means an area that is determined by an agency to  
15 contain all of the parcels that will receive a special benefit from a  
16 proposed public improvement or service.

17 (d) “Drainage system” means any system of public  
18 improvements that is intended to provide for erosion control, for  
19 landslide abatement, or for other types of water drainage.

20 (e) “Extended,” when applied to an existing tax or fee or charge,  
21 means a decision by an agency to extend the stated effective period  
22 for the tax or fee or charge, including, but not limited to,  
23 amendment or removal of a sunset provision or expiration date.

24 (f) “Flood control” means any system of public improvements  
25 that is intended to protect property from overflow by water.

26 (g) “Identified parcel” means a parcel of real property that an  
27 agency has identified as having a special benefit conferred upon  
28 it and upon which a proposed assessment is to be imposed, or a  
29 parcel of real property upon which a proposed property-related  
30 fee or charge is proposed to be imposed.

31 (h) (1) “Increased,” when applied to a tax, assessment, or  
32 property-related fee or charge, means a decision by an agency that  
33 does either of the following:

34 (A) Increases any applicable rate used to calculate the tax,  
35 assessment, fee, or charge.

36 (B) Revises the methodology by which the tax, assessment, fee,  
37 or charge is calculated, if that revision results in an increased  
38 amount being levied on any person or parcel.

39 (2) A tax, fee, or charge is not deemed to be “increased” by an  
40 agency action that does either or both of the following:

(A) Adjusts the amount of a tax, fee, or charge in accordance with a schedule of adjustments, including a clearly defined formula for inflation adjustment that was adopted by the agency prior to November 6, 1996.

(B) Implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved by the agency is not revised so as to result in an increase in the amount being levied on any person or parcel.

(3) A tax, assessment, fee, or charge is not deemed to be “increased” in the case in which the actual payments from a person or property are higher than would have resulted when the agency approved the tax, assessment, fee, or charge, if those higher payments are attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land.

(i) “Notice by mail” means any notice required by Article XIII C or XIII D of the California Constitution that is accomplished through a mailing, postage prepaid, deposited in the United States Postal Service and is deemed given when so deposited. Notice by mail may be included in any other mailing to the record owner that otherwise complies with Article XIII C or XIII D of the California Constitution and this article, including, but not limited to, the mailing of a bill for the collection of an assessment or a property-related fee or charge.

(j) “Record owner” means the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll, or in the case of any public entity, the State of California, or the United States, means the representative of that public entity at the address of that entity known to the agency.

(k) ~~“Sewer” means services and systems provided by~~ *includes* ~~systems,~~ all real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate sewage collection, treatment, or disposition for sanitary or drainage purposes, including lateral and connecting sewers, interceptors, trunk and outfall lines, sanitary sewage treatment or disposal plants or works, drains, conduits, outlets for surface or storm waters, and any and all other works, property, or structures necessary or convenient for the collection or disposal of sewage, industrial waste, or surface or storm waters. “Sewer system” shall not include

1 a sewer system that merely collects sewage on the property of a  
2 single owner.

3 (l) “Registered professional engineer” means an engineer  
4 registered pursuant to the Professional Engineers Act (Chapter 7  
5 (commencing with Section 6700) of Division 3 of the Business  
6 and Professions Code).

7 (m) “Vector control” means any system of public improvements  
8 or services that is intended to provide for the surveillance,  
9 prevention, abatement, and control of vectors as defined in  
10 subdivision (k) of Section 2002 of the Health and Safety Code and  
11 a pest as defined in Section 5006 of the Food and Agricultural  
12 Code.

13 (n) “Water” means any system of public improvements intended  
14 to provide for the production, storage, supply, treatment, or  
15 distribution of water from any source.

16 SEC. 2. Section 53751 is added to the Government Code, to  
17 read:

18 53751. The Legislature finds and declares all of the following:

19 (a) The ongoing, historic drought has made clear that California  
20 must invest in a 21st century water management system capable  
21 of effectively meeting the economic, social, and environmental  
22 needs of the state.

23 (b) Sufficient and reliable funding to pay for local water projects  
24 is necessary to improve the state’s water infrastructure.

25 (c) Proposition 218 was approved by the voters at the November  
26 5, 1996, statewide ~~General Election~~; *general election*. Some court  
27 interpretations of the law have constrained important tools that  
28 local governments need to manage storm water and drainage runoff.

29 (d) Storm waters are carried off in storm sewers, and careful  
30 management is necessary to *ensure adequate state water supplies,*  
31 *especially during drought, and to* reduce pollution. But a court  
32 decision has ~~excluded~~ *found* storm water ~~from those~~ *subject to the*  
33 *voter-approval* provisions of Proposition 218 that apply to  
34 property-related ~~fees for sewer and water, fees~~, preventing many  
35 important projects from being built.

36 (e) The court of appeal in *Howard Jarvis Taxpayers Ass’n v.*  
37 *City of Salinas* (2002) 98 Cal.App.4th 1351 concluded that the  
38 term “sewer,” as used in Proposition 218, is “ambiguous” and  
39 declined to use the statutory definition of the term “sewer system”

system,” which was part of the then-existing law as Section 230.5 of the Public Utilities Code.

(f) The court in *Howard Jarvis Taxpayers Ass’n v. City of Salinas* (2002) 98 Cal.App.4th 1351 failed to follow long-standing principles of statutory construction by disregarding the plain meaning of the term “sewer.” Courts have long held that statutory construction rules apply to initiative measures, including in cases that apply specifically to Proposition 218 (see *People v. Bustamante* (1996) (1997) 57 Cal.App.4th 693, 693; *Keller v. Chowchilla Water Dist.* (2000) 80 Cal.App.4th 1006). When construing statutes, courts look first to the words of the statute, which should be given their usual, ordinary, and commonsense meaning (*People v. Mejia* (2012) 211 Cal.App.4th 586, 611). The purpose of utilizing the plain meaning of statutory language is to spare the courts the necessity of trying to divine the voters’ intent by resorting to secondary or subjective indicators. The court in *Howard Jarvis Taxpayers Ass’n v. City of Salinas* (2002) 98 Cal.App.4th 1351 asserted its belief as to what most voters thought when voting for Proposition 218, but did not cite the voter pamphlet or other accepted sources for determining legislative intent. Instead, the court substituted its own judgment for the judgment of voters.

