

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
March 14, 2018, 8:30 a.m.
MWDOC Conference Room 101

Committee:

Director Thomas, Chair
Director Dick
Director Finnegan

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

Ex Officio Member: Director Barbre

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

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

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – February 2018
 - b. Disbursement Approval Report for the month of March 2018
 - c. Disbursement Ratification Report for the month of February 2018
 - d. GM Approved Disbursement Report for the month of February 2018
 - e. Water Use Efficiency Projects Cash Flow – February 28, 2018
 - f. Consolidated Summary of Cash and Investment – January 2018
 - g. OPEB Trust Fund monthly statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period ending January 31, 2018

ACTION ITEMS

3. GRANT TRACKING AND ACQUISITION SERVICES
4. ATTENDANCE AT THE NATIONAL WATER RESOURCES ASSOCIATION (Nwra) FEDERAL WATER ISSUES CONFERENCE, APRIL 9-11, 2018, WASHINGTON, DC
5. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) – “NO DRINKING WATER TAX” EDUCATION AND OUTREACH CAMPAIGN

DISCUSSION ITEM

6. SECOND DRAFT OF THE FY 2018-19 BUDGET
7. COMPENSATION & BENEFITS STUDY REPORT (oral report)

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

8. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
9. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

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

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
February 2018**

WATER REVENUES

Date	From	Description	Amount
02/02/18	City of La Palma	December 2017 Water deliveries	4,054.57
02/02/18	City of Brea	December 2017 Water deliveries	93,699.95
02/02/18	City of San Clemente	December 2017 Water deliveries	594,811.37
02/05/18	Serrano Water District	December 2017 Water deliveries	9,486.94
02/05/18	City of Fountain Valley	December 2017 Water deliveries	167,594.70
02/05/18	Trabuco Canyon Water District	December 2017 Water deliveries	131,958.08
02/08/18	Laguna Beach County Water District	December 2017 Water deliveries	147,523.43
02/08/18	City of Westminster	December 2017 Water deliveries	304,666.57
02/08/18	City of Garden Grove	December 2017 Water deliveries	509,175.78
02/09/18	City of La Habra	December 2017 Water deliveries	5,897.85
02/12/18	El Toro Water District	December 2017 Water deliveries	505,328.57
02/12/18	Santa Margarita Water District	December 2017 Water deliveries	1,700,475.78
02/12/18	South Coast Water District	December 2017 Water deliveries	386,282.27
02/12/18	Mesa Water	December 2017 Water deliveries	336,407.80
02/13/18	City of Westminster	December 2017 Water deliveries	364,869.79
02/14/18	City of Orange	December 2017 Water deliveries	342,842.88
02/15/18	East Orange County Water District	December 2017 Water deliveries	357,964.96
02/15/18	Orange County Water District	December 2017 Water deliveries	43,551,644.50
02/15/18	Irvine Ranch Water District	December 2017 Water deliveries	862,780.17
02/15/18	Moulton Niguel Water District	December 2017 Water deliveries	1,929,084.60
02/15/18	Golden State Water Company	December 2017 Water deliveries	721,761.05
02/15/18	Yorba Linda Water District	December 2017 Water deliveries	581,667.32
02/22/18	City of Westminster	January 2018 Water deliveries	183,022.32

TOTAL REVENUES \$ 53,793,001.25

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
February 2018

MISCELLANEOUS REVENUES

Date	From	Description	Amount
02/26/18	City of Santa Ana	6/1/18 OC Water Summit registration	130.00
02/28/18	Paypal	6/1/18 OC Water Summit registrations	1,763.92
02/26/18	Mesa Water	6/1/18 OC Water Summit sponsorship	7,500.00
02/28/18	Paypal	6/1/18 OC Water Summit sponsorships	3,495.00
02/02/18	Stan Sprague	February 2018 Retiree Health insurance	243.00
02/12/18	Christina Fuller	Movie tickets	34.00
02/26/18	SDRMA	Reimbursement for Loss Prevention program	1,000.00
02/28/18	US Bank	CAL Card rebate check	521.00
02/12/18	Santa Margarita Water District	October 2017 Smartimer rebate program	60.00
02/05/18	Irvine Ranch Water District	Oct-Dec 2017 Smartimer rebate program	2,584.21
02/09/18	City of Huntington Beach	Nov-Dec 2017 Smartimer rebate program	127.86
02/09/18	Mesa Water	December 2017 Smartimer rebate program	67.86
02/12/18	El Toro Water District	December 2017 Smartimer rebate program	59.00
02/05/18	City of Newport Beach	September 2017 Turf Removal rebate program	131.51
02/09/18	City of Orange	December 2017 Turf Removal rebate program	444.00
02/14/18	Irvine Ranch Water District	December 2017 Turf Removal rebate program	28,792.00
02/22/18	City of Westminster	December 2017 Turf Removal rebate program	111.00
02/16/18	City of San Clemente	December 2017 Spray to Drip rebate program	13.57
02/16/18	City of San Clemente	Oct & Dec 2017 Smartimer and Turf Removal rebate program	5,813.29
02/15/18	City of Fountain Valley	December 2017 Turf Removal and Spray to Drip rebate program	428.00
02/22/18	Moulton Niguel Water District	December 2017 Smartimer, Rotating Nozzle & Turf Removal rebate program	27,047.16
02/26/18	Moulton Niguel Water District	January 2018 So Cal Watersmart rebate program	10,600.00
02/12/18	El Toro Water District	Nov 17-Jan 18 So Cal Watersmart rebate program	1,240.00
02/14/18	Irvine Ranch Water District	Nov-Dec 2017 So Cal Watersmart rebate program	119,346.40
02/16/18	City of San Clemente	Nov-Dec 2017 So Cal Watersmart rebate program	1,875.00
02/22/18	Moulton Niguel Water District	Nov-Dec 2017 So Cal Watersmart rebate program	20,200.00
02/22/18	Laguna Beach County Water District	December 2017 So Cal Watersmart rebate program	150.00
02/15/18	City of Westminster	Addition to Choice School program FY 17-18	644.80

TOTAL MISCELLANEOUS REVENUES \$ **234,422.58**

TOTAL REVENUES \$ **54,027,423.83**

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1166	February 2018 Consulting on legal and regulatory matters	2,150.00
	*** Total ***	2,150.00
	ALTA FoodCraft	
51803661	2/16/18 Coffee & tea supplies	233.20
	*** Total ***	233.20
	Awards & Trophies Co., Inc.	
17759	Name plate for S. Wilson	15.24
17858	Name plate for T. Muldoon	15.24
	*** Total ***	30.48
	Best Best and Krieger LLP	
55401-JAN18	January 2018 Legal services	5,931.27
815213	January 2018 State legislative advocacy services	8,167.72
	*** Total ***	14,098.99
	Board of Equalization	
2017	2017 Sales tax on purchases	748.91
	*** Total ***	748.91
	CDM Smith	
90039089	January 2018 Engineering services for O.C. Water Reliability Investigation	7,080.00
	*** Total ***	7,080.00
	Government Finance Officers Assoc.	
0122001-2018	4/1/18-3/31/19 Annual membership renewal	160.00
	*** Total ***	160.00
	Green Shades Software, Inc.	
127310	2017 W-2 Upload fee	17.36
	*** Total ***	17.36
	HashtagPinpoint Corporation	
1143	February 2018 Social media consultation and services	9,500.00
	*** Total ***	9,500.00
	IDS Group	
17X114.00-2	1/27/18-2/26/18 Architectural, space planning, design and engineering services for MWDOC office area	2,112.00
17S020.04-1	10/27/17-1/31/18 Structural engineering services for MWDOC Administration building seismic retrofit concepts	3,300.00
17S020.04-2	2/1/18-2/26/18 Structural engineering services for MWDOC Administration building seismic retrofit concepts	3,300.00
	*** Total ***	8,712.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	James C. Barker, P.C.	
105-0218	February 2018 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Jill Promotions	
10148	Promotional mint tins with MWDOC logo	444.55
	*** Total ***	444.55
	Karen's Detail Custom Frames	
2993	Custom framing for resolutions for Senator Issa & Congressman Royce	306.01
	*** Total ***	306.01
	Lawnscape Systems, Inc.	
393249	March 2018 Gardening service for atrium	295.00
	*** Total ***	295.00
	Phil Letrong	
DEC2017	December 2017 Retiree medical premium	134.00
	*** Total ***	134.00
	Lewis Consulting Group, LLC	
2018-114	February 2018 Consulting services	2,937.50
	*** Total ***	2,937.50
	Edward G. Means III	
MWDOC-1056	February 2018 MET issues and guidance to Engineering staff	1,386.99
	*** Total ***	1,386.99
	MyBinding.com	
096565	2/19/18-2/18/19 Annual maintenance renewal for binding machine	695.00
	*** Total ***	695.00
	National Water Resources Association	
2018-NWRA	2018 Annual membership renewal	500.00
	*** Total ***	500.00
	New Horizons CLC	
INV-4011552-L1K4N	3/12/18-3/16/18 Cyber Security training for P. Dinh	1,833.00
	*** Total ***	1,833.00
	Norco Delivery Services	
712715	2/2/18 Delivery charges for Board packets	94.09
712817	2/16/18 Delivery charges for Board packets	139.92
	*** Total ***	234.01

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Solutions	
I-01315115	1,000 #9 Security window envelopes	183.99
I-01315116	2,500 #10 Regular envelopes	196.84
I-01317423	1,000 #10 Window envelopes	176.52
I-01321589	2/21/18 Office supplies	120.72
I-01322882	2/23/18 Office supplies	56.53
	*** Total ***	734.60
	Orange County Fast Print, Inc.	
55942	1,500 Business cards	166.63
	*** Total ***	166.63
	Orange County Water District	
18643	January 2018 50% share of WACO expense	217.50
18683	January 2018 Postage, shared office & maintenance expense	8,156.71
	*** Total ***	8,374.21
	Patricia Kennedy Inc.	
21725	March 2018 Plant maintenance	214.00
	*** Total ***	214.00
	Petty Cash	
DEC17-FEB18	December 2017-February 2018 Petty Cash reimbursement	277.47
	*** Total ***	277.47
	So. Cal. Water Committee	
1104	Annual membership renewal	1,000.00
	*** Total ***	1,000.00
	Spectrum Business Centers	
193318	3/19/18-3/19/19 Maintenance for Ricoh color copier	350.00
	*** Total ***	350.00
	Tetra Tech, Inc.	
51275532	November-December 2017 Services for Hydraulics/Interconnections calculations for CM-1	4,960.00
	*** Total ***	4,960.00
	USAFact, Inc.	
8030336	2/21/18 Pre-employment background check	35.06
	*** Total ***	35.06
	Total Core Expenditures	<hr/> 75,608.97

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Choice Expenditures:		
	Discovery Science Center	
DSOC/IV/000689	February 2018 Elementary school program	43,506.54
	*** Total ***	43,506.54
	Droplet Technologies LLC	
1074	Annual license fee for web based rebate processing and database platform for Water Use Efficiency rebate programs	41,222.00
	*** Total ***	41,222.00
	Enterprise Information Sys Inc	
MWDOC-22006	January-March 2018 Technical support for California Sprinkler Adjustment Subscription System program	3,000.00
	*** Total ***	3,000.00
	Orange County Water District	
18683	January 2018 Postage for Water Use Efficiency rebate programs	297.53
	*** Total ***	297.53
	Top Hat Productions	
93797	3/1/18 Lunch for Water Use Efficiency Workgroup meeting	434.77
	*** Total ***	434.77
	Total Choice Expenditures	<hr/> 88,460.84

Other Funds Expenditures:

	Droplet Technologies LLC	
1074	Annual license fee for web based rebate processing and database platform for Water Use Efficiency rebate programs	850.00
	*** Total ***	850.00
	EcoTech Services, Inc.	
1102	1/26/18-2/25/18 One-on-One design assistance for Landscape Design program	3,600.00
	*** Total ***	3,600.00
	IDS Group	
17S020.02-2	11/24/17-2/28/18 Architectural and Structural services for support and bracing for WEROC S. EOC	3,010.00
	*** Total ***	3,010.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of March 2018**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mega Maids Cleaning Service</i>	
9389	February 2018 WEROC N. EOC cleaning services	80.00
	*** Total ***	80.00
	<i>Mission RCD</i>	
2431	February 2018 Field verifications for Water Use Efficiency rebate programs	11,098.11
	*** Total ***	11,098.11
	<i>Petty Cash</i>	
DEC17-FEB18	December 2017-February 2018 Petty Cash reimbursement	17.00
	*** Total ***	17.00
	<i>Total Other Funds Expenditures</i>	<u>18,655.11</u>
	<i>Total Expenditures</i>	<u><u>182,724.92</u></u>

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of February 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
137701	2/8/18	SPECTB 0375210012018	Spectrum Business February 2018 Telephone and internet expense ***Total ***	1,098.04 1,098.04
137703	2/8/18	VERIZO 9800465219	Verizon Wireless January 2018 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
137713	2/15/18	IRONMO PUB9248	Iron Mountain February 2018 Archived document storage fees ***Total ***	195.29 195.29
137718	2/15/18	SPECTB 0343564020118	Spectrum Business February 2018 Telephone expense for 3 analog fax line ***Total ***	106.24 106.24
137719	2/15/18	STAPLC 4362-FEB18	Staples Credit Plan 1 Pack Certificate paper for MET Inspection trips ***Total ***	44.17 44.17
ACH003009	2/15/18	ACKEEX 013118	Linda Ackerman January 2018 Business expense ***Total ***	76.30 76.30
ACH003011	2/15/18	BAEZHE 020118	Heather Baez January-February 2018 Business expense ***Total ***	354.72 354.72
ACH003012	2/15/18	BERGJO 013118	Joseph Berg January 2018 Business expense ***Total ***	219.37 219.37
ACH003015	2/15/18	BUSSLI 123117	Charles Busslinger December 2017 Business expense ***Total ***	79.64 79.64
ACH003017	2/15/18	CHUMPI 013118	Hilary Chumpitazi January 2018 Business expense ***Total ***	72.09 72.09
ACH003018	2/15/18	CONWAY 020118	Matthew Conway January-February 2018 Business expense ***Total ***	91.34 91.34

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of February 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003019	2/15/18	DELATO 012618	Harvey De La Torre January 2018 Business expense ***Total ***	 93.35 93.35
ACH003020	2/15/18	DICKEY 013118	Larry Dick January 2018 Business expense ***Total ***	 95.40 95.40
ACH003021	2/15/18	DINHPA 013118	Patrick Dinh January 2018 Business expense ***Total ***	 54.50 54.50
ACH003026	2/15/18	FINNEG 013118	Joan Finnegan January 2018 Business expense ***Total ***	 92.77 92.77
ACH003027	2/15/18	HARRIS 013118	Cathleen M. Harris January 2018 Business expense ***Total ***	 68.62 68.62
ACH003028	2/15/18	HOSTER 020118	Kevin Hostert January 2018 Business expense ***Total ***	 66.18 66.18
ACH003030	2/15/18	HUNTER 011518	Robert J. Hunter January 2018 Business expense ***Total ***	 58.60 58.60
ACH003031	2/15/18	RICOHMA 5052099744	Ricoh USA, Inc. September-November 2017 Reproduction costs ***Total ***	 825.17 825.17
ACH003049	2/15/18	ROBERT 013118	Bryce Roberto January 2018 Business expense ***Total ***	 211.70 211.70
ACH003050	2/15/18	SCHNEI 013118	Megan Yoo Schneider January 2018 Business expense ***Total ***	 510.10 510.10
ACH003051	2/15/18	TAMARI 013118	Satoru Tamaribuchi January 2018 Business expense ***Total ***	 124.81 124.81
ACH003052	2/15/18	THOMAS 013118	Jeffery Thomas January 2018 Business expense ***Total ***	 137.34 137.34

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of February 2018**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
		WAGEWO	Wageworks	
EFT-180223	2/23/18	INV496708	January 2018 Cafeteria plan administration	14.52
EFT-180223B	2/23/18	INV496716	January 2018 Cafeteria plan administration	166.73
			***Total ***	181.25
137753	2/28/18	USBANK	U.S. Bank	
		4140-JAN18	12/22/17-1/22/18 Cal Card charges	15,267.68
			***Total ***	15,267.68
			(See attached sheet for details)	
ACH003057	2/28/18	BAUMHA	Melissa Baum-Haley	
		123117	December 2017 Business expense	382.75
			***Total ***	382.75
Total Core Disbursements				20,621.45

Choice Disbursements:

ACH003012	2/15/18	BERGIO	Joseph Berg	
		013118	January 2018 Business expense	132.59
			***Total ***	132.59
Total Choice Disbursements				132.59

Other Funds Disbursements:

137699	2/8/18	ATTCALN	AT&T	
		000010847809	January 2018 WEROC S. EOC telephone expense	113.81
		000010847810	January 2018 WEROC N. EOC telephone expense	104.23
			***Total ***	218.04
137700	2/8/18	ATTEOC	AT&T	
		0532-JAN18	January 2018 WEROC N. EOC dedicated phone line	69.77
			***Total ***	69.77
137702	2/8/18	TURFRP	Turf Removal Program	
		TR11-R-BP-3143-21056A	L. Mahalingam (Re-issue)	278.00
			***Total ***	278.00
137703	2/8/18	VERIZO	Verizon Wireless	
		9800465219	January 2018 4G Mobile broadband unlimited service	38.01
			***Total ***	38.01
137706	2/15/18	ATTUVEOC	AT&T	
		8599-FEB18	February 2018 WEROC N. EOC U-verse internet service	60.00
			***Total ***	60.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of February 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137716	2/15/18	RWOSRP	Recycled Water Program	
		RTF4019	Recycled Water On-Site Retrofit program -	4,423.25
			TIC Investment Company LLC (Irvine)	
			***Total ***	4,423.25
137717	2/15/18	SEALBE	City of Seal Beach	
		DEC2017	December 2017 Credit for "In-Lieu" water purchase	22,031.85
			***Total ***	22,031.85
ACH003012	2/15/18	BERGJO	Joseph Berg	
		013118	January 2018 Business expense	4.50
			***Total ***	4.50
ACH003029	2/15/18	HUBBAR	Kelly Hubbard	
		123117	December 2017 Business expense	111.66
			***Total ***	111.66
		TURFRP	Turf Removal Program	
137721	2/22/18	TR10-R-SM-17622-17570	T. Knego	584.76
137722	2/22/18	TR11-R-ETWD-17833-	T. Crane	720.61
137723	2/22/18	TR11-R-IRWD-17849-17760	F. Stehberger	754.00
137724	2/22/18	TR11-R-IRWD-17864-17773	K. Patel	800.00
137725	2/22/18	TR11-R-SC-17900-17815	H. Hosseiny	3,662.00
137726	2/22/18	TR11-R-MNT-18904-18820	J. Kepner	3,914.00
137727	2/22/18	TR11-R-MNT-18908-18824	M. Sacks	548.94
137728	2/22/18	TR11-R-MNT-18922-18841	O. Aguilar	698.09
137729	2/22/18	TR11-R-SC-21055-20968	M. Marshall	1,054.00
137730	2/22/18	TR11-R-MNT-21082-20999	B. Christiansen	8,744.00
137731	2/22/18	TR11-R-SM-21135-21047	B. Wood	805.00
137732	2/22/18	TR11-R-MNT-21025-21057	M. Leventhal	594.00
137733	2/22/18	TR11-R-LB-21161-21075	J. Park	738.00
137734	2/22/18	TR11-R-SM-21167-21080	M. Milosevich	253.00
137735	2/22/18	TR11-R-MNT-22187-22097	J. Kratz	1,200.00
137736	2/22/18	TR11-R-SM-22211-22128	R. Barnett	400.00
137737	2/22/18	TR11-R-MNT-22225-22141	J. Samuelson	876.00
137738	2/22/18	TR11-R-IRWD-23250-23162	R. Hall	1,008.00
137739	2/22/18	TR11-R-MNT-23271-23182	S. Martinez	1,004.00
137740	2/22/18	TR11-R-MNT-23286-23194	M. Natale	854.00
137741	2/22/18	TR11-R-SM-23319-23230	M. Langes	902.00
137742	2/22/18	TR11-R-SM-23349-23255	N. Boatright	302.00
			***Total ***	30,416.40
		DRIPPR	Spray to Drip Program	
137743	2/23/18	S2D1-R-SM-21122-13078	E. Chun	350.00
137744	2/23/18	S2D1-R-SM-23319-13111	M. Langes	350.00
137745	2/23/18	S2D1-R-SM-23353-13113	C. Salmon	175.00
			***Total ***	875.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of February 2018**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
137748	2/28/18	CATALI 0015237	Catalina Island Conservancy February 2018 WEROC radio repeater site lease ***Total ***	 1,804.20 1,804.20
137752	2/28/18	SANTI1 DEC2017	Santiago Aqueduct Commission December 2017 SAC Pipeline operation surcharge ***Total ***	 3,912.16 3,912.16
ACH003068	2/28/18	SANTAM DEC2017	Santa Margarita Water District December 2017 SCP Pipeline operation surcharge ***Total ***	 23,582.40 23,582.40
ACH003069	2/28/18	SOTOFR 123117A	Francisco Soto December 2017 Business expense	39.71
ACH003070	2/28/18	013118	January 2018 Business expense ***Total ***	39.74 79.45
WIRE-180228	2/28/18	METWAT 9241	Metropolitan Water District December 2017 Water deliveries ***Total ***	 55,251,418.75 55,251,418.75
Total Other Funds Disbursements				55,339,323.44
Total Disbursements				55,360,077.48


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

Cal Card Statement Detail
Statement Date: January 22, 2018
Payment Date: February 28, 2018

Date	Description	Amount
<u>K. Seckel Card</u>		
12/22/17	California Society of Municipal Finance Officers conference in Riverside, CA from Feb. 20-23, 2018 - Registration for H. Chumpitazi	370.00
12/22/17	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Registration for Director Yoo Schneider	475.00
12/24/17	9/24/17-12/23/17 Web hosting service for MWDOC website	16.97
01/03/18	Flowers for staff member	64.54
01/04/18	5 Toner cartridges	160.95
01/04/18	ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for R. Hunter	690.00
01/04/18	ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for Director Barbre	552.00
01/04/18	ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for H. Baez	690.00
01/04/18	ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for Director Yoo Schneider	690.00
01/04/18	ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for Director Tamaribuchi	690.00
01/05/18	1/4/18-8/3/18 Subscription for Creative Cloud for Teams software	2,716.43
01/08/18	UPS delivery charges for Board packets on Jan. 5, 2018	7.33
01/08/18	California Secretary of State Statement of Information filing fee	20.00
01/09/18	Vectorization service to enhance artwork	108.00
01/10/18	Human Resources webinar training	145.00
01/11/18	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations deposit for Director Yoo Schneider	182.41
01/11/18	Orange County Business Council Annual Advocacy trip in Sacramento, CA from Mar. 12-13, 2018 - Airfare for Director Yoo Schneider	267.98
01/11/18	CalDesal Annual conference in Monterey, CA from Jan. 31-Feb. 2, 2018 - Airfare for K. Seckel	238.60
01/12/18	Food for staff development meeting	30.98
01/12/18	Computer supplies	76.47
01/12/18	Computer supplies	221.12
01/12/18	Software to print and file IRS 1099 forms for Water Use Efficiency rebates	164.00
01/12/18	OneStop job post for WEROC Intern position	165.00
01/12/18	MET Inspection trip from Jan. 26-28, 2018 - Airfare for legislative guest A. Eisenberger	491.60
01/12/18	Brown and Caldwell job post for Public Affairs Assistant position	200.00
01/13/18	Legislative Activities in Washington, DC from Jan. 10-12, 2018 - Accommodations for Director Barbre	1,369.89 1
01/13/18	Legislative Activities in Washington, DC from Jan. 10-12, 2018 - Accommodations for H. Baez	660.70
01/15/18	UPS delivery charges for Board packets on Jan. 5, 10 & 12, 2018	124.68
01/16/18	Office supplies from Costco	279.52
01/16/18	California Water Efficiency Partnership meeting in Sacramento, CA on Jan. 23, 2018 - Airfare for J. Berg	381.96
01/17/18	Computer supplies	17.99

Cal Card Statement Detail
Statement Date: January 22, 2018
Payment Date: February 28, 2018

Date	Description	Amount
01/17/18	Lunch for Association of California Cities-Orange County meeting	170.50
01/17/18	Lunch for Managers' meeting	296.66
01/17/18	MET Inspection trip from Jan. 26-28, 2018 - Airfare for legislative guest I. Floley	593.60
01/17/18	MET Inspection trip from Jan. 26-28, 2018 - Airfare for legislative guest J. Roxburgh	593.60
01/17/18	MET Inspection trip from Jan. 26-28, 2018 - Airfare for legislative guest J. Roxburgh	570.60 2
01/18/18	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Registration for Director Tamaribuchi	475.00
01/18/18	Custom coffee mug with new MWDOC logo	24.97
01/19/18	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations deposit for Director Tamaribuchi	273.63
Total		<u>\$ 15,267.68</u>

- 1 Director Barbre reimbursed MWDOC \$793.01
- 2 Airfare charged twice, Delta issued credit for \$570.60 on 2/28/18

R. Hunter Card

No Charges to report

\$ -

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of February 2018

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
Total Core Disbursements				-
Choice Disbursements:				
Total Choice Disbursements				-
Other Funds Disbursements:				
Total Other Funds Disbursements				-
Total Disbursements				-

No items to report


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS
Cash Flow as of 2/28/18

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	TOTALS
Cash - Beginning Balance	\$ (72,844.08)	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 482,751.99	\$ 490,949.46	\$ 490,949.46	\$ 490,949.46	\$ 490,949.46	
REVENUES:													
BUREC					200,757.65		5,407.70						\$ 206,165.35
City of Buena Park		222.00		111.00		333.00							666.00
City of Fountain Valley	333.00	444.00	424.05	222.00		222.00	111.00	428.00					2,184.05
City of Garden Grove	888.00		222.00	444.00		222.00							1,776.00
City of Huntington Beach	264.00	379.00	427.19			9.86		127.86					1,207.91
City of La Habra		555.00		111.00									666.00
City of San Clemente	1,304.96	233.00	6,460.97	6,044.00	3,419.79		2,027.22	7,701.86					27,191.80
City of Newport Beach	406.31	222.00			222.00		111.00	131.51					1,092.82
City of Orange	444.00	555.00	333.00		555.00	111.00	111.00	444.00					2,553.00
City of Westminster		888.00	333.00	444.00	444.00		444.00	111.00					2,664.00
County of Orange				1,096,511.49									1,096,511.49
Department of Water Resources		1,444.63	15,488.35	9,716.20		35,676.91							62,306.09
El Toro Water District	3,093.98	50.00	1,137.96	1,000.00	2,630.00	1,350.77	60.00	1,299.00					10,621.71
Irvine Ranch Water District	38,717.96	129,174.28	12,348.45	184,823.79	37,097.77		17,218.24	150,722.61					570,103.10
Laguna Beach County Water District	85.00	90.00		110.00	30.00			150.00					485.00
Mesa Water District		500.00					130.22	67.86					698.08
Metropolitan Water District		25,735.53											25,735.53
Moulton Niguel Water District	37,634.08	3,800.00	14,408.25	38,738.51	27,516.79	31,071.51	14,842.29	57,847.16					225,858.59
Orange County Water District		5,510.86	776.06	32,475.75			12,383.25						51,145.92
Santa Margarita Water District	57.32	197.95		924.98		85.00		60.00					1,325.25
Trabuco Canyon Water District	201.00	39.00	219.99	400.00			75.00						934.99
Miscellaneous Revenues													
Miscellaneous				810.82									810.82
Interest Revenue	417.16						1,619.81						2,036.97
Total Revenues	82,958.77	170,928.25	52,559.27	1,372,887.54	272,673.00	69,082.05	54,540.73	219,090.86	-	-	-	-	\$ 2,294,720.47
EXPENDITURES:													
Budget Based Tiered Rates, Raffleis		59,356.00		7,271.08		1,893.75		637.50					69,158.33
DeLorenzo International		5,050.50											5,050.50
Ecotech	900.00	10,275.00	6,750.00	13,500.00	13,500.00	10,500.00	2,775.00	7,800.00					66,000.00
Golden State Water Company	80.00												80.00
City of Huntington Beach					46,172.00								46,172.00
Laguna Beach CWD	480.00				13,676.40								14,156.40
Metropolitan Water District	29,129.40		118,745.58	70,931.38	26,485.72	27,322.22	236,289.40	134,233.87					643,137.57
Mission RCD		17,627.75	33,812.14	17,041.96		17,525.35	14,817.40	32,507.37					133,331.97
Recycled Water On Site Retrofit program					9,997.00		689.00	4,423.25					15,109.25
Spray to Drip program			1,155.58	525.00	34,530.53	750.00	2,288.57	875.00					40,124.68
Turf Removal	60,861.15	96,782.85	63,442.87	135,566.22	64,427.68	97,458.78	90,965.46	30,416.40					639,921.41
Vu Ho, Inc			500.00										500.00
Western National Property Management	51,300.00												51,300.00
Miscellaneous Expenses													
Invest Expense				292.98		2,936.02							292.98
Salary & Benefit	130.00		3,270.82										6,336.84
Total Expenditures	143,135.55	189,092.10	227,676.99	245,128.62	208,789.33	158,386.12	347,824.83	210,893.39	-	-	-	-	\$ 1,730,926.93
Cash - Ending Balance	\$ (133,020.86)	\$ (151,184.71)	\$ (326,302.43)	\$ 801,456.49	\$ 865,340.16	\$ 776,036.09	\$ 482,751.99	\$ 490,949.46	\$ 490,949.46	\$ 490,949.46	\$ 490,949.46	\$ 490,949.46	



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

January 31, 2018

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

Brett R. Barbre
President

Joan C. Finnegan
Vice President

Larry D. Dick
Director

Wayne S. Osborne
Director

Megan Yoo Schneider
Director

Sat Tamaribuchi
Director

Jeffery M. Thomas
Director

Robert J. Hunter
General Manager

MEMBER AGENCIES

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$3,156,569	20.23%
Grant & Project Cash Flow	1,500,000	9.61%
Election Expense	304,000	1.95%
Building Repair	350,407	2.25%
OPEB	209,006	1.34%
Total Designated Reserves	5,519,982	35.38%
General Fund	6,678,548	42.81%
Water Fund	2,533,020	16.23%
Conservation Fund	482,752	3.09%
Desalination Feasibility Study Fund	(145,165)	(0.93%)
WEROC Fund	504,850	3.24%
Trustee Activities	28,553	0.18%
Total	\$15,602,540	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	3.57%	\$556,767	\$556,767
Short-term investment			
• LAIF	53.01%	\$8,271,219	\$8,271,219
• OCIP	25.13%	3,920,854	3,920,854
Long-term investment			
• Corporate Bond	7.39%	1,153,700	1,137,581
• Certificates of Deposit	10.90%	1,700,000	1,695,331
Total	100.00%	\$15,602,540	\$15,581,752

The average number of days to maturity/call as of January 31, 2018 equaled 157 and the average yield to maturity is 1.45%. During the month, the District's average daily balance was \$20,216,744.79. 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 January 2018.

