**MEETING OF THE**
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
**ADMINISTRATION & FINANCE COMMITTEE**
April 11, 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

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

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

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

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

## PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
   a. Revenue/Cash Receipt Report – March 2018
   b. Disbursement Approval Report for the month of April 2018
   c. Disbursement Ratification Report for the month of March 2018
   d. GM Approved Disbursement Report for the month of March 2018
   e. Water Use Efficiency Projects Cash Flow – March 31, 2018
   f. Consolidated Summary of Cash and Investment – February 2018
   g. OPEB Trust Fund monthly statement

2. FINANCIAL REPORT
   a. Combined Financial Statements and Budget Comparative for the Period ending February 28, 2018

**DISCUSSION ITEMS**

3. PROPOSED LAFCO DUES RESTRUCTURING

**ACTION ITEMS**

4. DISTRICT BENCHMARK COMPENSATION AND BENFITS STUDY

5. APPROVAL OF STRUCTURAL SEISMIC IMPROVEMENTS TO THE MWDOC ADMINISTRATION BUILDING AND STAFF DIRECTION FOR IMPLEMENTATION

6. OFFICE REMODEL – PHASES 1 AND 2

7. FY 2018-19 THIRD DRAFT BUDGET

8. PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2018-19

**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.)

9. INDIVIDUAL CHARGES DISCLOSURE FOR THE PERIOD JAN-DEC 2017

10. DEPARTMENT ACTIVITIES REPORTS
    a. Administration
    b. Finance and Information Technology

11. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

**OTHER ITEMS**

12. 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**
**March 2018**

***WATER REVENUES***

| Date | From | Description | Amount |
|---|---|---|---|
| 03/02/18 | City of La Palma | January 2018 Water deliveries | 4,038.60 |
| 03/02/18 | City of Huntington Beach | January 2018 Water deliveries | 312,782.90 |
| 03/02/18 | City of Brea | January 2018 Water deliveries | 90,201.61 |
| 03/05/18 | City of Fountain Valley | January 2018 Water deliveries | 224,647.07 |
| 03/05/18 | City of La Habra | January 2018 Water deliveries | 2,661.82 |
| 03/05/18 | City of Garden Grove | January 2018 Water deliveries | 299,567.55 |
| 03/07/18 | Serrano Water District | January 2018 Water deliveries | 11,165.67 |
| 03/07/18 | Trabuco Canyon Water District | January 2018 Water deliveries | 137,975.53 |
| 03/09/18 | South Coast Water District | January 2018 Water deliveries | 390,897.68 |
| 03/09/18 | City of Buena Park | January 2018 Water deliveries | 152,174.35 |
| 03/09/18 | City of San Clemente | January 2018 Water deliveries | 509,289.47 |
| 03/12/18 | Santa Margarita Water District | January 2018 Water deliveries | 1,516,842.03 |
| 03/12/18 | El Toro Water District | January 2018 Water deliveries | 363,420.64 |
| 03/13/18 | Mesa Water | January 2018 Water deliveries | 114,817.56 |
| 03/14/18 | Laguna Beach County Water District | January 2018 Water deliveries | 91,657.39 |
| 03/14/18 | City of San Juan Capistrano | January 2018 Water deliveries | 310,622.35 |
| 03/15/18 | East Orange County Water District | January 2018 Water deliveries | 248,987.83 |
| 03/15/18 | Orange County Water District | January 2018 Water deliveries | 34,413.93 |
| 03/15/18 | Irvine Ranch Water District | January 2018 Water deliveries | 635,307.61 |
| 03/15/18 | Moulton Niguel Water District | January 2018 Water deliveries | 1,846,765.70 |
| 03/15/18 | Yorba Linda Water District | January 2018 Water deliveries | 621,089.04 |
| 03/15/18 | Golden State Water Company | January 2018 Water deliveries | 138,901.29 |
| 03/23/18 | City of Brea | February 2018 Water deliveries | 89,288.11 |
| 03/26/18 | City of Newport Beach | February 2018 Water deliveries | 27,783.02 |
| 03/29/18 | City of La Habra | February 2018 Water deliveries | 2,661.82 |
| 03/29/18 | Serrano Water District | February 2018 Water deliveries | 11,165.67 |
| 03/30/18 | City of Huntington Beach | February 2018 Water deliveries | 169,507.00 |
| | | TOTAL REVENUES | **$ 8,358,633.24** |

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

***MISCELLANEOUS REVENUES***

| Date | From | Description | Amount |
|---|---|---|---|
| 03/15/18 | Serrano WD | 4/19/18 Water Policy dinner | 400.00 |
| 03/19/18 | Rutan & Tucker, LLP | 4/19/18 Water Policy dinner | 80.00 |
| 03/30/18 | Paypal | 4/19/18 Water Policy dinner | 3,684.70 |
| 03/12/18 | Rancho Water | 6/1/18 OC Water Summit | 390.00 |
| 03/30/18 | Paypal | 6/1/18 OC Water Summit | 2,687.57 |
| 03/30/18 | Paypal | ISDOC Registrations | 446.75 |
| 03/02/18 | Keith Lyon | March 2018 Retiree Health insurance | 278.59 |
| 03/02/18 | Stan Sprague | March 2018 Retiree Health insurance | 243.00 |
| 03/29/18 | Stan Sprague | April 2018 Retiree Health insurance | 243.00 |
| 03/30/18 | Keith Lyon | April 2018 Retiree Health insurance | 278.59 |
| 03/02/18 | 2 Checks | Movie tickets | 119.00 |
| 03/29/18 | Pat Meszaros | Movie tickets | 40.50 |
| 03/05/18 | VOYA | Refund for excess pension contribution | 64.00 |
| 03/12/18 | El Toro Water District | Overpayment of February 2018 Water deliveries | 200.00 |
| 03/07/18 | Trabuco Canyon Water District | December 2017 Smartimer rebate program | 39.53 |
| 03/09/18 | Mesa Water | January 2018 Smartimer rebate program | 139.00 |
| 03/19/18 | Trabuco Canyon Water District | January 2018 Smartimer rebate program | 63.99 |
| 03/20/18 | Irvine Ranch Water District | January 2018 Smartimer rebate program | 809.71 |
| 03/23/18 | City of Buena Park | January 2018 Smartimer rebate program | 19.51 |
| 03/09/18 | City of Buena Park | December 2017 Turf Removal rebate program | 562.65 |
| 03/09/18 | City of Orange | January 2018 Turf Removal rebate program | 111.00 |
| 03/15/18 | City of Westminster | January 2018 Turf Removal rebate program | 222.00 |
| 03/19/18 | City of Newport Beach | January 2018 Turf Removal rebate program | 111.00 |
| 03/19/18 | El Toro Water District | January 2018 Turf Removal rebate program | 383.00 |
| 03/20/18 | Irvine Ranch Water District | January 2018 Turf Removal rebate program | 10,701.31 |
| 03/29/18 | City of La Habra | January 2018 Turf Removal rebate program | 111.00 |
| 03/19/18 | Moulton Niguel Water District | January 2018 Smartimer and Turf Removal rebate program | 13,299.15 |
| 03/23/18 | City of San Clemente | January 2018 Smartimer and Turf Removal rebate program | 2,760.00 |
| 03/19/18 | Trabuco Canyon Water District | Dec 17-Jan 18 So Cal Watersmart rebate program | 400.00 |
| 03/05/18 | Irvine Ranch Water District | January 2018 So Cal Watersmart rebate program | 27,139.61 |
| 03/15/18 | Laguna Beach County Water District | January 2018 So Cal Watersmart rebate program | 105.00 |
| 03/23/18 | City of San Clemente | January 2018 So Cal Watersmart rebate program | 875.00 |
| 03/05/18 | Irvine Ranch Water District | January 2018 Water Savings Incentive program | 1,800.00 |
| 03/21/18 | Department of Water Resources | Jul-Sep 2017 Comprehensive Landscape WUE | 6,020.37 |
| 03/22/18 | Orange County Water District | Sep - Oct 2017 SAWPA Drought Response program | 37,158.30 |
| 03/23/18 | Department of Water Resources | Jul-Sep 2017 Strategic Turf Removal and Design Assistance | 25,886.18 |
| 03/02/18 | City of Fullerton | Jul-Dec 2017 School Billing | 3,680.27 |
| 03/12/18 | City of Santa Ana | Jul-Dec 2017 School Billing | 24,121.38 |
| 03/29/18 | City of Garden Grove | Addition to Choice School Program FY 17-18 | 930.93 |
| 03/05/18 | El Toro Water District | Water Loss Control technical assistance - WSO, Inc | 11,932.00 |
| 03/09/18 | City of Fountain Valley | Water Loss Control technical assistance - WSO, Inc | 33,732.00 |
| 03/30/18 | Yorba Linda Water District | Water Loss Control technical assistance - WSO, Inc | 11,932.00 |
| | | TOTAL MISCELLANEOUS REVENUES | $ 224,201.59 |
| | | **TOTAL REVENUES** | **$ 8,582,834.83** |

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

# Municipal Water District of Orange County
## Disbursement Approval Report
## For the month of April 2018

| Invoice# | Vendor / Description | Amount to Pay |
|---|---|---|
| ***Core Expenditures:*** | | |
| | ***ALTA FoodCraft*** | |
| 51805741 | 3/19/18 Coffee & tea supplies | 323.04 |
| | *** Total *** | 323.04 |
| | ***Best Best and Krieger LLP*** | |
| 55401-FEB18 | February 2018 Legal services | 9,889.23 |
| 816130 | February 2018 State legislative advocacy services | 7,785.98 |
| | *** Total *** | 17,675.21 |
| | ***California Water Efficiency Partnership*** | |
| MD-2018-168 | 2018 Annual membership | 11,365.84 |
| | *** Total *** | 11,365.84 |
| | ***CDM Smith*** | |
| 90042401 | 2/1/18-3/10/18 Engineering services for O.C. Water Reliability Investigation | 2,612.50 |
| | *** Total *** | 2,612.50 |
| | ***Hunter T. Cook*** | |
| FEB-APR2018 | February-April 2018 Retiree medical premium | 1,505.52 |
| | *** Total *** | 1,505.52 |
| | ***CSU Fullerton ASC*** | |
| AR167717 | FY 17/18 3rd Quarter Center for Demographic Research support | 10,950.64 |
| | *** Total *** | 10,950.64 |
| | ***El Toro Water District*** | |
| 3131 | 2018 WEROC S. EOC Site annual lease | 1,000.00 |
| | *** Total *** | 1,000.00 |
| | ***Finley & Cook PLLC*** | |
| SI0026300 | 6/5/18-6/4/19 Jet Reports annual maintenance & enhancements | 1,397.00 |
| SI0026289 | 5/22/18-9/4/19 Serenic annual maintenance & enhancement for Navision software | 22,014.10 |
| | *** Total *** | 23,411.10 |
| | ***Fry's Electronics*** | |
| 22359832 | 3/23/17 Computer components | 114.15 |
| 22372703 | 4/4/18 Computer supplies | 43.48 |
| | *** Total *** | 157.63 |
| | ***HashtagPinpoint Corporation*** | |
| 1145 | March 2018 Social media consultation and services | 9,500.00 |
| | *** Total *** | 9,500.00 |

# Municipal Water District of Orange County
## Disbursement Approval Report
## For the month of April 2018

| Invoice# | Vendor / Description | Amount to Pay |
|---|---|---|
| | ***IDS Group*** | |
| 17S020.03-2 | 11/24/17-3/14/18 Structural engineering services for MWDOC building | 4,831.49 |
| | *** Total *** | 4,831.49 |
| | ***Independent Special Dist. of OC*** | |
| 032918 | 3/29/18 Meeting registration for Directors Dick and Finnegan | 34.00 |
| 032918PAYPAL | February-March 2018 PayPal receipts for 3/29/18 meeting | 446.75 |
| | *** Total *** | 480.75 |
| | ***Inland Empire Utilities Agency*** | |
| 1800003657 | 25% Share of 2/28/18 DC Briefing luncheon costs | 742.50 |
| | *** Total *** | 742.50 |
| | ***James C. Barker, P.C.*** | |
| 105-0318 | March 2018 Federal legislative advocacy services | 8,000.00 |
| | *** Total *** | 8,000.00 |
| | ***Jill Promotions*** | |
| 10181 | 2 Polo shirts with MWDOC logo (Reimbursed by Director Dick) | 78.75 |
| 10188 | 44 Name badges for Directors and Staff | 484.34 |
| | *** Total *** | 563.09 |
| | ***Lawnscape Systems, Inc.*** | |
| 393746 | 3/24/18 Gardening service for atrium | 295.00 |
| | *** Total *** | 295.00 |
| | ***Phil Letrong*** | |
| JAN-MAR2018 | January-March 2018 Retiree medical premium | 402.00 |
| | *** Total *** | 402.00 |
| | ***Lewis Consulting Group, LLC*** | |
| 2018-120 | March 2018 Consulting services | 4,312.50 |
| | *** Total *** | 4,312.50 |
| | ***Keith Lyon*** | |
| JAN-MAR2018 | January-March 2018 Retiree medical premium | 402.00 |
| | *** Total *** | 402.00 |
| | ***Edward G. Means III*** | |
| MWDOC-1057 | March 2018 MET issues and guidance to Engineering staff | 2,136.99 |
| | *** Total *** | 2,136.99 |
| | ***Norco Delivery Services*** | |
| 713267 | 3/30/18 Delivery charges for Board packets | 169.36 |
| | *** Total *** | 169.36 |

# Municipal Water District of Orange County
## Disbursement Approval Report
## For the month of April 2018

| *Invoice#* | *Vendor / Description* | *Amount to Pay* |
|---|---|---|
| | ***Office Solutions*** | |
| I-01329961 | 3/7/18 Office supplies | 139.05 |
| I-01330138 | 3/7/18 Office supplies | 41.03 |
| I-01330867 | Sit/stand monitor & keyboard set-up for M. Conway | 593.66 |
| I-01335265 | 3/15/18 Office supplies | 379.05 |
| I-01335540 | 3/16/18 Office supplies | 156.34 |
| I-01340663 | 1,500 #10 Regular envelopes | 449.15 |
| | *** Total *** | 1,758.28 |
| | ***Orange County Fast Print, Inc.*** | |
| 56015 | Business cards for T. Muldoon | 58.88 |
| | *** Total *** | 58.88 |
| | ***Orange County Water District*** | |
| 18740 | February 2018 50% share of WACO expense | 217.50 |
| 18743 | February 2018 Postage, shared office & maintenance expense | 9,275.43 |
| 18801 | March 2018 50% share of WACO expense | 217.50 |
| | *** Total *** | 9,710.43 |
| | ***Patricia Kennedy Inc.*** | |
| 21769 | April 2018 Plant maintenance | 214.00 |
| | *** Total *** | 214.00 |
| | ***Petty Cash*** | |
| MAR2018 | March 2018 Petty Cash reimbursement | 265.39 |
| | *** Total *** | 265.39 |
| | ***Judy Pfister*** | |
| JAN-MAR2018 | January-March 2018 Retiree medical premium | 354.00 |
| | *** Total *** | 354.00 |
| | ***Ralph Andersen & Associates*** | |
| INV-01105 | December 2017 Services for Classification and Compensation study | 6,000.00 |
| INV-01137 | January 2018 Services for Classification and Compensation study | 9,500.00 |
| INV-01180 | February 2018 Services for Classification and Compensation study | 7,500.00 |
| | *** Total *** | 23,000.00 |
| | ***Staples Advantage*** | |
| 8049044307 | 3/10/18 Office supplies | 83.39 |
| | *** Total *** | 83.39 |
| | ***Top Hat Productions*** | |
| 93770 | 2/22/18 Lunch for Managers' meeting | 617.41 |
| 93832 | 3/16/18 Food for Women in Water breakfast | 591.28 |
| | *** Total *** | 1,208.69 |

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

| *Invoice#* | *Vendor / Description* | *Amount to Pay* |
|---|---|---|
| | ***U. S. HealthWorks Medical Group*** | |
| 3282492-CA | Pre-employment exam | 187.00 |
| | *** Total *** | 187.00 |
| | ***Union Bank, N.A.*** | |
| 1084720 | December 2017-February 2018 Custodial Bank fees | 625.00 |
| | *** Total *** | 625.00 |
| | ***Water Systems Optimization, Inc.*** | |
| 1274 | February 2018 Water Loss Control program | 2,214.80 |
| 1287 | March 2018 Water Loss Control program | 7,394.77 |
| | *** Total *** | 9,609.57 |
| | ***Pauline D. Wennerstrom*** | |
| APR-JUN2018 | April-June 2018 Retiree medical premium | 339.00 |
| | *** Total *** | 339.00 |
| | ***Western Regional IPMA*** | |
| 171835 | Job posting for Executive Assistant position | 175.00 |
| | *** Total *** | 175.00 |
| | ***Yorba Linda Water District*** | |
| 031518 | 3/15/18 Strategic and Tactical Communication training | 50.00 |
| | *** Total *** | 50.00 |
| | ***Total Core Expenditures*** | 148,475.79 |

## *Choice Expenditures:*

| | | |
|---|---|---|
| | ***Office Solutions*** | |
| I-01345075 | 20 Binders for Water Use Efficiency department | 282.75 |
| | *** Total *** | 282.75 |
| | ***Orange County Water District*** | |
| 18743 | February 2018 Postage for Water Use Efficiency rebate programs | 111.28 |
| | *** Total *** | 111.28 |
| | ***Top Hat Productions*** | |
| 93823 | 3/13/18 Lunch for Water Loss Control Workgroup meeting | 504.54 |
| | *** Total *** | 504.54 |
| | ***Total Choice Expenditures*** | 898.57 |

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

| *Invoice#* | *Vendor / Description* | *Amount to Pay* |
|---|---|---|
| ***Other Funds Expenditures:*** | | |
| | ***EcoTech Services, Inc.*** | |
| 1124 | 2/26/18-3/25/18 One-on-One design assistance for Landscape Design program | 5,400.00 |
| 1125 | 2/26/18-3/25/18 Backyard area measurements for Turf Program | 75.00 |
| | *** Total *** | 5,475.00 |
| | ***The Martinet Group, LLC*** | |
| 2018-03-01 | 3/7/18 Disaster Finance consulting | 787.50 |
| | *** Total *** | 787.50 |
| | ***Mega Maids Cleaning Service*** | |
| 9348 | February 2018 WEROC S. EOC cleaning services | 95.00 |
| | *** Total *** | 95.00 |
| | ***Michael Baker International*** | |
| 1007037 | 1/29/18-2/25/18 Orange County Regional Water & Wastewater Multijurisdictional Hazard Mitigation Plan update | 5,820.00 |
| | *** Total *** | 5,820.00 |
| | ***Office Solutions*** | |
| I-01339496 | 3/22/18 Office supplies for WEROC | 81.33 |
| | *** Total *** | 81.33 |
| | ***Petty Cash*** | |
| MAR2018 | March 2018 Petty Cash reimbursement | 17.00 |
| | *** Total *** | 17.00 |
| | ***Water Systems Optimization, Inc.*** | |
| 1274 | February 2018 Water Loss Control program | 22,744.04 |
| 1287 | March 2018 Water Loss Control program | 9,715.00 |
| | *** Total *** | 32,459.04 |
| | ***Total Other Funds Expenditures*** | 44,734.87 |
| | ***Total Expenditures*** | 194,109.23 |