(g) *Neither the words “sanitary” nor “sewerage” are used in Proposition 218, and the common meaning of the term “sewer services” is not “sanitary sewerage.” In fact, the phrase “sanitary sewerage” is uncommon.*

(h) *Proposition 218 exempts sewer and water services from the voter-approval requirement. Sewer and water services are commonly considered to have a broad reach, encompassing the provision of clean water and then addressing the conveyance and treatment of dirty water, whether that water is rendered unclean by coming into contact with sewage or by flowing over the built-out human environment and becoming urban runoff.*

~~(g)~~

(i) Numerous sources predating Proposition 218 reject the notion that the term “sewer” applies only to sanitary sewers, sewers and sanitary sewerage, including, but not limited to:

(1) Section 230.5 of the Public Utilities Code. *Code, added by Chapter 1109 of the Statutes of 1970.*

(2) Section 23010.3, ~~which was first added by Chapter 1193 of the Statutes of 1963.~~

(3) ~~The Street Improvement Act of 1913 (repealed by Chapter 346 of the Statutes of 1963): 1913.~~

(4) ~~The California Supreme Court stated in Los Angeles L.A. County Flood Control District *Dist. v. Southern California Cal. Edison Co.* (1958) 51 Cal.2d 331, where the California Supreme Court stated that “no distinction has been made between sanitary sewers and storm drains or sewers.”~~

(5) ~~The term, Many other cases where the term “sewer” has been used interchangeably to refer to both sanitary and storm sewers in many other cases, including, include, but are not limited to, County of Riverside v. Whitlock (1972) 22 Cal.App.3d 863, Ramseier v. Oakley Sanitary Dist. (1961) 197 Cal.App.2d 722, and Torson v. Fleming (1928) 91 Cal.App. 168.~~

(6) Dictionary definitions of sewer, which courts have found to be an objective source for determining common or ordinary meaning, including ~~Websters~~ *Webster’s* (1976), *American Heritage* (1969), and *Oxford English Dictionary* (1971).

~~(h)~~

(j) Prior legislation has affirmed particular interpretations of words in Proposition 218, specifically Assembly Bill 2403 of the 2013–14 Regular Session (Chapter 78 of the Statutes of 2014).

(k) *In Crawley v. Alameda Waste Management Authority (2015) 243 Cal.App.4th 396, the Court of Appeal relied on the statutory definition of “refuse collection services” to interpret the meaning of that phrase in Proposition 218, and found that this interpretation was further supported by the plain meaning of refuse. Consistent with this decision, in determining the definition of “sewer,” the plain meaning rule shall apply in conjunction with the definitions of terms as provided in Section 53750.*

~~(i)~~

(l) The Legislature reaffirms and reiterates that the definition found in Section 230.5 of the Public Utilities Code is the definition of “sewer” or “sewer service” that should be used in the Proposition 218 Omnibus Implementation Act.

(m) *Courts have read the Legislature’s definition of “water” in the Proposition 218 Omnibus Implementation Act to include related services. In Griffith v. Pajaro Valley Water Management Agency (2013) 220 Cal.App.4th 586, the Court of Appeal concurred with the Legislature’s view that “water service means more than just supplying water,” based upon the definition of water provided*



1 *by the Proposition 218 Omnibus Implementation Act, and found*  
2 *that actions necessary to provide water can be funded through*  
3 *fees for water service. Consistent with this decision, “sewer”*  
4 *should be interpreted to include services necessary to collect, treat,*  
5 *or dispose of sewage, industrial waste, or surface or storm waters,*  
6 *and any entity that collects, treats, or disposes of any of these*  
7 *necessarily provides sewer service.*

O

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick, Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Tiffany Baca

**SUBJECT: Authorization to Contract for MWDOC Entry Hallway Display Design and Construction****STAFF RECOMMENDATION**

Staff recommends the Board of Directors authorize entering into a contract with *Bang! Creative Inc.* for the design, construction and installation of a display in the MWDOC entry hallway at a cost of \$31,937.

**COMMITTEE RECOMMENDATION**

Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

In February of 2016, construction began to refresh the MWDOC entry hallway and foyer (shared with OCWD). While renovations were underway, the Administration department (Admin) collaborated with the Public Affairs (PA) department to design a dynamic display for the MWDOC side of the hallway. Staff contacted vendors for bids and the team ultimately selected *Bang! Creative Inc.* to complete the hallway project.

**DETAILED REPORT**

On February 12, 2016, construction began to refurbish the Municipal Water District of Orange County entryway and foyer. Admin asked the PA team to create a few design

<b>Budgeted (Y/N): Yes</b>	Budgeted amount: \$15,000* (an additional \$25,000 is included in the draft FY 17/18 budget)	Core _x_	Choice __
<b>Action item amount: \$31,937</b>		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b> *There is \$15,000 in the 2016/17 budget; staff included \$25,000 in the 2017/18 draft budget to cover this cost.			

choices for a fresh, dynamic display on both walls of the entryway. Tiffany Baca and Bryce Roberto visited locations with education-minded displays in search of design ideas, and to examine the work of local contractors. PA staff collaborated with the General Manager and Admin on a preliminary design. Bids were requested from eight vendors located in Southern California. Five of the eight contacted vendors submitted bids in May of 2016. Admin included funds for the design, construction and installation of the hallway displays to the 2016/2017 budget, in the amount of \$15,000. An additional \$25,000 has been included in the draft budget for the 2017-18 fiscal year.

The 2016/2017 fiscal year prompted the staff to shift priorities and the hallway display project was placed on hold. While the project was on hold, one of the initial vendors pulled their bid and the design went through several iterations – finally settling on a design in January of 2017. Staff then contacted the original vendors to request a new bid based on the changes to the initial design; however, only two of the four remaining vendors responded with an updated bid. *Bang! Creative Inc.* came in with the low bid.

Staff ultimately decided on *Bang! Creative Inc.* due to the lower bid and the firm's previous work with Metropolitan Water District of Southern California and MET member agencies.