The (\$20,788) difference between the book value and the market value on January 31, 2018 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


Robert J. Hunter
General Manager


Hilary Chumpitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary January 31, 2018

1/31/2018	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,700,000.00	1,695,330.50	1,700,000.00	11.30	642	2.012
Corporate Bond	1,150,000.00	1,137,580.50	1,153,699.66	7.65	1,089	2.290
Local Agency Investment Funds	8,271,218.93	8,271,218.93	8,271,218.93	54.98	1	1.350
Orange County Investment Pool	3,920,854.49	3,920,854.49	3,920,854.49	26.07	1	1.171
Total Investments	15,042,073.42	15,024,984.42	15,045,773.08	100.00	157	1.450
Cash						
Cash	556,767.36	556,767.36	556,767.36		1	0.00
Total Cash and Investments	15,598,840.78	15,581,751.78	15,602,540.44		157	1.450

Total Earnings	Month Ending January	Fiscal Year to Date
Current Year	23,582.26	175,807.06
Average Daily Balance	24,839,093.85	
Effective Rate of Return	1.450%	

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. Per Resolution 2059 there are no compliance exceptions to report.



Robert J. Hunter, General Manager

3-5-18

Date



Hilary Chumtipitzi, Treasurer

03/05/2018

Date

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
January 31, 2018

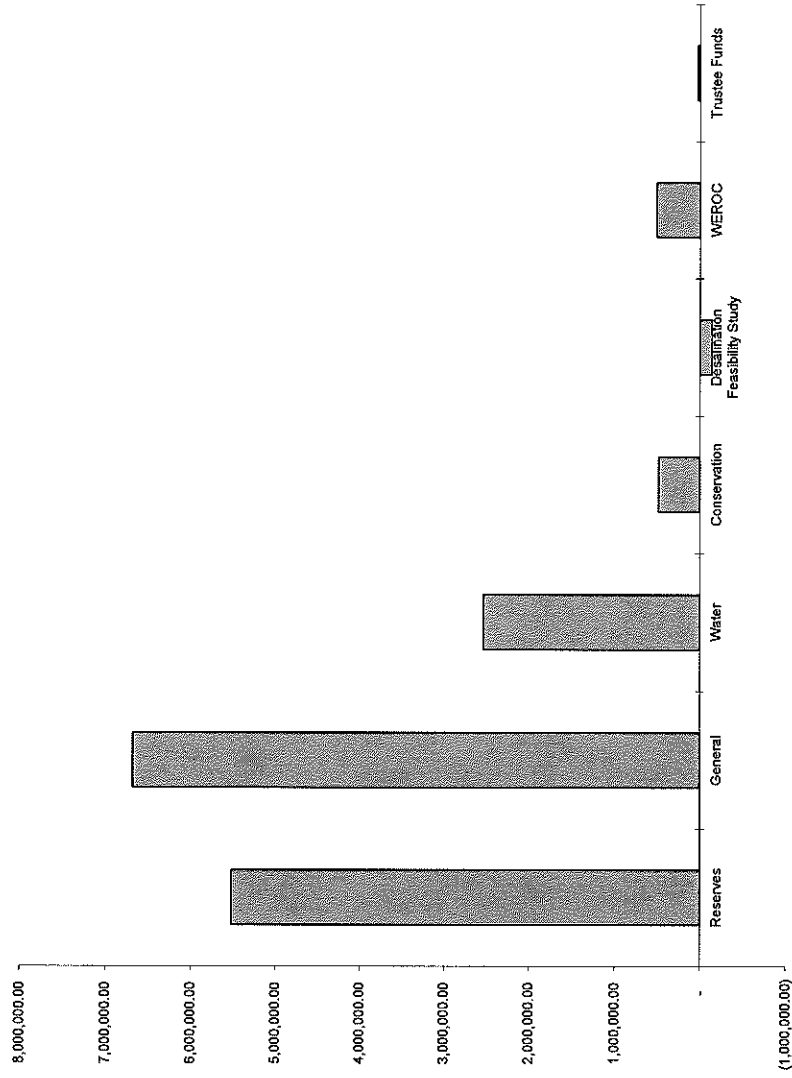
Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
Barclays Bank	06740KKY2	9/27/2017	250,000.00	246,725.00	250,000.00	2.250	2.250	1,700	9/27/2022
Capital One Bank	14042E6C9	9/2/2015	250,000.00	250,142.50	250,000.00	1.950	1.950	580	9/3/2019
Capital One Natl Assn	140420TY6	8/5/2015	250,000.00	250,000.00	250,000.00	1.700	1.700	187	8/6/2018
Comenity Capital Bank	20033AUX2	7/25/2017	200,000.00	197,458.00	200,000.00	2.000	2.000	1,262	7/16/2021
Discover Bank	2546712Y5	7/23/2014	250,000.00	249,980.00	250,000.00	1.600	1.600	173	7/23/2018
HSBC Bank	40434AK65	1/21/2016	250,000.00	250,870.00	250,000.00	2.250	2.534	171	1/21/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	250,155.00	250,000.00	2.050	2.050	545	7/30/2019
Sub Total			1,700,000.00	1,695,330.50	1,700,000.00	1.971	2.012	642	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	497,250.00	500,919.46	2.250	2.152	691	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	195,306.00	200,000.00	2.500	2.500	1,626	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	248,872.50	250,937.77	2.550	2.409	1,041	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	196,152.00	201,842.43	2.500	2.278	1,609	6/28/2022
Sub Total			1,150,000.00	1,137,580.50	1,153,699.66	2.402	2.290	1,089	
Total Investments			2,850,000.00	2,832,911.00	2,853,699.66	2.145	2.125	823	
Total Earnings									
Current Year		Month Ending January	5,231.72		Fiscal Year To Date				
									35,556.66

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
January 31, 2018

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	8,271,218.93	8,271,218.93	8,271,218.93	1.350	1.350	1	N/A
Sub Total			8,271,218.93	8,271,218.93	8,271,218.93	1.350	1.350	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,920,854.49	3,920,854.49	3,920,854.49	1.171	1.171	1	N/A
Sub Total			3,920,854.49	3,920,854.49	3,920,854.49	1.171	1.171	1	
Total Investments			12,192,073.42	12,192,073.42	12,192,073.42	1.350	1.350		
Cash									
Bank of America Cash	CASH0547	7/1/2010	306,267.36	306,267.36	306,267.36	0.000	0.000	1	N/A
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
Union Bank Cash	CASHUB	1/29/2018	250,000.00	250,000.00	250,000.00	0.000	0.000	1	N/A
Total Cash			556,767.36	556,767.36	556,767.36	0.000	0.000	1	
Total Cash and Investments			12,748,840.78	12,748,840.78	12,748,840.78	1.350	1.350	1	
Total Earnings									
Current Year			18,350.54		Fiscal Year To Date				
					140,250.40				

**Municipal Water District of Orange County
Cash and Investments at January 31, 2018**

ALLOCATION	AMOUNT	%
MWDOC		
Designated Reserves		
General	\$ 3,156,569	20.23%
Grant & Project Cash Flow	1,500,000	9.61%
Election Expense	304,000	1.95%
Building Repair	350,407	2.25%
OPEB	209,006	1.34%
Total Designated Reserves	5,519,982	35.38%
General	6,678,548	42.81%
Water	2,533,020	16.23%
Conservation	482,752	3.09%
Desalination Feasibility Study	(145,165)	-0.93%
WEROC	504,850	3.24%
TOTAL MWDOC	\$ 15,573,987	99.82%
TRUSTEE ACTIVITIES		
AMP Sales Admin	\$ 28,553	0.18%
TOTAL TRUSTEE ACTIVITIES	\$ 28,553	0.18%
TOTAL CASH & INVESTMENTS	\$ 15,602,540	100.00%



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS OPEB Trust Program**Account Report for the Period**
1/1/2018 to 1/31/2018Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 1/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 1/31/2018
OPEB	\$2,078,570.88	\$0.00	\$47,216.66	\$1,441.77	\$0.00	\$0.00	\$2,124,345.77
Totals	\$2,078,570.88	\$0.00	\$47,216.66	\$1,441.77	\$0.00	\$0.00	\$2,124,345.77

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	
2.27%	4.33%	14.35%	7.29%	7.54%	-	10/26/2011

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

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

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

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2017 THRU JANUARY 31, 2018

**Municipal Water District of Orange County
Combined Balance Sheet
As of January 31, 2018**

<u>ASSETS</u>	Amount
Cash in Bank	306,767.36
Investments	15,295,773.08
Accounts Receivable	62,652,222.00
Accounts Receivable - Other	113,042.33
Accrued Interest Receivable	30,720.94
Prepays/Deposits	229,780.30
Leasehold Improvements	3,695,600.68
Furniture, Fixtures & Equipment	457,309.71
Less: Accum Depreciation	(2,794,867.75)
Net OPEB Asset	483,546.00
TOTAL ASSETS	\$80,469,894.65
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	63,852,975.08
Accounts Payable - Other	758.47
Accrued Salaries and Benefits Payable	442,118.20
Other Liabilities	110,730.16
Unearned Revenue	1,714,185.93
Total Liabilities	66,120,767.84
Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	977,363.80
Total Restricted Fund Balances	977,363.80
Unrestricted Fund Balances	
OPEB Related Asset Fund	483,546.00
Designated Reserves	
General Operations	3,156,569.42
Grant & Project Cash Flow	1,500,000.00
Election Expense	304,000.00
Building Repair	350,407.45
OPEB	209,006.00
Total Designated Reserves	5,519,982.87
GENERAL FUND	2,406,699.97
WEROC Capital	281,657.00
WEROC	144,717.31
Total Unrestricted Fund Balances	8,836,603.15
Excess Revenue over Expenditures	
Operating Fund	4,884,077.61
Other Funds	(348,917.75)
Total Fund Balance	14,349,126.81
TOTAL LIABILITIES AND FUND BALANCES	\$80,469,894.65

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2017 thru January 2018

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	7,435,834.00	7,435,834.00	100.00%	0.00	0.00
Ground Water Customer Charge	0.00	468,565.00	468,565.00	100.00%	0.00	0.00
Water rate revenues	0.00	7,904,399.00	7,904,399.00	100.00%	0.00	0.00
Interest Revenue	21,641.46	167,042.35	150,000.00	111.36%	0.00	(17,042.35)
Subtotal	21,641.46	8,071,441.35	8,054,399.00	100.21%	0.00	(17,042.35)
Choice Programs	644.80	1,094,900.87	1,176,618.00	93.05%	0.00	81,717.13
Miscellaneous Income	0.00	1,969.94	3,000.00	65.66%	0.00	1,030.06
School Contracts	10,941.45	53,466.01	70,000.00	76.38%	0.00	16,533.99
Transfer-In From Reserve	0.00	0.00	138,470.00	0.00%	0.00	138,470.00
Subtotal	11,586.25	1,150,336.82	1,388,088.00	82.87%	0.00	237,751.18
TOTAL REVENUES	33,227.71	9,221,778.17	9,442,487.00	97.66%	0.00	220,708.83

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2017 thru January 2018

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	286,785.72	1,930,821.24	3,571,210.00	54.07%	0.00	1,640,388.76
Salaries & Wages - Grant Recovery	0.00	(4,699.45)	(23,279.00)	20.19%	0.00	(18,579.55)
Salaries & Wages - Recovery	0.00	(436.80)	0.00	0.00%	0.00	436.80
Directors' Compensation	17,819.40	123,322.45	243,197.00	50.71%	0.00	119,874.55
MWD Representation	10,988.63	70,387.13	138,969.00	50.65%	0.00	68,581.87
Employee Benefits	89,220.02	561,804.20	1,056,766.00	53.16%	0.00	494,961.80
Employee Benefits - Grant Recovery	0.00	(1,117.39)	0.00	0.00%	0.00	1,117.39
Employee Benefits - Recovery	0.00	(83.20)	0.00	0.00%	0.00	83.20
Director's Benefits	8,302.35	49,132.85	81,728.00	60.12%	0.00	32,595.15
Health Ins \$'s for Retirees	5,445.31	30,988.91	59,554.00	52.03%	0.00	28,565.09
Training Expense	1,875.00	2,789.00	10,000.00	27.89%	0.00	7,211.00
Tuition Reimbursement	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Temporary Help Expense	0.00	4,775.18	5,000.00	95.50%	0.00	224.82
Personnel Expenses	420,436.43	2,767,684.12	5,148,145.00	53.76%	0.00	2,380,460.88
Engineering Expense	17,670.88	89,269.15	360,000.00	24.80%	65,924.55	204,806.30
Legal Expense	5,971.27	93,857.93	250,000.00	37.54%	156,142.07	0.00
Audit Expense	0.00	19,000.00	40,000.00	47.50%	0.00	21,000.00
Professional Services	83,669.15	412,259.50	1,539,809.00	26.77%	542,784.83	584,764.67
Professional Fees	107,311.30	614,386.58	2,189,809.00	28.06%	764,851.45	810,570.97
Conference-Staff	1,750.00	11,123.46	38,945.00	28.56%	0.00	27,821.54
Conference-Directors	2,341.00	10,045.00	23,700.00	42.38%	0.00	13,655.00
Travel & Accom.-Staff	1,726.02	22,064.18	95,600.00	23.08%	0.00	73,535.82
Travel & Accom.-Directors	1,627.98	10,702.51	49,850.00	21.47%	0.00	39,147.49
Travel & Conference	7,445.00	53,935.15	208,095.00	25.92%	0.00	154,159.85
Membership/Sponsorship	2,784.00	127,179.35	142,102.00	89.50%	0.00	14,922.65
CDR Support	0.00	21,901.28	48,803.00	44.88%	21,901.29	5,000.43
Dues & Memberships	2,784.00	149,080.63	190,905.00	78.09%	21,901.29	19,923.08
Business Expense	179.23	2,966.68	5,200.00	57.05%	0.00	2,233.32
Maintenance Office	7,163.08	57,903.28	123,500.00	46.89%	64,636.72	960.00
Building Repair & Maintenance	1,274.27	16,628.01	11,000.00	151.16%	13,499.99	(19,128.00)
Storage Rental & Equipment Lease	195.29	1,365.08	8,400.00	16.25%	3,634.92	3,400.00
Office Supplies	2,149.44	11,109.81	35,580.00	31.22%	2,111.28	22,358.91
Postage/Mail Delivery	657.90	5,651.36	10,500.00	53.82%	1,951.11	2,897.53
Subscriptions & Books	0.00	784.90	1,500.00	52.33%	0.00	715.10
Reproduction Expense	312.29	5,261.86	27,275.00	19.29%	1,909.71	20,103.43
Maintenance-Computers	386.40	3,042.73	10,000.00	30.43%	1,324.78	5,632.49
Software Purchase	2,716.43	13,354.18	44,260.00	30.17%	0.00	30,905.82
Software Support	1,424.66	24,902.05	48,894.00	50.93%	0.00	23,991.95
Computers and Equipment	0.00	15,038.74	33,050.00	45.50%	0.00	18,011.26
Automotive Expense	1,407.77	9,871.45	16,400.00	60.19%	0.00	6,528.55
Toll Road Charges	58.64	470.52	1,000.00	47.05%	0.00	529.48
Insurance Expense	9,138.13	63,125.30	110,250.00	57.26%	0.00	47,124.70
Utilities - Telephone	1,501.10	9,666.09	21,300.00	45.38%	0.00	11,633.91
Bank Fees	(194.24)	5,110.95	11,000.00	46.46%	0.00	5,889.05
Miscellaneous Expense	6,519.25	49,586.40	119,650.00	41.44%	0.00	70,063.60
MWDOC's Contrb. To WEROC	14,934.75	386,200.25	460,874.00	83.80%	0.00	74,673.75
Depreciation Expense	794.41	5,560.84	0.00	0.00%	0.00	(5,560.84)
Other Expenses	50,618.80	687,600.48	1,099,633.00	62.53%	89,068.51	322,964.01
MWDOC's Building Expense	0.00	50,876.51	356,400.00	14.28%	30,702.00	274,821.49
Capital Acquisition	400.00	14,137.09	249,500.00	5.67%	0.00	235,362.91
TOTAL EXPENSES	588,995.53	4,337,700.56	9,442,487.00	45.94%	906,523.25	4,198,263.19
NET INCOME (LOSS)	(555,767.82)	4,884,077.61	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July 2017 thru January 2018

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	6,418,835.90	146,918,744.50	154,733,881.00	94.95%	7,815,136.50
Readiness to Serve Charge	908,514.76	6,089,029.84	10,397,278.00	58.56%	4,308,248.16
Capacity Charge CCF	321,247.50	2,093,647.50	3,544,800.00	59.06%	1,451,152.50
SCP/SAC Pipeline Surcharge	24,161.55	204,772.52	423,000.00	48.41%	218,227.48
Interest	1,076.17	6,417.48	9,400.00	68.27%	2,982.52
TOTAL WATER REVENUES	7,673,835.88	155,312,611.84	169,108,359.00	91.84%	13,795,747.16
<u>WATER PURCHASES</u>					
Water Sales	6,418,835.90	146,918,744.50	154,733,881.00	94.95%	7,815,136.50
Readiness to Serve Charge	908,514.76	6,089,029.84	10,397,278.00	58.56%	4,308,248.16
Capacity Charge CCF	321,247.50	2,093,647.50	3,544,800.00	59.06%	1,451,152.50
SCP/SAC Pipeline Surcharge	24,161.55	204,772.52	423,000.00	48.41%	218,227.48
TOTAL WATER PURCHASES	7,672,759.71	155,306,194.36	169,098,959.00	91.84%	13,792,764.64
EXCESS OF REVENUE OVER EXPENDITURES	1,076.17	6,417.48	9,400.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July 2017 thru January 2018

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	58,755.74	257,371.00	22.83%
Expenses	59,062.08	257,371.00	22.95%
Excess of Revenues over Expenditures	(306.34)	0.00	
Member Agency Administered Passthru			
Revenues	0.00	7,200.00	0.00%
Expenses	0.00	7,200.00	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	18,254.12	95,000.00	19.21%
Expenses	18,254.12	95,000.00	19.21%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	208,457.85	340,000.00	61.31%
Expenses	208,478.74	340,000.00	61.32%
Excess of Revenues over Expenditures	(20.89)	0.00	
CII Rebate Program			
Revenues	188,870.00	345,000.00	54.74%
Expenses	188,870.00	345,000.00	54.74%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	207,648.28	2,552,302.00	8.14%
Expenses	613,596.22	2,552,302.00	24.04%
Excess of Revenues over Expenditures	(405,947.94)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	42,730.31	520,000.00	8.22%
Expenses	169,922.47	520,000.00	32.68%
Excess of Revenues over Expenditures	(127,192.16)	0.00	
CII, Large Landscape, Performance (OWOW)			
Revenues	0.00	62,722.00	0.00%
Expenses	9,407.00	62,722.00	15.00%
Excess of Revenues over Expenditures	(9,407.00)	0.00	
WUE Projects			
Revenues	724,716.30	4,179,595.00	17.34%
Expenses	1,267,590.63	4,179,595.00	30.33%
Excess of Revenues over Expenditures	(542,874.33)	0.00	
WEROC			
Revenues	569,132.07	640,933.00	88.80%
Expenses	217,259.91	640,933.00	33.90%
Excess of Revenues over Expenditures	351,872.16	0.00	



ACTION ITEM
March 21, 2018

TO: Administration and Finance Committee
(Directors Thomas, Dick and Finnegan)

FROM: Robert Hunter, General Manager

Staff Contact: Joe Berg
Heather Baez
Melissa Baum-Haley

SUBJECT: GRANT TRACKING AND ACQUISITION SERVICES

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to:

- Enter into a 3-year professional services contract with Soto Resources to provide grant tracking, writing (upon request) and acquisition. The award would be not to exceed \$20,000 in fiscal year 2017-2018, and not to exceed \$36,000 in fiscal year 2018-2019, and not to exceed \$36,000 in fiscal year 2019-2020.
- Total authorization of this contract is \$92,000 over three years.

COMMITTEE RECOMMENDATION

At the February 14 Administration and Finance (A&F) Committee Meeting, the committee voted unanimously to approve the staff recommendation to authorize the General Manager to enter into a contract with Soto Resources for grant tracking and acquisition services. At the February 21 Board Meeting, the Board President asked for the item to be returned to the A&F Committee for further discussion.

The following provides additional information for Board consideration:

To effectively provide grant acquisition assistance to MWDOC and its member agencies, the proposals were evaluated for specific knowledge of water management or water supply development grant funding opportunities, for which wholesale and retail water agencies are eligible. Potential projects needing grant assessment include, but are not limited to,

Budgeted (Y/N): Y	Budgeted amount: \$20,000	Core X	Choice __
Action item amount: None		Line item: 31-7040	
Fiscal Impact (explain if unbudgeted): Tasks 1 and 2 will be completed this fiscal year with limited work under Task 3, total not to exceed \$20,000. Future years' recommended at \$36,000 per year.			

implementation of indirect potable reuse, recycling, conservation, integrated regional water management plans, water quality, and other water supply reliability strategies.

The following proposal evaluation considered grant awards since 2004 (see Table 1 on the next page), with the successful water supply reliability and water management related grants totaled.

California Consulting LLC has written 845 grants, and has been awarded \$206 million, with \$6 million (3%) in the arena of water management. They employ 31 staff members statewide, with offices in El Segundo, Fresno, and Sacramento.

Landstedt Consulting has written 63 grants, and has been awarded \$53 million, with \$39 million (73%) in the arena of water management. Ms. Landstedt employs 4-5 staff members as needed. She is based in Tennessee.

Ms. Soto of Soto Resources has written 38 grants, and has been awarded \$89 million, with \$82 million (92%) in the arena of water management. All 38 grants written by Soto Resources are for Southern California cities and water agencies. Soto Resources employs 4-5 staff members as needed and is locally based in Orange County.

Table 1
Grant Acquisition Assistance
Summary of Past Funding Opportunities

Funding Source	Funding Opportunity	California Consulting	Landstedt Consulting	Soto Resources
California Department of Water Resources	Proposition 1, Storm Water Grant Program	\$3,099,400		
	Proposition 1, Water Quality, Supply/Infrastructure	\$1,692,575		\$3,008,647
	Proposition 50, Clean Drinking Water/Coastal			\$2,100,000
	Proposition 13, Watershed Protection			\$5,650,000
	Proposition 13, Groundwater Storage Construction			\$13,588,000
	Proposition 84, Water Quality and Supply, Flood		\$618,716	\$500,000
	Proposition 84, Drought Grant		\$1,103,110	
	Integrated Regional Water Management (IRWM)		\$29,975,213	\$37,906,784
	Agricultural Water Use Efficiency		\$112,719	
	Water Energy Grant Program	\$218,594		\$1,396,500
California Department of Food and Agriculture	Water Desalination Grant Program			\$10,000,000
	Specialty Crop Block Grant		\$81,149	
California Department of Health Services	Proposition 50, UV and Ozone Treatment		\$4,214,740	
California State Parks	Habitat Conservation Fund Grant	\$104,500		
	Proposition 40, California Clean Water/Parks			\$125,000
Delta Conservancy	Proposition 1, Water Quality, Supply/Infrastructure			\$65,000
U.S. National Park Service	Land Water Conservation Fund	\$413,515		
U.S. Department of Ag.	Special Program Allocation		\$670,000	
U.S. Bureau of Reclamation	Title XVI, Water Reclamation and Reuse Program			\$725,000
	WaterSMART: Water and Energy Efficiency	\$75,000	\$175,000	\$1,700,000
	Agricultural Water Conservation and Efficiency		\$1,174,355	
	CALFED Drinking Water Quality Program			\$4,198,000
	CALFED Water Use Efficiency Grant		\$300,000	\$749,960
	Water Conservation Field Services Program		\$109,081	
Total		\$5,603,584	\$38,534,083	\$81,712,891

BACKGROUND

In 2017, the MWDOC Board received a suggestion from Chuck Gibson, Director at Santa Margarita Water for MWDOC to work collaboratively with its member agencies, as the lead agency in providing a firm with expertise in the area of obtaining grants and low-interest loans. Such grants/loans can include programs available as part of the Water Infrastructure Improvements for the Nation (WIIN) which passed on December 5, 2016.

Within WIIN there are several new opportunities for agencies looking to obtain federal funds for local and regional infrastructure projects specifically:

- Water Resources Development Act (WRDA) of 2016 (Title I)
- Water and Waste Act of 2016 (Title II)
- Natural Resources (Title III)
- Water Infrastructure Finance and Innovation Act (WIFIA, Title IV)

In an effort to secure such funding, the Board directed staff to explore the annual costs of hiring an outside consultant/firm that specializes in grant funding and include \$20,000 in the FY 17/18 budget to commence this suggested service. After evaluating qualified firms, staff recommends the selection of Soto Resources with a service contract totaling \$92,000 over three years.

DETAILED REPORT

Firm Selection

To evaluate grant acquisition assistance service costs and identify qualified firms, staff solicited three competitive proposals from the following well-known and highly qualified grant administration and writing firms:

- California Consulting, LLC
- Landstedt Consulting
- Soto Resources

Pursuant to section 8000, Exhibit A of the MWDOC Administrative Code, contracts ranging from \$3,001-\$25,000 require competitive proposals for professional services contracts. The three proposals were reviewed by Heather Baez, Melissa Baum-Haley, Joe Berg and Rob Hunter. (See Table 2)

The criteria used when reviewing the proposals followed section 8002, Exhibit A of the contracts manual:

- Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.
- The consultant's familiarity with types of problems applicable to the project.
- Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.

- The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
- The consultant's level of financial responsibility.
- The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.
- Types of guarantees or warranties offered by the consultant.
- Estimate of the range of proposed services and costs.

Table 2
Grant Acquisition Assistance
Summary of Proposals - Costs of Service

Billing Structure	Core	Core	Core	Choice
	Task 1: Kick-off Mtg., Initial Projects List and Prioritization	Task 2: Grant Research and Funding Opportunities Report	Task 3: Monthly Grant Tracking, Reporting and Notification of Opportunities	Task 4: Grant Writing
California Consulting LLC	\$2,375	\$6,660	\$2,850 / month	\$95 / Hour
Landstedt Consulting	\$13,200		\$3,000 / month	\$12,000 to \$22,000
Soto Resources	\$3,000	\$9,000	\$3,000 / month	\$5,000 to \$20,000

While, all three firms are highly qualified, and each firm's proposed scope and services was very similar. Based on the comprehensive criteria, the unanimous choice was Soto Resources.

Grant Acquisition Assistance

Scope of Work

Task 1: Project Initiation (Kick-Off Meeting) - Core

- Verify team members and points of contact.
- Confirm project approach and process, includes establishing communication plan, schedule and other necessary items.
- Obtain information pertaining to MWDOC and its member agencies' grant needs.
- Identify potential funding opportunities for water projects. (Note: Only funding for water projects will be discussed.)

Task 2: Grant Research and Preliminary Report - Core

Research will be conducted to identify potential funding opportunities and to provide key information for planning upcoming opportunities, including funding program name and agency, key dates/deadlines, funding type (grant, loan or incentive), project eligibility requirements, funding available, and cost share required.