# Municipal Water District of Orange County
## Disbursement Ratification Report
## For the month of March 2018

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| ***Core Disbursements:*** | | | | |
| ***137754*** | ***3/7/18*** | ***SPECTB*** | ***Spectrum Business*** | |
| | | 0375210022018 | March 2018 Telephone and internet expense | 1,098.15 |
| | | | ***Total *** | 1,098.15 |
| ***137756*** | ***3/7/18*** | ***VERIZO*** | ***Verizon Wireless*** | |
| | | 9802275023 | February 2018 4G Mobile broadband unlimited service | 114.03 |
| | | | ***Total *** | 114.03 |
| ***137768*** | ***3/15/18*** | ***HOMED1*** | ***Home Depot Credit Services*** | |
| | | 7785-FEB2018 | 6 Lights for atrium | 258.41 |
| | | | ***Total *** | 258.41 |
| ***137769*** | ***3/15/18*** | ***IRONMO*** | ***Iron Mountain*** | |
| | | PWR4699 | March 2018 Archived document storage fees | 195.29 |
| | | | ***Total *** | 195.29 |
| ***137770*** | ***3/15/18*** | ***SNOWM*** | ***Mary Snow*** | |
| | | 022318 | Storage box for patio furniture cushions | 163.10 |
| | | | ***Total *** | 163.10 |
| ***137778*** | ***3/15/18*** | ***SPECTB*** | ***Spectrum Business*** | |
| | | 0343564030118 | March 2018 Telephone expense for 3 analog fax lines | 107.20 |
| | | | ***Total *** | 107.20 |
| ***137779*** | ***3/15/18*** | ***STAPLC*** | ***Staples Credit Plan*** | |
| | | 4362-MAR18 | 2/22/18 Office supplies | 62.45 |
| | | | ***Total *** | 62.45 |
| ***137780*** | ***3/15/18*** | ***WAITER*** | ***Rachel Waite*** | |
| | | 022818 | February 2018 Business expense | 17.50 |
| | | | ***Total *** | 17.50 |
| ***ACH003073*** | ***3/15/18*** | ***BARBRE*** | ***Brett Barbre*** | |
| | | 022618 | February 2018 Business expense | 204.92 |
| | | | ***Total *** | 204.92 |
| ***ACH003074*** | ***3/15/18*** | ***BERGJO*** | ***Joseph Berg*** | |
| | | 022818 | February 2018 Business expense | 510.72 |
| | | | ***Total *** | 510.72 |
| | | ***BUSSLI*** | ***Charles Busslinger*** | |
| ***ACH003077*** | ***3/15/18*** | 013118 | January 2018 Business expense | 59.78 |
| ***ACH003078*** | ***3/15/18*** | 022818 | January-February 2018 Business expense | 876.66 |
| | | | ***Total *** | 936.44 |

# Municipal Water District of Orange County
## Disbursement Ratification Report
## For the month of March 2018

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| ***ACH003079*** | ***3/15/18*** | ***CHUMPI*** | ***Hilary Chumpitazi*** | |
| | | 022818 | February 2018 Business expense | 54.24 |
| | | | ***Total *** | 54.24 |
| ***ACH003080*** | ***3/15/18*** | ***CONWAY*** | ***Matthew Conway*** | |
| | | 022718 | February 2018 Business expense | 28.56 |
| | | | ***Total *** | 28.56 |
| ***ACH003081*** | ***3/15/18*** | ***DICKEX*** | ***Larry Dick*** | |
| | | 022818 | February 2018 Business expense | 161.35 |
| | | | ***Total *** | 161.35 |
| ***ACH003085*** | ***3/15/18*** | ***FINNEG*** | ***Joan Finnegan*** | |
| | | 022818 | February 2018 Business expense | 120.67 |
| | | | ***Total *** | 120.67 |
| ***ACH003086*** | ***3/15/18*** | ***HARRIS*** | ***Cathleen M. Harris*** | |
| | | 022818 | February 2018 Business expense | 125.38 |
| | | | ***Total *** | 125.38 |
| ***ACH003090*** | ***3/15/18*** | ***RICOHMA*** | ***Ricoh USA, Inc.*** | |
| | | 5052632492 | December 2017-February 2018 Reproduction costs | 1,311.08 |
| | | | ***Total *** | 1,311.08 |
| ***ACH003105*** | ***3/15/18*** | ***SECKEL*** | ***Karl Seckel*** | |
| | | 022818 | January-February 2018 Business expense | 128.53 |
| | | | ***Total *** | 128.53 |
| ***ACH003106*** | ***3/15/18*** | ***TAMARI*** | ***Satoru Tamaribuchi*** | |
| | | 022818 | February 2018 Business expense | 274.80 |
| | | | ***Total *** | 274.80 |
| ***ACH003108*** | ***3/15/18*** | ***THOMAS*** | ***Jeffery Thomas*** | |
| | | 022818 | February 2018 Business expense | 143.88 |
| | | | ***Total *** | 143.88 |
| ***EFT-180326*** | ***3/26/18*** | ***WAGEWO*** | ***Wageworks*** | |
| | | INV552797 | February 2018 Cafeteria plan administration | 185.25 |
| | | | ***Total *** | 185.25 |
| ***137825*** | ***3/30/18*** | ***USBANK*** | ***U.S. Bank*** | |
| | | 4140/5443-FEB18 | Cal Card charges 1/23/18-2/22/18 | 25,233.89 |
| | | | ***Total *** | 25,233.89 |
| | | | (See attached sheet for details) | |
| ***ACH003109*** | ***3/30/18*** | ***ACKEEX*** | ***Linda Ackerman*** | |
| | | 022818 | February 2018 Business expense | 76.30 |
| | | | ***Total *** | 76.30 |

# Municipal Water District of Orange County
## Disbursement Ratification Report
## For the month of March 2018

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| ***ACH003110*** | ***3/30/18*** | ***BAUMHA*** | ***Melissa Baum-Haley*** | |
| | | 013018 | January 2018 Business expense | 45.66 |
| | | | ***Total *** | 45.66 |
| ***ACH003111*** | ***3/30/18*** | ***LINGAD*** | ***Christopher S. Lingad*** | |
| | | 030818 | February-March 2018 Business expense | 103.02 |
| | | | ***Total *** | 103.02 |
| ***ACH003112*** | ***3/30/18*** | ***DELATO*** | ***Harvey De La Torre*** | |
| | | 031618 | March 2018 Business expense | 69.93 |
| | | | ***Total *** | 69.93 |
| ***ACH003118*** | ***3/30/18*** | ***ROBERT*** | ***Bryce Roberto*** | |
| | | 022818 | February 2018 Business expense | 40.32 |
| | | | ***Total *** | 40.32 |
| | | | ***Total Core Disbursements*** | 31,771.07 |

### *Choice Disbursements:*

| | | | | |
|---|---|---|---|---|
| ***137825*** | ***3/30/18*** | ***USBANK*** | ***U.S. Bank*** | |
| | | 4140-FEB18 | 1/22/18-2/22/18 Cal Card charges | 207.49 |
| | | | ***Total *** | 207.49 |
| | | | (See attached sheet for details) | |
| | | | ***Total Choice Disbursements*** | 207.49 |

### *Other Funds Disbursements:*

| | | | | |
|---|---|---|---|---|
| ***137755*** | ***3/7/18*** | ***DRIPPR*** | ***Spray to Drip Program*** | |
| | | S2D1-R-SM-21083-13079 | M. Finlayson (Re-issue) | 350.00 |
| | | | ***Total *** | 350.00 |
| ***137756*** | ***3/7/18*** | ***VERIZO*** | ***Verizon Wireless*** | |
| | | 9802275023 | February 2018 4G Mobile broadband unlimited service | 55.51 |
| | | | ***Total *** | 55.51 |
| ***137757*** | ***3/15/18*** | ***NEWPOR*** | ***City of Newport Beach*** | |
| | | 9442 | January 2018 Credit for "In-Lieu"" water deliveries | 344,360.08 |
| | | | ***Total *** | 344,360.08 |
| ***137758*** | ***3/15/18*** | ***ORANGE*** | ***City of Orange*** | |
| | | 9444 | January 2018 Credit for "In-Lieu"" water deliveries | 95,903.12 |
| | | | ***Total *** | 95,903.12 |

# Municipal Water District of Orange County
## Disbursement Ratification Report
## For the month of March 2018

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| 137759 | 3/15/18 | SEALBE | City of Seal Beach | |
| | | 9447 | January 2018 Credit for "In-Lieu"" water deliveries | 128,227.03 |
| | | | ***Total *** | 128,227.03 |
| 137760 | 3/15/18 | ATTCALN | AT&T | |
| | | 000010987139 | February 2018 WEROC N. EOC telephone expense | 104.23 |
| | | | ***Total *** | 104.23 |
| 137761 | 3/15/18 | ATTEOC | AT&T | |
| | | 0532-FEB18 | February 2018 WEROC N. EOC dedicated phone line | 69.74 |
| | | | ***Total *** | 69.74 |
| 137762 | 3/15/18 | ATTUVEOC | AT&T | |
| | | 8599-MAR18 | March 2018 WEROC N. EOC U-verse internet service | 60.00 |
| | | | ***Total *** | 60.00 |
| 137776 | 3/15/18 | SCHUNK | Janine Schunk | |
| | | 022818 | February 2018 Business expense | 40.88 |
| | | | ***Total *** | 40.88 |
| ACH003074 | 3/15/18 | BERGJO | Joseph Berg | |
| | | 022818 | February 2018 Business expense | 4.50 |
| | | | ***Total *** | 4.50 |
| | | HUBBAR | Kelly Hubbard | |
| ACH003087 | 3/15/18 | 013118 | January 2018 Business expense | 119.37 |
| ACH003088 | 3/15/18 | 022818 | February 2018 Business expense | 155.18 |
| | | | ***Total *** | 274.55 |
| | | DRIPPR | Spray to Drip Program | |
| 137781 | 3/23/18 | S2D1-R-BREA-22230-13094 | M. Chung | 175.00 |
| 137782 | 3/23/18 | S2D1-R-IRWD-13428-13100 | H. Elali | 525.00 |
| | | | ***Total *** | 700.00 |
| | | TURFRP | Turf Removal Program | |
| 137783 | 3/23/18 | TR11-R-MESA-17881- | P. Johnson | 1,027.00 |
| 137784 | 3/23/18 | TR11-R-SM-20965-20884 | A. Garcia | 363.00 |
| 137785 | 3/23/18 | TR11-R-IRWD-21000-20914 | P. Rios | 698.00 |
| 137786 | 3/23/18 | TR11-R-IRWD-21006-20919 | C. Kim | 754.00 |
| 137787 | 3/23/18 | TR11-R-TUST-21010-20923 | T. Do | 1,233.00 |
| 137788 | 3/23/18 | TR11-R-TC-21020-20933 | S. LaFlash | 664.00 |
| 137789 | 3/23/18 | TR11-R-SC-21080-20996 | M. Jessop | 1,874.67 |
| 137790 | 3/23/18 | TR11-R-SC-21151-21065 | K. Shimkus | 2,110.00 |
| 137791 | 3/23/18 | TR11-R-SOCO-21181-21093 | N. Clark | 1,979.00 |
| 137792 | 3/23/18 | TR11-R-IRWD-22209-22126 | P. Yeong | 684.00 |
| 137793 | 3/23/18 | TR11-R-BREA-22221-22137 | A. Luarca | 1,325.00 |
| 137794 | 3/23/18 | TR11-R-HB-22226-22142 | A. Ballard | 465.00 |
| 137795 | 3/23/18 | TR11-R-IRWD-22246-22159 | N. Lamming | 386.00 |
| 137796 | 3/23/18 | TR11-R-SM-23254-23167 | J. Patton | 2,000.00 |

# Municipal Water District of Orange County
## Disbursement Ratification Report
## For the month of March 2018

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| 137797 | 3/23/18 | TR11-R-SM-23255-23168 | V. Callet | 264.00 |
| 137798 | 3/23/18 | TR11-R-HB-23258-23170 | R. Rodriguez | 686.00 |
| 137799 | 3/23/18 | TR11-R-MNT-23263-23176 | S. Waller | 754.00 |
| 137800 | 3/23/18 | TR11-R-IRWD-23280-23190 | K. Von Seldeneck | 1,672.00 |
| 137801 | 3/23/18 | TR11-R-MESA-23290- | T. DeTemple | 662.00 |
| 137802 | 3/23/18 | TR11-R-SC-23307-23216 | S. Griesbach | 656.00 |
| 137803 | 3/23/18 | TR11-R-SM-23311-23220 | M. Schriver | 923.00 |
| 137804 | 3/23/18 | TR11-R-MNT-23314-23225 | A. Fiorelli | 716.00 |
| 137805 | 3/23/18 | TR11-R-MESA-23291- | S. Schneider | 1,451.00 |
| 137806 | 3/23/18 | TR11-R-SM-23329-23238 | T. Rozema | 363.00 |
| 137807 | 3/23/18 | TR11-R-MNT-23372-23275 | M. Gadhavi | 1,408.00 |
| 137808 | 3/23/18 | TR11-R-SC-23378-23281 | J. Rees | 2,868.00 |
| 137809 | 3/23/18 | TR11-R-IRWD-23391-23296 | R. Kendziorski | 1,030.00 |
| 137810 | 3/23/18 | TR11-R-O-23404-23307 | T. Watson | 1,882.00 |
| 137811 | 3/23/18 | TR11-R-IRWD-23406-23309 | G. Wondra | 1,190.00 |
| 137812 | 3/23/18 | TR11-R-O-24413-24317 | N. Zimmerman | 697.00 |
| 137813 | 3/23/18 | TR11-R-MNT-24434-24335 | R. Lorge | 708.00 |
| 137814 | 3/23/18 | TR11-R-IRWD-25442-25345 | S. Aiyar | 1,318.00 |
| 137815 | 3/23/18 | TR11-R-WEST-25460-25380 | P. Bass | 351.00 |
| 137816 | 3/23/18 | TR11-R-SWD-25470-25389 | A. Kabiri | 555.00 |
| | | | ***Total *** | 35,716.67 |
| *WIRE-180328* | *3/28/18* | *METWAT* | ***Metropolitan Water District*** | |
| | | 9270 | January 2018 Water deliveries | 7,688,135.51 |
| | | | ***Total *** | 7,688,135.51 |
| *137818* | *3/30/18* | *ATTCALN* | ***AT&T*** | |
| | | 000010987138 | February 2018 WEROC S. EOC telephone expense | 615.36 |
| | | | ***Total *** | 615.36 |
| *137819* | *3/30/18* | *ATTEOC* | ***AT&T*** | |
| | | 0532-MAR2018 | March 2018 WEROC N. EOC dedicated phone line | 70.21 |
| | | | ***Total *** | 70.21 |
| *137820* | *3/30/18* | *CATALI* | ***Catalina Island Conservancy*** | |
| | | 0015337 | March 2018 WEROC radio repeater site lease | 1,804.20 |
| | | | ***Total *** | 1,804.20 |
| *137822* | *3/30/18* | *RWOSRP* | ***Recycled Water Program*** | |
| | | RTF4008 | Recycled Water On-Site Retrofit program- TICAD Holdings LLC (Rancho Santa Margarita) | 6,841.25 |
| | | | ***Total *** | 6,841.25 |
| *137823* | *3/30/18* | *SANTI1* | ***Santiago Aqueduct Commission*** | |
| | | JAN2018 | January 2018 SAC Pipeline operation surcharge | 3,537.24 |
| | | | ***Total *** | 3,537.24 |

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

| *Check #* | *Date* | *Vendor # Invoice/CM #* | *Name / Description* | *Net Amount* |
|---|---|---|---|---|
| ***137825*** | ***3/30/18*** | ***USBANK*** | ***U.S. Bank*** | |
| | | 4140-FEB18 | 2/19/18-3/20/18 Cal Card charges | 550.33 |
| | | | ***Total *** | 550.33 |
| | | | (See attached sheet for details) | |
| ***ACH003119*** | ***3/30/18*** | ***SANTAM*** | ***Santa Margarita Water District*** | |
| | | JAN2018 | January 2018 SCP Pipeline operation surcharge | 20,624.31 |
| | | | ***Total *** | 20,624.31 |
| | | | ***Total Other Funds Disbursements*** | 8,328,044.72 |
| | | | ***Total Disbursements*** | 8,360,023.28 |

Robert J. Hunter, General Manager

Hilary Chumpitazi, Treasurer

## Cal Card Statement Detail
## Statement Date: February 22, 2018
## Payment Date: March 30, 2018

| Date | Description | Amount |
|---|---|---|
| **K. Seckel Card** | | |
| 01/22/18 | UPS delivery charges for Board packets on Jan. 12, 2018 and Local Government Commission on Jan. 19, 2018 | 62.85 |
| 01/23/18 | International Association of Emergency Managers membership renewal for F. Soto | 190.00 |
| 01/23/18 | Lunch for MET Directors' meeting | 196.50 |
| 01/23/18 | LinkedIn job post for Public Affairs Assistant position | 300.00 |
| 01/23/18 | Carpet cleaning for MWDOC office | 800.00 |
| 01/23/18 | ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Airfare change for Director Barbre | 600.00 [1] |
| 01/24/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Registration for D. Micalizzi | 475.00 |
| 01/24/18 | 12/24/17-1/23/18 Web hosting service for MWDOC website | 15.65 |
| 01/24/18 | California Society of Municipal Finance Officers 2018 membership renewal for H. Chumpitazi | 110.00 |
| 01/24/18 | Legislative activities in Sacramento, CA on Jan. 31-Feb. 1, 2018 - Airfare for H. Baez | 475.96 |
| 01/24/18 | Legislative activities in Sacramento, CA on Feb. 9, 2018 - Airfare for H. Baez | 381.96 |
| 01/25/18 | Governor's Office Water Use Efficiency meeting in Sacramento, CA on Jan. 31, 2018 - Airfare for J. Berg | 372.97 |
| 01/25/18 | 2 Legislative directories | 42.53 |
| 01/26/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations deposit for D. Micalizzi | 182.41 |
| 01/26/18 | 2 Medical trauma first aid kits | 320.34 |
| 01/27/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 25, 2018 for legislative guest A. Eisenberger | 247.24 |
| 01/27/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 25, 2018 for legislative guest I. Foley | 247.24 |
| 01/27/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 25, 2018 for legislative guest J. Roxburgh | 247.24 |
| 01/28/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 28, 2018 for legislative guest I. Foley | 127.05 |
| 01/28/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 28, 2018 for legislative guest J. Roxburgh | 127.05 |
| 01/29/18 | UPS Delivery charges for Local Government Commission on Jan. 19, 2018 | 25.28 |
| 01/29/18 | MET Inspection trip from Jan. 26-28, 2018 - Accommodations on Jan. 28, 2018 for legislative guest A. Eisenberger | 127.05 |
| 01/29/18 | California Association of Public Information Officials membership for D. Micalizzi | 225.00 |
| 01/29/18 | California Association of Public Information Officials membership for T. Baca | 225.00 |
| 01/30/18 | ACWA DC conference in Washington, DC from Feb. 27-Mar. 1, 2018 - Registration for M. Baum-Haley | 690.00 |
| 01/30/18 | ACWA DC conference in Washington, DC from Feb. 26-Mar. 1, 2018 - Airfare for H. Baez | 907.07 |