***Bang! Creative Inc.'s bid is attached.***



**BANG! Creative Inc**  
*.Environments That Make Connections*

## ESTIMATE

**DATE:** 12-Apr-17

**EST16014.5**

**CLIENT:** Municipal Water District of Orange County

PO Box 20895

Fountain Valley, CA 92728

**ATTN:** Bryce Roberto ph. 714-593-5017

**PROJECT:** Lobby Displays - Upgrade

		PRICE
1.0	<b>Launch meeting at MWDOC</b>	\$ 590
2.0	<b>Design Development by BANG!</b>	\$ 4,800
	Refine existing layouts and copy	Estimate 60 hours
	Production ready print mechanicals	
3.0	<b>Graphic production for both East and West walls</b>	
	Budget to produce high-quality state-of-the-art materials and finishes as proposed previously	\$ 18,439
4.0	<b>Stage &amp; Prep to ship at BANG!</b>	\$ 500
5.0	<b>Deliver and install at MWDOC - Best case</b>	\$ 2,787
	includes transport, round trip drive time, unload, stage, and install	
	Should installation run longer than one day costs will be billed accordingly	
6.0	<b>Project Management</b>	\$ 3,254
	<b>Subtotal</b>	\$ 30,369
	<b>Estimated Calif. State Sales Tax</b>	\$ 1,567

**TOTAL \$ 31,937**

**Note:** Design development is a budget only  
Actual time could vary and will be billed at \$80/hr.

**Conditions:** MWDOC to provide all draft text  
MWDOC to provide all hi-res photos and illustrations  
Inspection at BANG!, Vista, CA before delivery  
Item 5.0, Delivery & installation is an estimate.  
Actual time and materials will be billed.

**Terms:** Deposit to be determined with P.O. to begin project  
90% due before delivery  
Balance due net 30 upon installation

Accepted by:

For MWDOC

Date



**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors

**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick, and Yoo Schneider)

Robert Hunter  
General Manager

Staff Contact: Heather Baez

**SUBJECT: ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10  
CALL FOR CANDIDATES**

**STAFF RECOMMENDATION**

---

Staff recommends that the Committee discuss and determine if a member of the MWDOC Board of Directors would like to be nominated and run for the ACWA Region 10 Board of Directors.

**COMMITTEE RECOMMENDATION**

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Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

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The Region 10 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 10 for the 2018-2019 term. The Nominating Committee is currently seeking candidates for the Region 10 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions for a total of seven. These seats are split between Orange and San Diego counties. The two counties rotate between Chair and Vice Chair, with the county serving as Vice Chair having the extra seat. This term, Orange County will take over the Chair position, leaving one less seat for an Orange County director. This term, Orange County will have three seats, San Diego County will have four.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 10 serve on ACWA's Statewide

<b>Budgeted (Y/N):</b> N/A	Budgeted amount: n/a	Core __	Choice __
<b>Action item amount:</b> none		Line item:	
<b>Fiscal Impact (explain if unbudgeted):</b>			

Board of Directors and recommend all committee appointments for Region 10. The members of the Region 10 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members and serve as a key role in ACWA's grassroots outreach efforts.

Anyone interested in serving in a leadership role within ACWA by becoming a Region 10 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; the Election Timeline; and the Region 10 Rules and Regulations and complete the following steps:

- Complete the attached Region Board Candidate Nomination Form
- Obtain a Resolution of Support from your agency's Board of Directors
- Submit the requested information to ACWA as indicated by Friday, June 30, 2017

The Region 10 Nominating Committee (listed below) will announce their recommended slate by July 31, 2017. On August 1, 2017 the election will begin with ballots sent to General Managers and Board Presidents. One ballot per agency will be counted. The election will be completed on September 29, 2017. On October 5, 2017, election results will be announced. The newly elected Region 10 Board Members will begin their two-year term of service on January 1, 2017.

The incumbents running for reelection for Region 10 include Jim Atkinson (Mesa Water District), Chuck Gibson (Santa Margarita Water District), and Cathy Green (Orange County Water District).

#### **ADDITIONAL INFORMATION**

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ACWA Region 10 Nominating Committee:  
Doug Wilson, Padre Dam Municipal Water District  
Bob Hill, El Toro Water District  
Phil Anthony, Orange County Water District  
Gary Arant, Valley Center Municipal Water District

Additional information from ACWA is attached:  
Region 10 Rules and Regulations  
Nomination Form  
Sample Resolution of Support

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
(DISTRICT NAME)  
PLACING IN NOMINATION (NOMINEE NAME)  
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES  
REGION \_\_\_\_ (POSITION)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF (DISTRICT NAME) AS FOLLOWS:

A. Recitals

(i) The Board of Directors (Board) of the (District Name) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).

(ii) (Nominee Title), (Nominee Name) is currently serving as (Position) for ACWA Region \_\_\_\_

and/or

(iii) (Nominee Name) has indicated a desire to serve as a (Position) of ACWA Region \_\_\_\_.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF (DISTRICT NAME),

(i) Does place its full and unreserved support in the nomination of (Nominee Name) for the (Position) of ACWA Region \_\_\_\_.

(ii) Does hereby determine that the expenses attendant with the service of (Nominee Name) in ACWA Region \_\_\_\_ shall be borne by the (District Name).

Adopted and approved this \_\_\_\_ day of \_\_\_\_ (month) 2017.

(SEAL)

\_\_\_\_\_  
(Nominee Name), (Title)  
(District Name)

ATTEST:

---

(Secretary Name), Secretary

I, (SECRETARY NAME), Secretary to the Board of Directors of (District Name), hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the \_\_\_\_ day of \_\_\_\_ (month) 2017, and was adopted at that meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

---

(Secretary Name), Secretary to the  
Board of Directors of  
(District Name)





Name of Candidate: \_\_\_\_\_

Agency: \_\_\_\_\_ Title: \_\_\_\_\_

Agency Phone: \_\_\_\_\_ Direct Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_ ACWA Region: \_\_\_\_\_ County: \_\_\_\_\_

Address: \_\_\_\_\_

**Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)**

☐ Chair \_\_\_\_\_

☐ Vice Chair \_\_\_\_\_

☐ Board Member \_\_\_\_\_

**In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section?** (If neither is selected, your name will **NOT** appear on the ballot.)

☐ Yes

☐ No

**Agency Function(s):** (check all that apply)

☐ Wholesale

☐ Sewage Treatment

☐ Flood Control

☐ Urban Water Supply

☐ Retailer

☐ Groundwater Management / Replenishment

☐ Ag Water Supply

☐ Wastewater Reclamation

☐ Other: \_\_\_\_\_

**Describe your ACWA-related activities that help qualify you for this office:**

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**In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.**

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*I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.*

*I hereby submit my name for consideration by the Nominating Committee.*

*(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

\_\_\_\_\_  
Signature Title Date

## ACWA Region 10 Rules & Regulations

*Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).*

### **Officers**

The chair and vice chair shall be from different counties.