Task 3: Ongoing Grant Reporting, Go/No Go Evaluation, and Coordination - Core

Monitor local, state and federal grant funding and low-interest loan opportunities included in the Preliminary Grant Research Report and research new funding opportunities as they are identified.

Reporting

Ongoing reporting of funding opportunities will be accomplished via a two-pronged approach, as follows:

- Monthly (or periodic) reporting in a matrix format – A document summarizing the current and upcoming funding opportunities will be electronically provided to MWDOC. Key information will include: Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline.
- Funding Alert (as-needed basis)– When a funding opportunity is released with a short-term grant application due date, a high priority email summarizing the funding details (Funding Program name, Total Funding available, Maximum grant request, Cost share requirement, Project Eligibility, Project Completion date, and Grant Deadline) will be sent to MWDOC. MWDOC (or member agency) will be requested to respond within a few days if/with a Project for consideration.

Member Agency Outreach and Project Identification

Ongoing coordination and outreach to assist member agencies with funding program understanding. Member agencies would review the Preliminary Report and periodic funding updates, identify projects they believe are eligible, and ask for a Go/No-Go Evaluation.

Go/No-Go Evaluation

When requested by MWDOC or a member agency, advice on whether or not to proceed with a grant proposal. Review grant funding guidelines (state grants), proposal solicitation

package (state grants), or funding opportunity announcement (federal grants) against assessment criteria. In addition, contact the funding agency to discuss the assessment criteria.

A go/no-go decision would be made based on the following assessment criteria:

- Project eligibility: *Does the project meet what the agency is looking to fund?*
- Maximum funding award amount: *Is the potential grant award a large enough portion of the overall project budget to be worthwhile?*
- Timeframe for completing the project: *Can the project realistically be completed by the deadline?*
- Cost/level of effort to prepare the grant proposal: *Is the potential grant amount worth the cost of preparing an application?*
- Proposal due date: *Do we have the required project information to complete the application in time?*
- Competitiveness: *How many grant awards are anticipated for the specified region?*

Upon a “go” decision to submit a funding application, this will be performed under separate contract as discussed under Task 4.

Coordination with Lobbyists and Attendance at Funding Workshops

A key component of securing grants and loans is coordination with lobbyists on upcoming funding legislation. The contractor will work closely with MWDOC and/or its member agencies’ lobbyists to strategize funding opportunities for priority projects throughout service areas. In addition, attendance at Funding Agency public workshops is critical for establishing a solid relationship with funding program managers. As needed, the contractor will attend funding workshops to connect with funding program key personnel, discuss and promote project concepts, as well as obtain insight on funding priorities.

Attend meetings for grant related efforts including, but not limited to, Board Meetings, Committee Meetings, or other District events as requested.

Task 4: Grant/Funding Application Preparation and Submission - Choice

Full Application Preparation and Submission

When a decision is made to pursue a funding opportunity (as discussed in Task 3 above), the contractor will provide a proposal for MWDOC or its member agency to prepare and submit a grant (or loan) application. This includes review/ranking/evaluation criteria that are often included in the grant guidelines/solicitation/announcement and focus on the highest-weighted (most points) components of the grant. The work plan (scope), budget, and schedule will be reviewed to ensure these elements coincide with each other, as these components are the backbone of any project grant application.

Any work done by the contractor in Task 4 would be the expense of the agency applying for the grant as a choice function.

STAFF RECOMMENDATION

Staff proposes the selection of Soto Resources to commence work on Task 1 and Task 2 for fiscal year 2017/2018. Work on Task 3 would begin after Task 1 and Task 2 are completed, with total fiscal year expenditures not to exceed \$20,000 as budgeted. In addition, staff recommends Task 3 continue to be implemented during fiscal years 2018/2019 and 2019/2020 for a total not to exceed \$36,000 per fiscal year. An evaluation of program utilization will be completed during fiscal year 2019/2020. All work under Task 3 is covered under a \$3,000/month retainer fee (\$36,000/year). The contract will include a termination provision with 30 days' notice in the event the program is determined not to be of sufficient value.

MWDOC staff's recommendation is that member agencies who choose to access the contractor for Task 4 would pay for this using the Choice Program Framework.



ACTION ITEM

March 21, 2018

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: **ATTENDANCE AT THE NATIONAL WATER RESOURCES ASSOCIATION (NWRA) FEDERAL WATER ISSUES CONFERENCE, APRIL 9-11, 2018, WASHINGTON, DC**

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Authorize attendance at the NWRA Federal Water Issues Conference to be held April 9-11, 2018 in Washington, DC.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

The National Water Resources Association (NWRA) will hold its Federal Water Issues conference in Washington, DC April 9-11, 2018 at the Embassy Suites Conference Center. Opportunities to learn and provide input on key issues will be available, as well as opportunities to meet with congressional and agency leaders on important water legislative and regulatory policies; attached please find a draft conference agenda.

Director Barbre has expressed interest in attending. This conference was not included in the 2017-18 budget, but will be included in the 2018-19 budget. Note the following approximate costs for one attendee:

Registration: \$600
Hotel: \$1600
Air: \$700

Budgeted (Y/N): No	Budgeted amount: NA	Core ____	Choice ____
Action item amount: \$3000	Line item:		
Fiscal Impact (explain if unbudgeted):			

National Water Resources Association

2018 Federal Water Issues Conference

DRAFT

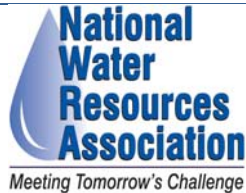
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April 9 - 11, 2018

Infrastructure and Investment in the 115th Congress

Embassy Suites Convention Center
Washington, DC

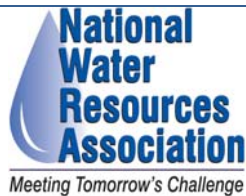


2018 Federal Water Issues Conference

Infrastructure and Investment in the 115th Congress

Sunday, April 8, 2018

5:00 – 7:00 pm	Water Strategies Hill Office 4 E Street SE	Reception
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2018 Federal Water Issues Conference

Infrastructure and Investment in the 115th Congress

Monday, April 9, 2018

6:30 – 8:45 am	Embassy Suites Breakfast Area	Breakfast NWRA members can fuel up for a day of action and advocacy on their own in the Embassy Suites breakfast area. The cooked-to-order breakfast is included at no charge for attendees staying at the Embassy Suites.
7:30 – 11:00 am	Capital A	Registration
8:30 am	Capital A	Coffee and Conference Welcome
9:00 am	Capital A	Keynote Speaker: Commissioner Brenda Burman (invited) <i>Hosted by the Irrigation Caucus</i>
10:00 am	Capital A	General Session <i>Moderator – Christine Arbogast, Chair, Federal Affairs Committee</i> Water Policy in the 115th Congress NWRA task force chairs and members will discuss NWRA's 2017 priorities with an emphasis on driving positive policy change in the 115 th Congress. Items covered will include water supply, infrastructure funding, regulatory reform, and specific legislative proposals.
11:30 am	Capital A	Networking Break
11:30 – 4:00 pm		Congressional and Federal Agency Visits
12:00 pm	Embassy Suites K Street Atrium	State Executives Council Luncheon
2:00 pm	Capital A	Women of Water Forum
4:00 pm	Capital A	Farm Bill Roundtable
5:00 – 6:30 pm	Embassy Suites	Embassy Suites Manager's Reception Join NWRA members in the upstairs Embassy Suites reception area for an evening reception with complimentary appetizers and beverages for those who are registered guests of the Embassy Suites.

2018 Federal Water Issues Conference

Infrastructure and Investment in the 115th Congress

Tuesday, April 10, 2018

6:30 – 8:45 am	Embassy Suites Breakfast Area	Breakfast NWRA members can fuel up for a day of action and advocacy on their own in the Embassy Suites breakfast area. The cooked-to-order breakfast is included at no charge for attendees staying at the Embassy Suites.
7:30 – 11:00 am	Capital A	Registration
8:00 am	Capital A	Keynote Speaker: Lieutenant General Todd Semonite, U.S. Army Corps of Engineers (invited) <i>Hosted by the Municipal Caucus</i>
9:00 am	Capital A	General Session: WRDA Panel
10:30 am	Capital A	Networking Break
11:00 – 4:00 pm		Congressional and Federal Agency Visits
4:00 pm		NWRA Federal Affairs Roundtable The Federal Affairs Committee will discuss NWRA's priority issues with key congressional committee staff members. All NWRA registered attendees are invited to participate in this important dialogue.
5:30 – 7:30 pm		NWRA Congressional Reception NWRA members can enjoy refreshments while networking with fellow NWRA members, congressional staff, and members of congress.

Wednesday, April 11, 2018

6:30 – 8:00 am	Embassy Suites Breakfast Area	Breakfast NWRA members can fuel up for a day of action and advocacy on their own in the Embassy Suites breakfast area. The cooked-to-order breakfast is included at no charge for attendees staying at the Embassy Suites.
8:00 am	Capital A	Coffee <i>Moderator – Christine Arbogast, Chair, Federal Affairs Committee</i> Federal Issue Recap Led by the Federal Affairs Committee, NWRA members will recap some of the issues that arose during federal agency visits. Next steps for priority issues will be discussed.
9:00 am	Capital A	Keynote Speaker: Senator John Barrasso, Chairman of the Senate Environment and Public Works Committee (invited)
9:45 am	Capital A	Networking Break
10:00 am – 5:00 pm		Congressional and Federal Agency Visits
10:00 am	Capital C	NWRA Board of Directors Meeting
5:00 – 7:00 pm	4 E Street SE Washington, DC 20003	All-American Cookout Join your fellow NWRA members for an All-American cookout. We will have beer, burgers, dogs and even apple pie!



ACTION ITEM
March 21, 2018

TO: **Administration and Finance Committee**
(Directors Thomas, Dick and Finnegan)

FROM: **Robert Hunter, General Manager**

Staff Contact: Heather Baez

**SUBJECT: Association of California Water Agencies (ACWA) – “NO DRINKING
WATER TAX” EDUCATION AND OUTREACH CAMPAIGN**

STAFF RECOMMENDATION

Staff recommends the Board of Directors consider authorizing \$5,000 (or other amount determined by the Board) to contribute to ACWA’s statewide outreach campaign.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

BACKGROUND

In 2007, MWDOC contributed to the Association of California Water Agencies’ (ACWA) public education program called, “California’s Water: A Crisis We Can’t Ignore.” Through that effort, ACWA raised more than \$6.6 million to fund a statewide campaign to raise awareness and concern among the public regarding the state’s water crisis. The outreach effort included polling, paid advertising, education materials, a dedicated website, and more.

Upon conclusion of the campaign, there was a balance of unexpended funds in the amount of \$106,000. At the time, contributing agencies determined that ACWA should keep the remaining funds in reserve, dedicated to the purpose of funding a future major statewide public education and research effort. ACWA staff believes that now is the time to use this reserve.

Budgeted (Y/N): N	Budgeted amount: \$0	Core X	Choice ____
Action item amount: \$5,000	Line item:		
Fiscal Impact (explain if unbudgeted): Although this has not been specifically budgeted for FY 2017-2018, there are sufficient funds in the Government Affairs miscellaneous account to cover this appropriation.			

On January 3, the ACWA Board approved use of the funds for research and education related to the proposal to place a tax on drinking water. Last year, Senator Monning introduced SB 623 – the first ever proposed tax on drinking water to finance solutions to provide safe drinking water to disadvantaged communities. On June 21, 2017 the MWDOC Board voted to oppose SB 623 (Monning) should the bill be amended to add water tax language. On August 21, 2017, the bill was amended with such language, and MWDOC moved to a full oppose position and began aggressively opposing the bill.

The issue has returned this year and the governor's recently released budget incorporates the concept of a drinking water tax, making the prospect of SB 623 reappearing as a budget trailer bill this year highly probable.

REPORT

On February 20, ACWA sent out a request for contributions from its members to fund the "No Drinking Water Tax Education and Outreach Campaign." ACWA is launching this fundraising effort to secure an outside public affairs firm to help develop a more strategic external affairs campaign and assist with coalition building outside the water industry. Specifically, they will help update ACWA's tool kit, write and coordinate placement of op-eds throughout the state, assist with media relations, develop a digital and social media advertising campaign targeted to key legislative districts and develop a new website, among other tasks. Public agency contributions will also be used on direct lobbying of legislators and educational components of this campaign

ACWA's goal is to raise \$300,000 in voluntary contributions to potentially sustain the campaign through the summer. Based on the size of our agency (operating budget), they are recommending a contribution of at least \$5,000.

To date, ACWA has received financial commitments from the following agencies:

Bella Vista Water District
 East Orange County Water District
 Eastern Municipal Water District
 Humboldt Bay Municipal Water District
 Indian Wells Valley Water District
 Las Virgenes Municipal Water District
 Mesa Water District
 Orange County Water District
 Western Municipal Water District

Fighting the tax on drinking water is one of the most important efforts undertaken by ACWA and its member agencies in recent years. The potential negative consequences of this proposed tax and the dangerous precedent that it could set will have long lasting, and possibly irreversible affects.



DISCUSSION ITEM

March 14, 2018

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: FY 2018-19 Second Draft Budget

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the second draft of MWDOC's budget for FY 2018-19. Pertinent aspects of the second draft budget include:

1. The second draft budget includes a proposed increase in the fixed rate of \$0.35 per retail meter (2.9%) to a total retail service charge of \$12.25 per retail meter. OCWD's contribution increases \$29,624 to \$498,189.
2. The second draft has a budget total of \$217,168,708 and a consolidated general fund budget of \$9,864,976 (revenue).
3. The total revenue amount for the Core budget is \$8,588,195, an increase of \$530,796 or 6.6% over the current year's budget. \$240,000 (45%) of this increase is derived from increased interest revenue.
4. The proposed second draft budget includes a planned reserves contribution \$15,295. Reserves will remain essentially fully funded.
5. The first unfunded CALPERS liability annual payment of \$207,000 is initiated as part of a ten-year program.
6. The final 1% migration of pension benefit costs from MWDOC to the employees is included with the employee contribution increasing from 6% to 7%.
7. The salary merit pool is at 4% of salaries and wages plus the 1% from the migration of pension costs.
8. No increase in the staffing level is included in the budget.
9. Building improvement expenses increase to \$531,827.
10. Outside funding for Water Use Efficiency (WUE) from rebates and grants is approximately \$3 million; an increase of \$100,000 over this year's projected actuals.

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

11. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$19.3 million; or 2.25 times the total core budget.
12. The new schedule for the budget process impacts the timing of Choice budget elections by Member Agencies. Therefore, the Choice budget estimates in the second draft budget should be considered preliminary.

New items that have been identified but not included in the budget pending Committee discussion and decision include:

- A. The development of a new water education program for middle school students (estimated cost of \$35,000);
- B. The development of a one-day event for college students focusing on water issues and water-related careers (estimated cost of \$5,000);
- C. Participation in the UCI water research center with a five-year commitment of \$30,000 to \$50,000 per year. A letter of commitment or support is due by May 1, 2018. Actual funding would not likely begin until the FY 2020-21 budget.

Additional funding of the Southern California Water Coalition outreach effort for the California WaterFix is included in the budget at an estimated participation level of \$30,000 per the P&O Committee direction and for further discussion at A&F.

No adjustment has been made for the potential modification in the LAFCO fee structure.

A reminder 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 and approval includes staff travel/attendance at any out of state conferences listed on Exhibits E and F. Subsequent to the budget adoption, any new, out of state conferences will be brought to the Board for consideration.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

The net financial change between the first and second draft budget is an increase in the contribution to reserves of \$15,211. There have been several changes between the first and second draft budgets, including:

- The \$50,000 expense for the UCI water research center was mistakenly included in the first draft budget for Cost Center 22 – Research Participation and has been removed from the second draft budget.

- A \$30,000 expense has been added to the draft budget for the Southern California Water Coalition outreach program (Professional Fees).
- An additional \$36,000 expense was added for the pending Grant Research/Writing contract (Professional Fees).
- A total of \$21,600 in expenses was reduced by removing participation in the Association of Metropolitan Water Agencies (AMWA) and one of the three budgeted meetings.
- A reduction in Salaries and Benefits of \$7,337 was realized in recent actual versus budgeted hires.

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

The year-to-year changes in the total Core expenses between FY2017-18 and FY2018-19 are \$392,926 (4.8%). Unlike last year, there is not a significant shift between Core and Choice programs. The largest year-to-year, Core expense changes include:

- A decrease in the WEROC capital improvements expense of \$256,169
- The new \$207,000 expense for the CALPERS unfunded liability contribution
- A decrease of \$119,252 in professional fees
- An increase in MWDOC's building expense of \$175,427
- The increase that is shown for the contribution to the election reserve is an artifact of how we are presenting the reserves in this year's budget. While the contribution to the election is the same as last year (\$304,000) it is displayed as a specific line item expense this year. In past years the "election expense" was only shown as a line item in an election year when the expense was actually incurred as opposed to being contributed to a reserve. This more detailed convention makes more visible the annual contribution to the election reserve as well as the biennial election expense from the reserve (Budget Exhibit C).

DETAILED REPORT

The FY2018-19 MWDOC budget is developed through a transparent and iterative process. Key topics discussed below include:

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

A short discussion on each item follows:

1. MWDOC Budget Process FY2018-19

MWDOC has made several changes to the annual budget process for FY2018-19. Foremost among these changes is the acceleration of the budget process by one month

(schedule attached). Under the new schedule, the Year End Projections and Conceptual Budget (assumptions) are discussed at the January Administration & Finance (A&F) Committee meeting with the first draft budget presented at the February 14, 2018 A&F Committee meeting and the second draft budget at the March 14, 2018 meeting. The Elected Officials Forum is scheduled for April 5, 2018 and the final budget is scheduled for approval by the MWDOC Board of Directors at the April 18, 2018 Board meeting.

The schedule changes were implemented in order to facilitate the budget and rate schedules of our Member Agencies. Because the Choice budget elections and commitments will lag behind the new schedule, MWDOC will bring back to the Board of Directors a revised final Choice budget in September 2018 that will reflect the reconciliations and final program commitments of our Member Agencies. These changes will not impact the rates and charges passed in April for Core activities. Therefore, the second draft budget focuses primarily on Core budgets and activities.

Another modification to the budget process is the early identification of Reserve Fund impacts. The stated goal of the Board of Directors is to have reserves fully funded and that the budget should be balanced relative to meeting those reserve targets. In other words, if the combination of previous fiscal year's audited reserve balances and the current fiscal year year-end projections indicate that the reserve target will be exceeded then the proposed budget should include a draw from the reserve balance down to the target. Conversely, if the projected total will drop the reserve balance below the target then the proposed budget should increase the budgeted contribution to reserves back up to the target. The first half of this process is discussed further below.

2. MWDOC Budget Principles for FY2018-19

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

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Values**
The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders. The budget process should be transparent and readily facilitate public review and input.
- **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 and our regional involvement in the service area and operations of the Metropolitan Water District of Southern California (MET).
- **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. Projected Reserve Fund Balances

The MWDOC designated reserve targets for FY2018-19 and the financial audit balances at the beginning of FY2017-18 are summarized in the table below and indicate a total unfunded reserve balance of \$581,257 (i.e., Total Target (C7) (-) Total Current Balance (D7)). Our preliminary analysis of projected expenses and budget variances for the second draft budget estimates a total of \$248,889 to be available for contribution to reserves from the FY2017-18 operations. These funds are allocated to the General Operations (E2) and the Building Reserves (E4) as indicated in the table column E "FY2017-18 Projected Year End Reclass to Reserves". An additional \$304,000 (E5) is shown as the annual contribution to the Election Reserve for a total projected contribution of \$552,889 (E7). The total unfunded balance after these projected contributions is only \$28,368 (i.e., Total Target (C7) (-) Total Projected Balance F7)). Therefore, the theoretical goal for rate setting in the FY2018-19 budget would be to have \$28,368 more in revenues than expenses to reach the reserve targets. This amount is significantly less than the accuracy of the budget process with a function budget target of essentially breaking even. The second draft budget calls for a contribution to reserves of \$15,295.

	A	B	C	D	E	F
1	Designated Reserves	# Days Cash	FY 2018-19 Target Reserve*	FY 2017-18 Current Balance	FY 2017-18 Projected Year End Reclass to Reserves	FY 2018-19 Projected Reserve Balance
2	General Operations	90-180	\$ 3,377,754	\$ 3,156,569	\$ 221,185	\$ 3,377,754
3	Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
4	Building Reserve	10-15	406,479	350,407	27,704	378,111
5	Election Reserve	N/A	608,000	304,000	304,000	608,000
6	OPEB Reserve est.9/2016	N/A	209,006	209,006	-	209,006
7	TOTALS		\$ 6,101,239	\$ 5,519,982	\$ 552,889	\$ 6,072,871

4. **Budget Input from Member Agencies**

The November 2017 MWDOC budget letter to Member Agencies invited their formal participation in the process including the suggestion of activities and comments. To date only two agencies have submitted comment letters: Orange County Water District and South Coast Water District.

- **OCWD** identified four Metropolitan Water District (MWD) issues of importance: (1) Establish a permanent regional in-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies, (2) Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner, (3) Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement, and (4) Obtain MWD's approval to pump potable water into MWD pipeline facilities.
- **South Coast** submitted comments relative to MWDOC's Reliability Study including the recent system reliability presentation. They specifically requested that MWDOC "continue to participate in and evaluate efforts to assess and implement Orange County water reliability projects and especially the 15 MGD Doheny Ocean Desalination Project".

Additional Member Agency input is expected during the budget process.

5. **Priorities & Practices Overview**

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

- Metropolitan Water District of Southern California (MET)
- Regional Water Reliability
- Water Use Efficiency (WUE)
- Water Emergency Response
- Communication
- Legislation & Regulation
- Administration & Finance

These are discussed below.

Metropolitan Water District of Southern California (MET)

MWDOC was formed in 1951 to serve the majority of Orange County as a MET Member Agency and make imported water available to all of Orange County. This remains a primary function. This responsibility has taken various forms over the decades from participation in MET's commitment to build transmission lines, to facilitating local projects, and oversight and participation in MET's rate setting and programs. A major effort continues to be 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 Integrated Resource Plan (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 where needed. Significant upcoming investments include the California WaterFix, potentially the Carson Indirect Potable Reuse (IPR) project, and Local Resource Program (LRP) funding approvals.

Significant MET issues during the current fiscal year include court decisions in the 2010/2012 San Diego County Water Authority (SDCWA) lawsuit with Metropolitan, the start of updating the IRP, the establishment of groundwater storage programs including Cyclic Storage and In-Lieu, the California WaterFix, the FY2018-19 & FY2019-20 budget and rate proposal, and WUE activities.

Regional Water Reliability

The improvement of water supply and system reliability is key for the ratepayers and residents of Orange County and is a central part of MWDOC's mission. MWDOC has taken a variety of roles in ensuring OC water reliability ranging from the construction, financing and operating of the Allen-McColloch Pipeline to facilitation of local projects to the objective analysis of alternative projects for future reliability. However, reliability cannot be improved by OC investments alone. It is imperative that our reach in this area is both local and regional, to MET and DWR.

Over the years, MWDOC has actively conducted or participated in a variety of reliability studies including various versions of the MET Integrated Resource Plan (IRP) and reliability assessments of all or part of Orange County. Central to current reliability discussions is MWDOC's 2016 OC Reliability Study which is being updated and extended in the current fiscal year. Included in this effort are analyses of new climate change models for the Colorado River system, an analysis of the potential reliability benefits of increased storage projects, and project specific project assessments for increased supply and system reliability. MWDOC's perspective is unique in that we have a regional focus instead of the more restrictive view on the benefits and costs of a single retail agency. Specific projects include the California WaterFix, the Carson IPR project, both the Doheny and Poseidon

desalination projects, the San Juan Watershed project and the Cadiz project; as well as more generic water storage projects.

Other significant actions during the current year include resolving water quality issues associated with low demand flows, evaluating emergency water alternatives for South Orange County, evaluating potential institutional arrangements to support OC reliability projects including groundwater storage and the Doheny project, coordinating MET PCCP lining projects and maximizing benefits to our Member Agencies, evaluating potential storage programs utilizing Strand Ranch, working with NGO environmental groups and the academic community on habitat restoration frameworks for the Bay Delta, evaluating MET emergency storage reliability and resolving meter issues between our Member Agencies and MET.

Water Use Efficiency (WUE)

Sound water management policy requires a continuing effort to improve water use efficiency. This requirement is intensified by the permanent water use efficiency standards that go well beyond the 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 and a function MWDOC has been providing since 1989.

In addition to running the WUE rebate and landscape technical assistance program, MWDOC has been coordinating a water loss control program for many of our Member Agencies. This program has moved beyond water loss audits into field activities including meter testing and water leak detection. Orange County is now a state leader in terms of experience and data. This has allowed MWDOC to provide hard data to state regulatory agencies and direct developing regulations. MWDOC's expertise has also been critical in workgroups addressing the numerous water use efficiency legislative and regulatory proposals.

Water Emergency Response

MWDOC provides the administrative umbrella for the Water Emergency Response Organization of Orange County (WEROC). Significant changes were implemented this past year to improve and strengthen its state of readiness to assist in a time of emergency. WEROC develops the resources, tools, trainings and grant funding targeted at enhancing Member Agency and WEROC EOC Staff preparedness and resilience. This past year WEROC provided critical response coordination during the Canyon 2 Fire, as well as provided unique and needed preparedness programs. These included the training for the response to an unknown contamination event with the DDW's Emergency Water Quality Sample Kits (EWOSK). A major upgrade has been implemented with the migration of the radio system to the County's 800 MHz system.

Significant effort has also been directed at assessing the status of the Emergency Operations Centers (EOC), the optimization of EOC location and number, and the seismic integrity of the facilities. These evaluations will impact expenditures in FY2018-19.

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. Central to that effort this year has been a focus on the California WaterFix, a renewed effort in social media and the launching of our new website.

MWDOC has provided water-related education programs for 45 years, since 1973. Through partnerships with the Discovery Cube and Inside the Outdoors, MWDOC provides Orange County students with grade-specific lessons that focus on topics like the water cycle, forms of water and water as an environmental resource. The high school program was revised this year to include a digital resource guide for students and teachers, a contact list of subject matter speakers (including Member Agency contacts) and a "Traveling Scientist" classroom presentation. This classroom component provides students an overview of the science, economics, and history of Orange County water.

MWDOC's Public Affairs group interacts with the public and our Member Agencies through several activities and avenues. MWDOC hosts regular meetings of the Public Affairs Workgroup to facilitate unified regional messaging and communications support. MWDOC's Public Affairs group also produces the special events of the annual OC Water Summit and the Water Policy Dinners and is responsible for the MWDOC MET inspection trips and tours.

Legislation & Regulation

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. There has been a flood of legislative activity in Sacramento in FY2017-18 for water issues including the proposals to implement the vision of the Governor's framework for "Making Conservation a California Way of Life" (AB 1668 - Friedman & SB 606 Hertzberg/Skinner), the public goods charge (SB 623 – Monning and the budget trailer bill language), the recently introduced water shutoff policy requirements (SB 998 - Dodd), and efforts to delay or halt the California WaterFix, such as AB 1876 – Frazier which skews the Delta Stewardship Council in favor of those in the Delta region. Work on these and other bills is expected to remain intense through the end of the session (August 31, 2018).

Administration & Finance

The administration and financial functions are essential to the success and compliance of MWDOC and our Member Agencies. Working in conjunction with the technical staff, the Finance team executes the monthly accounting and billing of water deliveries under various programs, rebates, in-lieu credits, LRP payments and choice programs accounting. This year's annual audit again received an unmodified (unqualified) opinion from the independent auditors.

Among many other tasks, the Administrative team has been coordinating staff and contractors to conduct several building evaluations, space efficiency assessments, and renovation plans. These efforts have been central to an ongoing effort to maximize efficiency and ensure safety and code standards are in compliance. MWDOC will complete a series of seismic assessments this fiscal year that will influence next year's expenditures. These assessments are also critical to our redesign and refurbishment of main meeting room (101), the conversion of the library into new conference space (102) and the more efficient redesign of the copier and storage rooms. Room 101 will become available for an alternate EOC. The repurposing of the library has been facilitated by the successful document management project over the last year.

6. MWDOC Key Initiatives for FY2018-19

Five items were identified as the largest, year-to-year, Core expense changes.

- i. The WEROC capital improvements expense decrease of \$256,169 is a combination of the significant one-year capital funding last year of WEROC's capital reserve fund and the completion of capital projects including the radio conversion. This also had the synergistic effect of eliminating the annual lease for the Catalina repeater site at \$21,000. Next year's capital projects are at the South EOC.
- ii. The MWDOC Board of Directors approved a new ten-year program in 2017 to address the CALPERS unfunded liability. This added a new annual expense of \$207,000 beginning in FY2018-19. The OPEB liability has been previously funded. However, it is anticipated that addition funds will be required as new actuarial evaluations are periodically performed.
- iii. The second draft budget includes a decrease of \$119,252 in professional fees in the Core budget that is close to offsetting the \$129,995 that is projected to be unspent in the current budget. The decrease is derived from several sources including Water Use Efficiency, Finance, Government Affairs and Public Affairs.
- iv. An increase in MWDOC's Core building expense of \$175,427 reflects several major replacement and remodeling projects. These include the roof replacement, HVAC upgrade, seismic structural, and office remodel/refresh projects. Most are driven by the age of the building (i.e., 25-year old roof).
- v. The contribution to the election reserve shows as an increase of \$304,000 over last year. As noted earlier, this is an artifact of how we are presenting the reserves in this year's budget. The election reserve is funded through annual payments in an amount that would fund seven director elections every four years. The total cost is based on the actual cost of the previous election. Payments are adjusted for the savings from non-contested elections.