## Cal Card Statement Detail
## Statement Date: February 22, 2018
## Payment Date: March 30, 2018

| Date | Description | Amount |
|---|---|---|
| 01/31/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 8-9, 2018 - Accommodations M. Baum-Haley | 245.57 |
| 01/31/18 | ACWA DC conference in Washington, DC from Feb. 26-Mar. 1, 2018 - Airfare for M. Baum-Haley | 897.08 |
| 02/01/18 | LinkedIn job post for Public Affairs Assistant position | 338.90 |
| 02/01/18 | Legislative activities in Sacramento, CA on Jan. 31-Feb. 1, 2018 - Accommodations for H. Baez | 229.30 |
| 02/02/18 | Computer supplies | 31.98 |
| 02/02/18 | Laptop computer for M. Baum-Haley | 1,418.74 |
| 02/03/18 | TrainHr Getting Organized with Outlook webinar | 295.00 |
| 02/05/18 | Photography supplies for Public Affairs department | 156.48 |
| 02/06/18 | ACWA DC conference in Washington, DC from Feb. 26-Mar. 1, 2018 - Airfare for Director Yoo Schneider | 910.88 |
| 02/07/18 | South Orange County Regional Chamber of Commerce 2018 Economic Report Preview in San Clemente, CA on Feb. 23, 2018 - Registration for Director Thomas | 60.00 |
| 02/08/18 | 3 Year domain name renewal for csans.net | 57.51 |
| 02/09/18 | Food for staff development meeting | 30.98 |
| 02/09/18 | Data recovery software | 69.95 |
| 02/10/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations for Director Yoo Schneider | 182.41 |
| 02/10/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 7-9, 2018 - Accommodations for D. Micalizzi | 222.12 |
| 02/10/18 | Urban Water Institute Water conference in Palm Springs, CA from Feb. 8-9, 2018 - Accommodations for Director Tamaribuchi | 38.60 |
| 02/12/18 | Computer supplies | 37.66 |
| 02/12/18 | California Water Efficiency Partnership Launch Celebration and Dinner in Sacramento, CA on Mar. 7, 2018 - Registration for J. Berg | 75.00 |
| 02/12/18 | ACWA Spring conference in Sacramento, CA from May 8-11, 2018 - Registration for H. Baez | 699.00 |
| 02/12/18 | ACWA Spring conference in Sacramento, CA from May 8-11, 2018 - Registration for Director M. Yoo Schneider | 699.00 |
| 02/12/18 | ACWA Spring conference in Sacramento, CA from May 8-11, 2018 - Registration for M. Baum-Haley | 699.00 |
| 02/12/18 | UPS delivery charges for Board packets on Feb. 9, 2018 | 7.35 |
| 02/13/18 | Parking permit tags with new logo | 781.53 |
| 02/13/18 | 2 Year SSL renewal for csans.net | 149.98 |
| 02/13/18 | State Water Resource Control Board hearing in Sacramento, CA on Feb. 20, 2018 - Airfare for J. Berg | 381.96 2 |
| 02/19/18 | UPS delivery charges for Board packets on Feb. 9, 2018 and Eastern Municipal Water District on Feb. 15, 2018 | 125.31 |
| 02/20/18 | Hauling fee for removal and disposal of 6 filing cabinets | 720.00 |
| 02/20/18 | Monthly fee for Hulu television streaming service for WEROC | 39.99 |
| 02/20/18 | Food for staff development meeting | 56.28 |
| 02/20/18 | California Society of Municipal Finance Officers meeting in Orange, CA on Mar. 8, 2018 - Registration for H. Chumpitazi | 30.00 |

## Cal Card Statement Detail
## Statement Date: February 22, 2018
## Payment Date: March 30, 2018

| Date | Description | Amount |
|---|---|---|
| 02/21/18 | California Association of Public Information Officials Excellence in Public Information Awards application fee | 175.00 |
| | **Total** | **$ 17,583.95** |

1 Director Barbre to reimburse MWDOC $600.00
2 Trip canceled airfare credit is available for future use

## R. Hunter Card

| | | |
|---|---|---|
| 1/23/18-2/22/18 | Meals for R. Hunter's meetings | $ 245.31 |
| 01/23/18 | Grand Jury meeting in Santa Ana, CA on 1/23/18 - Parking for R. Hunter | 10.00 |
| 02/09/18 | Patio furniture for atrium | 5,646.10 |
| 02/17/18 | 2/10/18 Room rental and catering for off-site Special Board meeting | 1,711.35 |
| 02/20/18 | Association of Metropolitan Water Agencies Water Policy conference In Washington, DC from Mar. 18-21, 2018 - Registration for R. Hunter | 795.00 |
| | | **$ 8,407.76** |

**Municipal Water District of Orange County**
**GM Approved Disbursement Report [1]**
**For the month of March 2018**

| Check # | Date | Vendor # Invoice/CM # | Name / Description | Net Amount |
|---|---|---|---|---|
| ***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 3/31/18**

| | 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 | $ 521,323.39 | $ 521,323.39 | $ 521,323.39 | |
| **REVENUES:** | | | | | | | | | | | | | |
| BUREC | | | | | 200,757.65 | | 5,407.70 | | | | | | $ 206,165.35 |
| City of Buena Park | | 222.00 | | 111.00 | | 333.00 | | | 582.16 | | | | 1,248.16 |
| 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 | | | | | 111.00 | | | | 777.00 |
| City of San Clemente | 1,304.96 | 233.00 | 6,460.97 | 6,044.00 | 3,419.79 | | 2,027.22 | 7,701.86 | 3,635.00 | | | | 30,826.80 |
| City of Newport Beach | 406.31 | 222.00 | | | 222.00 | | 111.00 | 131.51 | 111.00 | | | | 1,203.82 |
| City of Orange | 444.00 | 555.00 | 333.00 | | 555.00 | 111.00 | 111.00 | 444.00 | 111.00 | | | | 2,664.00 |
| City of Westminster | | 888.00 | 333.00 | 444.00 | 444.00 | | 444.00 | 111.00 | 222.00 | | | | 2,886.00 |
| County of Orange | | | | 1,096,511.49 | | | | | | | | | 1,096,511.49 |
| Department of Water Resources | | 1,444.63 | 15,468.35 | 9,716.20 | | 35,676.91 | | | 31,906.55 | | | | 94,212.64 |
| 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 | 383.00 | | | | 11,004.71 |
| 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 | 40,450.63 | | | | 610,553.73 |
| Laguna Beach County Water District | 85.00 | 90.00 | | 110.00 | 30.00 | | | 150.00 | 105.00 | | | | 570.00 |
| Mesa Water District | | 500.00 | | | | | 130.22 | 67.86 | 139.00 | | | | 837.08 |
| 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 | 13,299.15 | | | | 239,157.74 |
| Orange County Water District | | 5,510.86 | 776.06 | 32,475.75 | | | 12,383.25 | | 37,158.30 | | | | 88,304.22 |
| Santa Margarita Water District | 57.32 | 197.95 | | 924.98 | | 85.00 | | 60.00 | 503.52 | | | | 1,828.77 |
| 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 | 128,717.31 | - | - | - | $ 2,423,437.78 |
| **EXPENDITURES:** | | | | | | | | | | | | | |
| Budget Based Tiered Rates, Raftelis | | 59,356.00 | | 7,271.08 | | 1,893.75 | | 637.50 | | | | | 69,158.33 |
| DeLorenzo International | | 5,050.50 | | | | | | | | | | | 5,050.50 |
| Droplet | | | | | | | | | 850.00 | | | | 850.00 |
| Ecotech | 900.00 | 10,275.00 | 6,750.00 | 13,500.00 | 13,500.00 | 10,500.00 | 2,775.00 | 7,800.00 | 3,600.00 | | | | 69,600.00 |
| 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 | 39,537.35 | | | | 682,674.92 |
| Mission RCD | | 17,627.75 | 33,812.14 | 17,041.96 | | 17,525.35 | 14,817.40 | 32,507.37 | 11,098.11 | | | | 144,430.08 |
| Recycled Water On Site Retrofit program | | | | | 9,997.00 | | 689.00 | 4,423.25 | 6,841.25 | | | | 21,950.50 |
| Spray to Drip program | | | 1,155.58 | 525.00 | 34,530.53 | 750.00 | 2,288.57 | 875.00 | 700.00 | | | | 40,824.68 |
| 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 | 35,716.67 | | | | 675,638.08 |
| Weho, Inc | | | 500.00 | | | | | | | | | | 500.00 |
| Western National Property Management | 51,300.00 | | | | | | | | | | | | 51,300.00 |
| **Miscellaneous Expenses** | | | | | | | | | | | | | |
| Interest Expense | | | | 292.98 | | | | | | | | | 292.98 |
| Salary & Benefit | 130.00 | | 3,270.82 | | | 2,936.02 | | | | | | | 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 | 98,343.38 | - | - | - | $ 1,829,270.31 |
| **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 | $ 521,323.39 | $ 521,323.39 | $ 521,323.39 | $ 521,323.39 | |

# Municipal Water District of Orange County
## Consolidated Summary of Cash and Investment
February 28, 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 | 23.08% |
| Grant & Project Cash Flow | 1,500,000 | 10.97% |
| Election Expense | 304,000 | 2.22% |
| Building Repair | 350,407 | 2.56% |
| OPEB | 209,006 | 1.53% |
| Total Designated Reserves | 5,519,982 | 40.36% |
| General Fund | 6,130,467 | 44.83% |
| Water Fund | 1,159,310 | 8.48% |
| Conservation Fund | 490,950 | 3.59% |
| Desalination Feasibility Study Fund | (145,165) | (1.06%) |
| WEROC Fund | 490,368 | 3.59% |
| Trustee Activities | 28,553 | 0.21% |
| **Total** | **$13,674,465** | **100.00%** |

The funds are invested as follows:

| Term of Investment | % of Portfolio | Book Value | Market Value |
|---|---|---|---|
| Cash | 1.75% | $238,985 | $238,985 |
| Short-term investment | | | |
| • LAIF | 46.88% | $6,411,219 | $6,411,219 |
| • OCIP | 28.67% | 3,920,654 | 3,920,654 |
| Long-term investment | | | |
| • Corporate Bond | 8.44% | 1,153,607 | 1,129,079 |
| • Certificates of Deposit | 14.26% | 1,950,000 | 1,942,078 |
| **Total** | **100.00%** | **$13,674,465** | **$13,642,015** |

The average number of days to maturity/call as of February 28, 2018 equaled 189 and the average yield to maturity is 1.565%. During the month, the District's average daily balance was $41,278,596.71. 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 February 2018.

The ($32,450) difference between the book value and the market value on February 28, 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**

**February 28, 2018**

| 2/28/2018 | Par Value | Market Value | Book Value | % of Portfolio | Days to Mat/Call | YTM @ Cost |
|---|---|---|---|---|---|---|
| Negotiable Certificate Of Deposit | 1,950,000.00 | 1,942,078.50 | 1,950,000.00 | 14.52 | 672 | 2.075 |
| Corporate Bond | 1,150,000.00 | 1,129,078.50 | 1,153,606.72 | 8.56 | 1,061 | 2.290 |
| Local Agency Investment Funds | 6,411,218.93 | 6,411,218.93 | 6,411,218.93 | 47.73 | 1 | 1.404 |
| Orange County Investment Pool | 3,920,654.50 | 3,920,654.50 | 3,920,654.50 | 29.19 | 1 | 1.363 |
| **Total Investments** | **13,431,873.43** | **13,403,030.43** | **13,435,480.15** | **100.00** | **189** | **1.565** |
| **Cash** | | | | | | |
| Cash | 238,984.93 | 238,984.93 | 238,984.93 | | 1 | 0.00 |
| **Total Cash and Investments** | **13,670,858.36** | **13,642,015.36** | **13,674,465.08** | | **189** | **1.565** |

| Total Earnings | Month Ending February | Fiscal Year to Date |
|---|---|---|
| **Current Year** | **41,878.45** | **217,685.51** |
| **Average Daily Balance** | **41,278,596.71** | |
| **Effective Rate of Return** | **1.565%** | |

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 — Date: 4-3-18

Hilary Chumpitazi, Treasurer — Date: 4/3/2018

# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
## Portfolio Management
## Long-Term Portfolio Details - Investments
## February 28, 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 | 245,230.00 | 250,000.00 | 2.250 | 2.250 | 1,672 | 9/27/2022 |
| Capital One Bank | 140420TY6 | 8/5/2015 | 250,000.00 | 249,967.50 | 250,000.00 | 1.700 | 1.700 | 159 | 8/6/2018 |
| Capital One Natl Assn | 14042E6C9 | 9/2/2015 | 250,000.00 | 249,680.00 | 250,000.00 | 1.950 | 1.950 | 552 | 9/3/2019 |
| Comenity Capital | 20033AUX2 | 7/25/2017 | 200,000.00 | 196,606.00 | 200,000.00 | 2.000 | 2.000 | 1,234 | 7/16/2021 |
| Discover Bank | 2546712Y5 | 7/23/2014 | 250,000.00 | 249,957.50 | 250,000.00 | 1.600 | 1.600 | 145 | 7/23/2018 |
| HSBC Bank | 40434AK65 | 1/21/2016 | 250,000.00 | 250,680.00 | 250,000.00 | 2.250 | 2.534 | 143 | 1/21/2021 |
| Morgan Stanley Bank | 61747MJ36 | 2/1/2018 | 250,000.00 | 250,192.50 | 250,000.00 | 2.500 | 2.500 | 1,069 | 2/1/2021 |
| Synchrony Bank | 87164XBY1 | 7/25/2014 | 250,000.00 | 249,765.00 | 250,000.00 | 2.050 | 2.050 | 517 | 7/30/2019 |
| **Sub Total** | | | **1,950,000.00** | **1,942,078.50** | **1,950,000.00** | **2.038** | **2.075** | **672** | |
| **Corporate Bond** | | | | | | | | | |
| JP Morgan Chase | 46625HKA7 | 11/2/2015 | 500,000.00 | 495,270.00 | 500,883.80 | 2.250 | 2.152 | 663 | 1/23/2020 |
| National Rural Util Coop | 63743FE51 | 7/27/2017 | 200,000.00 | 192,498.00 | 200,000.00 | 2.500 | 2.500 | 1,598 | 7/15/2022 |
| Wells Fargo | 94974BGR5 | 1/13/2016 | 250,000.00 | 246,942.50 | 250,912.55 | 2.550 | 2.409 | 1,013 | 12/7/2020 |
| Westpac Banking Corp | 961214DQ3 | 7/25/2017 | 200,000.00 | 194,368.00 | 201,810.37 | 2.500 | 2.278 | 1,581 | 6/28/2022 |
| **Sub Total** | | | **1,150,000.00** | **1,129,078.50** | **1,153,606.72** | **2.402** | **2.290** | **1,061** | |
| **Total Investments** | | | **3,100,000.00** | **3,071,157.00** | **3,103,606.72** | **2.173** | **2.155** | **817** | |

| Total Earnings | Month Ending February | Fiscal Year To Date |
|---|---|---|
| Current Year | 5,011.16 | 40,567.82 |

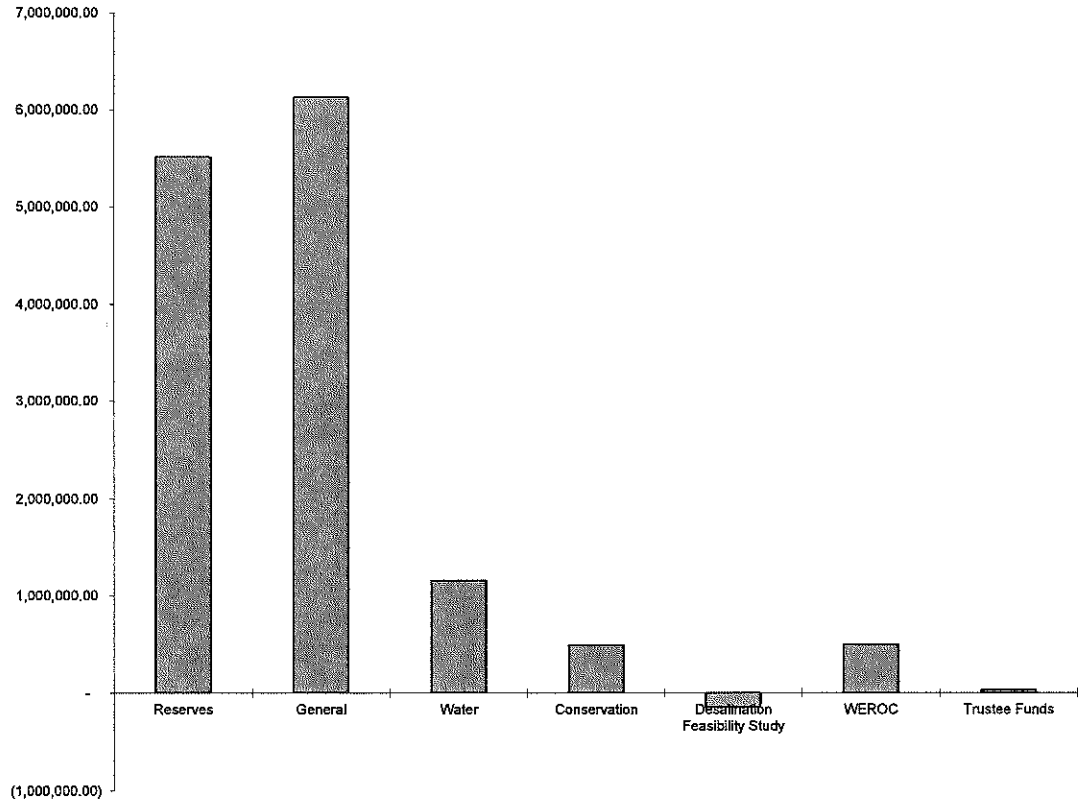
# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
## Portfolio Management
## Short-Term Portfolio Details - Cash and Investments
## February 28, 2018

| 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 | 6,411,218.93 | 6,411,218.93 | 6,411,218.93 | 1.404 | 1.404 | 1 | N/A |
| **Sub Total** | | | **6,411,218.93** | **6,411,218.93** | **6,411,218.93** | **1.404** | **1.404** | **1** | |
| **Orange County Investment Pool** | | | | | | | | | |
| County of Orange LGIP | OCIP | 6/29/2005 | 3,920,654.50 | 3,920,654.50 | 3,920,654.50 | 1.363 | 1.363 | 1 | N/A |
| **Sub Total** | | | **3,920,654.50** | **3,920,654.50** | **3,920,654.50** | **1.363** | **1.363** | **1** | |
| **Total Investments** | | | **10,331,873.43** | **10,331,873.43** | **10,331,873.43** | **1.388** | **1.388** | | |
| **Cash** | | | | | | | | | |
| Bank of America Cash | CASH0547 | 7/1/2010 | 238,484.93 | 238,484.93 | 238,484.93 | 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 |
| **Total Cash** | | | **238,984.93** | **238,984.93** | **238,984.93** | **0.000** | **0.000** | **1** | |
| **Total Cash and Investments** | | | **10,570,858.36** | **10,570,858.36** | **10,570,858.36** | **1.388** | **1.388** | **1** | |

| Total Earnings | Month Ending February | Fiscal Year To Date |
|---|---|---|
| Current Year | 36,867.29 | 177,117.69 |