At least one of the chair or vice chair positions must be an elected/appointed director from a member agency.

The region board members shall alternate every two years with three from one county and two from the other. The county from which the chair comes from shall have two region board members and the county from which the vice chair comes from shall have three region board members.

The chair will provide the region secretary.

### **Meetings**

The region will hold at least quarterly meetings, including the ACWA spring and fall conferences.

The region chair will determine when and if nonmembers are invited to regional activities or events.

### **Attendance**

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

### **Elections**

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized

representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)

Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of four persons, two from each county.

The nominating committee shall pursue qualified members within the region to run for the region board and consider geographic diversity, agency size and focus in selecting a slate.

A member of the nominating committee cannot be nominated by the committee for an elected position.

*See current region election timeline for specific dates.*

### **Endorsements**

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

### **Committee Recommendations & Representation**

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

The chair and vice chair will recommend an official alternate for excused committee members.

### **Tours**

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a “release and waiver” to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

## **Finances**

*See “Financial Guidelines for ACWA Region Events” document.*

## **Amending the Region Rules & Regulations**

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors. The region 10 rules and regulations can be changed at any time with advanced written notice to member agencies.

**ACTION ITEM**

May 17, 2017

**TO:** Board of Directors**FROM:** **Public Affairs & Legislation Committee**  
(Directors Tamaribuchi, Dick, Yoo Schneider)Robert Hunter  
General Manager

Staff Contact: Damon Micalizzi

**SUBJECT:** **Authorization to Participate in Southern California Water Committee  
California WaterFix Education Campaign****STAFF RECOMMENDATION**

Staff recommends the Board of Directors consider participating in the Southern California Water Committee's (SCWC) California WaterFix Education Campaign. SCWC is requesting contributions of \$30,000 from water agencies in its portfolio of members consisting of both public and private entities.

**COMMITTEE RECOMMENDATION**

Committee will review this item on May 15, 2017 and make a recommendation to the Board.

**SUMMARY**

The Southern California Water Committee (SCWC) has retained an outside communications consultant to develop a scope and budget for a social and digital media education campaign on the California WaterFix and EcoRestore. The program is designed to broadly communicate with key leaders and decision makers in Southern California on the importance of the project and benefits to the region. Staff has received two presentations on the plan and has determined that it will complement MWDOC's WaterFix Outreach Campaign well.

MWDOC Directors have determined that informing the public about the California WaterFix and EcoRestore is a top priority for the 2017-18 fiscal year. MWDOC staff has developed a plan and is confident in its ability to achieve that goal.

Budgeted (Y/N): No	Budgeted amount:	Core __	Choice __
Action item amount: \$30,000	Line item: TBA		
Fiscal Impact (explain if unbudgeted):			

The SCWC was established in 1984 to advocate for a permanent solution for the San Joaquin-Sacramento Delta. SCWC is a nonprofit, nonpartisan public education organization dedicated to informing Southern Californians about the region's water needs and the state's water resources. The agency has membership and reach into Los Angeles, Orange, San Diego, San Bernardino, Riverside, Ventura, Kern and Imperial counties. SCWC's approximately 200 member organizations include leaders from business, regional and local government, agricultural groups, labor unions, environmental organizations, water agencies, as well as the general public.

As a non-profit, SCWC is able to undertake campaigns that could be considered more aggressive or edgy than a public agency could manage, as well as help spread the message throughout Southern California.

# GENERAL MANAGER'S REPORT OF STAFF ACTIVITIES MAY 2017

<b>Managers' Meeting</b>	<p>MWDOC held its Managers' meeting on April 20, 2017 at its office in Fountain Valley. In attendance were Lawrence Brotman (San Clemente); George Murdoch (Newport Beach); Art Valenzuela (Tustin); Mark Sprague (Fountain Valley); Mark Marcantonio and Steve Conklin (YLWD); Cel Pasillas and Katie Victoria (Garden Grove); Mike Grisso (Buena Park); Andy Brunhart (SCWD); Drew Atwater (MNWD); Brian Ragland (Huntington Beach); Jose Diaz (Orange); Hector Ruiz (TCWD); David Spitz and Steve Myrter (Seal Beach); Phil Lauri (Mesa Water); Eric Bauman (San Juan Capistrano); Lisa Ohlund (EOCWD); David Youngblood (LBCWD); Bob Hill (ETWD); Dan Ferons (SMWD); Scott Miller (Westminster); and Karl Seckel; Harvey De La Torre; Joe Berg; Heather Baez; Jonathan Volzke; Damon Micalizzi; Kevin Hostert; Melissa Baum-Haley; Kelly Hubbard; Keith Lyon; Charles Busslinger and myself of staff.</p> <p>The agenda included the following:</p> <ol style="list-style-type: none"> <li>1. MWDOC FY17/18 Draft Budget</li> <li>2. State Drought Emergency Declaration Lifted, SWRCB Long-term Water Conservation Framework &amp; AB1654</li> <li>3. MET's Metering Workgroup</li> <li>4. WEROC Training and Exercise Schedule Re Unknown Contaminants</li> <li>5. Legislative Issues</li> <li>6. Lake Oroville Spillway Recovery Plan</li> <li>7. DWR Regulations –Water Loss Control Report (SB555)</li> <li>8. OC Flood Control Potential License Fees Update</li> <li>9. Water Efficiency Standards Budget &amp; Using SAWPA Aerial Imagery for Beta Testing</li> </ol> <p>The next meeting is scheduled for May 18, 2017.</p>
<b>Environmental Leaders</b>	<p>In Sacramento, Director Sat Tamaribuchi and Karl and I participated in a meeting to continue discussions with environmental leaders regarding the need for fisheries and habitat restoration efforts to be successful for flexibility in managing water supplies being diverted from the Delta through the State Water Project and federal Central Valley Project. The purpose of the meeting was to develop a better understanding of what habitat and restoration investments are being planned either through</p>