Additionally, three items were identified as potential new projects that are not included in the budget pending Committee discussion and approval.

- A. The development of a new water education program for middle school students. The concept would be to develop and implement a new program that would fill the current middle school gap with a complementary experience. There are some existing programs that could be used as models to minimize development costs. School implementation would be

minimal in the first year and would be conducted as a Core budget function for program development. This effort would require either a contractor or significant staff time to implement. The associated cost is projected to be \$35,000.

- B. The development of a one-day event for college students focusing on water issues and water-related careers. The purpose would be to not only extend the water education program but to also attract college students to the industry. The effort would include one annual event at one location and would include community colleges as well as four-year programs. There are some colleges with water-related programs that would be target partners for this effort. The largest impact of this event would be in staff time, for both program development and event conduct. Direct cost is likely to be minor and is estimated at \$5,000. This would be a Core budget item.
- C. Participation in the UCI water research center with a five-year annual commitment of \$30,000 to \$50,000. A letter of commitment or support is due by May 1, 2018. Actual funding of the program would not likely begin until FY 2020-21 budget.

Additional funding of the Southern California Water Coalition outreach effort for the California WaterFix is included in the budget at an estimated participation is \$30,000 per the P&O Committee direction and for further discussion at A&F.

Besides the items previously discussed above, the key initiatives for the FY2018-19 budget include:

Metropolitan Water District of Southern California (MET)

- Continue to work closely with MET on budget and rate issues, support for the California WaterFix, development of WUE and IRP policy implementation, and management of water in Southern California.
- Protect MWDOC and local agency interests in MET via continued participation in the series of SDCWA lawsuits against MET. While MET primarily prevailed at the Appeals Court level on the 2010/2012 case, final resolution was remanded to the lower court. In addition, there is a series of addition cases that SDCWA has filed for each rate set by the MET Board (i.e., 2014, 2016, and 2017).
- Promoting Orange County positions in policy formation and actions including MET investments in supply projects like the California WaterFix, Carson Regional Recycling project, LRP funding policy and decisions, modifications to allocation policies and procedures, and MET's groundwater policies.
- OCWD identified four MET issues of importance: (1) a permanent regional in-lieu program, (2) modification of the Water Supply Allocation Plan rules, (3) determination of the terms necessary to phase-out the MET Conjunctive Use Program (CUP) storage agreement, and (4) resolution of MET's approval to pump potable water into MET pipeline facilities.

Regional Water Reliability

- Advance projects from the OC Water Reliability Study. The following work is anticipated:
 - Supply and system reliability project evaluations to meet the projected gap between Orange County water demand and available supplies. The supply reliability projects are intended to manage and reduce the allocation periods associated with droughts. The system reliability projects are intended to increase reliability during emergencies or disasters (e.g., earthquakes and fires). The goal is to optimize public investment to reliably meet demand without standing assets. Project implementation considerations and options from a regional perspective are critical components of the evaluations. The portfolio of projects include:
 - California WaterFix
 - Carson Regional Recycling Project
 - Huntington Beach Desalination Project
 - Doheny Desalination Project
 - San Juan Watershed Project
 - Cadiz Project
 - Groundwater Banking Options including Strand Ranch and storage within the Orange County Basin
 - South Orange County Emergency Supply Agreement review and supplemental supplies
- South Coast Water District requested that MWDOC continue participation in and evaluate efforts to assess and implement OC reliability projects and specifically the 15 MGD Doheny Ocean Desalination Project.
- On-going work with OCWD on basin issues (In Lieu delivery, Cyclic Storage, SARCCUP).
- 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, will open up a number of options for Orange County.
- Evaluation of MET emergency storage and accuracy of outage duration estimates for system components.
- Resolution of distribution system metering and water quality issues including MET administrative code changes to facilitate meter range improvements and low flow policies in Orange County.

Water Use Efficiency (WUE)

- Continue with implementation of the Water Use Efficiency Master Plan including methods to firm up funding options for local agencies. Begin integrating recycled water use into the Water Use Efficiency Programs by accelerating recycled water connections through customer incentives.
- Continue Rebate Programs and emphasize landscape opportunities
- Continue to convene the Water Loss Control Work Group and evaluate the feasibility, implementation and expansion of shared services to include meter accuracy testing and leak detection.

- Phase III of the Water Loss Control Technical Assistance will continue in conjunction with Water Systems Optimization in providing this assistance to 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.
- Landscape Design Assistance will continue to assist rebate program participants.
- The States' new Long Term Water Use efficiency framework will require significant research to better understand and inform stakeholders on the standard setting. 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 as they transition the organization in FY2017-18.
- Secure program funding; MWDOC is currently projecting approximately \$2.9 million for WUE program funding.

Water Emergency Response - WEROC

- WEROC will continue a multiple year training and exercise programs 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 involves the participation of four Fire Hazardous Materials Teams, law enforcement, Division of Drinking Water, cities, the County, and our Member Agencies. 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.
- WEROC staff will continue to implement the recommendations of the WEROC EOC Site Study; including components of the seismic evaluation, electrical evaluation and generator sharing at the South EOC site.
- 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.
- A comprehensive review and update of the WEROC EOC Emergency Operations Plan, supporting documents and agency planning documents will be completed.

Communication

- 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 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.
 - MWDOC will continue the communications campaign focusing on the WaterFix and EcoRestore. With the launch of the new website, the social media campaign will be able to increase leverage and effectiveness.
 - Recent project developments for the WaterFix have included the announcement of a phased approach with one 6,000 cfs tunnel in the first phase and a second tunnel to be constructed in the second phase. This modification has produced considerable confusion about project costs and benefits. The ongoing effort to communicate these changes will continue into FY2018-19.
 - Consistent messages will be needed to finish the State Water Project with the tunnel option, which is essentially a storm water capture project. The EcoRestore will 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 again 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, as well as "listening" to public sentiment about the project and identifying any growing concerns or opposition.
 - Staff is aware other agencies and organizations are preparing outreach campaigns as well, and will communicate with them and coordinate when appropriate.
 - Other aspects of the ongoing OC Reliability work will merit significant communication efforts during the fiscal year including the project and demand evaluations for both supply and system reliability.
- An important component of the communication plan is the public outreach through the Water Policy Dinners and the Water Summit, both of which are included in the budget.
- Critical to the success of our communication is the active coordination with our Member Agencies. This will continue in both the structured format of formal meetings and the informal cooperation between agencies.
- The Core/Choice designations of the current education programs for grade school and high schools will not be changed. Program expansion into middle schools and colleges is not included in the budget pending Board review.
- Also not included in the budget, pending the Board decision, is the continued funding of the Southern California Water Coalition WaterFix communication program.

Legislation & Regulation

- As previously discussed, a large volume of state water-related legislation was introduced over the past year and much of it is still active. Many of the items are critically important to the water industry and our Member Agencies. Intense activity is anticipated through the end of this year's session. Post-election, a new set of legislation will commence in January 2019. MWDOC will continue and refine communication with our Member Agencies and regional partners on these items.
- MWDOC's efforts on Governmental Affairs will also focus on funding and regulatory programs at the state and federal levels. We have accelerated efforts with the Orange County and California delegations and select Committee Members to marshal support, funding and beneficial modifications for state and national programs. At the state and federal level, significant efforts will be made in tracking both funding opportunities for Orange County projects and relevant legislation.
- The State Water Resources Control Board continues to accumulate responsibilities, authority and power. MWDOC will increase its focus on State Water Board proceedings as well as those of the Department of Water Resource.

Administration & Finance

In addition to the normal and essential administration and financial functions, FY2018-19 will include major building renovation projects. Some functional organizational restructuring is also likely as retirements occur. Increased training and process efficiency enhancements are also planned.

7. 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.

8. Water Rates and Charges

Historically, MWDOC's revenue funding for 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 the water volume increment charge had been phased out and Core funding 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 in compliance with Proposition 26.

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 2018-19 are \$220,515,870.

For FY 2018-19 the proposed Retail Meter Charge is \$12.25.

For FY 2018-19 the proposed Groundwater Customer Charge is \$498,189.

Attachments:

Attached hereto are MWDOC budget schedule and the detailed budget for this coming fiscal year.

MWDOC BUDGET PROCESS & SCHEDULE

November 2017

- Notification to Member Agencies of start of budget process and solicitation of input

December 2017

- MWDOC staff begins preparation of budget hours and costs on program and line-item basis
- Review of four month actuals and fiscal year-end projections
- Review budget adjustments for current fiscal year
- Preparation of internal, draft conceptual budget (review changes for upcoming fiscal year)

January 2018

- Initial review of budget issues with A&F Committee for feedback **(1-10-18)**
- Initial discussion of budget issues with Member Agencies for feedback
- Request for Member Agencies' PRELIMINARY indication of participation in CHOICE

February 2018

- Publish and post the FIRST DRAFT Budget in the packet for the A&F Committee **(2-8-18)**
- Review Full Draft Budget with A&F Committee **(2-14-18)**
- Formally request comments from all Member Agencies
- 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
- Member Agencies' INITIAL CONFIRMATION of participation in **CHOICE** Services by **February 15**. The **Updated** Agreement by the end of **March** and after the Elected Officials Meeting
- Discuss FIRST DRAFT Budget at Member Agency Managers' Meeting **(2-22-18)**
- Meet with Member Agencies as requested or scheduled

MWDOC BUDGET PROCESS & SCHEDULE

March 2018

- **REVISED** 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
- Discuss SECOND DRAFT Budget in A&F Committee **(3-14-18)**
- Review SECOND DRAFT Budget at Member Agency Managers' Meeting **(3-22-18)**
- **Update CHOICE** Participation
- Member Agencies' submit Formal Comments about the Budget **(3-28-18)**

April 2018

- Conduct meeting with Elected Officials from Member Agencies to discuss budget and other topics **(4-5-18)**
- THIRD DRAFT Budget and Rates presented to A&F Committee **(4-11-18)**
- Member Agencies' Formal Comments presented to A&F Committee
- Board approval of FY2018-19 FINAL Budget and Rates **(4-18-18)**

June 2018

- Member Agencies confirm **FINAL CHOICE** Participation **(6-15-18)**

August 2018

- **Reconciliation of FY 2017-18 WUE & CHOICE Programs**

September 2018

- **REVISED FINAL CHOICE** Budget presented to A&F Committee **(9-12-18)**
- Board approval of FY2018-19 **REVISED FINAL CHOICE** Budget **(9-19-18)**

SOUTH COAST



WATER DISTRICT

January 24, 2018

Board of Directors

William Green
President

Wayne Rayfield
Vice President

Dennis Erdman
Director

Doug Erdman
Director

Rick Erkeneff
Director

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

Dear Rob:

Thank you for your letter of November 27, 2017 asking for member agency budget suggestions. Recently South Coast Water District completed a district-specific water reliability study as a logical follow-on to the Orange County water reliability study sponsored by the Municipal Water District of Orange County (MWDOC). South Coast Water District has also reviewed the System Reliability Report from the MWDOC Planning & Operations Committee meeting of January 2, 2018. Our District agrees with the analysis demonstrating the cost effectiveness of the Doheny Ocean Desalination Project for the system component of water reliability. South Coast Water District's analysis has indicated significantly lower unit cost for a 15 MGD Doheny Ocean Desalination Plant compared to a 3 to 5 MGD plant. South Coast Water District requests that MWDOC continue to participate in and evaluate efforts to assess and implement Orange County water reliability projects and especially the 15 MGD Doheny Ocean Desalination Project. These actions by MWDOC to increase both the system and supply reliability would be to the benefit of all of Orange County.

Sincerely,

William Green
President
Board of Directors

Andrew Brunhart
General Manager

RECEIVED

JAN 26 2017

MWD OF OC

DIRECTORS

PHILIP L. ANTHONY
DENIS R. BILODEAU, P.E.
SHAWN DEWANE
CATHY GREEN
DINA NGUYEN
VICENTE SARMIENTO
STEPHEN R. SHELDON
JAMES VANDERBILT
BRUCE WHITAKER
ROGER C. YOH, P.E.



ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
DENIS R. BILODEAU, P.E.

First Vice President
PHILIP L. ANTHONY

Second Vice President
SHAWN DEWANE

General Manager
MICHAEL R. MARKUS, P.E., D.WRE

December 21, 2017

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley CA 92708

SUBJECT: Water Resources Policy Issues with the Metropolitan Water District

Dear Mr. Hunter:

The Orange County Water District (OCWD) would like to make the Municipal Water District of Orange County (MWDOC) aware of issues that are of importance to OCWD regarding groundwater matters that it would like to be addressed with the Metropolitan Water District of Southern California (MWD) this coming year.

OCWD requests that appropriate consideration be focused on the significant MWD policy issues listed below that affect the management of the OCWD groundwater basin and groundwater basins throughout Southern California. We envision a collaborative process between OCWD, MWDOC and MWD in dealing with each of these issues, as they can be quite complicated.

1. **Establish a permanent regional In-lieu program that encourages the storage of additional water during periods when MWD is at risk of losing excess imported water supplies.** The In-lieu program that was developed for FY2017-18 under the Cyclic Agreement program is a great example of how excess imported water supplies can be brought into Southern California's groundwater basins. Imported water that MWD was at risk of losing is now being recharged into local groundwater basins. MWDOC's work and effort to create this program is greatly appreciated. Unfortunately the current In-lieu program is only available during FY2017-18. OCWD suggests MWDOC encourage the MWD Board to consider the establishment of a permanent In-lieu program that could be exercised during times of abundance so operational flexibility is always available to MWD in the future to ensure that excess imported water supplies are never lost to the region.
2. **Modify the Water Supply Allocation Plan rules to include Groundwater Basin Agencies in a more consistent manner.** The Water Supply Allocation Plan

(WSAP) rules and requirements that currently exist were approved by MWD in December 2014. Under the WSAP rules, groundwater basin agencies can receive imported water during water shortages, however, the rules to do so are restrictive with respect to the management of local groundwater basins.

OCWD typically purchases untreated full service water to recharge the groundwater basin to meet annual consumptive demands. Purchasing this water allows the District to increase the annual natural yield of the groundwater basin. OCWD believes that the purchase of untreated full service water to meet consumptive demands is practically identical to other MWD member agencies that purchase untreated full service water, which is then treated at a treatment plant, to meet their own consumptive demands; the only difference is that OCWD is just using the groundwater basin to treat the water.

In operating a groundwater basin there may be years when the basin is being refilled (such as FY2017-18 with the purchase of approximately 100,000 acre-feet of In-Lieu water) and there will be years when the basin is being overdrafted. But over the long-term, any MWD imported water that is purchased by OCWD will eventually be used to meet consumptive water demands. The use of a long-term average by MWD in determining how much imported water is typically purchased by a groundwater basin manager such as OCWD for use in allocating water under the WSAP should fully account for any large fluctuations in annual purchases.

OCWD is requesting that the WSAP rules that pertain to groundwater agencies be less restrictive and more consistent with other MWD member agencies who take full service treated or untreated MWD supplies to meet consumptive water demands.

3. **Determine the terms necessary to phase-out the MWD Conjunctive Use Program (CUP) storage agreement.** Now that the OCWD, MWDOC and MWD have developed and executed a Cyclic Agreement, the value and utility of the existing CUP program has diminished. The Cyclic Agreement is much easier to operate and allows MWD to pre-deliver excess water supplies to the OCWD groundwater basin at MWD's convenience. Operating two separate storage agreements with MWD can be confusing.

The CUP program agreement phases out in 2028. As part of the program MWD initially provided \$23 million to the District to support the construction of new water facilities of which \$15 million was obtained from a Proposition 13 grant. OCWD would like to work with MWDOC and MWD to determine what the appropriate terms would be to phase out the CUP program sooner.

4. **Obtain MWD's approval to pump potable water supplies into MWD pipeline facilities**

An extensive imported water pipeline network has been constructed in Orange County to distribute MWD supplies to various agencies. As has been demonstrated

over the past few years, flows in these facilities have significantly declined. Substantial unused capacity exists in these pipelines which have been partially funded by Orange County rate payers.

OCWD and MWDOC have conceptually developed projects over the years that could have taken advantage of this unused capacity to transport potable groundwater and/or ocean desalination water to different retail water agencies in the region. Unfortunately, along the way, we have been unable to develop final terms and conditions from MWD for these potential projects to use these facilities.

Some progress has been made in that MWD seems agreeable to a dividing line of responsibility for water quality between MWD and the agencies downstream of where water would be introduced by the local agencies. OCWD would like to work with both MWDOC and MWD in developing appropriate terms and conditions for these types of projects.

OCWD would also like to note that this list of issues was reviewed with the OCWD Groundwater Producers at their meeting of November 8, 2017. The Producers concurred with the importance of this effort.

Thank you for consideration of these important requests.

Sincerely,



Michael R. Markus, P.E., D.WRE, BCEE, F.ASCE
General Manager

Cc: MWDOC Board of Directors
MWDOC MWD Directors: Larry McKenney & Linda Ackerman
MWD Directors: Peter Beard, Stephen Faessel & Michele Martinez
OCWD Board of Directors
OCWD Groundwater Producers



Annual Budget for Fiscal Year 2018-19

Second Draft

MWDOC's mission is:

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

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,143,264	\$ 2,974,005	\$ (169,259)	\$ 3,104,292	\$ 130,287	\$ (38,972)
Employee Benefits	929,655	909,766	(19,889)	979,729	69,962	50,073
Director Compensation	243,197	213,069	(30,128)	255,360	42,291	12,163
Director Benefits	81,728	83,323	1,594	94,767	11,444	13,038
MWD Representation	138,969	123,774	(15,195)	145,920	22,146	6,951
CALPERS Unfunded Liability Contribution	-	-	-	207,000	207,000	207,000
Overhead Reimbursement	(151,910)	(144,098)	7,812	(161,317)	(17,220)	(9,408)
Health Insurance Coverage for Retirees	59,554	54,354	(5,200)	70,519	16,165	10,965
Audit Expense	40,000	19,000	(21,000)	29,000	10,000	(11,000)
Automotive & Toll Road Expenses	17,400	19,040	1,640	18,262	(778)	862
Conference Expense - Staff	38,945	31,564	(7,381)	40,730	9,166	1,785
Conference Expense - Directors	23,700	22,500	(1,200)	23,630	1,130	(70)
Engineering Expense	360,000	235,000	(125,000)	330,000	95,000	(30,000)
Insurance Expense	110,250	110,000	(250)	138,500	28,500	28,250
Legal Expense - General	250,000	228,526	(21,474)	255,000	26,474	5,000
Maintenance Expense	123,500	115,446	(8,054)	132,796	17,350	9,296
Membership / Sponsorship	142,102	139,284	(2,818)	122,967	(16,317)	(19,135)
CDR Participation	48,803	43,803	(5,000)	47,044	3,241	(1,759)
Miscellaneous Expense	124,650	105,499	(19,151)	137,925	32,426	13,275
Postage / Mail Delivery	9,700	8,622	(1,078)	8,600	(22)	(1,100)
Professional Fees	983,678	853,683	(129,995)	864,426	10,743	(119,252)
Rents & Leases	8,400	3,342	(5,058)	3,460	118	(4,940)
Outside Printing, Subscription & Books	28,775	28,355	(420)	34,573	6,218	5,798
Office Supplies	35,580	35,500	(80)	36,000	500	420
Building Repair & Maintenance	11,000	20,000	9,000	20,000	-	9,000
Computer Maintenance	10,000	7,878	(2,122)	8,000	122	(2,000)
Business Expense	5,200	5,642	442	5,600	(42)	400
Software Support & Expense	93,154	78,263	(14,891)	97,795	19,532	4,641
Computers and Equipment	33,050	29,639	(3,411)	11,850	(17,789)	(21,200)
Telecommunications Expense	21,300	14,800	(6,500)	20,178	5,378	(1,122)
Temporary Help Expense	5,000	4,775	(225)	5,000	225	-
Training Expense	10,000	8,000	(2,000)	25,000	17,000	15,000
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-

(1)
(2)

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	95,600	79,853	(15,747)	96,550	16,697	950
Travel & Accommodations - Directors	49,850	46,752	(3,098)	50,550	3,798	700
MWDOC's Contribution to WEROC: Operations	179,217	179,217	-	191,380	12,163	12,163
and to WEROC Capital Improvements	281,657	281,657	-	25,488	(256,169)	(256,169)
Capital Acquisition (excluding building)	249,500	170,507	(78,993)	255,500	84,993	6,000
NORMAL OPERATING EXPENSES	\$ 7,839,469	\$ 7,140,341	\$ (699,129)	\$ 7,737,073	\$ 596,732	\$ (102,396)
MWDOC's Building Expense	\$ 356,400	\$ 371,923	\$ 15,523	\$ 531,827	\$ 159,904	\$ 175,427
Contribution to Election Reserve	-	304,000	304,000	304,000	-	304,000
TOTAL EXPENSES	\$ 8,195,869	\$ 7,816,264	\$ (379,605)	\$ 8,572,900	\$ 756,636	\$ 377,031

REVENUES:						
Retail Meter Charge	\$ 7,435,834	\$ 7,435,834	\$ -	\$ 7,697,006	\$ 261,172	\$ 261,172
Ground Water Customer Charge	468,565	468,565	-	498,189	29,624	29,624
Interest Revenue	150,000	287,155	137,155	390,000	102,845	240,000
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 8,057,399	\$ 8,194,554	\$ 137,155	\$ 8,588,195	\$ 393,641	\$ 530,796

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (138,470)	\$ 378,290	\$ 516,760	\$ 15,295	\$ (362,995)	\$ 153,765

(1) Total FY18-19 Salaries & Wages includes \$35,358 for intern support

(2) Total FY18-19 Benefits includes \$3,655 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 427,946	\$ 394,459	\$ (33,487)	\$ 418,691	\$ 24,232	\$ (9,255)
less for Recovery from Grants	(23,279)	(21,400)	1,879	(6,300)	15,100	16,979
Employee Benefits	127,111	113,090	(14,021)	128,836	15,746	1,725
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	151,910	144,098	(7,812)	161,317	17,220	9,407
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	-	-	-	-	-	-
Miscellaneous Expense	6,000	10,000	4,000	6,000	(4,000)	-
Postage / Mail Delivery	800	400	(400)	400	-	(400)
Professional Fees	556,132	508,472	(47,660)	567,837	59,365	11,705
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	-	-	-	-	-	-

(1)

(2)

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Subtotal Expenses	\$ 1,615,957	\$ 1,149,119	\$ (97,501)	\$ 1,276,781	\$ 127,662	11.11%
TOTAL EXPENSES	\$ 1,246,619	\$ 1,149,119	\$ (97,500)	\$ 1,276,781	\$ 127,662	\$ 30,162

REVENUES:						
Choice Revenue	\$ 1,246,619	\$ 1,149,119	\$ (97,500)	\$ 1,276,781	\$ 127,662	\$ 30,162
TOTAL REVENUES	\$ 1,246,619	\$ 1,149,119	\$ (97,500)	\$ 1,276,781	\$ 127,662	\$ 30,162

- (1) Total FY18-19 Salaries & Wages includes \$43,694 for intern support
- (2) Total FY18-19 Benefits includes \$4,661 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET	
OPERATING EXPENSES:							
Salaries & Wages	\$ 3,571,210	\$ 3,368,465	\$ (202,745)	\$ 3,522,983	\$ 154,519	\$ (48,226)	(1)
less for Recovery from Grants	(23,279)	(21,400)	1,879	(6,300)	15,100	16,979	(2)
Employee Benefits	1,056,766	1,022,856	(33,910)	1,108,564	85,708	51,798	
Director Compensation	243,197	213,069	(30,128)	255,360	42,291	12,163	
Director Benefits	81,728	83,323	1,594	94,767	11,444	13,038	
MWD Representation	138,969	123,774	(15,195)	145,920	22,146	6,951	
CALPERS Unfunded Liability Contribution	-	-	-	207,000	207,000	207,000	
Overhead Reimbursement	-	-	-	-	-	-	
Health Insurance Coverage for Retirees	59,554	54,354	(5,200)	70,519	16,165	10,965	
Audit Expense	40,000	19,000	(21,000)	29,000	10,000	(11,000)	
Automotive & Toll Road Expenses	17,400	19,040	1,640	18,262	(778)	862	
Conference Expense - Staff	38,945	31,564	(7,381)	40,730	9,166	1,785	
Conference Expense - Directors	23,700	22,500	(1,200)	23,630	1,130	(70)	
Engineering Expense	360,000	235,000	(125,000)	330,000	95,000	(30,000)	
Insurance Expense	110,250	110,000	(250)	138,500	28,500	28,250	
Legal Expense - General	250,000	228,526	(21,474)	255,000	26,474	5,000	
Maintenance Expense	123,500	115,446	(8,054)	132,796	17,350	9,296	
Membership / Sponsorship	142,102	139,284	(2,818)	122,967	(16,317)	(19,135)	
CDR Participation	48,803	43,803	(5,000)	47,044	3,241	(1,759)	
Miscellaneous Expense	130,650	115,499	(15,151)	143,925	28,426	13,275	
Postage / Mail Delivery	10,500	9,022	(1,478)	9,000	(22)	(1,500)	
Professional Fees	1,539,810	1,362,155	(177,655)	1,432,263	70,108	(107,547)	
Rents & Leases	8,400	3,342	(5,058)	3,460	118	(4,940)	
Outside Printing, Subscription & Books	28,775	28,355	(420)	34,573	6,218	5,798	
Office Supplies	35,580	35,500	(80)	36,000	500	420	
Building Repair & Maintenance	11,000	20,000	9,000	20,000	-	9,000	
Computer Maintenance	10,000	7,878	(2,122)	8,000	122	(2,000)	
Business Expense	5,200	5,642	442	5,600	(42)	400	
Software Support & Expense	93,154	78,263	(14,891)	97,795	19,532	4,641	
Computers and Equipment	33,050	29,639	(3,411)	11,850	(17,789)	(21,200)	
Telecommunications Expense	21,300	14,800	(6,500)	20,178	5,378	(1,122)	
Temporary Help Expense	5,000	4,775	(225)	5,000	225	-	
Training Expense	10,000	8,000	(2,000)	25,000	17,000	15,000	
Tuition Reimbursement	5,000	-	(5,000)	5,000	5,000	-	

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	95,600	79,853	(15,747)	96,550	16,697	950
Travel & Accommodations - Directors	49,850	46,752	(3,098)	50,550	3,798	700
MWDOC's Contribution to WEROC: Operations	179,217	179,217	-	191,380	12,163	12,163
and to WEROC Capital Improvements	281,657	281,657	-	25,488	(256,169)	(256,169)
Capital Acquisition (excluding building)	249,500	170,507	(78,993)	255,500	84,993	6,000
NORMAL OPERATING EXPENSES	\$ 9,086,088	\$ 8,289,460	\$ (796,629)	\$ 9,013,854	\$ 724,394	\$ (72,234)
MWDOC's Building Expense	\$ 356,400	\$ 371,923	\$ 15,523	\$ 531,827	\$ 159,904	\$ 175,427
Contribution to Election Reserve	-	304,000	304,000	304,000	-	304,000
TOTAL EXPENSES	\$ 9,442,488	\$ 8,965,383	\$ (477,106)	\$ 9,849,681	\$ 884,298	\$ 407,193

REVENUES:						
Retail Meter Charge	\$ 7,435,834	\$ 7,435,834	\$ -	\$ 7,697,006	\$ 261,172	\$ 261,172
Ground Water Customer Charge	468,565	468,565	-	498,189	29,624	29,624
Interest Revenue	150,000	287,155	137,155	390,000	102,845	240,000
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	1,246,619	1,149,119	(97,500)	1,276,781	127,662	30,162
TOTAL REVENUES	\$ 9,304,018	\$ 9,343,673	\$ 39,655	\$ 9,864,976	\$ 521,303	\$ 560,958

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (138,470)	\$ 378,290	\$ 516,760	\$ 15,295	\$ (362,995)	\$ 153,765

(1) Total FY18-19 Salaries & Wages includes \$79,052 for intern support

(2) Total Benefits includes \$8,316 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 9.409% for classic employees and 6.842% for PEPRAs Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 8% for calendar year 2018.