# Municipal Water District of Orange County
## Cash and Investments at February 28, 2018

| ALLOCATION | AMOUNT | % |
|---|---|---|
| **MWDOC** | | |
| Designated Reserves | | |
| General | $ 3,156,569 | 23.08% |
| Grant & Project Cash Flow | 1,500,000 | 10.97% |
| Election Expense | 304,000 | 2.22% |
| Building Repair | 350,407 | 2.56% |
| OPEB Reserve | 209,006 | 1.53% |
| Total Designated Reserves | 5,519,982 | 40.36% |
| General | 6,130,467 | 44.83% |
| Water | 1,159,310 | 8.48% |
| Conservation | 490,950 | 3.59% |
| Desalination Feasibility Study | (145,165) | -1.06% |
| WEROC | 490,368 | 3.59% |
| **TOTAL MWDOC** | $ 13,645,912 | 99.79% |
| **TRUSTEE ACTIVITIES** | | |
| AMP Sales Admin | $ 28,553 | 0.21% |
| **TOTAL TRUSTEE ACTIVITIES** | $ 28,553 | 0.21% |
| **TOTAL CASH & INVESTMENTS** | **$ 13,674,465** | **100.00%** |



PUBLIC AGENCY RETIREMENT SERVICES PARS

***MUNICIPAL WATER DIST OF ORANGE COUNTY***
***PARS OPEB Trust Program***

**Account Report for the Period**
**2/1/2018 to 2/28/2018**

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

## *Account Summary*

| Source | Beginning Balance as of 2/1/2018 | Contributions | Earnings | Expenses | Distributions | Transfers | Ending Balance as of 2/28/2018 |
|---|---|---|---|---|---|---|---|
| OPEB | $2,124,345.77 | $0.00 | -$52,390.94 | $1,023.40 | $0.00 | $0.00 | $2,070,931.43 |
| **Totals** | **$2,124,345.77** | **$0.00** | **-$52,390.94** | **$1,023.40** | **$0.00** | **$0.00** | **$2,070,931.43** |

## *Investment Selection*

**Moderate HighMark PLUS**

## *Investment Objective*

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

## *Investment Return*

| | | | Annualized Return | | | |
|---|---|---|---|---|---|---|
| **1-Month** | **3-Months** | **1-Year** | **3-Years** | **5-Years** | **10-Years** | **Plan's Inception Date** |
| -2.47% | 0.74% | 9.55% | 5.50% | 6.85% | - | 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 FEBRUARY 28, 2018

**Municipal Water District of Orange County**
**Combined Balance Sheet**
**As of February 28, 2018**

| ***ASSETS*** | **Amount** |
|---|---|
| Cash in Bank | 238,984.93 |
| Investments | 13,435,480.15 |
| Accounts Receivable | 14,153,227.06 |
| Accounts Receivable - Other | 106,183.16 |
| Accrued Interest Receivable | 69,993.45 |
| Prepaids/Deposits | 213,017.60 |
| Leasehold Improvements | 3,695,600.68 |
| Furniture, Fixtures & Equipment | 457,309.71 |
| Less: Accum Depreciation | (2,795,662.16) |
| Net OPEB Asset | 483,546.00 |
| **TOTAL ASSETS** | $30,057,680.58 |
| ***LIABILITIES AND FUND BALANCES*** | |
| **Liabilities** | |
| Accounts Payable | 13,991,294.42 |
| Accounts Payable - Other | 835.05 |
| Accrued Salaries and Benefits Payable | 446,890.71 |
| Other Liabilities | 146,539.04 |
| Unearned Revenue | 1,714,185.93 |
| Total Liabilities | 16,299,745.15 |
| **Fund Balances** | |
| Restricted Fund Balances | |
| Water Fund - T2C | 978,317.72 |
| Total Restricted Fund Balances | 978,317.72 |
| 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 | 2,403,689.97 |
| WEROC Capital | 281,657.00 |
| WEROC | 144,717.31 |
| Total Unrestricted Fund Balances | 8,833,593.15 |
| Excess Revenue over Expenditures | |
| Operating Fund | 4,354,267.70 |
| Other Funds | (408,243.14) |
| Total Fund Balance | 13,757,935.43 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $30,057,680.58 |

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

| | Month to Date | Year to Date | Annual Budget | % Used | Encumbrance | Budget Remaining |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| 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 | 40,355.57 | 207,397.92 | 150,000.00 | 138.27% | 0.00 | (57,397.92) |
| Subtotal | 40,355.57 | 8,111,796.92 | 8,054,399.00 | 100.71% | 0.00 | (57,397.92) |
| Choice Programs | 0.00 | 1,094,900.87 | 1,176,618.00 | 93.05% | 0.00 | 81,717.13 |
| Miscellaneous Income | 1,521.00 | 3,490.94 | 3,000.00 | 116.36% | 0.00 | (490.94) |
| School Contracts | 13,403.78 | 66,869.79 | 70,000.00 | 95.53% | 0.00 | 3,130.21 |
| Transfer-In From Reserve | 0.00 | 0.00 | 138,470.00 | 0.00% | 0.00 | 138,470.00 |
| Subtotal | 14,924.78 | 1,165,261.60 | 1,388,088.00 | 83.95% | 0.00 | 222,826.40 |
| **TOTAL REVENUES** | 55,280.35 | 9,277,058.52 | 9,442,487.00 | 98.25% | 0.00 | 165,428.48 |

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

| | Month to Date | Year to Date | Annual Budget | % Used | Encumbrance | Budget Remaining |
|---|---|---|---|---|---|---|
| **EXPENSES** | | | | | | |
| Salaries & Wages | 251,886.04 | 2,182,707.28 | 3,571,210.00 | 61.12% | 0.00 | 1,388,502.72 |
| 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 |
| Director's Compensation | 19,007.36 | 142,329.81 | 243,197.00 | 58.52% | 0.00 | 100,867.19 |
| MWD Representation | 11,582.61 | 81,969.74 | 138,969.00 | 58.98% | 0.00 | 56,999.26 |
| Employee Benefits | 79,853.94 | 641,658.14 | 1,056,766.00 | 60.72% | 0.00 | 415,107.86 |
| 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 | 8,340.05 | 57,472.90 | 81,728.00 | 70.32% | 0.00 | 24,255.10 |
| Health Insurance for Retirees | 3,466.79 | 34,455.70 | 59,554.00 | 57.86% | 0.00 | 25,098.30 |
| Training Expense | 2,128.00 | 4,917.00 | 10,000.00 | 49.17% | 0.00 | 5,083.00 |
| 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 | 376,264.79 | 3,143,948.91 | 5,148,145.00 | 61.07% | 0.00 | 2,004,196.09 |
| Engineering Expense | 1,386.99 | 90,656.14 | 360,000.00 | 25.18% | 108,909.56 | 160,434.30 |
| Legal Expense | 9,889.23 | 103,747.16 | 250,000.00 | 41.50% | 146,252.84 | 0.00 |
| Audit Expense | 0.00 | 19,000.00 | 40,000.00 | 47.50% | 0.00 | 21,000.00 |
| Professional Services | 118,656.22 | 530,915.72 | 1,539,809.00 | 34.48% | 465,879.76 | 543,013.52 |
| Professional Fees | 129,932.44 | 744,319.02 | 2,189,809.00 | 33.99% | 721,042.16 | 724,447.82 |
| Conference-Staff | 3,463.00 | 14,586.46 | 38,945.00 | 37.45% | 0.00 | 24,358.54 |
| Conference-Directors | 759.00 | 10,804.00 | 23,700.00 | 45.59% | 0.00 | 12,896.00 |
| Travel & Accom.-Staff | 5,752.50 | 27,816.68 | 95,600.00 | 29.10% | 0.00 | 67,783.32 |
| Travel & Accom.-Directors | 1,671.91 | 12,374.42 | 49,850.00 | 24.82% | 0.00 | 37,475.58 |
| Travel & Conference | 11,646.41 | 65,581.56 | 208,095.00 | 31.52% | 0.00 | 142,513.44 |
| Membership/Sponsorship | 1,220.00 | 128,399.35 | 142,102.00 | 90.36% | 0.00 | 13,702.65 |
| CDR Support | 0.00 | 21,901.28 | 48,803.00 | 44.88% | 21,901.29 | 5,000.43 |
| Dues & Memberships | 1,220.00 | 150,300.63 | 190,905.00 | 78.73% | 21,901.29 | 18,703.08 |
| Business Expense | 377.66 | 3,344.34 | 5,200.00 | 64.31% | 0.00 | 1,855.66 |
| Maintenance Office | 9,102.06 | 67,005.34 | 123,500.00 | 54.26% | 57,029.66 | (535.00) |
| Building Repair & Maintenance | 1,901.94 | 18,529.95 | 11,000.00 | 168.45% | 12,081.46 | (19,611.41) |
| Storage Rental & Equipment Lease | 195.29 | 1,560.37 | 8,400.00 | 18.58% | 3,439.63 | 3,400.00 |
| Office Supplies | 3,226.60 | 14,336.41 | 35,580.00 | 40.29% | 1,878.08 | 19,365.51 |
| Postage/Mail Delivery | 1,029.92 | 6,681.28 | 10,500.00 | 63.63% | 1,375.99 | 2,442.73 |
| Subscriptions & Books | 288.35 | 1,073.25 | 1,500.00 | 71.55% | 0.00 | 426.75 |
| Reproduction Expense | 1,755.63 | 7,017.49 | 27,275.00 | 25.73% | 598.63 | 19,658.88 |
| Maintenance-Computers | 72.44 | 3,115.17 | 10,000.00 | 31.15% | 1,324.78 | 5,560.05 |
| Software Purchase | 69.95 | 13,424.13 | 44,260.00 | 30.33% | 0.00 | 30,835.87 |
| Software Support | 1,424.66 | 26,326.71 | 48,894.00 | 53.84% | 0.00 | 22,567.29 |
| Computers and Equipment | 1,418.74 | 16,457.48 | 33,050.00 | 49.80% | 0.00 | 16,592.52 |
| Automotive Expense | 1,573.58 | 11,445.03 | 16,400.00 | 69.79% | 0.00 | 4,954.97 |
| Toll Road Charges | 61.66 | 532.18 | 1,000.00 | 53.22% | 0.00 | 467.82 |
| Insurance Expense | 9,138.13 | 72,263.43 | 110,250.00 | 65.55% | 0.00 | 37,986.57 |
| Utilities - Telephone | 1,480.31 | 11,146.40 | 21,300.00 | 52.33% | 0.00 | 10,153.60 |
| Bank Fees | 1,657.55 | 6,768.50 | 11,000.00 | 61.53% | 0.00 | 4,231.50 |
| Miscellaneous Expense | 6,576.89 | 56,163.29 | 119,650.00 | 46.94% | 0.00 | 63,486.71 |
| MWDOC's Contrb. to WEROC | 14,934.75 | 401,135.00 | 460,874.00 | 87.04% | 0.00 | 59,739.00 |
| Depreciation Expense | 794.41 | 6,355.25 | 0.00 | 0.00% | 0.00 | (6,355.25) |
| Other Expenses | 57,080.52 | 744,681.00 | 1,099,633.00 | 67.72% | 77,728.23 | 277,223.77 |
| Building Expense | 3,300.00 | 54,176.51 | 356,400.00 | 15.20% | 27,402.00 | 274,821.49 |
| Capital Acquisition | 5,646.10 | 19,783.19 | 249,500.00 | 7.93% | 0.00 | 229,716.81 |
| TOTAL EXPENSES | 585,090.26 | 4,922,790.82 | 9,442,487.00 | 52.13% | 848,073.68 | 3,671,622.50 |
| **NET INCOME (LOSS)** | (529,809.91) | 4,354,267.70 | 0.00 | | | |

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

| | Month to Date | Year to Date | Annual Budget | % Used | Budget Remaining |
|---|---|---|---|---|---|
| **WATER REVENUES** | | | | | |
| Water Sales | 31,312.20 | 146,950,056.70 | 154,733,881.00 | 94.97% | 7,783,824.30 |
| Readiness to Serve Charge | 908,514.76 | 6,997,544.60 | 10,397,278.00 | 67.30% | 3,399,733.40 |
| Capacity Charge CCF | 321,247.50 | 2,414,895.00 | 3,544,800.00 | 68.13% | 1,129,905.00 |
| SCP/SAC Pipeline Surcharge | 22,921.57 | 227,694.09 | 423,000.00 | 53.83% | 195,305.91 |
| Interest | 953.92 | 7,371.40 | 9,400.00 | 78.42% | 2,028.60 |
| **TOTAL WATER REVENUES** | 1,284,949.95 | 156,597,561.79 | 169,108,359.00 | 92.60% | 12,510,797.21 |
| **WATER PURCHASES** | | | | | |
| Water Sales | 31,312.20 | 146,950,056.70 | 154,733,881.00 | 94.97% | 7,783,824.30 |
| Readiness to Serve Charge | 908,514.76 | 6,997,544.60 | 10,397,278.00 | 67.30% | 3,399,733.40 |
| Capacity Charge CCF | 321,247.50 | 2,414,895.00 | 3,544,800.00 | 68.13% | 1,129,905.00 |
| SCP/SAC Pipeline Surcharge | 22,921.57 | 227,694.09 | 423,000.00 | 53.83% | 195,305.91 |
| **TOTAL WATER PURCHASES** | 1,283,996.03 | 156,590,190.39 | 169,098,959.00 | 92.60% | 12,508,768.61 |
| **EXCESS OF REVENUE OVER EXPENDITURES** | 953.92 | 7,371.40 | 9,400.00 | | |

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

| | Year to Date Actual | Annual Budget | % Used |
|---|---|---|---|
| **Spray To Drip Conversion** | | | |
| Revenues | 59,105.74 | 257,371.00 | 22.97% |
| Expenses | 59,946.45 | 257,371.00 | 23.29% |
| Excess of Revenues over Expenditures | (840.71) | 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 | 19,618.25 | 95,000.00 | 20.65% |
| Expenses | 19,618.25 | 95,000.00 | 20.65% |
| Excess of Revenues over Expenditures | 0.00 | 0.00 | |
| **HECW Rebate Program** | | | |
| Revenues | 234,362.85 | 340,000.00 | 68.93% |
| Expenses | 234,391.12 | 340,000.00 | 68.94% |
| Excess of Revenues over Expenditures | (28.27) | 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 | 231,859.82 | 2,552,302.00 | 9.08% |
| Expenses | 646,586.78 | 2,552,302.00 | 25.33% |
| Excess of Revenues over Expenditures | (414,726.96) | 0.00 | |
| **Comprehensive Landscape (CLWUE)** | | | |
| Revenues | 43,736.13 | 520,000.00 | 8.41% |
| Expenses | 191,604.15 | 520,000.00 | 36.85% |
| Excess of Revenues over Expenditures | (147,868.02) | 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 | 777,552.79 | 4,179,595.00 | 18.60% |
| Expenses | 1,350,423.75 | 4,179,595.00 | 32.31% |
| Excess of Revenues over Expenditures | (572,870.96) | 0.00 | |
| **WEROC** | | | |
| Revenues | 584,066.82 | 640,933.00 | 91.13% |
| Expenses | 249,707.63 | 640,933.00 | 38.96% |
| Excess of Revenues over Expenditures | 334,359.19 | 0.00 | |

**Item No. 3**

**DISCUSSION ITEM**
April 11, 2018

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

**FROM:** **Robert Hunter, General Manager**

Staff Contact: Heather Baez

**SUBJECT:** **Proposed LAFCO Dues Restructuring**

## STAFF RECOMMENDATION

Staff recommends the Board of Directors discuss the current and proposed LAFCO dues structure and provide direction to staff as necessary.

## COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

## REPORT

The Independent Special Districts of Orange County (ISDOC) Executive Committee has formed an Ad-Hoc Committee to review the formula that apportions the special districts' share of the Orange County LAFCO budget. Three districts – Yorba Linda Water District, Mesa Water District, and Santa Margarita Water District have submitted proposals for consideration.

### Current OC LAFCO Dues Structure

In 2001, ISDOC voted 13-11 (with two districts not voting) to adopt an alternative formula for apportioning the special districts' share for the OC LAFCO budget. This alternative was chosen in accordance with the provisions of AB 2838 (Hertzberg, 2000), which required the formula to be adopted by a majority of the special districts representing a majority of the combined population of the districts within the county. If a county does not chose to adopt an alternative formula, Government Code Section 26381(C) states that, "the independent

| | | | |
|---|---|---|---|
| **Budgeted (Y/N):** Y | Budgeted amount: $25,101 | Core X | Choice __ |
| **Action item amount: None** | Line item: | | |
| | | | |

special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county."

The thought process of the working group at the time was that the newly adopted formula should recognize the need for all special districts to contribute, and that no one district should bear a disproportionate share of the cost. It also should recognize the differences in the ability to pay between enterprise and non-enterprise districts.