<b>Environmental Leaders (Continued)</b>	EcoRestore or through other efforts and to understand the amount of funding that might be required. The meeting included representatives from DWR and the Natural Resources Agency to discuss Delta Smelt and Salmon recovery investments, and also included MET, the USGS, OC Coastkeeper, Sportfishing Conservancy, the UC Davis Center for Watershed Science, the San Francisco Baykeeper and RMA Consultants.
<b>MET ITEMS CRITICAL TO ORANGE COUNTY</b>	
<b>MET's Water Supply Conditions</b>	<p><b><u>2017 Water Supply Balance</u></b></p> <p>With the Department of Water Resources (DWR) increased State Water Project (SWP) "Table A" allocation from 60% to 85%, the allocation will provide MET with approximately 1.624 MAF in SWP deliveries this water year. So far, MET has received approximately 43 TAF of Article 21 supplies. With additional Article 21 supplies expected to be delivered to MET starting in April, MET will receive approximately 100 TAF of Article 21 in total. On the Colorado River system, there is an estimated 960 TAF.</p> <p>MET is projecting that supplies will exceed demand levels in CY 2017. With a current demand trend of 1.5 MAF, MET is expected to increase their dry-year storage by approximately 1.17 MAF. Based on this estimated recovery and a beginning dry-year storage balance of 1.3 MAF, this will bring MET's total dry year storage to a potential range of 2.3 to 2.7 MAF.</p>
<b>MET's Finance and Rate Issues</b>	<p><b><u>MET Financial Report</u></b></p> <p>Water sales through March were 76.3 TAF lower than budget and 170.3 TAF lower than the 5-year average. Three months of this winter were lower than the previous year. Based on 1.563 MAF of sales, water sales would be \$139.1 M lower than budget.</p> <p>The State Water Contractor costs are now \$62.9 M (rather than \$80 M) lower than budget because more water is being moved through State Water Project. Colorado River Aqueduct costs are \$29.5 M lower than budget due to lower water diversions than expected.</p> <p>Expenses are in excess of revenue by \$232 M. To note, the unrestricted reserves are partially funded by water management fund and proceeds from issuance of water revenue bonds for Delta Wetlands Land Purchase.</p>



<b>Colorado River Issues</b>	<p><b><u>Bard Pilot Program Enters Its Second Year</u></b></p> <p>The Bard Seasonal Fallowing Pilot Program (Pilot Program) entered into its second year of fallowing on March 15. This two-year Pilot is testing the water savings potential of a four-month summer fallowing program in the Bard Water District. The 2017 fallowing season was modified at the request of Bard farmers to include two staggered fallowing periods. Instead of fallowing between April 1 and July 31, 2017, Bard farmers will be fallowing for a four-month period of either March 15 to July 15 or April 15 to August 15, 2017, at the choice of the farmer.</p> <p>A total of 1,641 acres are signed up for fallowing in 2017; 752 acres during the first period and 889 acres during the second period. In addition to performing visual field inspections to ensure that fields comply with the terms in the Agreement, MET staff will be evaluating the use of drone technology for field inspections and will develop a recommendation of the drone's effectiveness at the end of the Pilot Program.</p>
<b>Bay Delta/State Water Project Issues</b>	<p><b><u>MET White Papers of California WaterFix</u></b></p> <p>MET staff will be developing three white papers in preparation for the MET Board to take an official position on the California WaterFix. The issues covered by the white papers will include:</p> <ol style="list-style-type: none"> <li>1) Physical Infrastructure</li> <li>2) Operations (including reliability)</li> <li>3) Cost allocation/Finance</li> </ol> <p><b><u>State Water Resources Control Board Hearings</u></b></p> <p>The California WaterFix Petition proceedings before the State Water Resources Control Board (SWRCB) are ongoing. Part 1 of the hearings addresses the effects of the proposed project on legal users of water. Part 2 of the hearings, which are scheduled to begin once the Environmental Impact Report/Environmental Impact Statement is approved and Endangered Species Act permits are approved, will consider the effects of the proposed project on fish and wildlife and review "appropriate flow" criteria.</p> <p>MET staff worked with the State Water Contractors (SWC) to submit written comments on the Phase 1 document on March 17. The comment letter expresses concern that previous comments provided by the SWC have not been addressed, and also reiterates concerns with the use of unimpaired flow as a compliance metric and the requirement for the State Water Project and Central Valley Project to install temporary barriers in the south Delta.</p> <p>Key comments on the Phase I Substitute Environmental Document:</p> <ul style="list-style-type: none"> <li>• Unimpaired flow is an inappropriate metric for setting water quality objectives</li> </ul>

<b>Bay Delta/State Water Project Issues (continued)</b>	<ul style="list-style-type: none"> <li>• Use of agriculture barriers to address south Delta should be reconsidered</li> <li>• Support voluntary agreements to achieve objective</li> </ul> <p>Key comments on the Phase II Technical Report:</p> <ul style="list-style-type: none"> <li>• Unimpaired flow is not a proxy for “natural” or “functional” flow</li> <li>• Uncertainty insufficiently disclosed</li> <li>• Need to apply best statistical practices</li> <li>• Need to consider more current and highly relevant literature</li> </ul> <p>Next steps include participation with SWC in upstream water user discussions as well as participations in SWRCB proceedings and coordination of comments with SWC.</p>
<h2>ENGINEERING &amp; PLANNING</h2>	
<b>Doheny Desalination Project</b>	<p>South Coast Water District (SCWD) is continuing to move the project forward and to look for potential partners and grant funding. The CEQA process has been temporarily put on hold to evaluate the results of a recent geotechnical survey indicating a potentially wider and deeper alluvial channel that may allow for additional and/or alternative slantwell locations. The evaluation is scheduled to be completed by the end of June 2017.</p> <p>SCWD is in the process of establishing a Community Reliability Working Group and is looking to hold a kick-off meeting in May 2017. SCWD will also be conducting workshops on their reliability analysis in May/June 2017 followed by a Project Delivery Analysis workshop scheduled in June 2017.</p>
<b>MET Metering Work Group</b>	<p>The Metering Workgroup is re-evaluating technology and criteria for measuring and accounting for low system flows to provide member agencies more flexibility. The intent is to expand the flow measurement range to better account for low flows than the current metering system provides. Charles Busslinger and Kevin Hostert participated in workgroup meetings on March 29, 2017 and April 26, 2017. The workgroup is making progress on design policy guidance to recognize newer technology (i.e. such as the additional precision provided by mag meters at lower flows) and revisiting MET Administrative Code Section 4504(b) limitation [a.k.a. 10:1 turndown], which currently requires member agencies to pay for flows that are less than 10% of maximum design capacity of the meter as if they received 10% flows. Any final recommendations would be brought to the MET Board for consideration at the end of 2017 or early 2018.</p>