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2017-2018 BUDGET
Water Revenues						
Water Sales	\$ 171,308,629	\$ 229,271,993	\$ 57,963,364	\$ 205,393,716	\$ (23,878,277)	\$ 34,085,087
Local Resource Program Incentives	(16,574,748)	(16,413,806)	160,942	(16,416,776)	(2,970)	157,972
Readiness-To-Serve Charge	10,397,278	10,347,493	(49,785)	10,902,178	554,685	504,900
Capacity Charge	3,544,800	3,699,888	155,088	3,854,976	155,088	310,176
Tier 2 Contingency	-	-	-	-	-	-
Interest Revenue - CC	-	-	-	-	-	-
Interest Revenue - Tier 2 Cont.	9,400	10,375	975	13,000	2,625	3,600
SCP/SAC Pipeline Surcharge	423,000	356,000	(67,000)	365,000	9,000	(58,000)
TOTAL WATER REVENUES	\$ 169,108,359	\$ 227,271,943	\$ 58,163,584	\$ 204,112,094	\$ (23,159,849)	\$ 35,003,735
Water Expenses						
Water Purchases	\$ 171,308,629	\$ 229,271,993	\$ 57,963,364	\$ 205,393,716	\$ (23,878,277)	\$ 34,085,087
Local Resource Program Incentives	(16,574,748)	(16,413,806)	160,942	(16,416,776)	(2,970)	157,972
Readiness-To-Serve Charge	10,397,278	10,347,493	(49,785)	10,902,178	554,685	504,900
Capacity Charge	3,544,800	3,699,888	155,088	3,854,976	155,088	310,176
Tier 2 Surcharge	-	-	-	-	-	-
SCP/SAC Pipeline Surcharge	423,000	356,000	(67,000)	365,000	9,000	(58,000)
TOTAL WATER EXPENSES	\$ 169,098,959	\$ 227,261,568	\$ 58,162,609	\$ 204,099,094	\$ (23,162,474)	\$ 35,000,135
Changes to Fund Balance:						
Capacity Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tier 2 Contingency	\$ 9,400	\$ 10,375	\$ 975	\$ 13,000	\$ 2,625	\$ 3,600

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

	FY 2017-2018 ADOPTED BUDGET	FY 2017-2018 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2018-2019 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2016-2017 BUDGET
Funding						
Metropolitan Water District	\$ 1,001,682	\$ 562,259	\$ (439,423)	\$ 680,000	\$ 117,741	\$ (321,682)
USBR	258,749	443,369	184,620	127,380	(315,989)	(131,369)
DWR	708,833	563,740	(145,093)	714,755	151,015	5,922
Member Agencies	2,210,331	1,255,917	(954,414)	1,356,000	100,083	(854,331)
MWDOC	0	44,000	44,000	94,000	50,000	94,000
						0
TOTAL OUTSIDE FUNDING	\$ 4,179,594	\$ 2,869,285	\$ (1,310,309)	\$ 2,972,135	\$ 102,850	\$ (1,207,459)
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	\$ 23,279	\$ 14,278	\$ (9,001)	\$ 6,300	\$ (7,978)	\$ (16,979)
Consultant Administration	0	0	0	0	0	0
Monitoring and Evaluation	0	6,803	6,803	0	(6,803)	0
Installation Verification	65,000	151,511	86,511	199,000	47,489	134,000
Rebate Incentives	4,091,316	2,513,912	(1,577,404)	2,766,835	252,923	(1,324,481)
Surveys and Audits	0	0	0	0	0	0
Databasing	0	1,350	1,350	0	(1,350)	0
Marketing and Outreach	0	0	0	0	0	0
Engineering Assistance	0	0	0	0	0	0
TOTAL PROGRAMS EXPENSES	\$ 4,179,595	\$ 2,687,854	\$ (1,491,741)	\$ 2,972,135	\$ 284,281	\$ (1,207,460)

**Exhibit B
Expenditures by Program**

Cost Center	PROGRAM	FY 2017-2018 BUDGET FTE	FY 2018-2019 BUDGET FTE	FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
11	Administrative - Board	1.89	1.85	\$ 1,148,384	\$ 1,084,273	\$ 1,186,492
12	Administrative - General	3.86	3.45	645,146	575,554	592,723
13	Personnel / Staff Development	1.40	1.40	335,590	296,226	315,728
19	Overhead	3.92	3.79	1,105,965	975,686	1,283,116
21	Planning & Resource Development	3.58	3.85	738,946	723,935	785,812
22	Research Participation	0.00	0.00	48,803	43,803	47,044
23	Met Issues and Special Projects	4.48	4.14	900,499	744,435	843,133
31	Governmental Affairs	1.03	0.96	483,719	438,754	485,284
35	Water Use Efficiency (Core)	0.58	0.62	417,986	443,018	386,212
32	Public Affairs	3.74	3.68	722,010	652,677	756,078
41	Finance	3.13	3.18	552,106	441,969	508,581
45	Information Technology	0.99	1.00	279,442	259,137	330,002
25	MWDOC's Contribution to WEROC	2.00	2.55	460,874	460,874	216,868
CORE TOTAL		30.61	30.48	\$ 7,839,469	\$ 7,140,341	\$ 7,737,073
62	Water Use Efficiency Program	5.77	5.13	835,106	734,623	839,155
63	School Programs	0.10	0.21	411,513	414,496	437,626
CHOICE TOTAL		5.88	5.33	\$ 1,246,619	\$ 1,149,119	\$ 1,276,781
CORE & CHOICE TOTAL		36.49	35.81	\$ 9,086,088	\$ 8,289,460	\$ 9,013,854
Includes:	Full-time employees	30.00	30.00			
	Part-time employees	1.99	0.72			
	Interns	2.50	2.50			
	WEROC Full-time employees	2.00	2.00			
	WEROC Part-time employees	0.00	0.55			

(1)

(1) Total Operational Costs of WEROC is allocated among MWDOC, OCWD, OCSD, Anaheim, Santa Ana, Fullerton and South Orange County Wastewater Authority. Capital Expenditures are provided by MWDOC. Dollars shown are MWDOC's share only.

Municipal Water District of Orange County
2018-2019 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY17-18	BUDGET FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Beginning Designated Reserve Balance - MWDOC	\$6,004	\$ 6,382	\$ 6,397	\$ 6,479	\$ 6,766	\$ 7,047	\$ 7,329
Net OPEB Asset	484	484	484	484	484	484	484
OPEB Reserve	209	209	209	209	209	209	209
Adjusted Reserve Balance	5,311	5,689	5,704	5,786	6,073	6,354	6,636
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,436	7,697	7,735	7,780	7,886	8,001	8,125
Ground Water Customer Charge	469	498	508	518	529	539	550
Subtotal	7,904	8,195	8,243	8,298	8,415	8,540	8,675
Other Revenues:							
Choice Revenues	1,149	1,277	1,302	1,328	1,355	1,382	1,410
Interest Earnings	287	390	142	143	177	211	248
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,439	1,670	1,447	1,475	1,535	1,596	1,660
Total Revenues	9,344	9,865	9,690	9,773	9,949	10,136	10,336
Expenses							
Core Expenses	6,970	7,482	7,631	7,784	7,940	8,098	8,260
Choice Expenses	1,149	1,277	1,302	1,328	1,355	1,382	1,410
Capital Acquisitions (not including building)	171	256	20	20	20	20	20
Total Expenses w/o Building & Election	8,289	9,014	8,954	9,132	9,314	9,500	9,690
Revenue Over Expenses w/o Building & Election	1,054	851	737	641	635	636	646
ELECTION Reserve Beginning Balance	304	608	390	690	298	602	384
Annual Election Reserve Contribution	304	304	300	304	304	304	304
Annual Election Expense	-	522	-	696	-	522	-
Election Reserve Ending Balance	608	390	690	298	602	384	688
BUILDING Reserve Beginning Balance	350	350	350	350	350	350	350
Annual Building Reserve Contribution	372	532	355	50	50	50	50
Annual Building Expense	372	532	355	50	50	50	50
Building Reserve Ending Balance	350	350	350	350	350	350	350
CASH FLOW Reserve Beginning Balance	1,500	-	-	-	-	-	-
Annual Cash Flow Reserve Contribution	-	-	-	-	-	-	-
Cash Flow Reserve Ending Balance	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Adjustments to the General Fund Reserve							
MWDOC's Contribution to OPEB Trust Fund							
Ending General Fund & Cash Flow Reserves	\$ 4,731	\$ 4,964	\$ 4,746	\$ 5,425	\$ 5,402	\$ 5,902	\$ 5,890
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Water Sales in Acre Feet	259,619	216,233	220,121	230,154	238,554	240,123	245,123
Total Retail Customer Meters	624,860	628,327	631,421	635,111	641,151	645,211	650,010
OCWD BPP %	75%	75%	75%	75%	75%	75%	75%
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 11.90	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.30	\$ 12.40	\$ 12.50
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 0.35	\$ -	\$ -	\$ -	\$ 0.05	\$ 0.10	\$ 0.10

1 Assumptions for FMP:

Inflation factor: 2.00% per year

Rate of return on Investment of portfolio: 1.25% per year

Working Capital and Interest Revenue Projections

	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23
Working Capital:					
Designated Reserve Fund	5,704.29	5,786	6,073	6,354	6,636
General Fund Float	1,000	1,000	1,000	1,000	1,000
WUE use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	4,850	4,875	4,900	4,925	4,950
Average Working Capital	11,354	11,461	11,773	12,079	12,386
Interest rate	1.25%	1.25%	1.50%	1.75%	2.00%
Interest Revenue Projections:					
Interest income - General	142	143	177	211	248
Total Interest Revenue Projections	142	143	177	211	248

Total Core Expenses

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,143,264	2,974,005	3,104,292
6090	Directors Compensation - MWDOC	243,197	213,069	255,360
6095	Directors Compensation - MWD	138,969	123,774	145,920
6105	Benefits - Admin	929,655	909,766	979,729
	CALPERS Unfunded Liability Contribution	-	-	207,000
	Overhead Reimbursement	(151,910)	(144,098)	(161,317)
6115	Benefits - Directors	81,728	83,323	94,767
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519
6205	Training	10,000	8,000	25,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	5,000	4,775	5,000
7010	Engineering - Outside Services	360,000	235,000	330,000
7020	Legal - General	250,000	228,526	255,000
7030	Audit	40,000	19,000	29,000
7040	Other Professional Fees	983,678	853,683	864,426
7110	Conference - Employee	38,945	31,564	40,730
7115	Conference - Directors	23,700	22,500	23,630
7150	Travel & Accommodations - Employee	95,600	79,853	96,550
7155	Travel & Accommodations - Director	49,850	46,752	50,550
7210	Membership / Sponsorship	142,102	139,284	122,967
7250	CDR Participation	48,803	43,803	47,044
7305	Business Expense	5,200	5,642	5,600
7310	Office Maintenance	123,500	115,446	132,796
7315	Building Repair & Maintenance	11,000	20,000	20,000
7320	Rents & Leases	8,400	3,342	3,460
7330	Office Supplies	35,580	35,500	36,000
7340	Postal / Mail Delivery	9,700	8,622	8,600
7350	Subscriptions / Books	1,500	1,500	1,500
7360	Reproduction Expense	27,275	26,855	33,073
7410	Computer & Peripherals Maint	10,000	7,878	8,000
7430	Software Purchase	44,260	36,635	45,861
7440	Software Support	48,894	41,628	51,934
7540	Computers and Equipment	33,050	29,639	11,850
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	16,400	18,240	17,262
7615	Toll Road Charges	1,000	800	1,000
7620	Insurance Expense	110,250	110,000	138,500
7640	Utilities - Telephone	21,300	14,800	20,178
7650	Bank Fees	11,000	14,000	21,225
7670	Miscellaneous Expenses	113,650	91,499	116,700
8810	Capital Acquisition	249,500	170,507	255,500
	Total Expenditure	7,378,595	6,679,467	7,520,204

MWDOC's Contribution:

to WEROC Capital improvements	281,657	281,657	25,488
to WEROC Operations	179,217	179,217	191,380
MWDOC's Contribution to Election Rsrv	-	304,000	304,000
MWDOC's Building Expense	356,400	371,923	531,827
	8,195,869	7,816,264	8,572,900

Total Choice Revenue and Expense

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
	Choice Revenue	954,566	1,094,256	1,276,781
4205	School Contracts	70,000	70,000	-
4705	Prior Year Carry Over	222,053	-	-
		-	-	-
	Choice billing over/under	-	(15,137)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,246,619	1,149,119	1,276,781

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	427,946	394,459	418,691
	S & B Reimb. DSC or Recov from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	127,111	113,090	128,836
	Overhead Reimbursement	151,910	144,098	161,317
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	165,972	113,472	165,972
	Other Professional Fees - School Programs	390,160	395,000	401,865
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	800	400	400
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
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	10,000	6,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	-
	Total Expenditure	1,246,619	1,149,119	1,276,781

Total Core and Choice Expenses

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,571,210	3,368,465	3,522,983
	S & B Reimb. DSC or Recov from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWDOC	243,197	213,069	255,360
6095	Directors Compensation - MWD	138,969	123,774	145,920
6105	Benefits - Admin	1,056,766	1,022,856	1,108,564
	CALPERS Unfunded Liability Contribution	-	-	207,000
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	81,728	83,323	94,767
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519
6205	Training	10,000	8,000	25,000
6210	Tuition Reimbursement	5,000	-	5,000
6220	Temporary Help	5,000	4,775	5,000
7010	Engineering - Outside Services	360,000	235,000	330,000
7020	Legal - General	250,000	228,526	255,000
7030	Audit	40,000	19,000	29,000
7040	Other Professional Fees	1,149,650	967,155	1,030,398
	Other Professional Fees - School Programs	390,160	395,000	401,865
7110	Conference - Employee	38,945	31,564	40,730
7115	Conference - Directors	23,700	22,500	23,630
7150	Travel & Accommodations - Employee	95,600	79,853	96,550
7155	Travel & Accommodations - Director	49,850	46,752	50,550
7210	Membership / Sponsorship	142,102	139,284	122,967
7250	CDR Participation	48,803	43,803	47,044
7305	Business Expense	5,200	5,642	5,600
7310	Office Maintenance	123,500	115,446	132,796
7315	Building Repair & Maintenance	11,000	20,000	20,000
7320	Rents & Leases	8,400	3,342	3,460
7330	Office Supplies	35,580	35,500	36,000
7340	Postal / Mail Delivery	10,500	9,022	9,000
7350	Subscriptions / Books	1,500	1,500	1,500
7360	Reproduction Expense	27,275	26,855	33,073
7410	Computer & Peripherals Maint	10,000	7,878	8,000
7430	Software Purchase	44,260	36,635	45,861
7440	Software Support	48,894	41,628	51,934
7540	Computers and Equipment	33,050	29,639	11,850
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	16,400	18,240	17,262
7615	Toll Road Charges	1,000	800	1,000
7620	Insurance Expense	110,250	110,000	138,500
7640	Utilities - Telephone	21,300	14,800	20,178
7650	Bank Fees	11,000	14,000	21,225
7670	Miscellaneous Expenses	119,650	101,499	122,700
8810	Capital Acquisition	249,500	170,507	255,500
	Total Expenditure	8,625,214	7,828,586	8,796,986

MWDOC's Contribution:

to WEROC Capital improvements	281,657	281,657	25,488
to WEROC Operations	179,217	179,217	191,380
MWDOC's Contribution to Election Rsrv	-	304,000	304,000
MWDOC's Building Expense	356,400	371,923	531,827
	<u>9,442,488</u>	<u>8,965,383</u>	<u>9,849,681</u>

Administrative - Board
11

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	265,231	249,935	258,131	
6090	Directors Compensation - MWDOC	243,197	213,069	255,360	1
6095	Directors Compensation - MWD	138,969	123,774	145,920	2
6105	Benefits - Admin	72,968	71,533	77,533	
6115	Benefits - Directors	81,728	83,323	94,767	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	220,000	218,526	225,000	3 4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	23,700	22,500	23,630	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	49,850	46,752	50,550	5
7210	Membership / Sponsorship	25,141	26,449	27,040	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	3,900	4,322	4,100	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	9,800	11,840	10,662	
7615	Toll Road Charges	600	450	600	
7620	Insurance Expense				
7640	Utilities - Telephone	1,300	800	1,200	
7650	Bank Fees				
7670	Miscellaneous Expenses	12,000	11,000	12,000	7
8410	Overhead Reimbursement				
8810	Capital Acquisition				
	Total Expenditure	1,148,384	1,084,273	1,186,492	

1&2 Based on 5% increase from Jan to June 2019.

3	Best, Best & Krieger	\$	200,000
	Aleshire & Wynder	\$	18,526
		\$	218,526

4	Best, Best & Krieger	\$	200,000
	Aleshire & Wynder	\$	25,000
		\$	225,000

5 See Exhibit F.

6 LAFCO Annual Assessment
See Exhibit D.

7 Misc board expenses (supplies)

MWDOC's Contribution to Election Rsrv

	304,000	304,000
1,148,384	1,388,273	1,490,492

Administrative - General
12

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	291,603	260,091	260,272	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	98,842	87,263	94,306	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help	5,000	4,775	5,000	
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	5,000	5,000	6,000	1
7110	Conference - Employee	38,945	31,564	40,730	2
7115	Conference - Directors				
7150	Travel & Accommodations - Employee	95,600	79,853	96,550	2
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship	94,356	90,353	72,965	3
7250	CDR Participation				
7305	Business Expense	5,200	5,642	5,600	
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books	1,500	1,500	1,500	
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	6,600	6,400	6,600	
7615	Toll Road Charges	400	350	400	
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	2,100	2,763	2,800	
8810	Capital Acquisition				
	Total Expenditure	645,146	575,554	592,723	

1 See Exhibit J.

2 See Exhibit E.

3 See Exhibit D.

Personnel / Staff Development
13

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	173,664	166,108	179,875	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	51,625	48,818	54,453	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	10,000	8,000	25,000	1
6210	Tuition Reimbursement	5,000		5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	30,000	10,000	30,000	2
7030	Audit				
7040	Other Professional Fees	49,000	48,800		
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				
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	16,300	14,500	21,400	3
8810	Capital Acquisition				
	Total Expenditure	335,590	296,226	315,728	

1 • Staff Technical Training & Leadership
Development Training

2 • Best, Best & Krieger

3 • Employee Recognition \$ 5,000
• Applicant Background Checks & Physical \$ 2,500
• Team Building, Lunch meetings \$ 2,500
• Holiday Lunch \$ 2,500
• OCWD Health Fair \$ 200
• Employee Flu Shots \$ 200
• Job Ads Recruiting \$ 4,000
• TAD Executive Assessments \$ 4,500
\$ 21,400

**Overhead
19**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	470,533	435,980	444,512	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	134,457	128,455	138,248	
6109	CALPERS Unfunded Liability Contribution	-	-	207,000	
6111	Overhead Reimbursement from Choice	(151,910)	(144,098)	(161,317)	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees	59,554	54,354	70,519	1 Retirees: • 12 Retirees
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				2 • Pension Plan administration by Dissinger Associates \$ 4,500
7020	Legal - General				• Cafeteria Plan Wageworks \$ 2,223
7030	Audit				6,723
7040	Other Professional Fees	6,500	6,200	6,723	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance	123,500	115,446	132,796	3 • Window Cleaning \$ 1,200
7315	Building Repair & Maintenance	11,000	20,000	20,000	• Sewer Flush & Extra Office Cleaning \$ 1,300
7320	Rents & Leases	8,400	3,342	3,460	from OCWD \$ 121,780
7330	Office Supplies	35,580	35,500	36,000	• Plant Maintenance \$ 2,696
7340	Postal / Mail Delivery	5,800	4,300	4,500	• Landscape/Maintenance Atrium \$ 3,720
7350	Subscriptions / Books				• Binding Machine Renewal \$ 700
7360	Reproduction Expense	3,800	3,700	4,473	• Carpet Cleaning \$ 1,400
7410	Computer & Peripherals Maint				\$ 132,796
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense				4 • Iron Mountain \$ 2,460
7610	Automotive / Mileage				• El Toro Water District (South EOC site) 1,000
7615	Toll Road Charges				\$ 3,460
7620	Insurance Expense	110,250	110,000	138,500	
7640	Utilities - Telephone	20,000	14,000	18,978	
7650	Bank Fees	11,000	14,000	21,225	
7670	Miscellaneous Expenses	8,000	4,000	4,500	5 • Misc equipment repairs, fees etc.
8810	Capital Acquisition	249,500	170,507	193,000	6 • Office Furniture/Generator See Exhibit H
	Total Expenditure	1,105,965	975,686	1,283,116	7 • Bldg Improvements - Eval / Design / Roof / HVAC
MWDOC's Building Expense (8811)		356,400	371,923	531,827	7
		1,462,365	1,347,609	1,814,943	

**Planning and
Resource Development**
21

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	460,941	443,396	490,675
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	116,005	118,539	133,136
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	155,000	155,000	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			
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
8810	Capital Acquisition			
	Total Expenditure	738,946	723,935	785,812

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 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 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 & UCI Water Research Center	48,803	43,803	47,044
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			
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			
8810	Capital Acquisition			
Total Expenditure		48,803	43,803	47,044

1 Center for Demographic Research at
Cal State University Fullerton \$ 47,044

Met Issues and Special Projects
23

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	536,677	508,337	507,087
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	158,822	156,098	161,046
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	205,000	80,000	175,000
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			
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			
8810	Capital Acquisition			
	Total Expenditure	900,499	744,435	843,133

See Exhibit J.

Government Affairs
31

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4020	Water Increment			
4050	Retail Connection Charge			
4105	Interest Revenue			
4550	Interest From Leases - SAC			
4205	School Contracts			
4220	Delinquent Payment Penalty			
4240	Miscellaneous Income			
4410	DWR Grants			
4805	Inter Fund In			
	Total Revenue	-	-	-

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	124,565	111,218	117,400
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	42,734	39,930	42,784
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	294,000	279,505	308,000
	Other Professional Fees - DSC			
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	420	100	100
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
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	22,000	8,000	17,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	483,719	438,754	485,284

1	• BB&K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 7,505
	• Lewis Consulting	\$ 36,000
	• Ackerman	\$ 30,000
	• Grant Research & Acquisition	\$ 20,000
		<u>\$ 279,505</u>
2	• BB&K	\$ 90,000
	• Barker	\$ 96,000
	• Travel/Miscellaneous	\$ 8,000
	• Lewis Consulting	\$ 42,000
	• Ackerman	\$ 36,000
	• Grant Research & Acquisition	\$ 36,000
		<u>\$ 308,000</u>
3	• Legislative Outreach & Briefings	\$ 7,000
	• WACO	\$ 5,000
	• Legislative Staff Trip Travel Costs	\$ 5,000
		<u>\$ 17,000</u>

Public Affairs
32

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	320,239	280,248	305,539	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	97,288	88,623	105,336	
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	239,178	219,178	270,703	1
7047	Prof Service-Grant Recovery				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	23,055	23,055	28,500	2
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7450	Software Development				
7510	Site Maintenance				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	42,250	41,573	46,000	3
8810	Capital Acquisition				
	Total Expenditure	722,010	652,677	756,078	

1 Public Affairs Activities:

• Strategic Outreach Program Support	\$ 40,000
• Resolutions/Proclamations	\$ 3,000
• Member Agency Workshops PAW	\$ 4,000
• Consumer Confidence Reports	\$ 35,203
• Event Registration Fees	\$ 3,000
• PAW meeting materials	\$ 1,500
• So Cal Water Coalition Outreach	\$ 30,000
• High School Program	\$ 64,000
Subtotal	\$ 180,703

Communications Plan Activities:

• Advertising	\$ 20,000
• CA Water Fix / OC Reliability	\$ 60,000
• Other Activities	\$ 5,000
Subtotal	\$ 85,000
	\$ 265,703

2 • Promotional Attire \$ 3,000

• Promotional Items / Printing	\$ 20,000
• Poster Slogan Award & Ceremony	5,500
	\$ 28,500

3 • Ricki Maint and Repair \$ 2,750

• Children's Water Festival Sponsorship	\$ 3,500
• Spring Smartscape Expo	\$ 7,250
• Event Display Materials	\$ 4,000
• Speaker Recognition	\$ 500
• Wyland Mayor's Challenge	\$ 10,000
• Boy Scout Program	\$ 8,000
• Girl Scout Program	\$ 5,000
• Sponsorship Contingency Fund	\$ 5,000
	\$ 46,000

**Water Use Efficiency
(Core)
35**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	93,037	107,350	103,988
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	27,344	38,186	31,262
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	275,000	225,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	22,605	22,482	22,962
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			
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			3,000
8810	Capital Acquisition			
	Total Expenditure	417,986	443,018	386,212

1 • General Research	\$ 75,000
• Landscape Education and Outreach Program	\$ 50,000
• Water Loss Control Work Grp	\$ 50,000
• Leak Detection Equipment	\$ 50,000
	\$225,000
2 • CalWEP Dues	\$ 12,241
• South O.C. Watershed Mngmt Area Dues	\$ 9,096
• OC CLCA	\$ 1,625
	\$ 22,962

General Finance
41

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	304,554	308,550	328,933
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	91,553	93,919	101,648
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	40,000	19,000	29,000
7040	Other Professional Fees	115,000	20,000	48,000
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			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	500	1,000
8810	Capital Acquisition			
	Total Expenditure	552,106	441,969	508,581

1 • Annual Audit \$ 19,380
 • Single Audit \$ 4,620
 • WUE Grant Review \$ 5,000
 \$ 29,000

2 • Custodial Bank fees \$ 3,000
 • Financial Consulting \$ 40,000
 • Demsey Filliger - OPEB \$ 5,000
 \$ 48,000

Information Technology
45

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	102,221	102,791	107,880	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	38,017	38,402	39,977	
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 • MWDOC Website Support & Enhancements \$ 15,000
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				• ECS Laserfiche Annual Support \$ 4,000
7410	Computer & Peripherals Maint	10,000	7,878	8,000	\$ 51,934
7430	Software Purchase	44,260	36,635	45,861	
7440	Software Support	48,894	41,628	51,934	
7540	Computers and Equipment	33,050	29,639	11,850	4 • 3 Laptops \$ 4,500
7580	Maintenance Expense				• 5 desktop computers w/ 9 monitors \$ 7,000
7610	Automotive / Mileage				• RICOH color printer support \$ 350
7615	Toll Road Charges				\$ 11,850
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses	3,000	2,163	2,000	
8810	Capital Acquisition			62,500	5 • Physical Server for Virtual Host \$ 15,500
	Total Expenditure	279,442	259,137	330,002	• Upgrade Conference Room Screen and Interactive Board \$ 20,000 • Phone Server Upgrade 27,000 \$ 62,500

**Water Use Efficiency
(choice)**

62

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4215	Choice Revenue	615,480	835,106	839,155
4705	Prior Year Carry over	219,626		
	Choice billing over/under		(100,483)	
	Total Revenue	835,106	734,623	839,155

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2018 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	415,020	382,658	397,568
6012	Salaries & Benefits - Recovery from Grants	(23,279)	(21,400)	(6,300)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	123,678	109,236	122,007
	Overhead Reimbursement	146,916	140,257	153,508
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	165,972	113,472	165,972
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	800	400	400
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
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	10,000	6,000
8810	Capital Acquisition			
	Total Expenditure	835,106	734,623	839,155

1 Recovery from WUE Grants for some Salaries and Benefits:

\$ 6,300

2 • Marketing of WUE programs \$ 40,000
 • Residential Installation Verification Inspec \$ 35,000
 • CSANS & Base Schedule Calculator Web \$ 29,400
 • Turf Rebate Processing Platform - Droplet \$ 39,072
 • Drip Rebate Processing Platform - Droplet \$ 6,000
 • E-Signature \$ 16,500
\$ 165,972

**School Program
(choice)
63**

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4215	Choice Revenue	339,086	259,150	437,626
4205	School Contracts	70,000	70,000	
4705	Prior Year Carry over	2,427		
	Choice billing over/under		85,346	
	Total Revenue	411,513	414,496	437,626

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2018 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	12,925	11,801	21,123
	Sal & Benefits - Reimb. from DSC & Grants		-	
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	3,433	3,854	6,828
	Overhead Reimbursement	4,994	3,841	7,810
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	390,160	395,000	401,865
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			
8810	Capital Acquisition			
	Total Expenditure	411,513	414,496	437,626

- 1 • Assemblies: FY18-19
Goal is 70,000 students
- Digital Program \$ 43,710
 - High Schools \$ 100,540
 - Elementary Schools \$ 257,615
- \$ 401,865**

WEROC
25

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
4320	MWDOC Contribution to Operations	179,217	179,217	191,380	
4210	WEROC Contracts	179,216	179,216	191,106	1
4205					
4230	Reimbursements		5,246		2
4240					
4410					
4805					
	Total Revenue	358,433	363,679	382,486	
	Operational Reserves to Capital	844	844	80,912	3
	MWDOC Contribution to Capital Improvements	281,657	281,657	25,488	
		640,934	646,180	488,886	

1 • OCSD \$ 37,457
 • SOCWA \$ 14,524
 • OCWD \$ 95,553
 • 3 Cities -- \$14,524 ea \$ 43,572
\$ 191,106

2 • Grants and sale of generator

3 • WEROC Reserves

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	197,354	197,964	236,268	
	Salaries & Benefits - Recovery from Grants				
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	64,892	57,360	65,137	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training			1,150	4
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	30,000	11,320	30,000	5
7110	Conference - Employee	3,835	3,220	2,800	4
7115	Conference - Directors				
7150	Travel & Accomodations - Employee	3,900	1,356	6,430	4
7155	Travel & Accomodations - Director				
7210	Membership / Sponsorship	620	605	605	
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases	21,049	21,049		<---
7330	Office & Radio Supplies	1,000	1,000	1,000	
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense	1,000	8,186	1,000	
7410	Computer & Peripherals Maint	5,805	6,991	5,060	
7430	Software Purchase				
7440	Software Support	6,750	6,750	6,750	
7510	Site Maintenance	710	810	900	
7540	Computers and Equipment				
7580	Maintenance - Generators	2,000	900	2,000	
7581	Maintenance - Radios	2,000	1,901	1,838	
7582	Maintenance - EOC's	3,000	1,270	3,000	
7610	Automotive / Mileage	1,700	1,501	1,700	
7615	Toll Road Charges	100	111	115	
7620	Insurance Expense	1,500			
7640	Utilities - Telephone	7,218	11,756	13,008	
7650	Bank Fees				
7670	Miscellaneous Expenses	1,000	1,000	1,000	
7671	Miscellaneous Training	3,000	3,000	3,000	
8810	Capital Acquisition				
	Total Expenditure	358,434	338,051	382,760	
	Capital Improvements	282,500	276,819	106,400	6
		640,934	614,870	489,160	

4 • Exhibit E

5 • Exhibit J

Catalina Repeater Lease
No Longer Needed

• 2017 Updated WEROC Map
Printing.