The dues structure adopted in 2001 determined that non-enterprise districts will pay a set fee ranging from $250 to $2,000 depending on the size of their operating budget. Enterprise districts would each pay a percentage of the remainder of the special district portion of the OC LAFCO budget, within five determined categories, based on the size of their operating revenue. At that time, there were eight (8) non-enterprise special districts and 18 enterprise special districts.

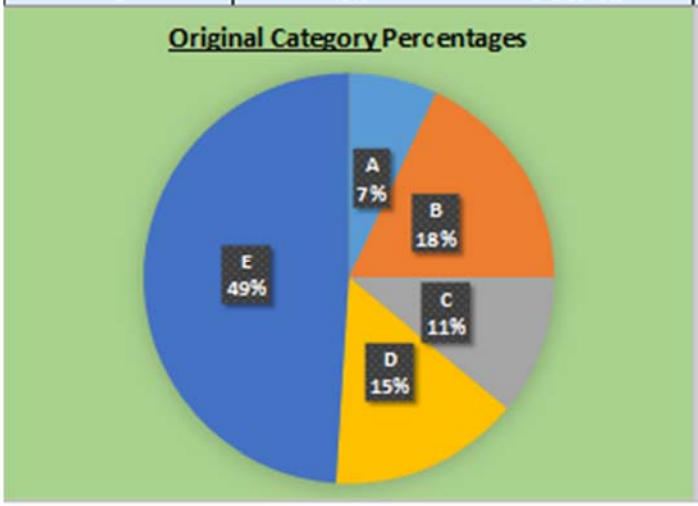
The categories are as follows:

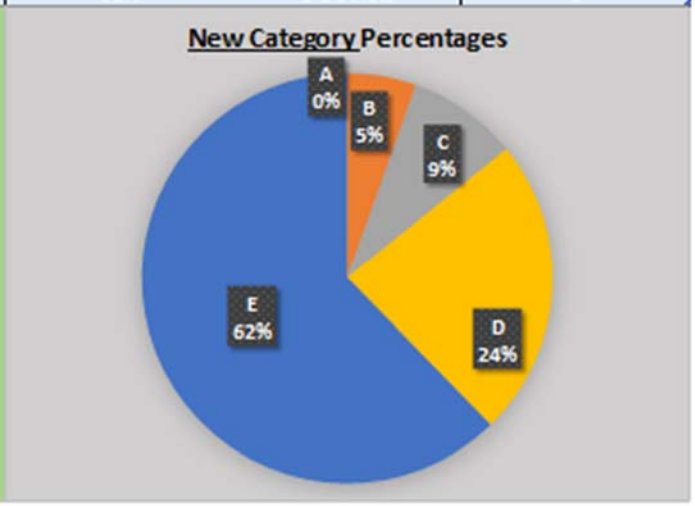
| **Category** | **District Operating Budget** | **Number of Districts within category (2001)** | **Number of Districts within category (2017)** |
|---|---|---|---|
| **Non-Enterprise** | | | |
| **1** | <$50,000 | 2 | 0 |
| **2** | $50,001-$500,000 | 3 | 4 |
| **3** | $500,001-$1 million | 2 | 0 |
| **4** | $1 million + | 1 | 7 |
| **Enterprise** | | | |
| **A** | <$1 million | 4 | 0 |
| **B** | $1 million - $5 million | 5 | 2 |
| **C** | $5 million - $10 million | 2 | 2 |
| **D** | $10 million - $25 million | 2 | 4 |
| **E** | $25 million + | 5 | 8 |

Since 2001, OC LAFCO's budget and the operating budgets of special districts have increased across the board. In addition, one special district (Santiago County Water) no longer exists and another (Rossmoor/Los Alamitos Sewer District) is now in the non-enterprise category. As a result of budgetary increases over the past 15 years, there has been a shift within categories for the majority of districts. The graphic below shows the number of districts within each category and the percentage of the enterprise districts' share of the OC LAFCO budget in 2001 (original category) compared to Fiscal Year 17-18 (current category).

As a result of this, OC LAFCO dues have increased for some districts who have shifted into higher categories, while the districts who were already in category E, the highest category, have seen their dues decrease since 2001 as more districts have moved into that category. This has some claiming that the current formula violates the intent of the cost be spread out among the districts and there is an imbalance in the categories established.

| Category | Original Category Percentages | Original Category Districts | New Category Percentages | New Category Districts | Change in Districts |
|---|---|---|---|---|---|
| A | 7% | 4 Districts | 0% | 0 Districts | -4 |
| B | 18% | 5 Districts | 5% | 2 Districts | -3 |
| C | 11% | 2 Districts | 9% | 2 Districts | 0 |
| D | 15% | 2 Districts | 24% | 4 Districts | 2 |
| E | 49% | 5 Districts | 62% | 8 Districts | 3 |




## Current Status

In October 2017, Director Al Nederhood from Yorba Linda Water District approached the ISDOC Executive Committee to discuss the current OC LAFCO dues structure and proposed they look at updating it. ISDOC President Jim Fisler agreed that the issue deserves to be reviewed again and proposed an Ad-Hoc Committee to review the current dues structure. The Ad-Hoc Committee was open to any ISDOC member that wished to join and to accept new dues proposals for consideration.

On January 22, 2018, the ISDOC Ad-Hoc Committee met to review the OC LAFCO dues structure proposal brought forward by Director Nederhood and one submitted on behalf of Mesa Water District. On February 2, Santa Margarita Water District (SMWD) also submitted a proposal for consideration. A subsequent meeting was scheduled to review all three proposals along with the current structure.

The most recent Ad-Hoc Committee meeting was held on March 16 to review all three proposals. A representative from each district presented their proposal. Director Nederhood's proposal is based strictly on each district's revenue as stated in the government code. He stated that it's the most simple and objective way as it's based on the size and operating revenue. Mesa Water District's proposal was to capture the spirit of the original version adopted in 2001 in having an even number of districts in each category based on revenue ranges. SMWD's proposal also attempts to mirror the 2001 philosophy while adding that the methodology used for the categories should also factor the proportionality of services received by OC LAFCO.

There was no consensus on a single proposal, however there was general agreement that there is some benefit to each approach. The Ad-Hoc Committee asked OC LAFCO staff to

gather information on how other LAFCOs structure their dues for special districts and bring that back to the group for review. The next Ad-Hoc Committee meeting has not yet been set.

**Attached: OC LAFCO Dues Proposals**

| # | District | Revenue 2015 | Existing FY 16/17 Charges | Current Approach: Proposed FY 17/18 Charges | Current Approach: Change from Existing Dues | YLWD Approach: Proposed FY 17/18 Charges | YLWD Approach: Change from Existing FY 16/17 Dues | YLWD Approach: Change from FY 17/18 Proposal | Mesa Approach: Proposed FY 17/18 Charges | Mesa Approach: Change from Existing FY 16/17 Dues | Mesa Approach: Change from FY 17/18 Proposal | SMWD Approach: Proposed FY 17/18 Charges | SMWD Approach: Change from Existing FY 16/17 Dues | SMWD Approach: Change from FY 17/18 Proposal |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Surfside Colony Stormwater | $491,664 | 500 | 500 | 0 | 226 | (274) | (274) | 226 | (274) | (274) | 967 | 467 | 467 |
| 2 | Surfside Colony CSD | $185,054 | 500 | 500 | 0 | 85 | (415) | (415) | 85 | (415) | (415) | 967 | 467 | 467 |
| 3 | Silverado-Modjeska Rec & Park | $201,031 | 500 | 500 | 0 | 93 | (407) | (407) | 93 | (407) | (407) | 967 | 467 | 467 |
| 4 | Rossmoor/Los Alamitos Sewer | $431,534 | 500 | 500 | 0 | 199 | (301) | (301) | 199 | (301) | (301) | 967 | 467 | 467 |
| 5 | Capistrano Bay CSD | $1,105,685 | 2,000 | 2,000 | 0 | 509 | (1,491) | (1,491) | 509 | (1,491) | (1,491) | 1,934 | (66) | (66) |
| 6 | Rossmoor CSD | $1,389,855 | 2,000 | 2,000 | 0 | 640 | (1,360) | (1,360) | 640 | (1,360) | (1,360) | 1,934 | (66) | (66) |
| 7 | Three Arch Bay CSD | $1,709,027 | 2,000 | 2,000 | 0 | 787 | (1,213) | (1,213) | 787 | (1,213) | (1,213) | 1,934 | (66) | (66) |
| 8 | Placentia Library | $2,492,734 | 2,000 | 2,000 | 0 | 1,148 | (852) | (852) | 1,148 | (852) | (852) | 2,901 | 901 | 901 |
| 9 | Buena Park Library | $3,121,423 | 2,000 | 2,000 | 0 | 1,438 | (562) | (562) | 1,438 | (562) | (562) | 2,901 | 901 | 901 |
| 10 | Orange County Vector Control | $11,811,004 | 2,000 | 2,000 | 0 | 5,440 | 3,440 | 3,440 | 5,440 | 3,440 | 3,440 | 4,835 | 2,835 | 2,835 |
| 11 | Orange County Cemetery | $5,795,152 | 2,000 | 2,000 | 0 | 2,669 | 669 | 669 | 2,669 | 669 | 669 | 3,868 | 1,868 | 1,868 |
| | **Total Non-enterprise Districts** | | **16,000** | **16,000** | | **13,234** | | | **13,234** | | | **24,173** | | |
| 12 | Sunset Beach Sanitary | $1,072,696 | 9,287 | 9,775 | 488 | 494 | (8,793) | (9,281) | 7,136 | (2,151) | (2,639) | 7,736 | (1,552) | (2,039) |
| 13 | Emerald Bay CSD | $1,577,508 | 9,287 | 9,775 | 488 | 727 | (8,561) | (9,048) | 7,136 | (2,151) | (2,639) | 7,736 | (1,552) | (2,039) |
| 14 | Serrano Irrigation | $5,806,650 | 14,056 | 14,794 | 738 | 2,674 | (11,382) | (12,120) | 14,272 | 216 | (522) | 15,471 | 1,415 | 677 |
| 15 | East Orange Co. Water | $7,936,964 | 14,056 | 14,794 | 738 | 3,656 | (10,401) | (11,139) | 14,272 | 216 | (522) | 15,471 | 1,415 | 677 |
| 16 | Trabuco Canyon Water D | $6,909,424 | 19,077 | 20,078 | 1,002 | 3,182 | (15,894) | (16,896) | 14,272 | (4,805) | (5,806) | 15,471 | (3,606) | (4,607) |
| 17 | Midway City Sanitary | $10,722,856 | 19,077 | 20,078 | 1,002 | 4,939 | (14,138) | (15,139) | 17,840 | (1,237) | (2,238) | 19,339 | 262 | (739) |
| 18 | Costa Mesa Sanitary D | $11,073,424 | 19,077 | 20,078 | 1,002 | 5,100 | (13,976) | (14,978) | 17,840 | (1,237) | (2,238) | 19,339 | 262 | (739) |
| 19 | El Toro Water & Sewer | $15,497,530 | 19,077 | 20,078 | 1,002 | 7,138 | (11,939) | (12,940) | 17,840 | (1,237) | (2,238) | 19,339 | 262 | (739) |
| 20 | Mesa Consolidated Water | $33,854,175 | 25,101 | 26,419 | 1,318 | 15,592 | (9,508) | (10,826) | 28,544 | 3,443 | 2,125 | 23,207 | (1,894) | (3,212) |
| 21 | Yorba Linda Water | $30,139,236 | 25,101 | 26,419 | 1,318 | 13,881 | (11,219) | (12,537) | 28,544 | 3,443 | 2,125 | 23,207 | (1,894) | (3,212) |
| 22 | Irvine Ranch Water & Sewer | $111,815,000 | 25,101 | 26,419 | 1,318 | 51,499 | 26,399 | 25,081 | 35,680 | 10,579 | 9,261 | 30,942 | 5,841 | 4,523 |
| 23 | Moulton Niguel Water & Sewer | $67,939,740 | 25,101 | 26,419 | 1,318 | 31,291 | 6,191 | 4,873 | 32,112 | 7,011 | 5,693 | 27,074 | 1,973 | 656 |
| 24 | MWDOC Water | $210,635,344 | 25,101 | 26,419 | 1,318 | 97,014 | 71,913 | 70,595 | 35,680 | 10,579 | 9,261 | 30,942 | 5,841 | 4,523 |
| 25 | OCWD Water | $132,429,385 | 25,101 | 26,419 | 1,318 | 60,994 | 35,893 | 34,575 | 35,680 | 10,579 | 9,261 | 30,942 | 5,841 | 4,523 |
| 26 | Santa Margarita Water & Sewer | $78,647,357 | 25,101 | 26,419 | 1,318 | 36,223 | 11,122 | 9,805 | 32,112 | 7,011 | 5,693 | 27,074 | 1,973 | 656 |
| 27 | South Coast Water | $19,889,425 | 25,101 | 26,419 | 1,318 | 9,161 | (15,940) | (17,258) | 17,840 | (7,261) | (8,579) | 19,339 | (5,762) | (7,080) |
| | **Total Enterprise Districts** | | **323,800** | **340,800** | | **343,566** | | | **356,800** | | | **332,627** | | |
| | GRAND TOTAL | | | 356,800 | | 356,800 | | | 370,034 | | | 356,800 | | |
| | GRAND TOTAL | $774,680,877 | | | | | | | | | | | | |
| | | Revenue | | | | | | | | | | | | |

**Item No. 4**

**ACTION ITEM**
April 18, 2018

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Cathleen Harris, Administrative Services Manager
**Katie Davanaugh, Senior Executive Assistant**

**SUBJECT:** **DISTRICT BENCHMARK COMPENSATION AND BENFITS STUDY**

## STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1) Approve the proposed pay structure which includes title, classification and FLSA status changes and a 3.62% pay structure adjustment to the salary ranges only, effective July 1, 2018.
2) Approve revisions to the District's policy regarding Compensation and Benefits Surveys and Pay Structure Adjustments, as presented.

## COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

## DETAILED REPORT

In accordance with District policy, a comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. The last survey was initiated in fall of 2014 and completed in May 2015.

In November of 2017, the District awarded a contract to Ralph Andersen & Associates to perform the Compensation and Benefits Study for completion in spring 2018. Ralph Andersen & Associates recently completed the District's 2018 benchmark study and will review its findings at the April 11th A&F Committee Meeting. The presentation is attached.

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): Y** | Budgeted amount: $40,000 | Core __X | Choice __ |
| **Action item amount: NA** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

**Salary Ranges/Reclassifications/Title Changes/Exempt Status:**

The survey results identified that overall, MWDOC's current ranges, compared to the median market range maximums, are near market. In an effort to maintain internal equity within the pay structure and stay competitive with the labor market, six out of 28 job classifications have been identified for reclassification.

The following outlines the recommended range adjustments:

| Proposed* Classification Titles | Current Pay Grade | Current Range Max | Recommended Range | Recommended Range Max |
|---|---|---|---|---|
| Accountant | 8 | 6,914 | 9 | 7,432 |
| WEROC Coordinator* | 8 | 6,914 | 9 | 7,432 |
| Sr. Accountant | 10 | 7,989 | 11 | 8,589 |
| Public Affairs Supervisor | 11 | 8,589 | 12 | 9,233 |
| Sr. Executive Assistant to Board | 12 | 9,233 | 13 | 9,925 |
| Administrative Services Manager | 16 | 12,330 | 17 | 13,255 |

In addition, based on organizational structure, reporting relationships, career progression and industry guidelines, four positions are being recommended for title changes and two positions (Office Specialist and Principal Water Resources Planner) are being removed from the pay structure.

The following outlines the proposed title changes:

| Current Classification Title | Recommended Classification Title |
|---|---|
| WEROC Emergency Programs Coordinator | WEROC Coordinator |
| WUE Program Specialist | Sr. WUE Analyst |
| WUE Program Coordinator | WUE Analyst II |
| WUE Program Analyst | WUE Analyst I |

**FLSA Exemptions**

Consultant reviewed the Districts Exempt and Non-Exempt positions in accordance with the Fair Labor Standards Act and noted that some of the positions are considered to be in a gray area regarding FLSA exemption. They advised that it's never a problem to err on the conservative side and allocate a position as Non-Exempt even if you can allocate it as an Exempt position. It was noted that all of the District's existing Exempt positions are classified appropriately, but the following Non-Exempt positions could be allocated Exempt.

- Sr. Accountant
- Public Affairs Specialist
- Network Systems Engineer
- WUE Program Specialist

Based on its review, staff is recommending only the Network Systems Engineer and Sr. Executive Assistant to the Board be changed from Non-Exempt to Exempt status at this time.

**2018/19 Merit Pool Budget**

A 4% salary merit pool plus 1% for employee share of the PERS contribution is included in the FY 2018/19 Budget. The proposed reclassifications and title changes will be implemented after July 1, 2018 and will not have an additional financial impact on the proposed budget.

Anticipating that the market will move in July 2018, staff is recommending a 3.62% pay structure adjustment to the salary ranges only, which will help to stay consistent with the market to avoid falling behind. The average CPI-U rate for Los Angeles-Long Beach-Anaheim for the period of February 2017 to February 2018 is 3.62%.

**District Benefits:**

The District's health, retirement and leave benefits were reviewed and the findings determined that the District's benefits are competitive with the labor market, therefore no changes are recommended at this time.

**District Policy Regarding Frequency of Compensation and Benefits Study**

The District's policy currently states that the District establishes its ranges by considering the mean (average) of the market place. Based on the study findings and ensuring that the District's policy is consistent with industry standards; staff is recommending that a revision to the policy be made stating that the salary ranges will be established based on the median of the marketplace. Using the median places positions at the 50$^{th}$ percentile, which is a common target for public agencies, is less susceptible to high/low data, and is a more stable and reliable indicator of the job market.

In addition, the A&F Committee inquired whether a comprehensive salary and benchmark study should be performed every four years instead of three years. Staff is recommending it remain every three years to stay competitive with the market and not fall behind.

Furthermore, staff is recommending the timing of the annual pay structure adjustment survey be changed to November in order to gather data for the annual budget process.

Staff is recommending the following changes to the section of the Personnel Manual regarding Compensation and Benefits Surveys and Pay Structure Adjustments:

> The compensation philosophy guiding the District's decisions related to employee compensation and benefits is that of desiring to provide salary ranges and benefit practices that are competitive with market practices. In conducting compensation surveys, the District establishes its salary ranges by considering the median ~~mean (average)~~ of the marketplace. In administering benefits surveys, the District considers prevailing and emerging practices related to the District's labor market. This approach has been adopted in an effort to attract and retain the best available

staff and continue in its commitment to quality service to the District's member agencies.