<b>OC-28 Flow Metering Issue with MET</b>	MWDOC and OCWD are awaiting MET's analysis of the flow test to examine the metering issue from last summer. Preliminary results indicate that OCWD is owed about 700 AF of water.
<b>Service Connection CM-1 Cost Issues with MET</b>	Laguna Beach CWD and Newport Beach are continuing to study alternative methods of delivery of the water to avoid complications with the CM-1 meter. We are awaiting the outcome of the studies.
<b>San Juan Watershed Project</b>	Santa Margarita WD continues working on the Draft Environmental Impact Report (DEIR) for the San Juan Watershed Project. Phase 1, scheduled for release in June/July 2017, is designed to capture wet and dry weather runoff, while subsequent phases will look to introduce recycled water into San Juan Creek for Indirect Potable Reuse. Preliminary design work is focusing on locating two rubber dam sites (one just downstream of the confluence with Trabuco Creek, and the other near the southerly end of Alipaz Street). The updated cost estimate for the Phase 1 Rubber Dams has been reduced from \$34 M to \$15 M.
<b>SAWPA</b>	Karl attended the Santa Ana River Project Authority PA-22 Committee to further investigate how the aerial images and interpretation of irrigable areas on a parcel by parcel basis can be used by our agencies to understand the implications of the SWRCB Efficiency Standards. MWDOC will be setting up a workgroup with about five of our agencies to help outline the concepts to develop within OC.
<b>CalDesal</b>	Karl participated in the CalDesal call to provide input and comments into the DWR PSP for desalination projects. Approximately \$93 million is available for brackish and ocean desalination projects.
<b>San Juan Basin Authority</b>	Karl and Charles met with Norris Brandt, the new Executive Administrator of the San Juan Basin Authority, to discuss opportunities to work together to help move projects forward.
<b>Orange County Reliability Study</b>	CDM-Smith and MWDOC staff are in the process of completing follow-up work to the 2016 study. The work includes modeling of more recently available information, updating Colorado River assumptions, assessment of additional scenarios for the Huntington Beach Desalination Plant, and assessment of the value of new storage. The work is expected to be completed in three to four months.
<b>Poseidon Resources Ocean Desalination Project</b>	Poseidon is still working on the permitting process, and OCWD is still working on the system integration concepts.
<b>City of Buena Park</b>	Director Brett Barbre and Karl met with Mayor Beth Swift, Councilman Fred Smith, and City Manager Jim Vanderpool, City of Buena Park, to discuss current water issues.

## EMERGENCY PREPAREDNESS

<b>Coordination with WEROC Member Agencies</b>	Francisco Soto finalized the Hazard Mitigation Plan Update Request for Proposals and released it to potential vendors. It is posted on the MWDOC website as well. Proposals are to be submitted to MWDOC by May 19, 2017. The hazard mitigation plan is required to be updated every seven years to be eligible for Hazard Mitigation Grant funds. The costs for the update will be equally shared by the 20water and wastewater agencies that are participating in the plan process.
<b>WEROC Radio Replacement Project</b>	<p>WEROC hosted a WEROC Radio Replacement Kickoff meeting with Member Agencies and the County Communications Staff. The purpose was to explain what has been happening with the current WEROC radio system, what solutions were considered, and the proposed solution moving forward. Staff used the time to confirm what agencies needed for communications and to answer any questions they had.</p> <p>Kelly Hubbard, Janine Schunk and Francisco began conducting site visits to test the new 800 MHz radio system at various member agency sites. Member agencies were asked to self-identify if they believed testing was needed at their facilities. The purpose of the test was to ensure that the proposed new radio system will function for each agency before implementation.</p> <p>Kelly attended the 800 MHz Countywide Coordinated Communications System (CCCS) Governance Committee to request approval of adding a WEROC channel to the County's 800 MHz system. The Committee approved the request. WEROC and the non-city Member Agencies will still need to sign the Joint Agreement for the Operation, Maintenance and Financial Management of the Orange County 800 Megahertz Countywide Coordinated Communications System to officially join the communications system. All WEROC City Members have already signed this agreement. The agreement largely commits the agencies to follow proper use and operation protocols for the system, as well as to pay for the annual maintenance and backbone cost sharing fees. The agreement will be presented to the MWDOC Board in June.</p> <p>Kelly met with County Communications Staff, Motorola Government Accounts, and their subcontractor for radio installation to discuss the project to ensure that the quotes are as accurate as possible when presented to the MWDOC Board. The project is complex due to 35 agencies, 40+ sites for</p>

<b>WEROC Radio (Continued)</b>	programing/installation, and various levels of recommended service or equipment based on agency/site needs. Staff expects to bring a full proposal to the MWDOC Board in June.
<b>Training and Programs</b>	<p>Kelly and Francisco attended California State Training Institute (CSTI) EOC Section Specific Train-the-Trainer Training. This training is part of a series that will certify WEROC staff to provide EOC Section Specific Training to staff and Member Agencies as part of the state's new EOC Staff Credentialing system. Additionally, it provided staff with new resources and updated training materials that can be used on a regular basis and shared with Member Agencies.</p> <p>In Anaheim, Francisco attended the Cal/NV AWWA Spring Conference which provided him the opportunity to network and gain a better understanding of the water industry. Francisco attended educational sessions related to emergency planning and water operations.</p> <p>All three WEROC staff received American Red Cross First Aid, CPR and AED certification. Kelly attended Sexual Harassment Prevention Training.</p>
<b>Coordination with the County of Orange</b>	Francisco and Kelly attended the April monthly Orange County Emergency Management Organization Meeting (OCOMO) and a CalOES Public Assistance Workshop. OCOMO was focused on follow-ups to the winter storms and updates on county-wide coordination efforts. The Public Assistance Workshop was to brief agencies on the process for FEMA reimbursement for the Winter Storms. WEROC staff attended to assist any member agencies that are filing for reimbursement.
<b>Coordination with Outside Agencies</b>	Kelly provided facilitation of the California Water and Wastewater Agency Response Network (CalWARN) bi-annual workshop at the Cal-NV Spring Conference in Anaheim. She facilitated a tabletop discussion on lessons learned from responding to the winter storms this year and provided a presentation on the FEMA reimbursement process.
<b>WEROC Emergency Operations Center (EOC) Readiness</b>	<p>A request for quotes for a seismic study of the WEROC South EOC has been sent out to multiple consultants. Quotes were due April 14. Please see full staff report in this month's packet for more information.</p> <p>Janine met with ATT Phone Repair staff to have 4 phone lines repaired at the WEROC South EOC. She also met with MET staff twice to have locks at the North EOC repaired.</p> <p>Janine has made significant progress on updating member agency, MWDOC, and vendor contacts within the four plans and user list of Safety Center (Emergency Plan App), AlertOC, and other areas of the EOC for response readiness.</p>