• 2017 Phone Plans Increased

6 • Exhibit H

AMP Proceeds Agreement Administration
61

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
4020	Interest Revenue			
4050	O & M Maintenance Deposit			
4230	Reimbursement	19,505		
4680	Miscellaneous Income			
	Prior Year Carryover			28,397
	Total Revenue	19,505	-	28,397

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

		FY 2017-2018 BUDGET	FY 2017-2018 PROJECTED ACTUALS	FY 2018-2019 PROPOSED BUDGET
6010	Salaries & Wages - Admin	6,403	-	-
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	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	11,553		
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accomodations - Employee			
7155	Travel & Accomodations - Director			
7210	Membership / Sponsorship			
7220	CUWA Participation			
7240	AAWARF Participation			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
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			
8810	Capital Acquisition			
	Total Expenditure	19,505	-	-

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2018-2019

	Budget FY 2017-2018	Projected FY 2017-2018 Actuals	Budget FY 2018-2019	Approval included in Budget Approval
Required Participation or Service				
LAFCO	25,101	26,419	27,000	√
Subtotal Cost Center 11	25,101	26,419	27,000	
Association of Calif. Water Agencies (ACWA)	18,000	17,765	18,000	√
Subtotal Cost Center 12	18,000	17,765	18,000	
South OC Watershed Management Area Dues	9,096	8,973	9,096	√
Subtotal Cost Center 35	9,096	8,973	9,096	
Subtotal - Required Participation or Service	\$ 52,197	\$ 53,156	\$ 54,096	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Director's)	40	30	40	√
Subtotal Cost Center 11	40	30	40	
Association of California Cities- Orange County (ACCOC)	\$ 5,000	\$ 5,000	\$ 5,100	√
American Water Works Association (AWWA)	1,589	1,629	1,675	√
Association of Metropolitan Water Agencies (AMWA)	17,645	18,527	-	
CA Chamber of Commerce (HR California)	499	469	480	√
CALDESAL	5,000	5,000	5,100	√
California Association of Public Information Officers (CAPIO)	250	250	255	√
California Municipal Treasurers Association (CMTA)	155	155	160	√
California Society of Municipal Finance Officers (CSMFO)	125	125	130	√
CA Special Districts Assn. (CSDA)	6,485	6,842	6,980	√
Colorado River Water Users Assn. (CRWUA 3-staff)	60	60	65	√
Government Finance Officers Association (GFOA)	165	165	170	√
Indep. Special Districts of Or. Co. (ISDOC)	200	200	50	√
International Personnel Management Association	105	109	50	√
Municipal Information Systems Association of California (MISAC)	200	200	205	√
National Water Resources Assn., Mun. Caucus	500	500	510	√
Orange County Business Council (OC Chamber)	5,000	5,000	5,100	√
Orange County Public Affairs Association	200	200	205	√
California Council for Environmental & Economic Balance	29,500	24,500	24,990	√
Orange County Water Association (OCWA)	100	100	105	√
Public Agency Risk Managers Association (PARMA)	100	100	105	√
Public Relations Society of America/O.C.	300	300	305	√
Society of Human Resources Management (SHRM)	200	179	185	√
Southern California Personnel Management Assoc. (SCPMA)	50	50	55	√
South Orange County Economic Coalition	1,500	1,500	1,530	√
Southern California Water Committee	850	850	865	√
Water Education Foundation	578	578	590	√
Subtotal Cost Center 12	76,356	72,588	54,965	
OC Chapter-Calif. Landscape Contractors Assoc.	1,500	1,500	1,625	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnvr Cncl)	12,009	12,009	12,241	√
Subtotal Cost Center 35	13,509	13,509	13,866	
Subtotal - Elective Participation	\$ 89,905	\$ 86,127	\$ 68,871	

Exhibit D

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Proposed District Participation Costs Fiscal Year 2018-2019

	Budget FY 2017-2018	Projected FY 2017-2018 Actuals	Budget FY 2018-2019	Approval included in Budget Approval
(Exhibit D Continued..)				
International Association of Emergency Managers	\$ 380	\$ 380	\$ 380	√
California Emergency Services Association	240	225	225	√
WEROC Program Total	620	605	605	
GRAND TOTAL	\$ 142,722	\$ 139,888	\$ 123,572	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2018-2019

Conference / Meeting	Registration	Travel ⁽¹⁾	Approval included in	
			Budget	Approval
ACWA - DC Conference (3 staff)	\$ 3,000	\$ 6,600		✓
- Fall Conference, San Diego (6 staff)	4,200	3,600		✓
- Spring Conference, Sacramento, California (6 staff)	3,500	6,000		✓
- Legislative Symposium (2 staff)	600	1,800		✓
ACCOC Advocacy Trip - Sacramento (2 staff)	2,000	2,800		✓
ACCOC Advocacy Trip - Washington DC (1 staff)	1,200	3,200		✓
ACWA Region 10 (2 Staff)	130	200		✓
Assoc. of Metrop. Water Agencies Misc. Conference (AMWA), TBD (1 staff)	1,600	2,200		✓
Assoc. of Metrop. Water Agencies Water Policy Conference, TBD (AMWA) (1 staff)	900	2,200		✓
AWWA Cal Nevada & National Conf, Fall Conference, Rancho Mirage (3 Staff)	1,500	3,000		✓
AWWA Cal Nevada & National Conf, Spring, TBD (3 Staff)	1,500	3,300		✓
AWWA ACE Annual Conference, TBD (4 staff)	1,500	3,300		✓
Bond Buyers Conference (1 Staff)	200	-		✓
California Assoc. of Public Inform. Officials Conference (2 Staff) Santa Rosa	600	3,200		✓
California Council for Environmental & Economic Balance (5 Trips)		5,000		✓
California Council for Environmental & Economic Balance, TBD (2 staff)	2,200	3,000		✓
Calif. Soc. of Mun. Finance Officers (1 staff)	400	100		✓
Cal Desal Conference (1 staff)	250	600		✓
CRWUA, Las Vegas - Fall (4 staff)	2,000	3,500		✓
CSDA Annual Conference (2 staff)	1,200	2,000		✓
CSDA Legislative Days (2 staff)	400	1,200		✓
CALWEP California Water Efficiency Partnership (formerly CUWCC) 6 trips	-	1,800		✓
CALWEP Peer to Peer - So. Cal - (5 staff)	625	2,750		✓
DWR Stakeholder Meetings (4 trips)	-	1,200		✓
Gov. Finance Officers Assoc. Seminar (1 staff)	600	100		✓
Information Technology Seminar (2 staff)	500	1,000		✓
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	1,400		✓
Sacramento Legislative Advocacy (18 trips)	-	9,500		✓
Urban Water Institute Annual Conference, San Diego (4 Staff)	1,900	3,200		✓
Urban Water Institute Spring Conference, Palm Springs (4 Staff)	1,425	2,400		✓
Washington Legislative Advocacy (6 trips)	-	10,800		✓
Water Smart Innovations, Las Vegas Nevada (2 Staff)	800	900		✓
Women in Water, 11/1-2, 2018, Santa Barbara (2 Staff)	1,000	1,200		✓
Miscellaneous*	2,000	2,500		✓
General Fund Total **	\$ 40,730	\$ 96,550		
International Assoc. of Emergency Managers (Michigan) (1 Staff)	\$ 700	\$ 1,850		✓
California State Training Institute (1 staff)	700	1,140		✓
American Red Cross Disaster Academy- (3 staff)	450	-		✓
AWWA National Emergency Management Conference (Texas) -(1 Staff)	700	1,440		✓
California Emergency Services Association (2 staff)	1,400	2,000		✓
WEROC Program Total	\$ 3,950	\$ 6,430		
PROPOSED GENERAL FUND BUDGET	\$ 40,730	\$ 96,550		

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

** Excludes automotive mileage.

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

Exhibit F

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Board Registration & Travel Budget Fiscal Year 2018-2019

Conference	Registration	Travel ⁽¹⁾	Approval included in
			Budget Approval
ACCOC Advocacy Trip - Sacramento (2 Directors)	\$ 2,000	\$ 2,800	√
ACCOC Advocacy Trip - Washington DC (2 Directors)	\$ 2,400	\$ 3,200	√
ACWA DC Conference (2 Directors)	\$ 2,000	\$ 4,400	√
ACWA Fall Conference, San Diego, Ca (3 Directors)	\$ 2,100	\$ 1,800	√
ACWA Spring Conference, Monterey, Ca (3 Directors)	\$ 2,100	\$ 3,600	√
ACWA Region 10 (2 Directors)	\$ 130	\$ 200	√
Bond Buyers Conference (2 Directors)	\$ 400	\$ -	√
CRWUA Fall Conf, Las Vegas (2 Directors)	\$ 1,000	\$ 1,750	√
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. TBD(1 Dir.)	\$ 1,100	\$ 1,500	√
Orange County Business Council (OCBC) Advocacy Trip-Sacramento (2 Directors)	\$ 2,400	\$ 2,000	√
Orange County Business Council (OCBC) Advocacy Trip-DC (2 Directors)	\$ 3,600	\$ 2,800	√
Sacramento Legislative Advocacy (8 Trips)	-	\$ 4,000	√
Washington DC Legislative Advocacy (6 trips)	-	\$ 10,800	√
Urban Water Institute Annual Conference, San Diego (2 Directors)	950	\$ 1,600	√
Urban Water Institute Spring Conference, Palm Desert (2 Directors)	950	\$ 1,600	√
Women in Water Conference, 11/1-2, 2018, Santa Barbara (1Director)	500	\$ 600	√
Miscellaneous*	\$ 1,200	\$ 1,300	√
TOTAL**	\$ 23,630	\$ 50,550	
PROPOSED GENERAL FUND BUDGET	\$ 23,630	\$ 50,550	

* 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 2018-2019

	Proposed Budget	Approval included in Budget Approval
Finance - 45-8810:		
Physical Server for Virtual Host	15,500	√
Upgrade Conference Room Screen and Interactive Board	20,000	√
Phone Server Upgrade	27,000	√
Subtotal Cost Center 45	62,500	
Furniture and Fixtures- 19-8810:		
Workstations	36,000	√
Generator	122,000	√
Office furniture for former 102 area & cabinetry for hallway areas	35,000	√
Subtotal Cost Center 19	193,000	
WEROC - 25-8811:		
SEOC Electrical	9,000	√
SEOC Furniture & Layout	95,000	√
Subtotal Cost Center 25	\$ 104,000	
Total Capital Expenditures - General Fund	\$ 255,500	

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Various Engineering/Technical Services	155,000	155,000	
Met Issues & Special Projects (23)	Ed Means Consulting (To be determined)	Consulting on MET issues MET and Reliability Planning	50,000 155,000	25,000 150,000	√
Total Engineering Expenses			360,000	330,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger Aleshire & Wynder Best, Best & Krieger	General Legal Counsel Services Legal Counsel Services Regarding San Diego CWA Labor Counsel Services	195,000 25,000 30,000	200,000 25,000 30,000	√ √ √
Total Legal Expenses			250,000	255,000	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	40,000	29,000	√
Training					
Administration (13)	TBD/Cal State University Fullerton Leadership	Staff Development/Technical Training/Leadership Training	10,000	25,000	√
Building Expense					
Overhead (19)	(To be determined)	Bldg Improvements - Eval /design/Interior Design/Construction Mgmt. Costs/bid package docs.	100,000	71,775	√
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,500	4,500	√
	Wage Works	Cafeteria Plan Administration	2,000	2,223	√
	(To Be determined)	Evaluate fund Portfolios for 401 and 457 Plans	9,000		
	Gladwell Services	Records Management Consulting	5,000	6,000	√
Governmental Affairs (31)	(To Be determined)	Benchmark Study	40,000		
	BBK Legislation	State Legislative Advocate	90,000	90,000	√
	James C. Barker	Federal Legislative Advocate	96,000	96,000	√
	Lewis Consulting	County Issues Consulting	42,000	42,000	√
Public Affairs (32)	(To be determined)	Grant Research and Acquisition Assistance	20,000	36,000	
	Ackerman	Legal and Regulatory	36,000	36,000	√
	(To be determined)	Miscellaneous	10,000	8,000	
	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	34,178	35,203	√
WUE - Core (35)	So Cal Water Coalition	So Cal Water Coalition Outreach		30,000	√
	(To be determined)	Collateral materials update and resolutions/proclamations	2,000	3,000	
	(To be determined)	Event Registration Fees	2,500	3,000	
	(To be determined)	Strategic Outreach Program Support	40,000	40,000	
Finance & IT (41 & 45)	(To be determined)	PAW Meeting Materials	1,500	1,500	
	(To be determined)	Client Agency Workshops for PAW	7,000	4,000	
	(To be determined)	CA Water Fix PSA Campaign	60,000	60,000	
	(To be determined)	Other Activities		5,000	
Total Professional Fees	(To be determined)	Advertising	20,000	20,000	
	(To be determined)	Core High School Program	64,000	64,000	
	(To be determined)	Website updates and Maintenance	8,000		
	(To be determined)	General WUE Research	75,000	75,000	
Total Professional Fees	(To be determined)	Landscape Education and Outreach Program	50,000	50,000	
	Water Systems Optimization	Water Loss Control Work Grp	50,000	50,000	√
	(To be determined)	Leak Detection Equipment	100,000	50,000	
	Union Bank	Custodial Bank fees	3,000	3,000	√
Total Professional Fees	Davis Farr	Financial Consulting	112,000	40,000	√
	Demsey Filliger	Demsey Filliger - OPEB		5,000	√
Total Professional Fees			983,678	859,426	

WEROC

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Professional Fees					
WEROC (25)	IDS Group	SEOC Space Planning (Seismic)	15,000		√
	(To be determined)	SEOC Seismic Retrofit	30,000		
	Motorola / OC Sheriff	New Radio System OC Sheriff's Dept	227,210		√
	(To be determined)	Exercise Consultant	30,000	30,000	
Total Professional Fees			302,210	30,000	

Trustee Activities

Department	Consultant	Service	Budget FY 17-18	Budget FY 18-19	* Approval included in Budget Approval
Legal Expenses					
AMP Administration (61)	Best, Best & Krieger	AMP Administration, 1996 COPS	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 17-18	Budget FY 18-19	* Approval included in Budget Approval
Professional Fees					
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	40,000	40,000	√
	Enterprise Information Systems	CSANS & Base Schedule Calculator Web	14,400	29,400	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	45,072	√
	Droplet	E-Signature	16,500	16,500	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	50,000	35,000	
School Program (63)	Discovery Science Center	Assemblies (Grades 1-6)	250,112	257,615	√
	ITO	Assemblies (Grades 9-12)	97,612	100,540	√
	ITO	Digital Program	42,436	43,710	√
Total Professional Fees			556,132	567,837	

* 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 2017-2018 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
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	7,435,834					7,435,834		7,435,834
Ground Water Customer Charge	468,565					468,565		468,565
Water Increment Charge	-					-		-
Interest Revenue	150,000	9,400				159,400		159,400
MWDOC's Contribution				460,874		460,874	(460,874)	-
Outside Fundings			4,179,595	179,216	19,505	4,378,316		4,378,316
Carryover Funds				843		843		843
Choice Revenue	1,246,619					1,246,619		1,246,619
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	9,304,018	169,108,359	4,179,595	640,934	19,505	183,252,411	(460,874)	182,791,537
Expenses:								
Water Purchases	-	169,098,959				169,098,959		169,098,959
Salaries & Wages	3,571,210			197,354	6,403	3,774,967		3,774,967
less S & W Reimb. DSC or Recov from Grants	(23,279)					(23,279)		(23,279)
Employee Benefits	1,056,766			64,892	1,548	1,123,207		1,123,207
Engineering Expense	360,000					360,000		360,000
Professional Fees	1,539,810		4,179,595	30,000		5,749,405		5,749,405
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								
Others:								
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
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
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
Total Expenses	9,442,488	169,098,959	4,179,595	640,934	19,505	183,381,480	(460,874)	182,920,606
EFFECT ON RESERVES / FUND BALANCE	\$ (138,470)	\$ 9,400 ⁽²⁾				\$ (129,069)		\$ (129,069)

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

Municipal Water District of Orange County
Fiscal Year 2018-2019 Consolidated Budget Summary

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers	Less Inter-Fund Transfers ⁽¹⁾	Consolidated Budget Total
Revenues:								
Water Sales		\$ 220,515,870				\$ 220,515,870		\$ 220,515,870
Local Resource Program Incentives		(16,416,776)				(16,416,776)		(16,416,776)
Retail Meter Charge	7,697,006					7,697,006		7,697,006
Ground Water Customer Charge	498,189					498,189		498,189
Water Increment Charge	-					-		-
Interest Revenue	390,000	13,000				403,000		403,000
MWDOC's Contribution				216,868		216,868	(216,868)	-
Outside Fundings	-		2,972,135	191,106	28,397	3,191,638		3,191,638
Carryover Funds				-		-		-
Choice Revenue	1,276,781					1,276,781		1,276,781
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	9,864,976	204,112,094	2,972,135	407,974	28,397	217,385,576	(216,868)	217,168,708
Expenses:								
Water Purchases	-	204,099,094				204,099,094		204,099,094
Salaries & Wages	3,522,983			236,268	-	3,759,251		3,759,251
less S & W Reimb. DSC or Recov from Grants	(6,300)					(6,300)		(6,300)
Employee Benefits	1,315,564			65,137	-	1,380,701		1,380,701
Engineering Expense	330,000					330,000		330,000
Professional Fees	1,432,263		2,972,135	30,000		4,434,398	-	4,434,398
Contribution to Election Reserve	304,000					304,000		304,000
Legal Expense - General	255,000			-	-	255,000		255,000
Maintenance Expense	152,796			4,738		157,534		157,534
Insurance Expense	138,500			-		138,500		138,500
Membership / Sponsorship	122,967			605		123,572		123,572
Director Compensation	255,360					255,360		255,360
MWDOC Contribution to WEROC Operations	191,380					191,380	(191,380)	-
MWDOC Contribution to WEROC Capital Improv	25,488					25,488	(25,488)	-
Others:								-
MWD Representation	145,920					145,920		145,920
Director Benefits	94,767					94,767		94,767
Health Insurance Coverage for Retirees	70,519				-	70,519		70,519
Audit Expense	29,000				-	29,000		29,000
Automotive & Toll Road Expenses	18,262			1,815		20,077		20,077
Conference Expense - Staff	40,730			2,800		43,530		43,530
Conference Expense - Directors	23,630					23,630		23,630
CDR Participation	47,044					47,044		47,044
Business Expense	5,600					5,600		5,600
Miscellaneous Expense	143,925			7,000	-	150,925		150,925
Postage / Mail Delivery	9,000					9,000		9,000
Rents & Leases	3,460			-		3,460		3,460
Outside Printing, Subscription & Books	34,573			1,000		35,573		35,573
Office Supplies	36,000			1,000		37,000		37,000
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	97,795			6,750		104,545		104,545
Computers and Equipment	11,850			-		11,850		11,850
Telecommunications Expense	20,178			13,008		33,186		33,186
Temporary Help Expense	5,000					5,000		5,000
Training Expense	25,000			1,150		26,150		26,150
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	96,550			6,430		102,980		102,980
Travel & Accommodations - Directors	50,550					50,550		50,550
MWDOC Building Expense	531,827					531,827		531,827
Capital Acquisition	255,500			106,400		361,900		361,900
All Other Expenses	1,809,679	-	-	152,413	-	1,962,092	-	1,962,092
Total Expenses	9,849,681	204,099,094	2,972,135	489,160	-	217,410,070	(216,868)	217,193,202
EFFECT ON RESERVES / FUND BALANCE	\$ 15,295	\$ 13,000	⁽²⁾ \$ -	\$ (81,186)	\$ 28,397	\$ (24,494)	\$ -	\$ (24,494)

1 Adjustment for MWDOC's contributions to other funds.

2 Net change to restricted reserves for Interest revenue.



Item No. 7

DISCUSSION ITEM

March 14, 2018

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathleen Harris, Admin. Services Manager

SUBJECT: COMPENSATION AND BENEFITS BENCHMARK STUDY

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Review and discuss
.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The Draft Compensation and Benefits Benchmark Study was presented to staff on March 6 during compilation of the A&F Committee packet and did not allow sufficient time for staff to review the information, therefore staff will provide an update at the meeting.

Budgeted (Y/N): Y	Budgeted amount: \$40,000	Core _x_	Choice __
Action item amount:	Line item: 13-7040		
Fiscal Impact (explain if unbudgeted):			

**Administration Activities Report
February 9, 2018 to March 7, 2018**

Activity	Summary
Administration/Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none"> • Scheduling meetings for Rob Hunter and other various meetings of the Board members. • Assisted Rob/Karl with various write ups and follow-up for the Committees and Board. • Sent the Water Supply Reports to the member agencies. • Assisting management staff with District policy and procedures. • Collected Vendor Reporting forms, prepared Form 700s for distribution, distributed Form 700s to Board and Staff • Prepared and organized invitations to Elected Officials Forum on April 5th • Continue to work with Public Affairs and vendor on new website on various calendar and posting issues and recommended revisions to several sections/pages of the new website. • Responded to two Public Records Act requests • Working with staff and vendors to obtain updated and current insurance certificates for agreements • Working with HR regarding efforts to fill the upcoming vacancy in the Admin Department • Scheduled meetings for Rob and Karl and ordered lunches for several meetings. • Prepared annual contracts for advocacy and legal: BBK, Barker, Lewis and BBK advocacy, which also includes preparing purchase requisitions. • Prepared change orders and purchase requisitions for consultants. • Registered staff and board members for conferences and events; scheduled registration, hotel and travel for ACWA DC Conference, ACWA Spring Conference, OC Business Council, ACWA State Leg. Comm.; DC legislative initiatives, ACWA Federal Affairs Committee; CalWEP, SWRCB. ACC-OC, and other misc. travel and/or workshops, which includes preparation of purchase requisitions and back-up. • Cross trained Administrative staff on travel procedures and guidelines.
MWDOC/OCWD Joint Administration	No new information to report.

Health Benefits	Claims for the 2017 Flexible Benefits Health and/or Dependent Care Plans must be submitted no later than March 30 th . Claims not submitted timely are subject to forfeiture or roll-over, as applicable. See full plan information or HR for details.
Records Management	<ul style="list-style-type: none"> • Hardcopy documents in the vault have been purged. Six empty filing cabinets have been removed. Two remaining shelves from the library have been moved into the vault. Various cabinets in the building have been purged of some of their contents, and the remaining items have been moved to the vault and reorganized. This process is ongoing. • Staff attended a Public Records Act and Records Retention seminar on February 28th, hosted by the CSDA. • Records Management audit meetings have been scheduled for May 14 and 17. The Records Management Consultant will meet with each department to review progress and make recommendations.
Recruitment /Departures	<ul style="list-style-type: none"> • Recruitment efforts are underway for the following positions: <ul style="list-style-type: none"> ○ Executive Assistant • Public Affairs Assistant, Traci Muldoon began employment on March 5th. • Pat Meszaros, Sr. Executive Assistant will be retiring from the District effective, March 30th.
Other	
Projects and Activities	<ul style="list-style-type: none"> • HR staff continues to work with Ralph Anderson on the Classification & Compensation Study. • Staff participated in Public Affairs Assistant in-person interviews. • Staff is preparing for 2018/19 Budget items. • Staff is researching and evaluating implementation of a cell phone reimbursement policy. • Staff is researching and evaluating recruitment and performance management systems for implementation in the 2018/19 budget year. • Staff is working with IDS Consultants, regarding office space planning and finalizing the schematics for Phase 1 of the office remodel to be presented to the A&F Committee in April. • On February 12th, staff attended EOC Section Training on Finance & Administration. • Staff coordinated and attended the HR Member Agency Meeting held on February 15th at Yorba Linda Water District.



INFORMATION ITEM

March 14, 2018

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 2017-18.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
Government Compensation in California Report 2017	90%	03-30-18	In Progress
Preparation of documents for FY18-19 budget process.	60%	04-30-18	In Progress
2018 W-9 collection for water rebates. Currently holding 1 rebate check from January and 3 from February, awaiting a completed W-9 form	On-going	On-going	In Progress
Prepare, mail and file 2017 1099-MISC forms for rebate checks and accounts payable	100%	01-30-18	Completed
Preparing an RFP for new banking services	10%	03-16-18	In Progress

Description	% of Completion	Estimated Completion date	Status
<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and implement Intrusion detection and prevention for District Network.	30%	06-30-17	In Progress
Purchase and implement 2 Cisco Power Over Ethernet switches and Cisco Router into existing Network.	100%	03-31-17	Completed
Implement Backups and Disaster Recovery for VOIP telephone System.	20%	03-31-17	On Hold

Description	% of Completion	Estimated Completion date	Status
<u>FY 2017-18 Completed Special Tasks</u>			
<u>Finance</u>			
Tax filing for Water Facilities FY16-17	100%	09-15-17	Completed
Annual Financial Statement Report FY16-17	100%	11-02-17	Completed
Working with Davis Farr to write our grant policy to comply with audit guidelines	100%	10-31-17	Completed
Fiscal Year 2016/17 Annual Audit by Vazquez CPA	100%	11-02-17	Completed
State Controller Report preparation FY16-17	100%	11-30-17	Completed
<u>Information Technology</u>			
Purchase and implement 2 UPS units for IT Server room.	100%	09-30-17	Completed
Purchase and upgrade DATA Server.	100%	12-31-17	Completed

**INFORMATION ITEM**

March 14, 2018

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

FROM: Robert Hunter, General Manager Staff Contact: Chris Lingad

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

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

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

- Fig. 1 OC Water Usage, Monthly by Supply MWD imported water and groundwater were about even for supply in January.
- Fig. 2 OC Water Usage, Monthly, Comparison to Previous Years Water usage in January 2018 was above average compared to the last 5 years. Higher usage was due to no precipitation and above normal temperatures for the month of January. We are seeing an increase in overall water usage compared to the previous Fiscal Year. In June 2016, all water conservation became voluntary for MWDOC agencies and the Great California Drought was declared over by the Governor in April 2017.
- Fig. 3 Historical OC Water Consumption OC water consumption is projected to be 540,000 AF in FY 2017-18 (*this includes ~15 TAF of agricultural usage and non-retail water agency usage*). This is about 21,000 AF more than FY 2016-17 and is about 49,000 AF more than FY 2015-16 (During the SWRCB mandatory water restrictions). Water usage per person is projected to be slightly higher than in FY 2017-18 for Orange County at 151 gallons per day

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

(This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts

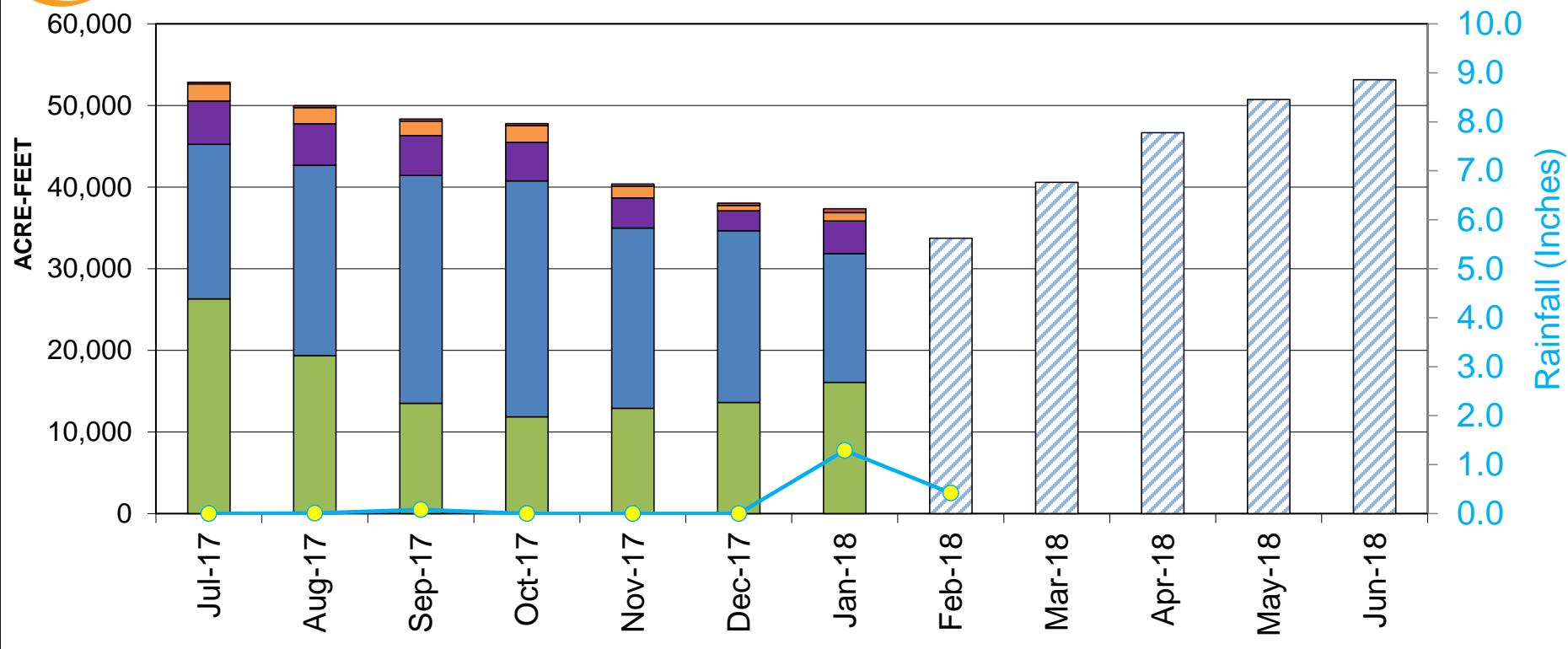
- Fig. 4 MWDOC “Firm” Water Purchases, 2018 “Firm” water above the Tier 1 limit will be charged at the higher Tier 2 rate. Tier 2 purchases are projected to be zero in 2018.