Human Resources shall conduct a planned pay structure adjustment survey in ~~first calendar quarter~~ November of each year of the direct labor market agencies to determine the percentage adjustment to the Pay Structure ranges for the upcoming fiscal year to go into effect July 1.

A comprehensive compensation and benefits survey shall be conducted every three years to evaluate market practices and job grading. Human Resources may conduct interim market analyses for newly established or modified job classifications between the comprehensive annual reviews.

Staff is recommending the following for consideration:

1) Approve the proposed pay structure which includes title, classification and FLSA status changes and; a 3.62% pay structure adjustment effective July 1, 2018.
2) Approve revisions to the District’s compensation policy regarding Compensation and Benefits Surveys and Pay Structure Adjustments, as presented.

# MWDOC Draft Compensation Survey Findings

Ralph Andersen & Associates

April 11, 2018

# Why Surveys Are Done

Compensation surveys are a necessary part of assessing and updating an organization's compensation plan.

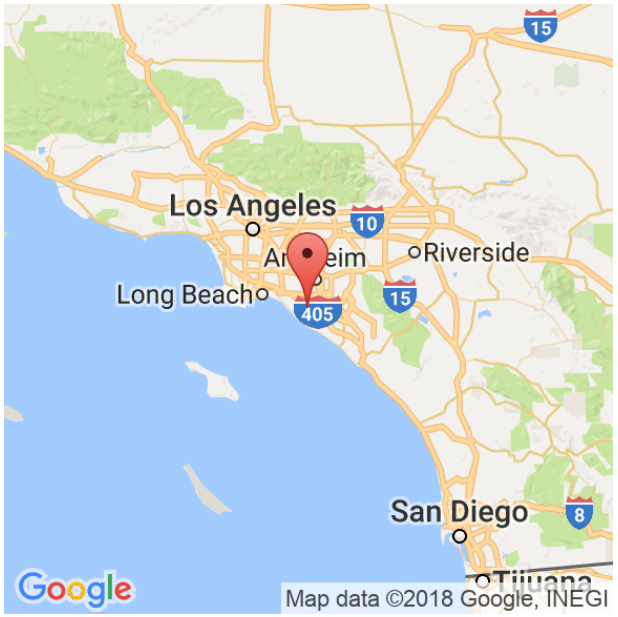
- Anticipate and understand what labor market is doing
- Data-driven framework for allocating resources to wages and benefits
- Provide defensibility and public accountability employee compensation
- Optimize the District's ability to recruit and retain employees
- Processes such as fact-finding are data-driven

Public and Private employers both use market data to assess compensation; just a difference in accessibility and transparency of data.

# Survey Agencies

Survey agencies are a balance between the selection factors of:

- Nature of services
- Geographic proximity
- Size
- Economic similarity




**CORE Survey Agencies:**

Calleguas MWD
Central Basin BMW
Eastern MWD
El Toro Water District
Inland Empire UA
Irvine Ranch WD
Laguna Beach CWD
Las Virgenes MWD
Mesa WD
Moulton Niguel WD
Orange County SD
Orange County WD
San Diego Co WA
Santa Margarita WD
South Coast WD
Three Valleys MWD
Walnut Valley WD
West Basin MWD
Western Municipal WD
Yorba Linda WD

**Supplemental:**

City of Brea
City of Fountain Valley
City of San Clemente
City of Tustin
Metropolitan Water District
County of Orange
Orange County Fire Authority
City of Anaheim
City of Los Angeles

# Survey Process

**Step 1:**
- Select Comparable Employers

**Step 2:**
- Identify Compensation Elements

**Step 3:**
- Select Survey Classifications

**Step 4:**
- Conduct Survey and Analyze Data

**Step 5:**
- Market Comparison of Compensation Elements

Compensation survey data was collected by the project consultants and included the collection and analysis of the following:

- Organization charts, budgets, and position control documents
- Job descriptions
- Salary schedules
- Benefits summaries
- Follow-up information provided by each survey agency

Survey job matches were determined by the project consultants and went beyond title comparisons.

# Matching Job Classifications

Matching job classifications relies on a number of source documents beyond comparisons of job descriptions.

- Job matches only occur if a position exists and is allocated in the budget (and staffed). Some agencies may have legacy job descriptions or titles in their salary schedules that are not used.
- Job matches are based on a review of major and essential job duties along with a comparison of qualifications. Significant differences can result in no comparable job being matched. Examples of differences include:
  - Mismatches in qualification requirements such as requiring specific certifications or a four-year degree
  - Different organization structures such as layers of supervisory and management and broader responsibilities
  - Position allocations that demonstrate working versus advanced levels
- Factors not considered in matching jobs:
  - Staffing, equipment, facility, and resource differences that don't impact required skills and abilities
  - Job functions performed within a broad classification that is used in many assignments
  - Job classifications performing the same duties but in a different department
  - Employee performance or unique qualifications that are beyond what is required

# Scope of Data Collection

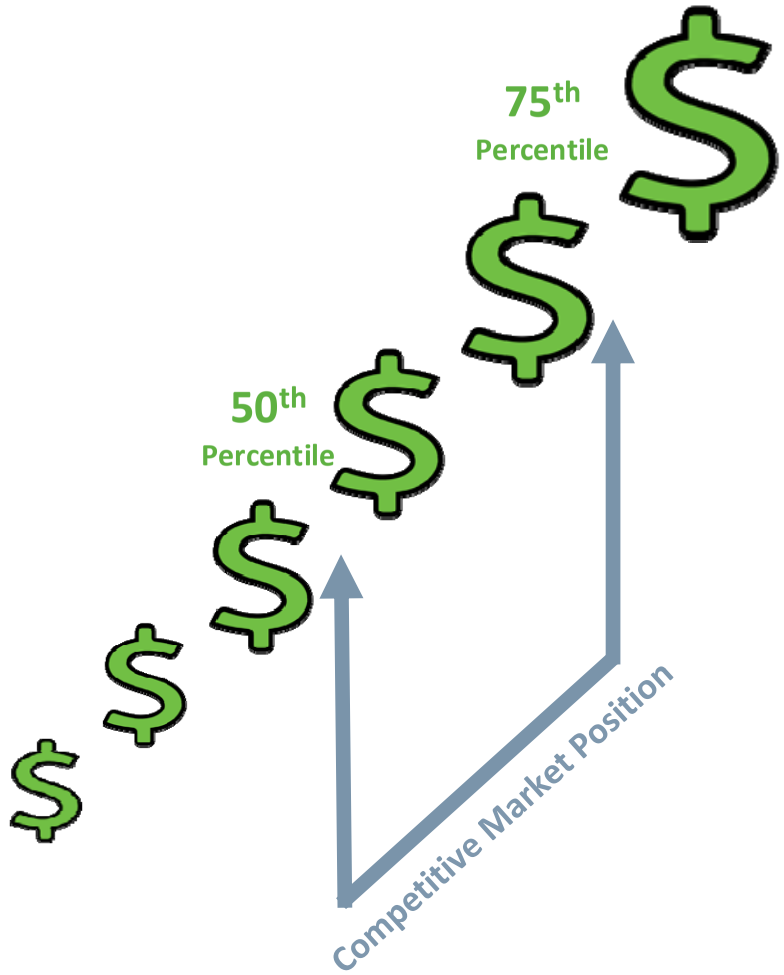
The compensation survey included the collection and analysis of base salary and benefit data to understand how the District's total compensation compares with labor market practices. Elements included in the survey include:

- Base Salary
  - Range maximum (control point of range)
- Cash Benefits
  - Employer Paid Member Contribution (EPMC)
  - Longevity
  - Deferred Compensation
- Insurance benefits
  - Health
  - Dental
  - Vision
- Employer Retirement
  - Normal Cost Employer Contribution
  - Retirement Formula

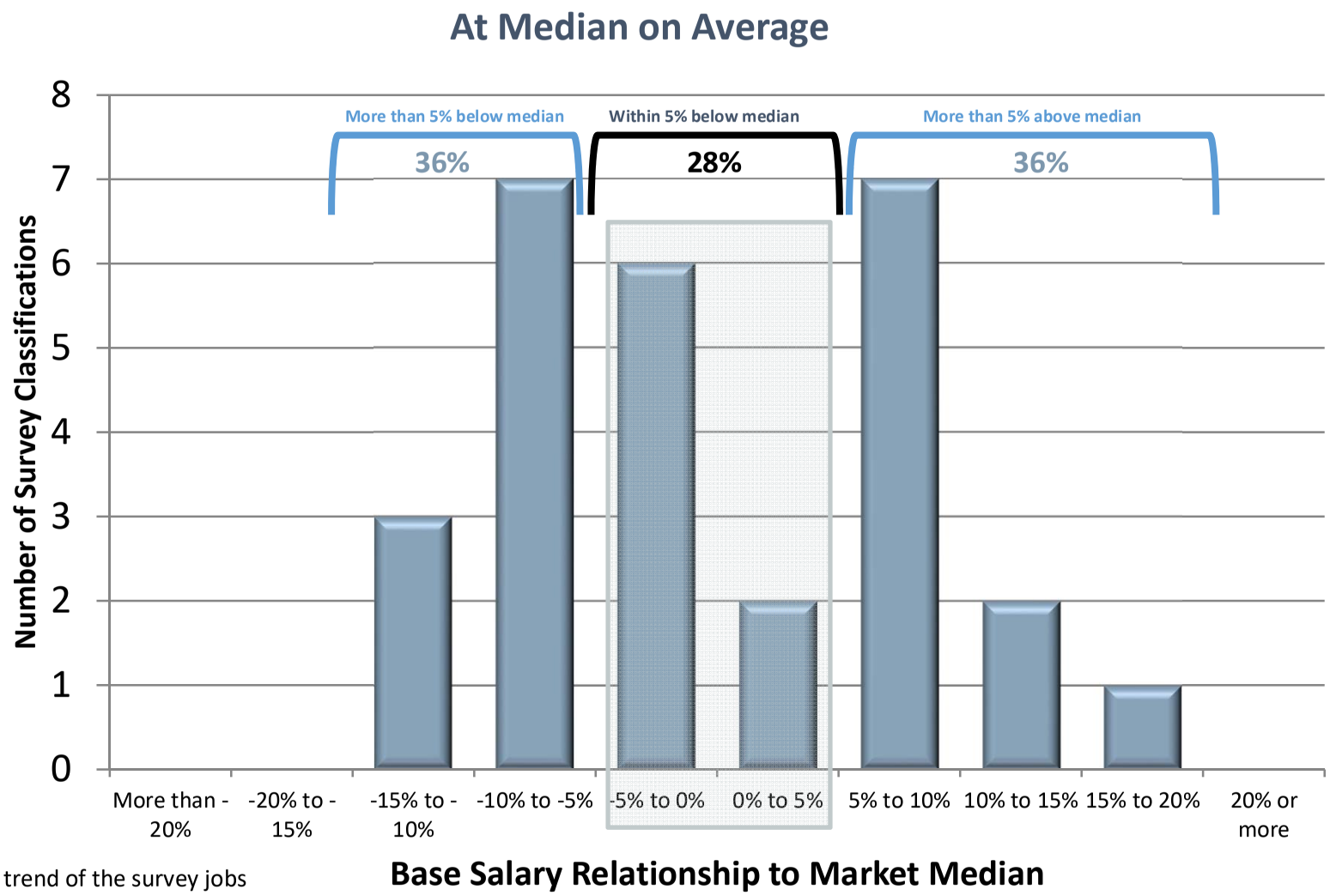
Employer retirement contributions may not be a relevant benefit comparison since differences in employer contribution rates may have little to do with the retirement benefits received.

# Market Position

- Establishes competitive position
- Historical practices is an important consideration; change in practice requires explanation
- $ or % differences between percentiles depends on the array of data; can be very small if data is tightly arrayed
- Recruitment and retention goals



# Market Summary – All Jobs



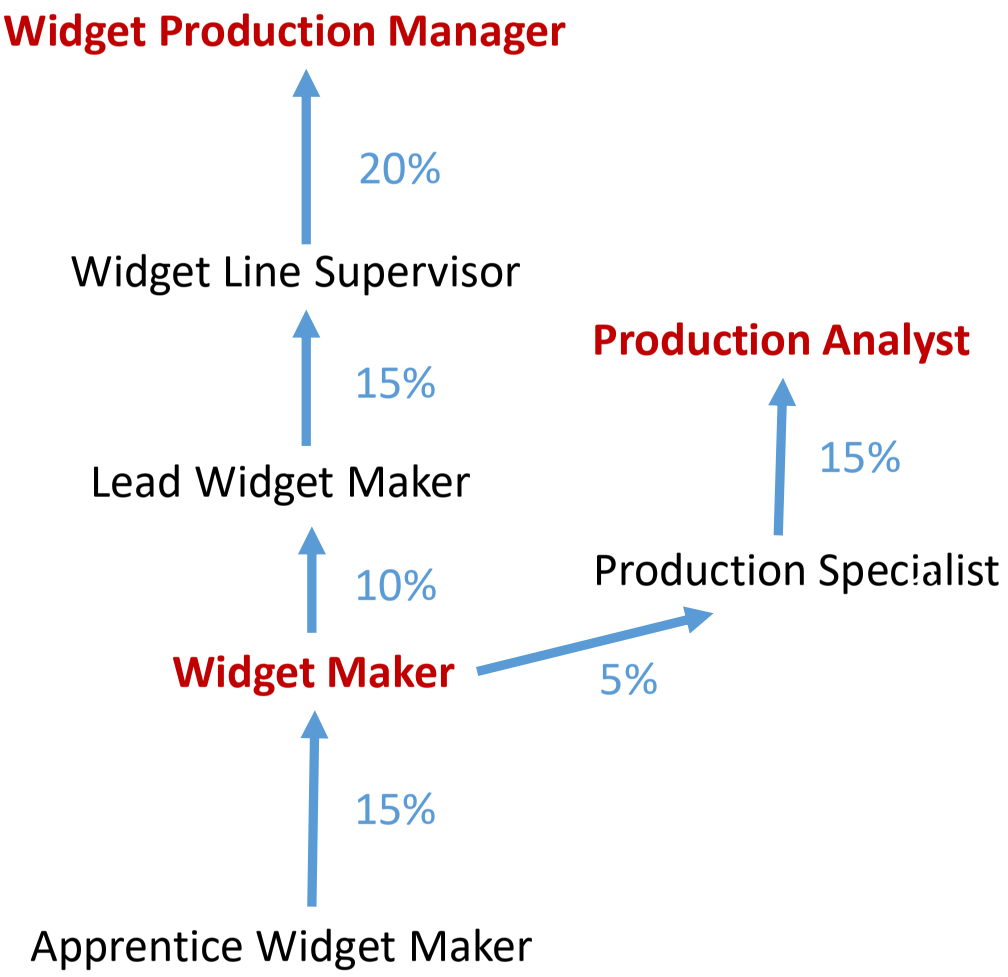

Strongest trend of the survey jobs should be in shaded region

# Survey Findings

- While the overall survey results for all employee groups show a strong central trend (bell curve), there are jobs that are more than 5% below and 5% above market.
  - 36% of the survey jobs are more than 5% below the median (50th percentile)
  - 36% of the survey jobs are more than 5% above the median
  - 28% of the survey jobs are within 5% of the median
- On average, the District is at the market median and is at the 48th percentile
- Our analysis of the District's benefits found the following:
  - Overall the District's benefits are competitive with the labor market with less than a 0.5% variance when all benefits are analyzed
  - 11 agencies provide an employer paid deferred compensation benefit
  - 6 agencies still have Employer Paid Member Contribution (EPMC) for retirement
  - The District's insurance benefits are comparable to the market
  - The District's leave benefits are comparable to the market

# Benchmarking - Example

- Establish market benchmarks
  - Best job matches
  - High number of comparables
  - Best data statistically
- Analyze internal relationship
- Establish % differentials
- Result: salary range adjustments



# Salary Range Recommendations

- Benchmark positions tied to market median
  - Not all jobs need market ties
  - Tied to control point
- Internal relationships
  - Assessment of differences and similarities in duties, role, responsibilities, qualifications, and resources
    - 5% difference between jobs when minor differences exist
    - 10% between classes in a series where moderate differences exist
    - 15% - 20% minimum over subordinates and between job classes with significant differences
- Adjustments to pay range, not employee salary
- Internal salary alignments for internal equity where important
  - Some market relationships may be ignored due to internal ties and better market benchmarks
- Adjusted to fit the District's salary table

# Classification Review

Analysis of District positions and job classifications based on:

- Assigned role, duties, and qualifications
- Organization structure, reporting relationships, and career progression
- Industry guidelines for titling and classification structures

| Current Classification Title | Recommended Classification Title |
|---|---|
| | |
| WEROC Emergency Programs Coordinator | WEROC Coordinator |
| WUE Program Specialist | Sr. WUE Analyst |
| WUE Program Coordinator | WUE Analyst II |
| WUE Program Analyst | WUE Analyst I |

# Salary Range Adjustments

- Adjustment based on median market data and consideration of internal relationships
- Market median deviation equal to or more than 7.5% below median based on the District's salary range structure
- The following job classifications require placement in a higher salary range:

| Proposed* Classification Title | Current Pay Grade | Current Range Max | Recommended Pay Grade | Recommended Range Max |
|---|---|---|---|---|
| Accountant | 8 | 6,914 | 9 | 7,432 |
| WEROC Coordinator* | 8 | 6,914 | 9 | 7,432 |
| Sr. Accountant | 10 | 7,989 | 11 | 8,589 |
| Public Affairs Supervisor | 11 | 8,589 | 12 | 9,233 |
| Sr. Executive Assistant to Board | 12 | 9,233 | 13 | 9,925 |
| Administrative Sevices Manager | 16 | 12,330 | 17 | 13,255 |

# Recommendations/Next Steps

- Approve the proposed pay structure which includes title, classification and FLSA status changes and; a 3% pay structure adjustment effective July 1, 2018.
- 2) Approve revision to the District's compensation philosophy regarding Compensation and Benefits Surveys and Pay Structure Adjustments, as presented.