<b>EOC Readiness (Continued)</b>	Janine successfully participated in the County OA 1 and MARS (MET radio system) radio exercises this month.
<b>WATER USE EFFICIENCY</b>	
<b>California Water Efficiency Partnership (Cal-WEP)</b>	<p><i>Relationship with the Alliance for Water Efficiency</i>  On April 10 and 25, Joe Berg participated in committee meetings to consider the Cal-WEP relationship to its national sister organization, the Alliance for Water Efficiency (AWE). The committee recommended the Board join the AWE as a state-level chapter. Chapter status could provide for direct access to all AWE resources and tools and more direct representation on water use efficiency issues at the national level. The full Board supported this recommendation at its April 28 meeting. Subcommittees of the two Boards will meet in May to begin exploring this opportunity.</p> <p><i>Executive Director Search</i>  In Sacramento on April 11, Joe chaired the Cal-WEP Executive Director Search Committee at the Cal-WEP office. With the help of a search consultant, the committee reviewed the candidate pool and recommended candidates for interviews by the Search Committee and Board. These interviews took place on April 18 and April 28. The search consultant and Search Committee are now in the process of finalizing the Executive Director negotiations. An announcement of the new Executive Director is anticipated in late May.</p> <p><i>Governance and Finance Committee</i>  On April 27, Joe chaired the Cal-WEP Governance and Finance Committee. Topics of discussion included:</p> <ul style="list-style-type: none"> <li>• Approve Minutes of March 8, 2017 Finance Meeting</li> <li>• Approve 2017 Quarter 1 Financials for Board Packet</li> <li>• Peer to Peer 2017 Update</li> <li>• Communications and Ambassadors Update</li> <li>• Board of Directors Stipend</li> <li>• Bylaws Update</li> <li>• Relationship with AWE Update</li> <li>• Water Foundation Grant Update</li> <li>• CUWCC/Cal-WEP 25-Year Celebration</li> <li>• Interim Executive Director's Report</li> </ul>

<b>Cal-WEP (Continued)</b>	The next Governance and Finance Committee meeting is scheduled for June 14 in Sacramento.
<b>California Landscape Contractors Association (CLCA) Model Water Efficient Landscape Ordinance (MWELO) Workshop</b>	<p>On April 13, Matthew Conway attended the CLCA MWELO Workshop at the Chino Basin Water Conservation District. Approximately 50 people attended, including landscape architects, designers, contractors, and water district employees. Topics for discussion included:</p> <ul style="list-style-type: none"> <li>• Overview of Water Efficient Landscape Ordinance</li> <li>• MWELO Soil Testing and Management</li> <li>• Irrigation and Appendix D</li> <li>• Water Budgeting/ETAF Calculations and Appendices A and B</li> <li>• A Perspective on MWELO Application and Completion Process</li> <li>• Commercial and Residential Design Problems</li> <li>• Design/Hydrozone Exercise</li> </ul> <p>MWDOC staff is working with the CLCA to offer a workshop in Orange County to be hosted by MWDOC.</p>
<b>DWR Public Hearing</b>	On April 17, Joe attended a public hearing held by California Department of Water Resources (DWR) to provide public comments on Water Loss Control Reporting required by SB 555. Ten representatives from public water agencies and consultants provided comments. DWR indicated that based on the comments received, changes are likely, and the draft rulemaking would be released for one last brief review period.
<b>Orange County Education Program Advisory Committee (Education PAC)</b>	<p>On April 19, Joe, Matthew, and Beth Fahl hosted the first Orange County Education PAC meeting at MWDOC, where seven agencies participated in the meeting. Highlights on the agenda included:</p> <ul style="list-style-type: none"> <li>• Current Educational Offerings – Regional (MET)</li> <li>• Current Educational Offerings - Local</li> <li>• Gap Discussion</li> <li>• Next Steps</li> <li>• Hosting a CFLT at Santiago Canyon College</li> </ul> <p>On May 4, Joe, Matthew, Beth, and Steve Hedges hosted the second Education PAC meeting at MWDOC, where seven agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> <li>• Classes for Commercial Personnel</li> <li>• Classes for Residential Customers</li> <li>• Videos</li> </ul> <p>The next Education PAC will be held in late-May or early-June at MWDOC.</p>

<b>ACC-OC Water Committee</b>	On May 3, Joe attended the Association of California Cities – Orange County (ACC-OC) Water Committee chaired by Dr. Allan Bernstein, Mayor of the City of Tustin. In addition to ACC-OC staff, representatives from the City of Anaheim, Irvine Ranch Water District, Mesa Water, and Orange County Water District attended this meeting. The committee reviewed legislation proposed by Assembly members Rubio and Friedman to implement recommendations contained in the Governor's "Making Water Conservation a California Way of Life" report. As a result of this meeting, the Water Committee will recommend that the Legislative committee support the Rubio bills and oppose the Friedman bills.
<b>Orange County Water Use Efficiency Coordinators Workgroup</b>	<p>On May 4, Joe, Beth, Steve, Matthew, Rachel Waite, and Laura Loewen hosted the OC WUE Coordinators' Workgroup meeting at MWDOC where about 25 agencies participated. Highlights on the agenda included:</p> <ul style="list-style-type: none"> <li>• MWDOC Updates</li> <li>• Agency Roundtable/Problem Solving</li> <li>• Water Supply Update</li> <li>• SWRCB Long-Term Efficiency Standards Update</li> <li>• Choice Invoices</li> <li>• Public Affairs/Marketing Update</li> <li>• Education PAC Update</li> <li>• Water Use Efficiency Programs Update</li> </ul> <p>The next meeting is scheduled for July 6 at MWDOC.</p>
<b>United States Bureau of Reclamation (Bureau) Grants Review</b>	On May 8, MWDOC's Water Use Efficiency Department hosted Ms. Deb Whitney from the Bureau for an annual grants review. Staff provided Ms. Whitney with a status report on goals, progress made toward those goals, and challenges encountered during implementation for four Bureau grant awards. Staff also provided a summary of the Water Loss Control Work Group and technical assistance to complete water balances, component analysis, meter accuracy testing, and leak detection. Ms. Whitney was very complimentary of MWDOC's water use efficiency and water loss control efforts.
<b>PUBLIC/GOVERNMENT AFFAIRS</b>	
<b>Member Agency Relations</b>	<p>Heather and Melissa worked on a presentation on the long-term framework for the MWDOC Elected Officials' Forum.</p> <p>Public Affairs staff created lawn signs for the turf removal program.</p>