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

- Orange County’s accumulated rainfall through early March was well below average for this period. Water year to date rainfall in Orange County is 1.83 inches which is 18% of normal.
- Northern California accumulated precipitation through early March was around 65% of normal for this period. Water Year 2017 was the wettest water year on record. The Northern California snowpack was 30% of normal as of March 3. The State of California was in a declared Drought Emergency that started January 2014 and just recently ended in April of 2017. As of late February, 47.9% of California is experiencing moderate drought conditions while 91.5% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was remains at 20% as of late January.
- Colorado River Basin accumulated precipitation through early March was 67% average for this period. The Upper Colorado Basin snowpack was 72% of normal as of March 5. The Colorado River Basin saw above average conditions in WY 2017 but the region has been still trying to rebound from the previous long term drought. Lake Mead and Lake Powell combined have about 69% of their average storage volume for this time of year. If Lake Mead’s level falls below a “trigger” limit 1,075 ft. at the end of a calendar year, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of late February, Lake Mead levels were 13’ above the “trigger” limit. The USBR predicts that the end of 2018 will not hit the “trigger” level.



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



- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '16-17 is 75%.
- [3] MWD OC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.
- [4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



Fig. 1B O.C. Historical Water Usage

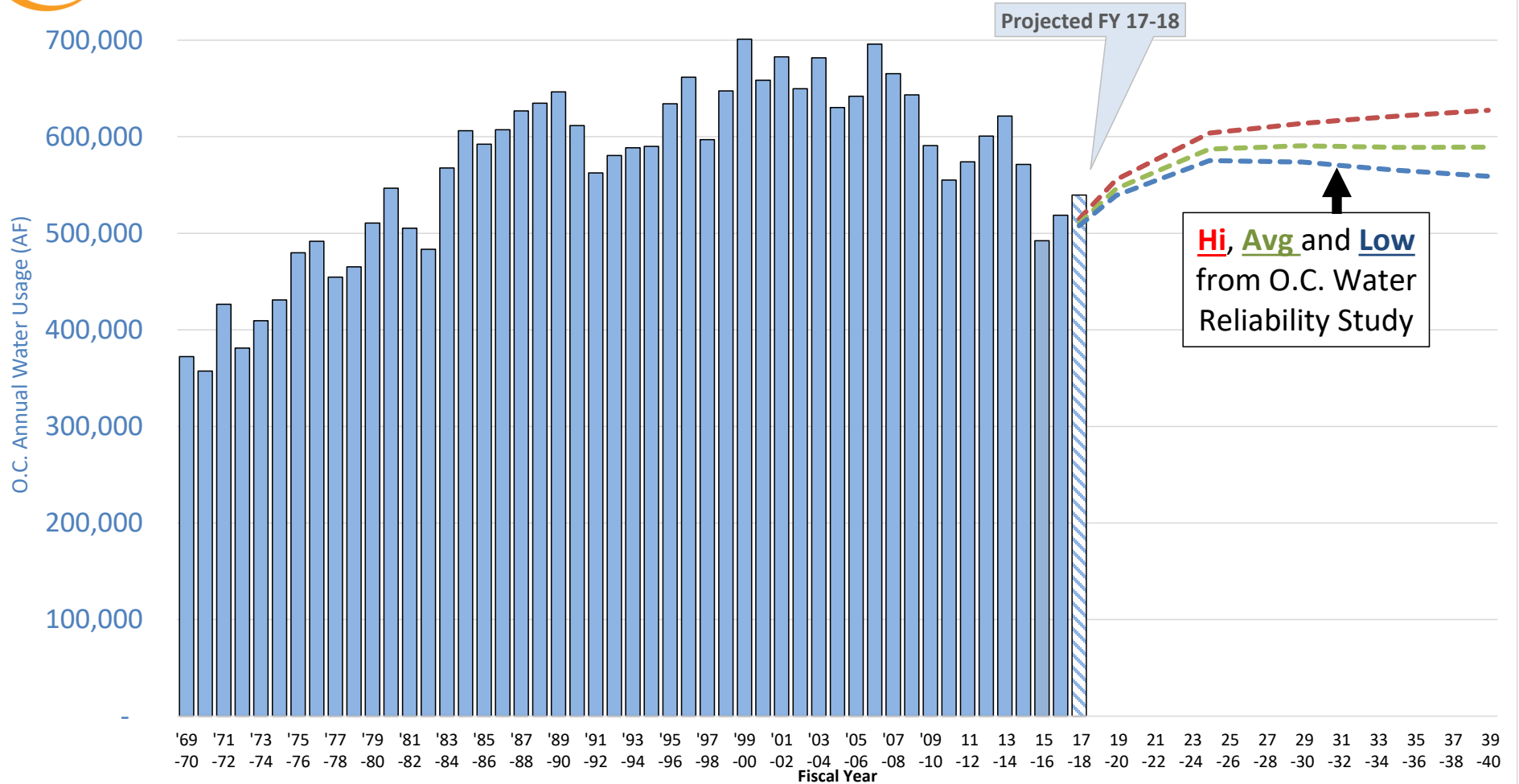
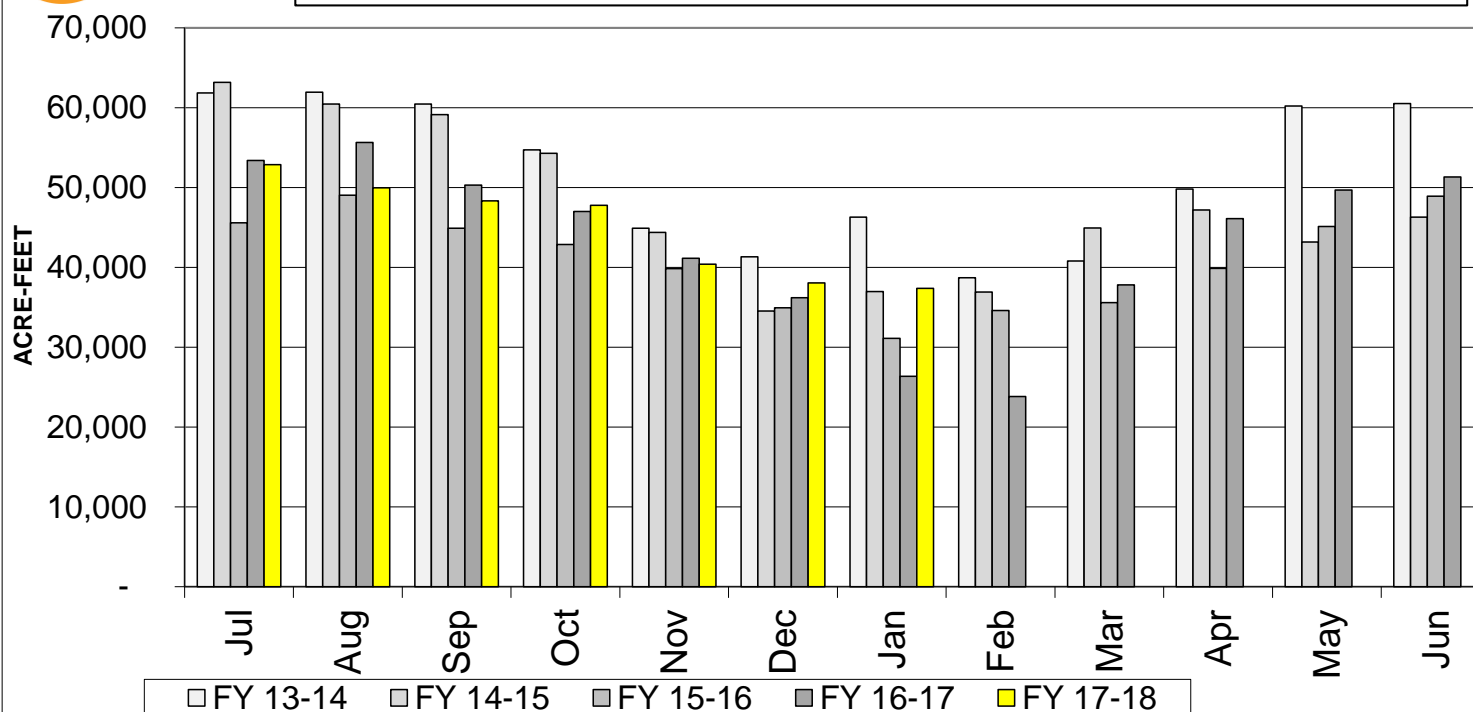
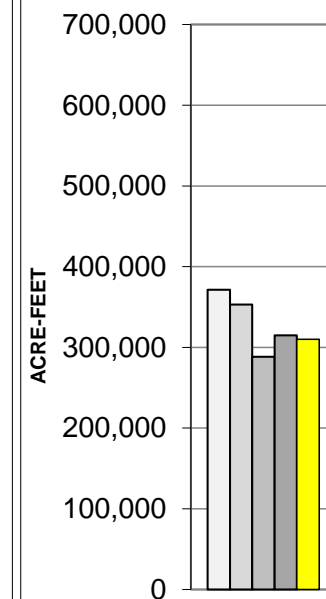




Fig. 2A OC Monthly Water Usage [1]: Comparison to Last 4 Fiscal Years



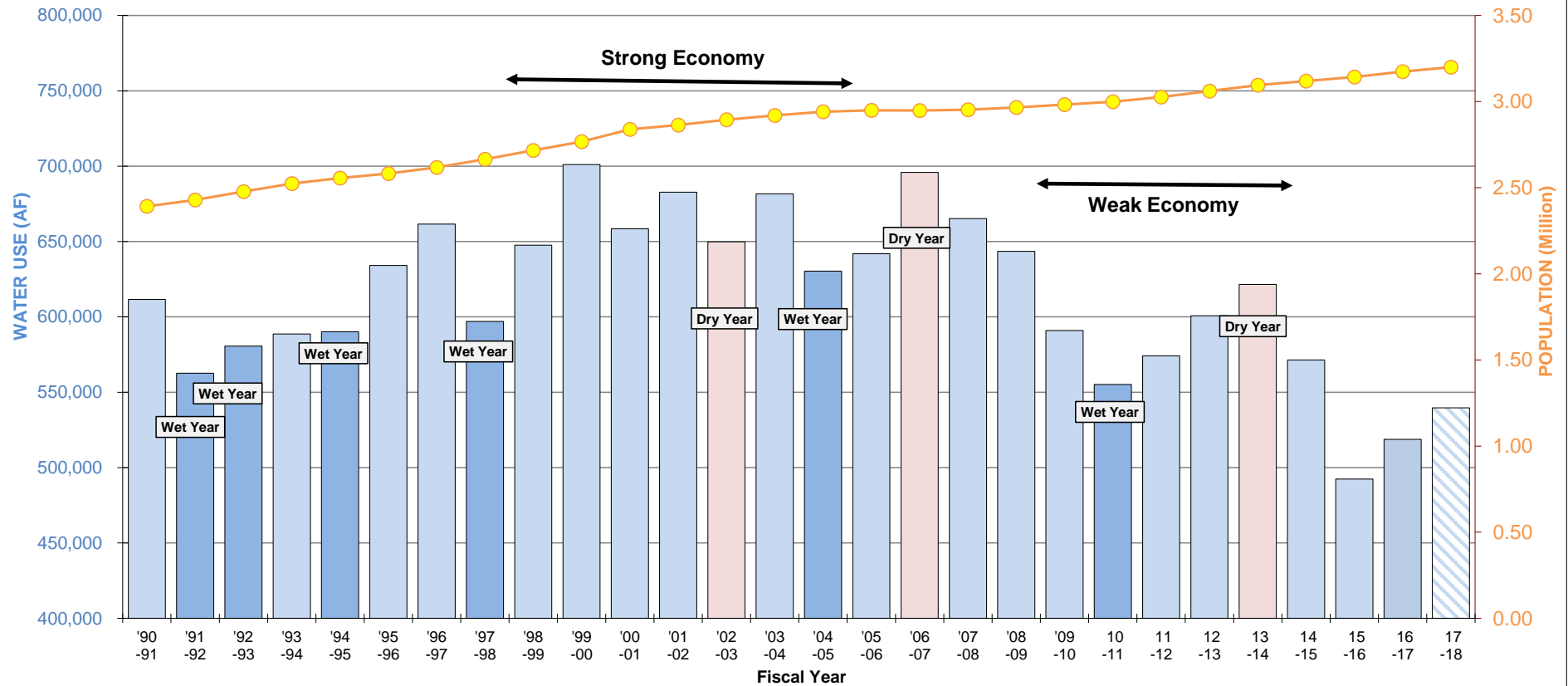
Partial Year Subtotals



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



Fig. 3A HISTORICAL WATER CONSUMPTION[1] AND POPULATION[2] IN OC

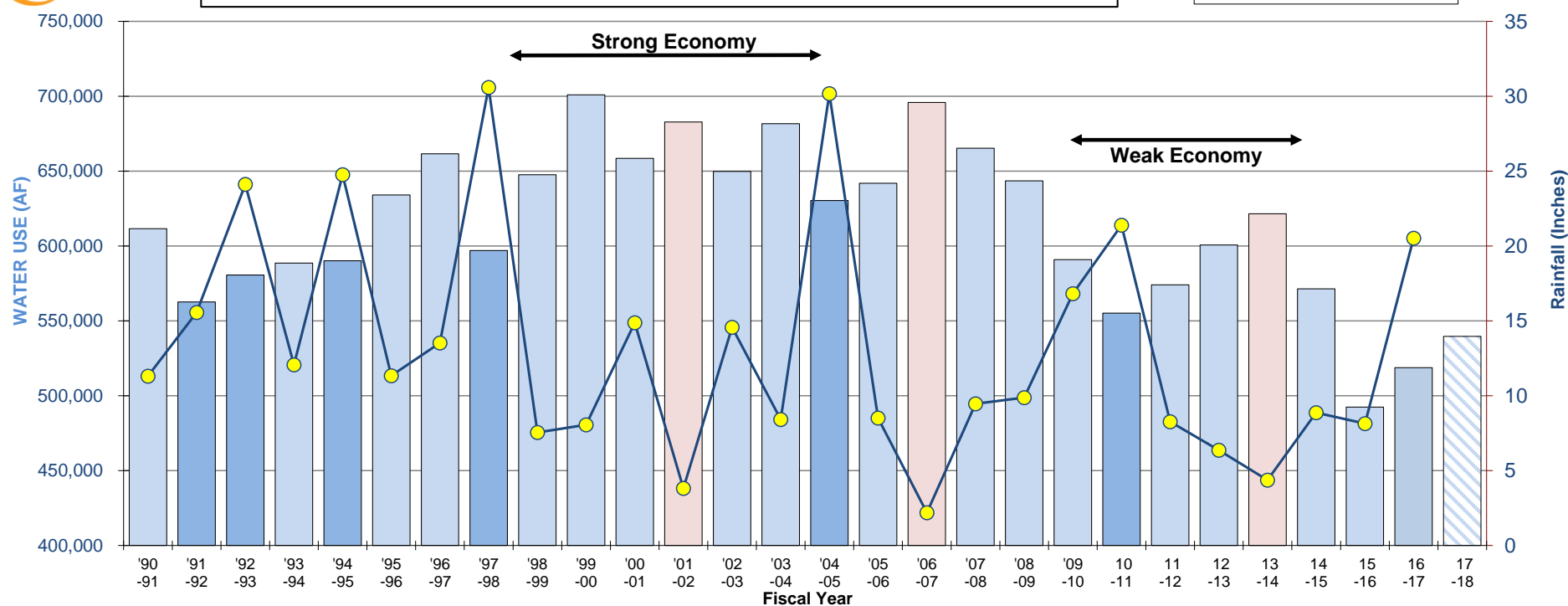


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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



Fig. 3B HISTORICAL WATER CONSUMPTION^[1] AND Annual Rainfall^[2] IN OC

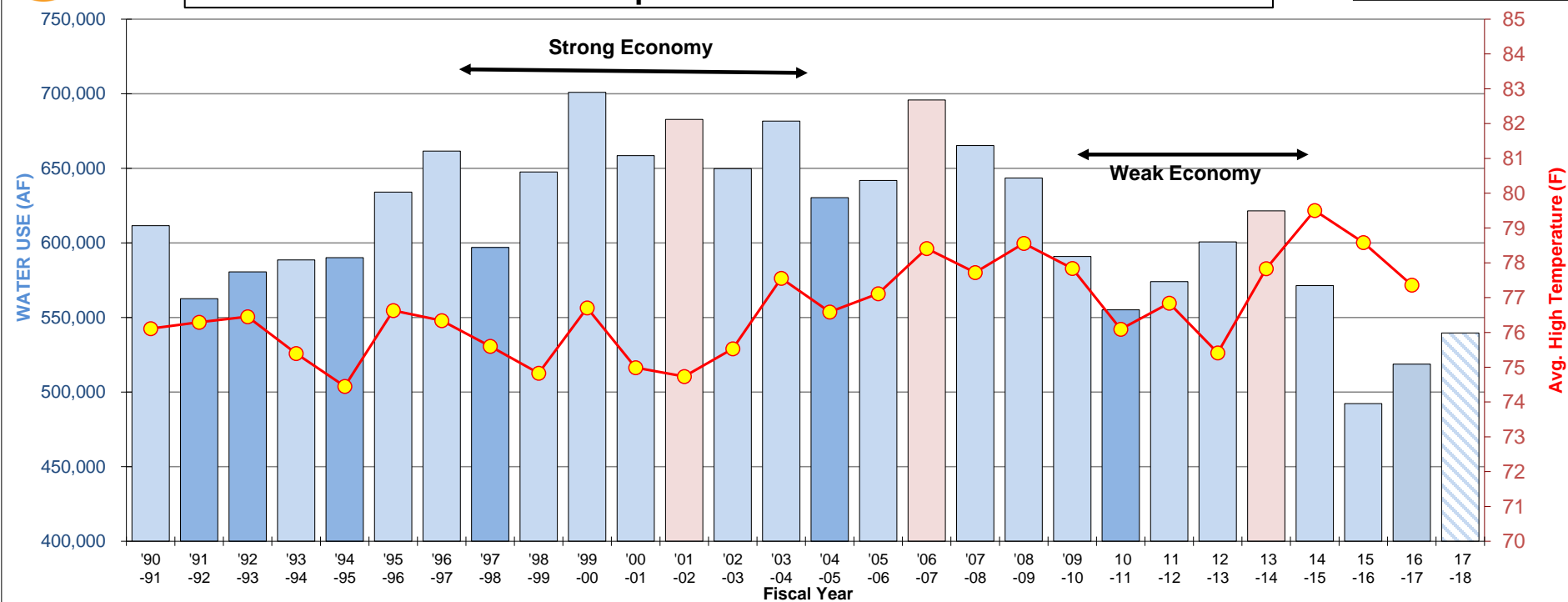


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

[2] Rainfall data from Santa Ana Station #121



Fig. 3C HISTORICAL WATER CONSUMPTION^[1] AND Annual Average High Temperature^[2] IN OC

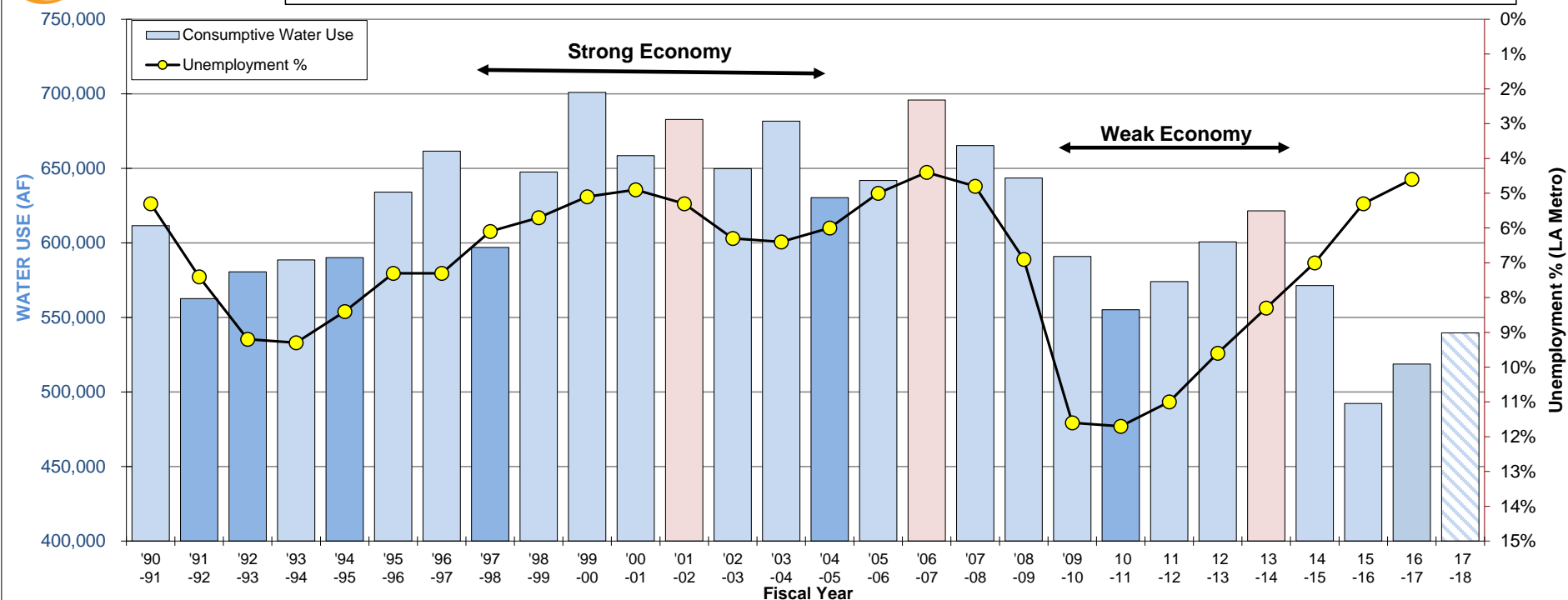


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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



Fig. 3D HISTORICAL WATER CONSUMPTION[1] AND Average Unemployment[2] IN OC

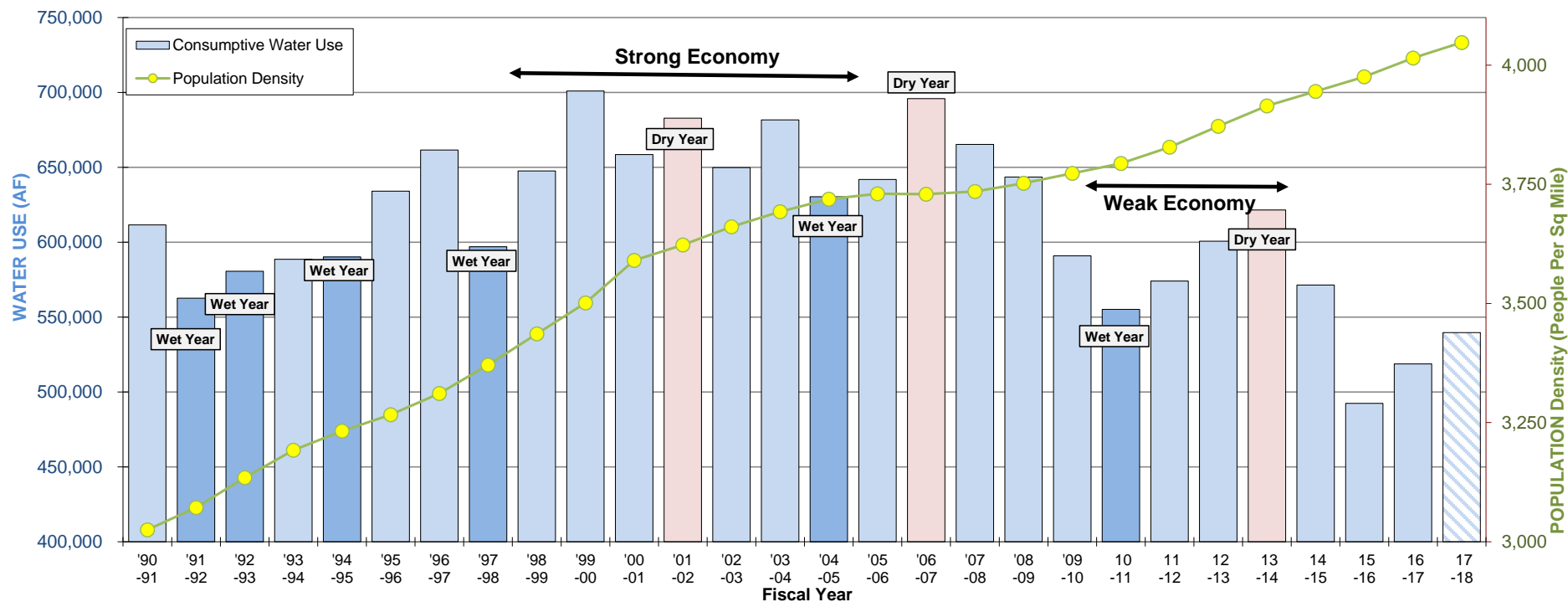


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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



Fig. 3E HISTORICAL WATER CONSUMPTION^[1] AND POPULATION DENSITY^[2] IN OC

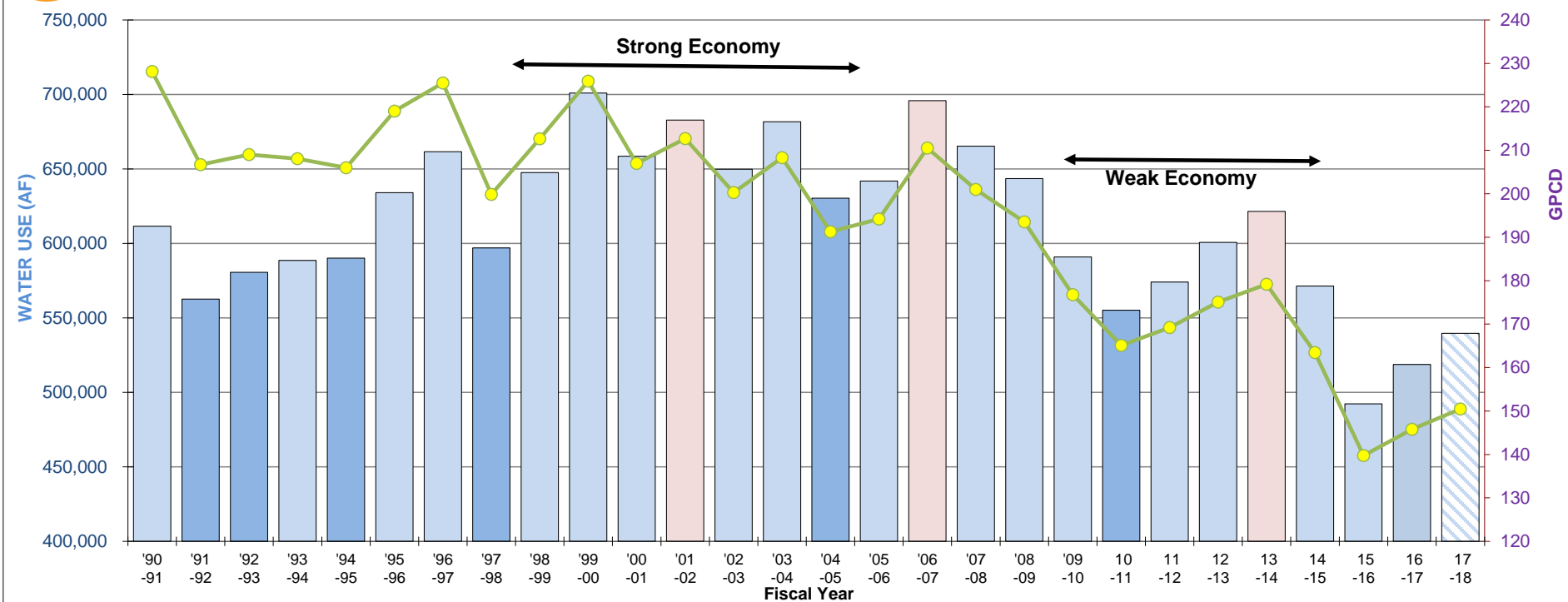


[1] Consumption includes potable, recycled and non-potable usage; excludes Barrier and Spreading water. The most recent data involve some estimation.