## MWDOC PAY STRUCTURE - EFFECTIVE JULY 2018 (3.62% COLA adjustment)

| Pay Grade | Exempt / Non-Exempt | Job Classification | | Range Minimum $ | 25th Percentile $ | Range Midpoint $ | 75th Percentile $ | Range Maximum $ |
|---|---|---|---|---|---|---|---|---|
| R1 | NE | Office Assistant | annually | 34,395 | 37,386 | 40,400 | 43,414 | 46,428 |
| | | | monthly | 2,866 | 3,116 | 3,367 | 3,618 | 3,869 |
| | | | hourly | 16.54 | 17.98 | 19.42 | 20.87 | 22.32 |
| R2 | | Open | annually | 41,251 | 44,863 | 48,475 | 52,087 | 55,700 |
| | | | monthly | 3,438 | 3,739 | 4,040 | 4,341 | 4,642 |
| | | | hourly | 19.83 | 21.57 | 23.30 | 25.04 | 26.78 |
| R3 | NE | Database Coordinator | annually | 44,357 | 48,245 | 52,110 | 55,999 | 59,887 |
| | | | monthly | 3,696 | 4,020 | 4,343 | 4,667 | 4,991 |
| | | | hourly | 21.32 | 23.19 | 25.06 | 26.92 | 28.80 |
| R4 | NE | Accounting Technician | annually | 47,693 | 51,857 | 56,022 | 60,209 | 64,373 |
| | | | monthly | 3,974 | 4,321 | 4,668 | 5,017 | 5,364 |
| | | | hourly | 22.93 | 24.93 | 26.93 | 28.95 | 30.95 |
| R5 | NE | Administrative Assistant | annually | 51,259 | 55,746 | 60,232 | 64,718 | 69,205 |
| | | | monthly | 4,272 | 4,645 | 5,019 | 5,393 | 5,767 |
| | | | hourly | 24.64 | 26.80 | 28.96 | 31.12 | 33.27 |
| R6 | NE | Sr. Admin Assistant | annually | 55,101 | 59,933 | 64,741 | 69,573 | 74,381 |
| | NE | Public Affairs Assist | monthly | 4,592 | 4,994 | 5,395 | 5,798 | 6,198 |
| | | | hourly | 26.50 | 28.82 | 31.13 | 33.45 | 35.76 |
| R7 | NE | Records Coordinator | annually | 59,243 | 64,419 | 69,596 | 74,795 | 79,972 |
| | | | monthly | 4,937 | 5,368 | 5,800 | 6,233 | 6,664 |
| | | | hourly | 28.49 | 30.97 | 33.46 | 35.96 | 38.44 |
| R8 | NE | Public Affairs Coordinator | annually | 63,683 | 69,251 | 74,818 | 80,386 | 85,977 |
| | | | monthly | 5,307 | 5,771 | 6,235 | 6,699 | 7,165 |
| | | | hourly | 30.62 | 33.29 | 35.97 | 38.65 | 41.33 |
| R9 | NE | WUE Analyst I | annually | 68,445 | 74,450 | 80,432 | 86,437 | 92,418 |
| | NE | Executive Assistant | monthly | 5,704 | 6,204 | 6,703 | 7,203 | 7,702 |
| | NE | Assoc. Water Resources Analyst | hourly | 32.90 | 35.80 | 38.67 | 41.56 | 44.43 |
| | NE | Accountant | | | | | | |
| | NE | WEROC Coordinator | | | | | | |
| R10 | NE | Public Affairs Specialist | annually | 73,599 | 80,018 | 86,460 | 92,902 | 99,343 |
| | NE | WUE Analyst II | monthly | 6,133 | 6,668 | 7,205 | 7,742 | 8,279 |
| | NE | WEROC Specialist | hourly | 35.39 | 38.47 | 41.56 | 44.66 | 47.76 |
| | NE | Sr. Executive Assistant | | | | | | |
| R11 | E | Water Resources Analyst | annually | 79,120 | 86,023 | 92,948 | 99,873 | 106,798 |
| | NE | Sr. Accountant | monthly | 6,593 | 7,169 | 7,746 | 8,323 | 8,900 |
| | | | hourly | 38.04 | 41.35 | 44.69 | 48.02 | 51.34 |
| R12 | E | Fin. Analyst/Database Analyst | annually | 85,033 | 92,487 | 99,919 | 107,373 | 114,804 |
| | E | Network Systems Engineer | monthly | 7,086 | 7,707 | 8,327 | 8,948 | 9,567 |
| | NE | Sr. WUE Analyst | hourly | 40.88 | 44.47 | 48.04 | 51.62 | 55.20 |
| | E | Public Affairs Supervisor | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| R13 | E | Accounting Supervisor | annually | 91,429 | 99,412 | 107,419 | 115,425 | 123,409 |
| | E | Public Affairs Manager | monthly | 7,619 | 8,284 | 8,952 | 9,619 | 10,284 |
| | E | Sr. Water Resources Analyst | hourly | 43.96 | 47.79 | 51.64 | 55.49 | 59.33 |
| | E | Sr. Exec. Assist to the Board | | | | | | |
| R14 | E | WUE Program Supervisor | annually | 98,285 | 106,867 | 115,471 | 124,076 | 132,680 |
| | E | WEROC Programs Manager | monthly | 8,190 | 8,906 | 9,623 | 10,340 | 11,057 |
| | E | Sr. Financial Analyst/Database Analyst | hourly | 47.25 | 51.37 | 55.52 | 59.65 | 63.79 |
| R15 | E | Sr. Engineer | annually | 105,647 | 114,896 | 124,145 | 133,371 | 142,619 |
| | E | Accounting Manager | monthly | 8,804 | 9,575 | 10,345 | 11,114 | 11,885 |
| | E | Governmental Affairs Mgr | hourly | 50.79 | 55.24 | 59.69 | 64.12 | 68.57 |
| R16 | E | Principal Water Resources Analyst | annually | 113,562 | 123,501 | 133,440 | 143,379 | 153,317 |
| | E | WUE Progam Manager | monthly | 9,463 | 10,292 | 11,120 | 11,948 | 12,776 |
| | | | hourly | 54.60 | 59.37 | 64.15 | 68.93 | 73.72 |
| R17 | E | Principal Engineer | annually | 122,097 | 132,772 | 143,448 | 154,146 | 164,821 |
| | E | Administrative Services Manager | monthly | 10,175 | 11,064 | 11,954 | 12,845 | 13,735 |
| | | | hourly | 58.70 | 63.83 | 68.97 | 74.11 | 79.24 |
| R18 | E | Director of Public Affairs | annually | 131,254 | 142,734 | 154,215 | 165,695 | 177,176 |
| | E | Director of Water Use Efficiency | monthly | 10,938 | 11,895 | 12,851 | 13,808 | 14,765 |
| | | | hourly | 63.10 | 68.62 | 74.14 | 79.66 | 85.18 |
| R19 | E | Director of Finance/IS | annually | 141,101 | 153,433 | 165,787 | 178,119 | 190,474 |
| | E | Associate General Manager | monthly | 11,758 | 12,786 | 13,816 | 14,843 | 15,873 |
| | | | hourly | 67.84 | 73.77 | 79.70 | 85.63 | 91.57 |
| R20 | E | Open | annually | 151,661 | 164,936 | 178,211 | 191,486 | 204,761 |
| | | | monthly | 12,638 | 13,745 | 14,851 | 15,957 | 17,063 |
| | | | hourly | 72.92 | 79.30 | 85.68 | 92.06 | 98.44 |
| R21 | E | Assistant General Manager | annually | 159,644 | 175,611 | 191,578 | 207,545 | 223,511 |
| | | | monthly | 13,304 | 14,634 | 15,965 | 17,295 | 18,626 |
| | | | hourly | 76.75 | 84.43 | 92.11 | 99.79 | 107.45 |
| GM | E | General Manager (eff. 9/9/17) | annually | 260,614 | | | | 260,614 |
| | | MWDOC INTERN PAY STRUCTURE | | | | | | |
| INT | NE | Student Intern | hourly | 14.28 | 16.05 | 17.81 | 19.58 | 21.35 |

Annual and Monthly amounts are based on a 40-hour work week.
If you have questions on the pay structure or classifications,
please contact Human Resources at 714.963.3058

**Item No. 5**

**ACTION ITEM**
April 18, 2018

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** **Kelly Hubbard, WEROC Manager**
**Charles Busslinger, Principal Engineer**

**SUBJECT:** **Approval of Structural Seismic Improvements to the MWDOC Administration Building and Staff Direction for Implementation**

## STAFF RECOMMENDATION

Staff recommends the Board of Directors review; the Report on the Conceptual Seismic Retrofit Study of the MWDOC Administration Building, the staff presentation and staff report, and authorize staff to move forward with the following recommendations:

1. Proceed with conceptual Seismic Retrofit Study Work Items:
   A. Reinforce roof structure,
   B. Strengthen existing wall to roof connections,
   C. Plywood diaphragm for roof, and
   D. Additional wall to roof connectors

   The conceptual cost of these items is $400,000 for the MWDOC Administration Building in addition to an estimated $100,000 for already approved Work Item F (non-structural improvements including window treatment) for a total expenditure of $500,000. These investments will achieve a Life Safety building performance level plus Damage Control

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): Y&N** | Budgeted amount: See Below | Core _X_ | Choice __ |
| **Action item amount: $200,000 to $400,000 for structural construction costs, plus $100,000 of non-structural costs including window treatment. Costs are conceptual until bidding.** | Line item: 7040 – Professional Services; 8811 – Building Expense | | |
| **Fiscal Impact (explain if unbudgeted): An estimate of $233,100 has been included in the FY17-18 & FY18-19 budgets for the Seismic Improvements at MWDOC. This amount is not sufficient and did not include Professional Services for the design work. The write up has more detail on budgeted vs unbudgeted expenses. Additional costs are proposed to be funded from the MWDOC Building Reserve Fund in the estimated amount of $280k to $480k (but could vary with bidding).** | | | |

to allow functionality following expected shaking based on a review of seismic events, the newer seismic building codes, and ASCE Standard 41-13: Seismic Evaluation for Retrofit of Existing Buildings.

Alternatively, the Board could omit item D (additional wall to roof connectors) at a cost savings of $200,000, but with a lower building resiliency.

2. In order to move forward with recommended items staff shall:
   A. Following a decision by the Board on item 1, conduct an RFP process to prepare the Design, Bid Package, and provision of Construction Management and inspection services for the structural improvements at MWDOC Administration Building;

## COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

## SUMMARY REPORT

Although the current building code does not require MWDOC's administration building to be retrofitted (because it is grandfathered), the current building code indicates additional structural improvements are necessary to meet a current Life Safety building performance level for predicted earthquakes, and that even more structural improvements are required to achieve a Damage Control level of performance which would allow for the building to be more quickly re-occupied and utilized following a seismic event. To determine what levels of improvement are achievable and affordable, staff contracted with IDS to complete an analysis titled 'Report on the Conceptual Seismic Retrofit Study of the MWDOC Administration Building', Attachment A. The decisions facing MWDOC are both technical and policy related when it comes to determining what level of investment to make. In this process, staff has kept in mind the following items:

- All investments must be appropriately justified.
- All costs included herein are conceptual in nature and will remain so until we are in a position to receive bids.
- The graphic below illustrates the balancing process involved between the level of investment and building performance. Staff believes the minimum level of expenditure is at or to the left of Life Safety in the spectrum. The determination of how far to the left of Life Safety is one of policy. Staff believes that additional investments beyond Life Safety to one moving into the area of Damage Control can be justified by the higher level of performance to be expected from the building following these levels of investments. Staff will be prepared to discuss the options at the committee meeting.
- With respect to a complete overview of where the total investments might take us at the completion of this effort, staff believes the total investment between recent work and work anticipated, will amount to about $2.15 million investment in this building including:

**Previous Building Investments**

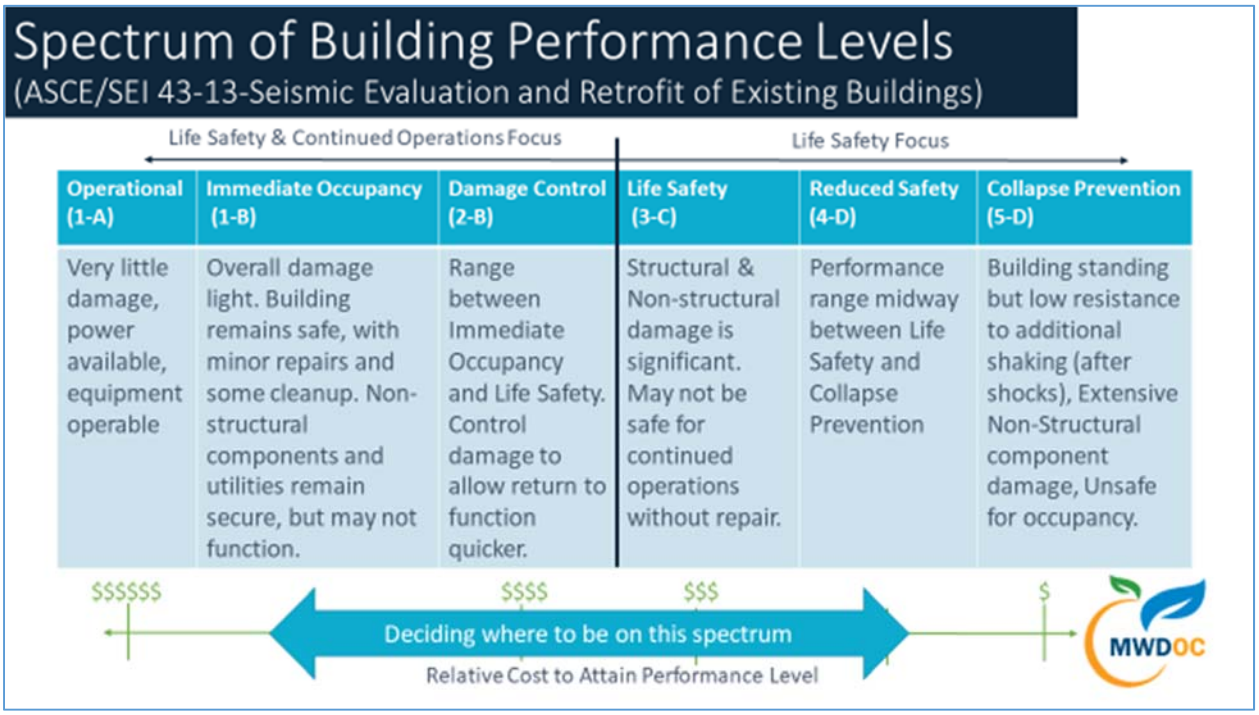
| | | |
|---|---|---|
| o Window replacement & walkway handrails | (2009-2014) | $ 15,826 |
| o Air handler work | (2013-2014) | $208,549 |
| o Boiler, Chiller & Energy Control System | (2014-2016) | $226,938 |
| o Bathroom Remodel | (2015-2016) | $143,679 |
| o Fire System | (2016) | $ 21,991 |
| o Entry Area remodel | (2015-2016) | $ 72,131 |
| Total Expenditures 2009 through 2016 | | **$689,114** |

**Additional Building Investments**

| | |
|---|---|
| o Pending structural improvements | (Estimated $400,000) |
| o Pending non-structural improvements MWDOC | (Estimated $100,000) |
| o Pending non-structural improvements South EOC | (Estimated $ 50,000) |
| o Professional fees for design or remodeling | (Estimated $139,000) |
| o Upcoming HVAC | (Estimated $109,500) |
| o Upcoming conference rooms/office remodel | (Estimated $388,700) |
| o Upcoming roof | (Estimated $ 99,000) |
| o Adding a generator unit for back-up power | (Estimated $122,000) |
| o Painting & Carpet | (Estimated $50,000) |
| Estimated Total Additional Investments | **$1,458,200** [1] |

[1] Budgeted FY 2017/2018 & FY 2018-19 $978,025
Unbudgeted $480,175

**Total Overall Recent and near future costs = $2.15 million**

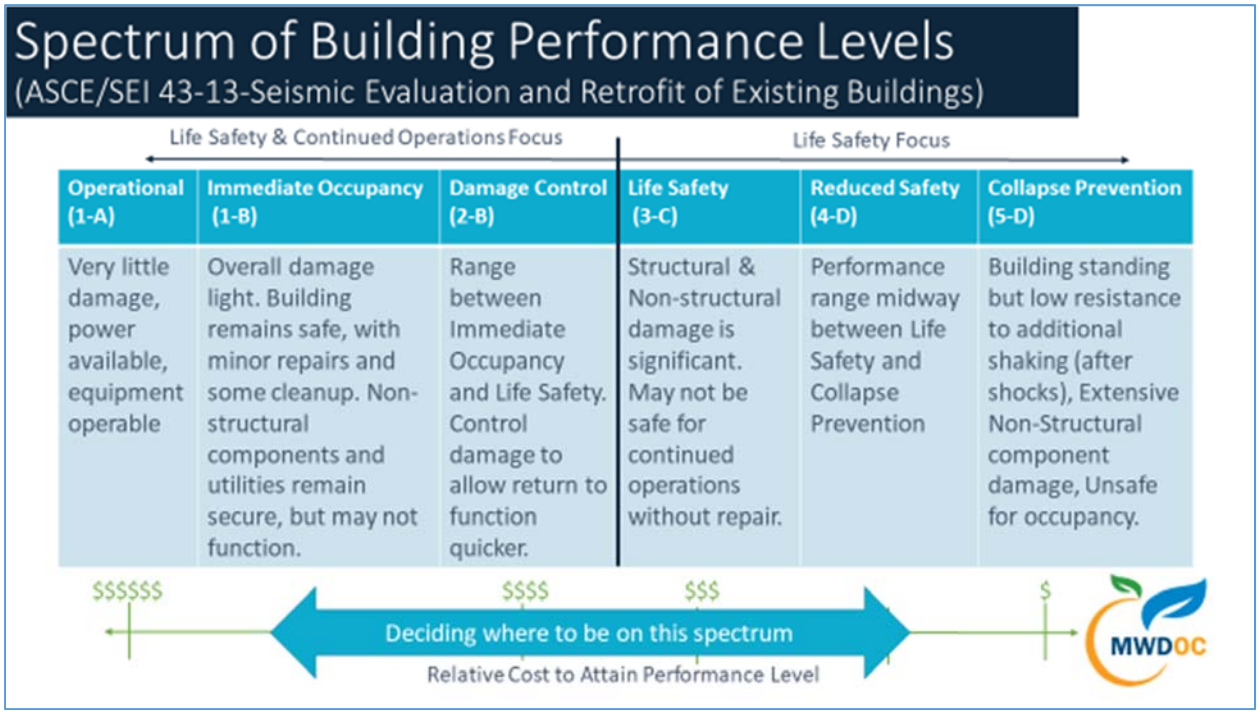


- Two other options are available to MWDOC, but for either of these options, the overall costs are considerably more than retrofitting and remodeling the existing building. These include building a new building on-site or relocating to another site to purchase/upgrade or build a new building)
    - **Cost to Rebuild On-Site = $5.8 - $7.2 million.** A rough estimate of the building replacement cost (no land) for a 12,800 square-foot Government Office building, using 2018 Building Costs of $308 to $417 per square-foot for the Orange County area (includes a 20% increase to build to essential facility criteria), plus an estimated cost of $1.2 million for an enhanced soil foundation to protect against liquefaction, plus $100,000 for demolition costs to arrive at a total estimated building replacement cost of $5.3 to $6.7 million [depending upon the type of building - concrete (more expensive) or wood/steel frame, ceiling height, and architectural finishes], for a structure meeting the Immediate Occupancy level of resiliency.