<b>Member Agency Relations (Continued)</b>	<p>Heather prepared a presentation for the MWDOC Member Agency Managers' meeting on the implementation of the Governor's long-term framework, <i>Making Conservation a California Way of Life</i>.</p> <p>Public Affairs staff sent out the AMWA Monday Morning Briefing and the Regulatory Report to the member agency managers.</p> <p>Public Affairs staff coordinated one-on-one meetings between member agencies and MWDOC's consultant for the annual Consumer Confidence (water quality) Reports.</p> <p>Public Affairs staff attended the Elected Officials Forum.</p> <p>Public Affairs staff gave final approval to the whiteboard video on the California WaterFix and the script on the second video.</p>
<b>Community Relations</b>	<p>Staff sent out the weekly California Sprinkler Adjustment Notification System (CSANS) emails.</p> <p>Public affairs staff attended the Orange County REALTORS Green Day event to promote the water conservation door hanger program.</p> <p>Public affairs staff worked with Pacific West Association of REALTORS staff to organize and distribute the first cycle of water conservation door hangers.</p> <p>Public affairs staff worked with Orange County REALTORS staff to create and manage the orders for the third cycle of water conservation door hangers.</p> <p>Public Affairs staff sent out the April edition of e-Currents.</p>
<b>Education</b>	<p>Staff attended the Costa Mesa High School Expo. Staff from Mesa Water District were also in attendance.</p> <p>Public Affairs staff meet with Shannon Widor and Noelle Collins, Mesa Water District, to plan a future Boy Scout clinic.</p> <p>Public Affairs staff met with Orange County Girl Scouts' staff to discuss future partnership opportunities with the Ambassador Water Badge.</p>

<b>Education (Continued)</b>	<p>Public Affairs staff attended the San Clemente High School Expo, along with staff from the City of San Clemente.</p> <p>Public Affairs staff participated in a conference call with MET and MET member agencies regarding a potential education grant.</p> <p>Public Affairs staff brought Ricki Raindrop to Mesa Water District's Imaginology STEAM event at the OC Fairgrounds.</p>
<b>Media Relations</b>	<p>Public Affairs staff was quoted about water efficiency in a news story after a community event MWDOC staffed.</p> <p>Public Affairs staff issued a news release in wake of the Governor lifting the drought "emergency."</p> <p>Public Affairs staff drafted a potential op-ed on proposed legislation in Sacramento.</p>
<b>Special Projects</b>	<p>MWDOC staff finished the first draft of the "Water 101" booklet for ACC-OC.</p> <p>Heather staffed the WACO Planning meeting where the group finalized the May program and shared ideas for June and July.</p> <p>Heather staffed the WACO meeting featuring speaker Mr. Bill Hasencamp of MET.</p> <p>The Public Affairs team attended the WEROC EOC staff monthly training meeting.</p> <p>Public Affairs staff met with HashtagPinpoint Social Media to discuss parameters for the MWDOC campaign.</p> <p>Staff attended an ISDOC By Laws Workgroup meeting with Directors Jim Fisler, Sandra Jacobs, and Mary Aileen Matheis, as well as Stacy Taylor, Mesa Water.</p> <p>Public Affairs staff attended the monthly ISDOC Executive Committee Meeting.</p> <p>Public Affairs staff sent out the official notice and call for candidates for the ISDOC secretary vacancy.</p> <p>Public Affairs staff met with the program manager of the Girl Scouts to finish a badge-sponsorship proposal.</p>

<b>Special Projects</b>	<p>Public Affairs staff are currently working on itineraries, trip logistics, and guest and Director requirements for the following inspection trip:</p> <p>1. June 23-24, Director Ackerman, CRA/Hoover</p> <p>Public Affairs staff accompanied Director McKenney on the May 5 tour of Diamond Valley Lake and the Santa Rosa Plateau.</p> <p>Public Affairs staff continues to work with MWDOC department representatives and LA Design Studio on developing material and providing direction and content for the new MWDOC website.</p>
<b>Legislative Affairs</b>	<p>In Sacramento, Heather attended the ACWA State Legislative Committee meeting.</p> <p>Heather drafted and coordinated coalition letters for AB 968 and AB 1654 (Rubio) and AB 1668 and AB 1669 (Friedman).</p> <p>Heather monitored the Assembly Water, Parks and Wildlife Committee meeting where legislation to implement the Governor's conservation framework was presented.</p> <p>Heather and Melissa participated in the MET member agency legislative coordinators' conference calls.</p> <p>Heather participated in the Southern California Water Committee legislative taskforce conference call.</p> <p>Heather, Melissa &amp; Joe attended the ACWA webinar to discuss the competing legislation to implement the Governor's framework and next steps.</p> <p>Heather participated in CSDA's Little Hoover Commission working group webinar.</p>
<b>Water Summit</b>	<p>Public Affairs staff wrote sections of the script for the OC Water Summit and met with Disney staff at the Grand Californian for a walk through.</p>



**INFORMATION CALENDAR**

**MWDOC GENERAL INFORMATION  
ITEMS**

**MWDOC BOARD OF DIRECTORS**

- Brett R. Barbre
- Larry D. Dick
- Wayne Osborne
- Joan Finnegan
- Sat Tamaribuchi
- Jeffery M. Thomas
- Megan Yoo Schneider