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



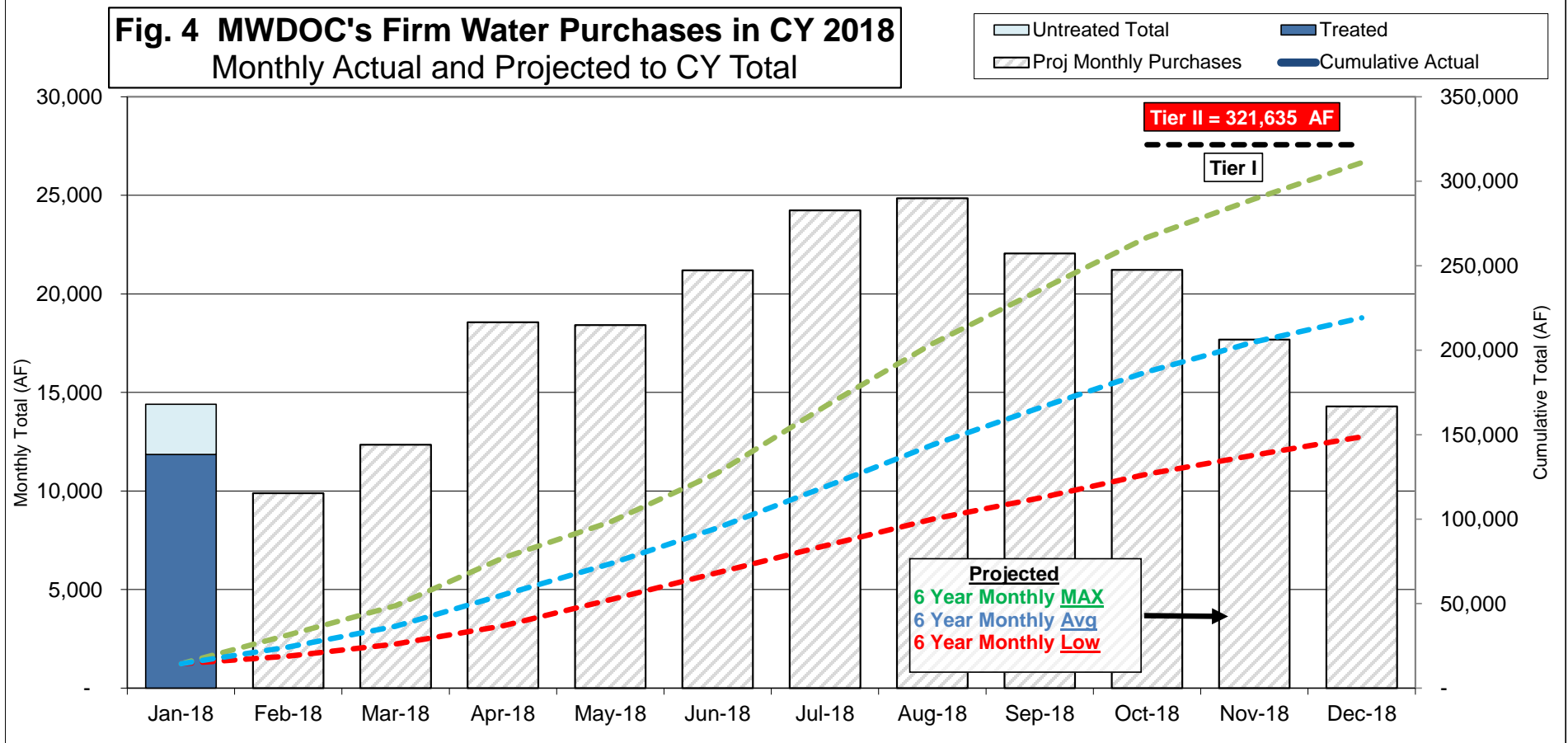
Fig. 3F HISTORICAL WATER CONSUMPTION[1] AND GPCD [2] IN OC



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

[2] Gallon per Capita Daily (includes all types of water usage and all type of water users).

Fig. 4 MWD OC's Firm Water Purchases in CY 2018
Monthly Actual and Projected to CY Total



Notes

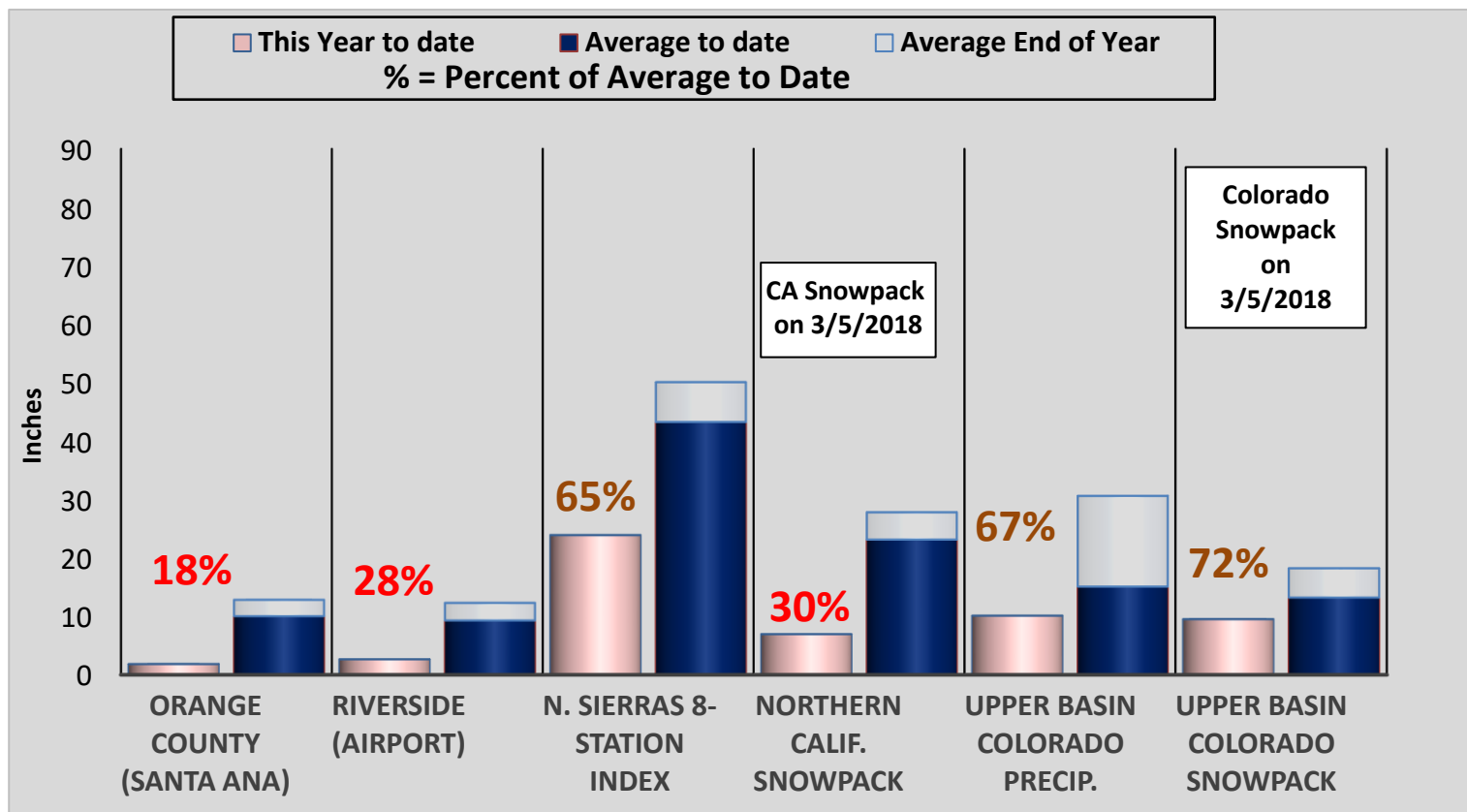
1. "Firm" includes Full Service (both Treated and Untreated) and Barrier water.
2. Basin Pumping Percentage (BPP) is the percentage of a retail water agency's total water demand that they are limited to pump from the OCWD-managed groundwater basin. BPP pertains to Basin agencies only. For example, if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



prepared by the Municipal Water District of Orange County
*numbers are subject to change

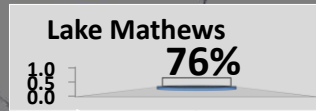
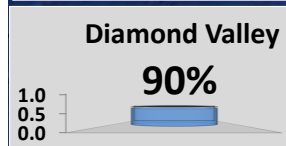
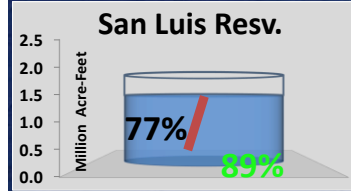
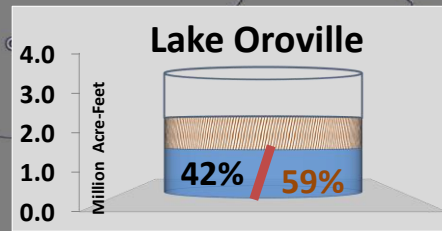
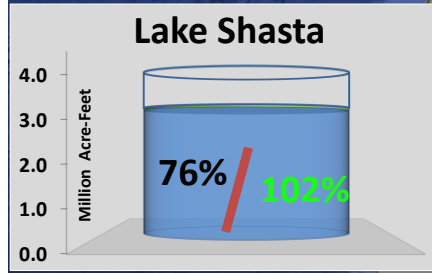
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Accumulated Precipitation for the Oct.-Sep. water year, through early March 2018



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

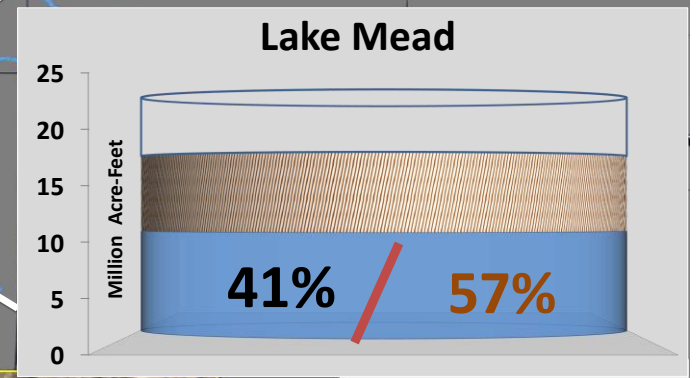
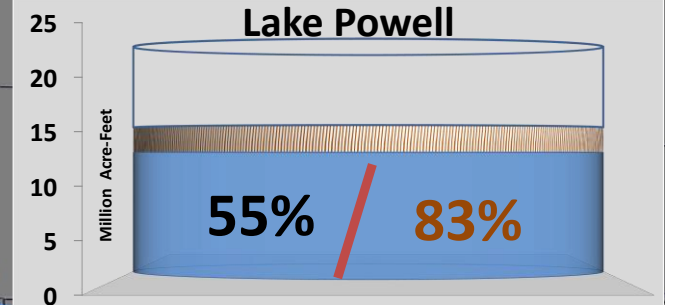
State Water Project, Colorado River, and MWD Reservoir Storage
as of March 5, 2018



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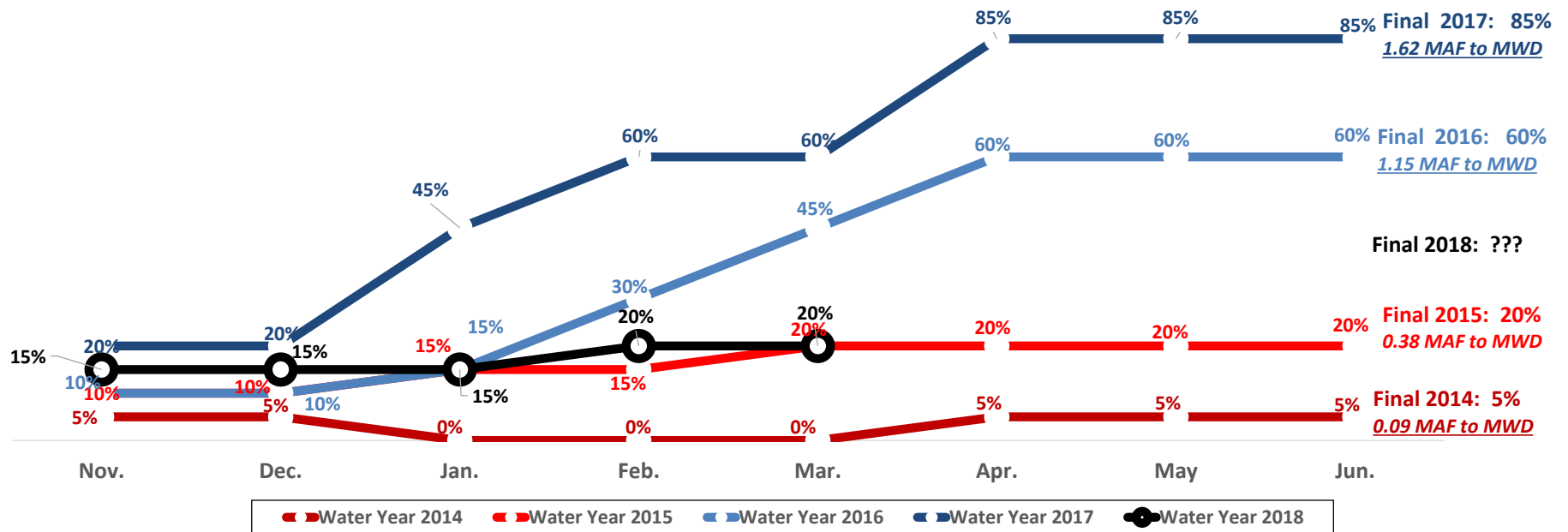


prepared by the Municipal Water District of Orange County
*Numbers are Subject to Change

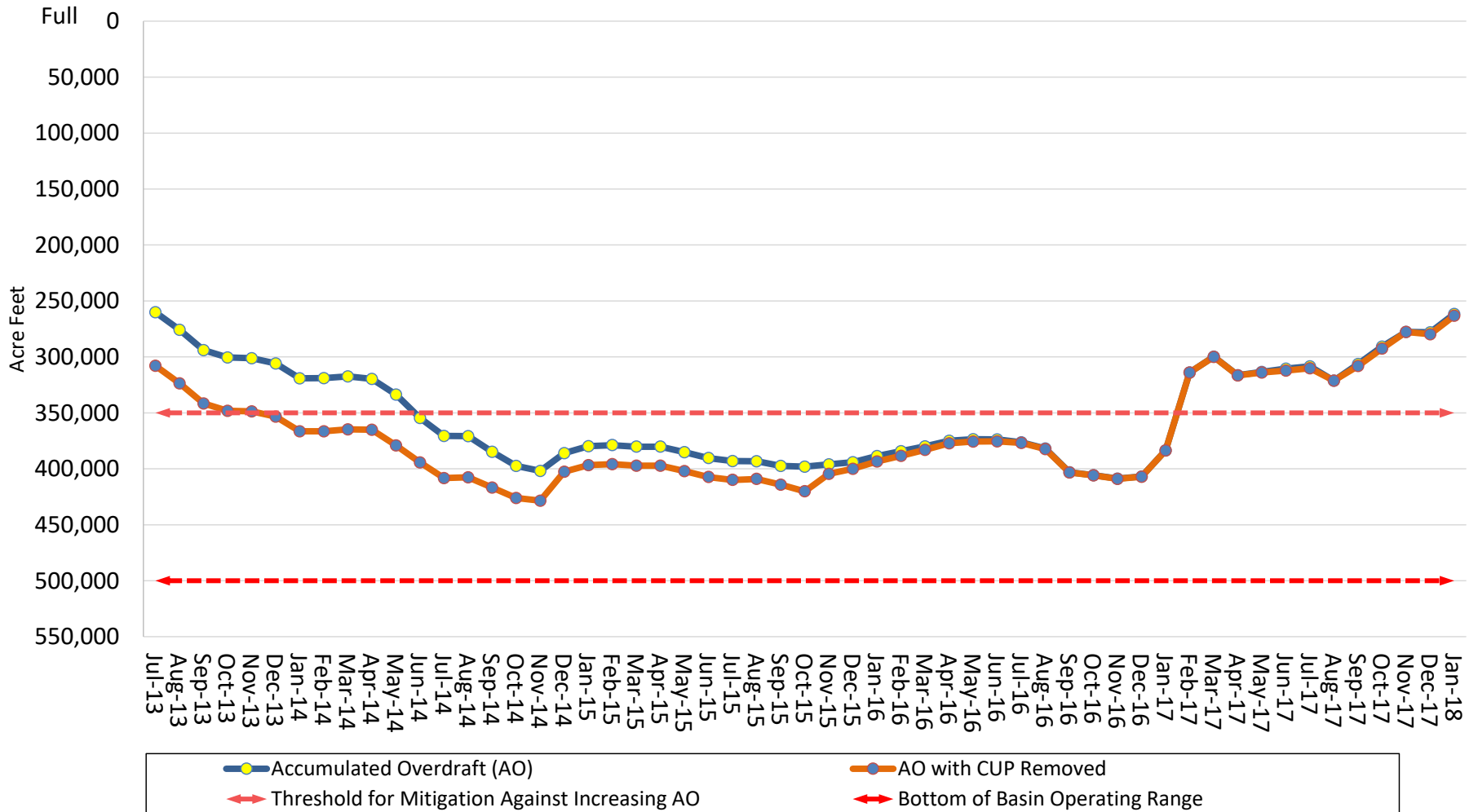


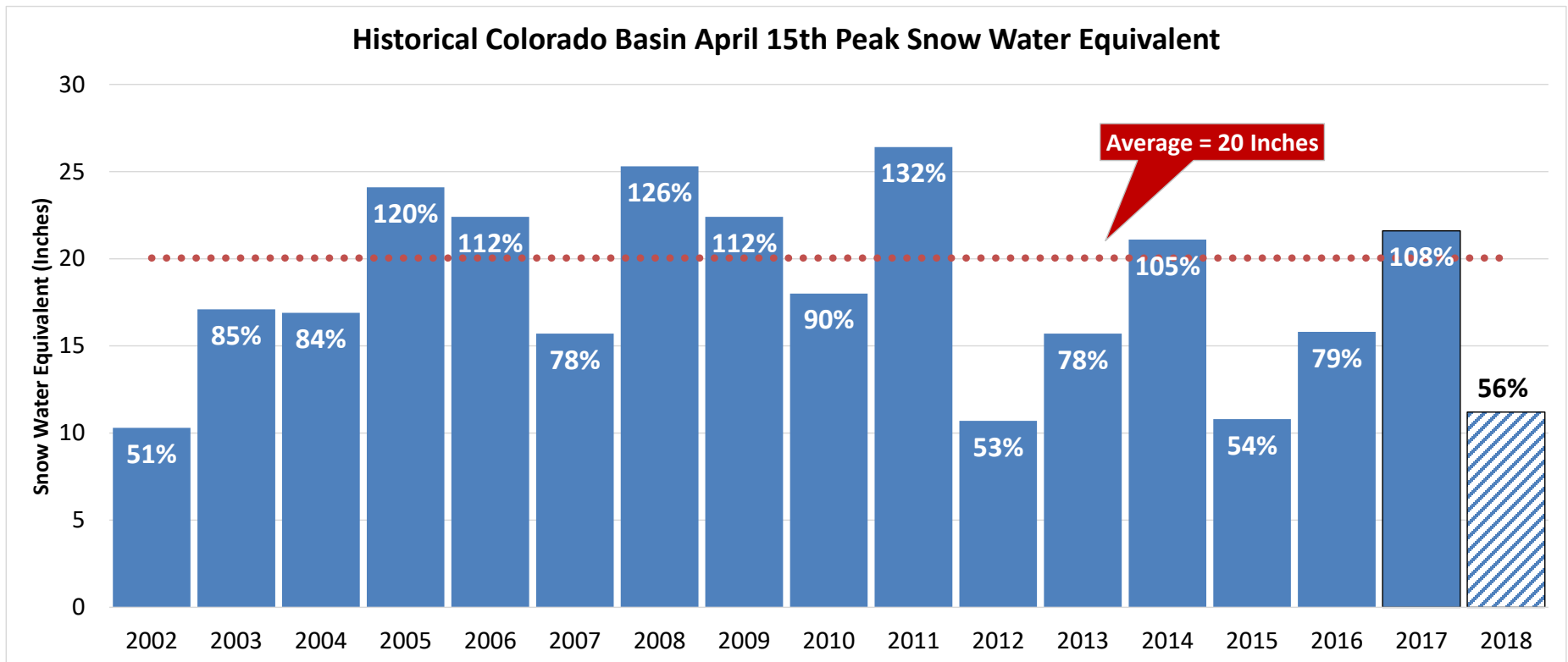
SWP TABLE A ALLOCATION

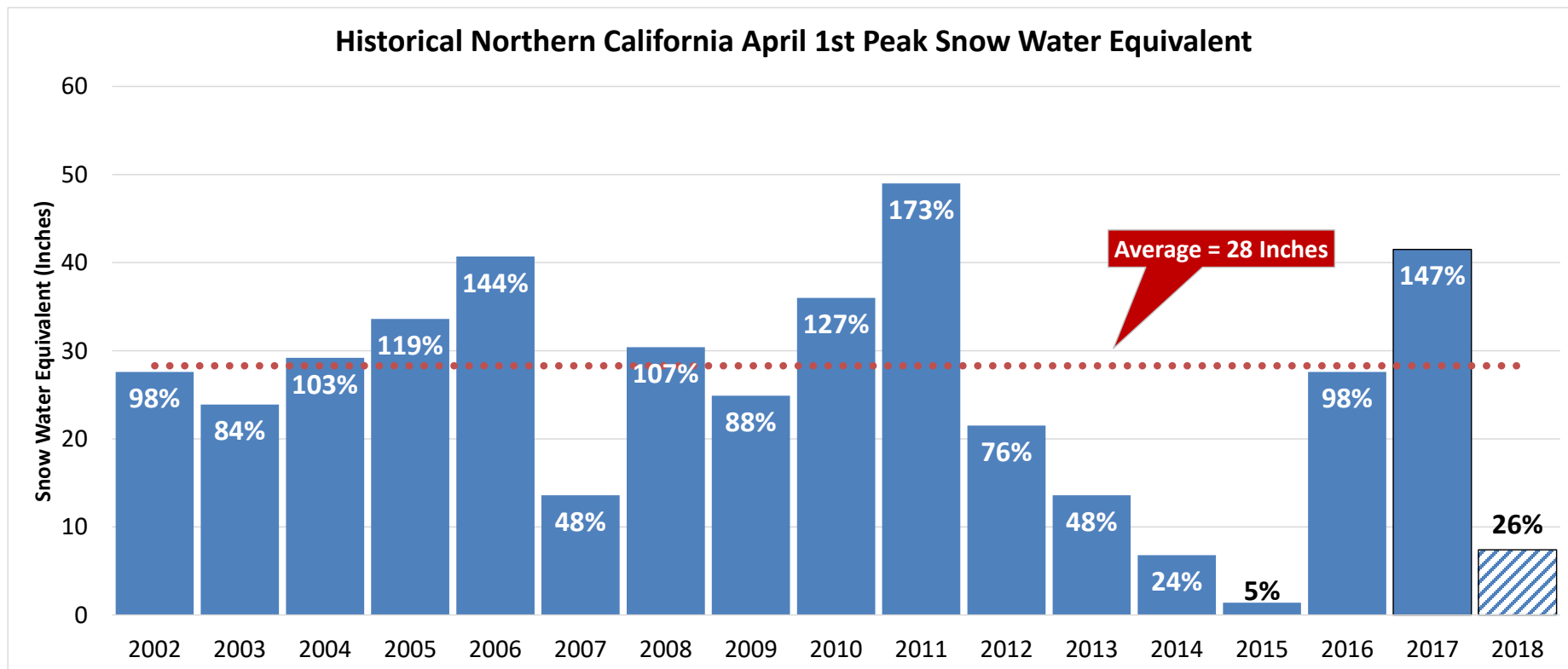
FOR STATE WATER PROJECT CONTRACTORS



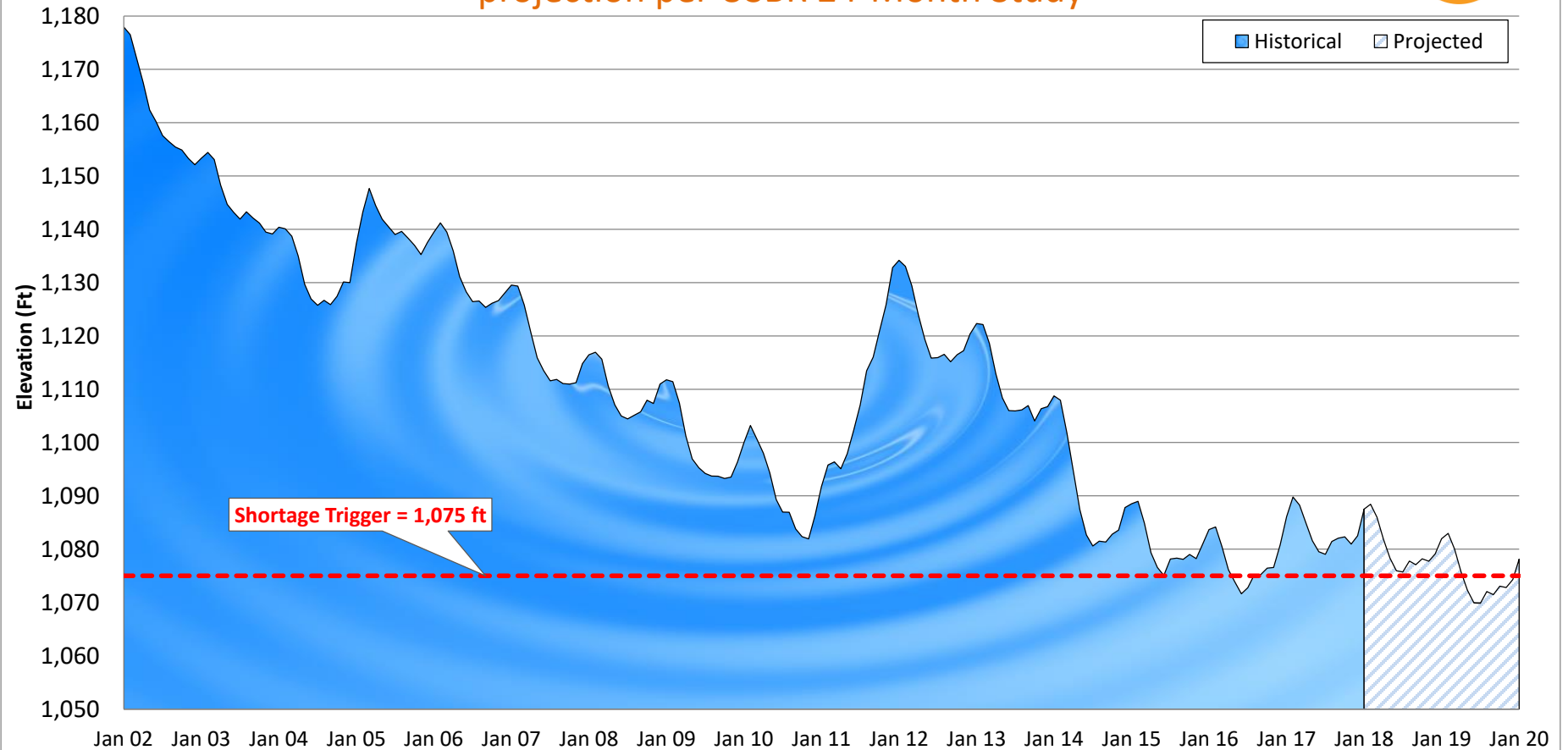
Accumulated Overdraft of the OCWD Groundwater Basin as of January 2018







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



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