      To build on site would also require staff to relocate for about 18 months at an estimated additional cost (based on currently available leases at $24 per square-foot per year and moving expenses) of $512,000.
    - **Cost to Relocate to NEW Site = $6.0 - $12.5 million.** A rough estimate of relocating to another site (based on currently available properties outside of liquefaction zones), including purchase of land and a building, remodel costs, structural costs and relocation costs, are on the order of $6.0 million to purchase and retrofit an existing building, or up to $12.5 million to purchase, tear down, and build a new essential facility building. These costs include costs associated with providing space for Board room facilities (Board room estimated at twice the size of Conference Room 101 plus some storage). The cost estimate also includes the conference room space we have today.

Overall, the improvements proposed for action in this agenda submittal, are estimated to take about 12 months to complete.

## DETAILED REPORT




Several definitions will be useful for the discussion to describe building performance during and after a seismic event. Overall, MWDOC is looking at potential improvements along a spectrum (see above table), somewhere between Life Safety and an Essential (Immediate Occupancy) Facility. Three definitions will assist in the discussions. These are:

1. **Life Safety** – Relates to protection of people in the building during a seismic event and basically looks at prevention of serious injury or death. Under this designation, structural walls should not fail, but the building may permanently lean to one side. The structural walls can withstand some aftershocks; but joints holding the structural components together will loosen, reducing structural capacity of the building. It may not be possible to re-occupy the building until repairs are made to the structural system, and it may not even be economical to repair the building following a seismic event (i.e. a tear-down). The ability to re-occupy the building following an earthquake is not part of the design considerations when simply looking at Life Safety.

   Non-structural components are likely damaged and overturned [i.e. pipes likely break, glass likely broken under pressure resulting in projectile fragments, jammed doors, lights and suspended ceilings likely fall, furniture likely overturned, interior (partition) walls are likely damaged and may fall down].

2. **Damage Control** - This is a spectrum halfway between Immediate Occupancy/Essential Facility (see section below) and Life Safety (see section above). The structural system is more robust and able to withstand more shaking than Life-Safety, thereby increasing the probability that the building can be re-occupied sooner. The building is designed and constructed with consideration for the building to be re-occupied.

Non-structural items may shift around, (i.e. they may have some damage, but overhead items remain suspended, plumbing and electrical fixtures and lines work provided there is power and water from the local utility). Schools are typically built to this standard.

3. **Essential Facility** - (also called Immediate Occupancy) – This designation is typically provided for facilities that are critically needed following a large seismic event (Fire, police, utility structures, etc.). Typically damage would be limited to minor cracking. The building structural system is largely in its pre-earthquake condition.

   Non-structural systems have negligible damage and are functional. Typically, the facility can be occupied with a normal level of functioning without repairs.

Background

In October 2017, the Board approved staff to continue several efforts to enhance the seismic resilience of the WEROC South EOC and the MWDOC Administration Building. At the time a seismic assessment had been completed for each building with recommendations for both non-structural and structural building improvements to reduce vulnerabilities. The non-structural improvements are straight forward and can provide immediate enhancements to Life Safety for both facilities. The seismic assessment of the MWDOC Administration Building also reported that there are structural deficiencies that could be addressed to improve Life Safety and operational capabilities following an earthquake (Damage Control), but that additional analysis was needed to determine the level of vulnerability reduction that could be achieved with various investments.

In October 2017, the Board approved staff to contract with IDS Group for the following:

1. Prepare plans for support and bracing of elements (non-structural) of the South EOC and provide engineering support services for plan check approval and construction observation.
2. Prepare plans for non-structural retrofit elements of the MWDOC Administrative Building and provide engineering support services for plan check approval and construction observation.
3. Additional engineering analysis and evaluation of up to three seismic performance levels for potential structural retrofit of the MWDOC Administration Building (what is included in this action item).

In coordination with IDS for the design plan elements (items 1 & 2 above), staff are already in the process of proceeding with the non-structural improvements at the WEROC South EOC and the MWDOC Administration Building. Those design improvements have been submitted to the Cities of Mission Viejo and Fountain Valley respectively for building permits. Once the permitting process is complete, staff will move forward with one Notice Inviting Bids to complete the non-structural improvements for both sites and come back to the Board for consideration of awarding a construction contract for those projects in June 2018. The estimated costs for the non-structural improvements to the South EOC are $50,000 and the estimated costs for the non-structural improvements to the MWDOC Administration building are $100,000.

Seismic Retrofit Study of the MWDOC Administration Building

The purpose of the Seismic Assessment of the MWDOC Building (dated 9/11/2017) was to evaluate how the MWDOC Administration Building would perform in an earthquake with the primary concerns being the Life Safety protection of building occupants and to determine the likely ability of the facility to continue serving as an EOC following anticipated shaking. The initial study outlined non-structural improvements that could be made to improve Life Safety and structural enhancements to allow the possibility of re-occupying the building quickly following an earthquake.

The report suggested that the retrofits needed to meet full Essential Facility (Operational) requirements (where the building can be occupied and functional following most any hazard) would be extremely costly and difficult to achieve (structural investment that could exceed the replacement cost of the building), but that some level of improved building resilience/performance could be achieved. Having two facilities ready to activate as an EOC (the WEROC South EOC and the MWDOC Admin Building), is a seismic risk management strategy which mitigates the concerns of either facility meeting the essential facility standards.

As the technical understanding of earthquakes has improved since these buildings were constructed (the MWDOC Building was constructed circa 1972 and the South EOC was built in 1977), the corresponding building codes have been changed to reflect this understanding. The current building code indicates additional structural improvements are necessary to meet a Life Safety building performance level for predicted earthquakes, and additional structural improvements are necessary to achieve a Damage Control level of performance to more quickly re-occupy the building following an event. To determine what levels of improvement are achievable and affordable, staff contracted with IDS to complete a second analysis titled ‘Report on the Conceptual Seismic Retrofit Study of the MWDOC Administration Building’, Attachment A.

This seismic retrofit study evaluated seismic hazards likely to impact the MWDOC Administration Building and the potential design strategies to manage the risks of each hazard. The seismic hazards were evaluated based on earthquake scenarios identified in the City of Fountain Valley General Plan and additional earthquake faults that are known considerations for this area. The study then considered seismic events from the perspective of likelihood of occurrence and size of event. For instance, an extreme earthquake event is less likely than smaller earthquakes that occur on a more regular basis. IDS provided a matrix chart that evaluates the seismic hazard levels against the desired building performance level with recommended strategies and estimates costs associated with each hazard.

| ASCE 41-13 / IDS | Target Building Performance Level | | | | | |
|---|---|---|---|---|---|---|
| | ← Increasing Life Safety & Continued Operations | | | ← Increasing Life Safety | | |
| Example Event, Event Type, Bldg. Type | Operational (1-A) | Immediate Occupancy (1-B) | Damage Control (2-B) | Life Safety (3-C) | Reduced Safety (4-D) | Collapse Prevention (5-D) |
| Structure Condition (Based on pga at site) | Very little damage, equipment operable | Building remains safe minor repairs, negligible N-S damage | Building returns to function quicker, negligible N-S damage | Structure is stable, but significantly damaged, N-S Overturned | Significant Damage, limited ability to resist aftershocks, Significant N-S damage | Building barely Standing, Likely Significant N-S damage |
| Newport-Ingle. M7.4 (Extreme) .79 | ** | $1.9 Million a-f | $1.9 Million a-f | $300,000 a,b,c,f | $200,000 a,b,c | $100,000 a,b |
| Compton M7.3 (Extreme) .56 | ** | $1.9 Million a-f | $1.9 Million a-f | $200,000 a,b,f | $100,000 a,b | $100,000 a,b |
| San Andreas M8.0 (Reduced) .42 | ** | $1.9 Million a-f | $500,000 a-d, f | $200,000 a,b,f | $100,000 a,b | $40,000 a |
| 20% in 50 yrs (Reduced) .30 | $1.9 Million a-f | $1.9 Million a-f | $200,000 a,b,f | $140,000 a,f | $0 | $0 |
| 50% in 50 yrs, (Frequent) .20 | $300,000 a,b,c,f | $200,000 a,b,c | $140,000 a,f | $0 | $0 | $0 |

Increasing Damage Potential ↑

** Approaches Building Replacement Cost

Letters a – f correspond to items in the table below. N-S means non-structural. PGA at site is peak ground acceleration and is an estimate of the forces on the building from various sized earthqakes.

## Seismic Assessment Structural Options*

| Scope of Work Item – Options to Reduce Vulnerability (MWDOC Admin Building) | Rough Order of Magnitude Cost |
|---|---|
| a. Reinforce Corners of Roof Structure at Atrium | $40,000 |
| b. Strengthen Existing Wall to Roof Connections | $60,000 |
| c. Add Plywood (Diaphragm) to strengthen roof structure | $100,000 |
| d. Add additional Wall to Roof Connections | $200,000 |
| e. Improve Soils under the Building against Liquefaction | $1,400,000 |
| f. Brace/Improve Non-Structural Items (currently in progress) | $100,000 |

← Not Recommended

MWDOC

* IDS Group - Conceptual Seismic Retrofit Study of MWDOC Administrative Building Feb. 26, 2018

Staff is recommending item all items except for Item e (improve soils). For additional explanation of this report and these concepts, please refer to the staff presentation which is attached and will be presented during the A&F Committee meeting.

Seismic Recommendations by Staff

Staff recommends that the minimum improvements the District should make at the MWDOC Administration Building is to ensure that the building would perform at or better than (to the left of) Life Safety performance level in the spectrum based on today's building codes and greatest predicted earthquake risk. Staff further recommends that the Board consider bringing the MWDOC Administration Building up to a Damage Control performance level for the purpose of improving the building performance to improve the probability to conduct business and EOC operations from this facility following a San Andreas type event (the building will not be able to be occupied and functional under all future events, as this would be cost-prohibitive).

Listed below are conceptual cost estimates (a – f) for the six potential items of work. Staff has ruled out investment e. (improve soils foundation to deal with liquefaction) as being cost prohibitive. Staff believes either a $300,000 or a $500,000 investment (this includes the estimated $100,000 estimated costs for the non-structural cost improvements) are the two options on which to concentrate. The lower cost option essentially provides Life Safety, but the additional $200,000 boosts the resiliency of the building to the Damage Control level for a San Andreas event. Staff recommends proceeding with the $500,000 investment.

| **IDS Magnitude Cost Estimates for MWDOC Administration Building Seismic Work** | | |
|---|---|---|
| | **Work Items** | **Rough Order of Magnitude Cost** |
| At minimum: Complete work items to achieve Life Safety (3-C) Building Performance Level for Newport-Inglewood (extreme) event. | a. Reinforce Corners of Roof Structure at Atrium | $40,000 |
| | b. Strengthen Existing Wall to Roof Connections | $60,000 |
| | c. Add Plywood (Diaphragm) to strengthen roof structure | $100,000 |
| | f. Brace/Improve Non-Structural Items (currently in progress) * | $100,000 |
| | **Life Safety (3-C) Total** | **$300,000** |
| Recommend: Complete work items to achieve Damage Control (2-B) Level for San Andreas (reduced) event | d. Add additional Wall to Roof Connections | $200,000 |
| | **Damage Control (2-B) Total** | **$500,000** |

*This does not include the cost of the non-structural work at the South EOC; Item e. improve soils foundation was deemed cost-prohibitive and is not recommended.

Given the size and number of windows around the perimeter of the atrium (46), a large part of the cost of the non-structural improvements is to install fragment retention Safety Film on all interior and exterior windows to greatly enhance the protective capability of glass in a very unobtrusive manner. These thin, clear, pliable films can be applied quickly over the existing interior surface of the glass window. The film may not prevent the glass from

breaking, but it holds the glass fragments together and reduces the destructive capability of flying glass fragments. Since buildings with large, expansive windows pose considerable risks to occupants, Safety Film helps to reduce the possibility of injuries due to flying glass in the event of an earthquake. The safety film has a 10-year expected life, at which time the film will need to be replaced.

Next Steps

Following the recommendation from the Board for structural improvements, staff will move forward with the necessary steps to implement the identified building improvements. As noted earlier, staff are already in the process of proceeding with the non-structural improvements at the WEROC South EOC and the MWDOC Administration Building (Work Item F). Plans for those design improvements have been submitted to the Cities of Mission Viejo and Fountain Valley for permit review. Once the permitting process is complete, staff will move forward with one Notice Inviting Bids for both sites and come back to the Board for consideration of an award of a construction contract for those projects in June.

For the structural improvements at the MWDOC Administration Building, staff plans to prepare a Request for Proposals for the Design, Bid Package, and provision of Construction Management and inspection services for the structural improvements at MWDOC Administration Building. It is staff's intention to bring this contract to the Board at such time as the overall plans for the building (remodel) are ready for the Board review. We believe the overall project timeline would be as follows:

| **Schedule for Completing Structural, Non Structural and Remodel Improvements at the MWDOC Administration Building** | |
|---|---|
| **Steps:** | **Timeline:** |
| Secure RFP for Design, Bid Package & Construction Management | May-June 2018 |
| Review Remodel proposal with the Board | June 2018 |
| Board Award of Contract for Design, Bid Package & Construction Manager | August 2018 |
| Plans, specifications & Building Permits | Aug-Nov 2018 |
| Advertise for Bids | Dec 2018 |
| Board Consideration for Award of Construction Contract | Jan 2019 |
| Construction | Jan 2019 – May 2019 |

IDS Group Contracts

IDS was originally selected through a competitive basis to complete the initial South EOC structural review and the structural review of the MWDOC offices was added as a change order. Below is a chart of the work IDS has completed to date, as well as work that is in process at both facilities:

| Listing of Work Under Progress with IDS | | |
|---|---|---|
| **Status** | **Work Description** | **Costs** |
| Completed | South EOC Seismic Study | $3,700 |
| In Progress | WEROC South EOC Seismic Plans and Contractor Oversight – Non-Structural | $11,100 |
| **WEROC SUBTOTAL** | | **$14,800** |
| Completed | MWDOC Seismic Study | $7,800 |
| In Progress | Admin Plan Seismic Plans and Contractor Oversight – Non-Structural | $8,700 |
| Completed | Admin Building Additional Engineering Analysis | $6,600 |
| **MWDOC SEISMIC SUBTOTAL** | | **$23,100** |
| | | |
| **TOTAL IDS GROUP SEISMIC CONTRACTS** | | **$37,900** |
| | | |
| **MWDOC Office Remodel and space Study** | | **$29,236** |
| | | |
| **Total Work with IDS** | | **$67,136** |

**Attachments include:**

1. **IDS Report on the Conceptual Seismic Retrofit Study of the MWDOC Administration Building', Attachment A**

2. **Staff PowerPoint Presentation**

IDS GROUP

September 11, 2017

Ms. Kelly Hubbard
Emergency Services Manager
WATER EMERGENCY RESPONSE ORGANIZATION OF ORANGE COUNTY
18700 Ward Street
Fountain Valley, CA 92708

***Subject:*** ***Seismic Assessment of the MWDOC Administrative Building***
***18700 Ward Street, Fountain Valley, CA 92708***
IDS Job Number: 17S020.01

Dear Ms. Hubbard:

Per your request, IDS Group, Inc. (IDS) has performed a seismic assessment of the Municipal Water District (MWDOC) Administrative Building located at 18700 Ward Street in Fountain Valley, California for the Water Emergency Response Organization of Orange County (WEROC). This letter presents our opinions, observations, conclusions and recommendations based upon our assessment.

**Background**

WEROC has been preparing a thorough assessment of their Emergency Operations Center (EOC) facilities and this requested seismic assessment is part of that program.

We understand that the Administration Building was built circa 1972 as a one-story masonry building with a wood-framed roof structure on shallow concrete foundations. A previous seismic study was completed in 1995 by Dames and Moore. Recommendations from that study were implemented in 1999, to bring the building's structural system up to the 1997 Uniform Building Code for non-essential facility performance. The building's fire suppression systems were upgraded in 2015 to meet current building codes.

We understand that this building serves as MWDOC's primary administrative building and is also designated as their backup Emergency Operations Center (EOC). The EOC's principal function is to provide an office space to host emergency water resources personnel during critical events. This space is intended to be used as a communications and resource coordination hub. For this study, the building is considered as a Risk Category IV (essential services) facility.

**Purpose**

The purpose of this project is to provide a seismic assessment of the WEROC MWDOC Administration Building for consideration as an EOC, and make recommendations, as needed. We understand that their primary concerns are the:

1) Life-safety protection of employees or volunteers working at the facility.

2) Ability of the facility to continue serving as an EOC following anticipated shaking.

**Scope**

Our scope of services involved the following:

1. Visit the site to verify building framing conformance with available record drawings, and document the condition of the building including identifying areas of obvious damage, corrosion, cracking or settlement.

2. Perform a seismic assessment of the building using the available building information and field information in accordance with the seismic requirements of the 2016 California Building Code and ASCE 7-10, providing the necessary calculations as needed for the various parts of the structure.

3. Prepare this building assessment letter report recommending seismic modifications/ retrofits, as required per the 2016 California Building Code and prepare simple structural drawings as needed for the recommended seismic retrofit (if any). Recommendations related to life safety performance are be identified separate from recommendations related to essential facility performance.

**Building Description**

Structural drawings for the MWDOC Administration Building were not available in the documents provided. The description provided below was primarily obtained from the available architectural drawings for the Administration Building remodel and construction of the OCWD building [Ref. 1], site observations and the Dames & Moore report [Ref. 3].

The building is a one-story masonry building with a wood framed roof that was constructed circa 1972 [Photos 1 to 6]. It is rectangular in plan having overall dimensions of 144'-8" by 120'-11" and has a rectangular shaped open courtyard at its center that measures approximately 35 feet by 55 feet in plan [Photos 7 & 8]. The building has an overall height of approximately 19 feet at the top of its mansard roof while the perimeter masonry walls are approximately 11 feet tall where they meet the roof framing [Photo 4].

The building is partitioned into offices, conference rooms, kitchen, storage and mechanical equipment areas; a separate lobby structure extends from the south side of the building [Figure 1]. A concrete masonry vault structure exists in the northwest corner of the building [Figure 2].

The building is founded on a level pad elevated several feet above the surrounding grade with the utilities such as gas located below grade to the west. There is an OCWD Administrative building connected via the lobby structure that extends to the south of the MWDOC building. Other buildings and asphalt paved parking areas are located nearby as shown in Figure 1 below.

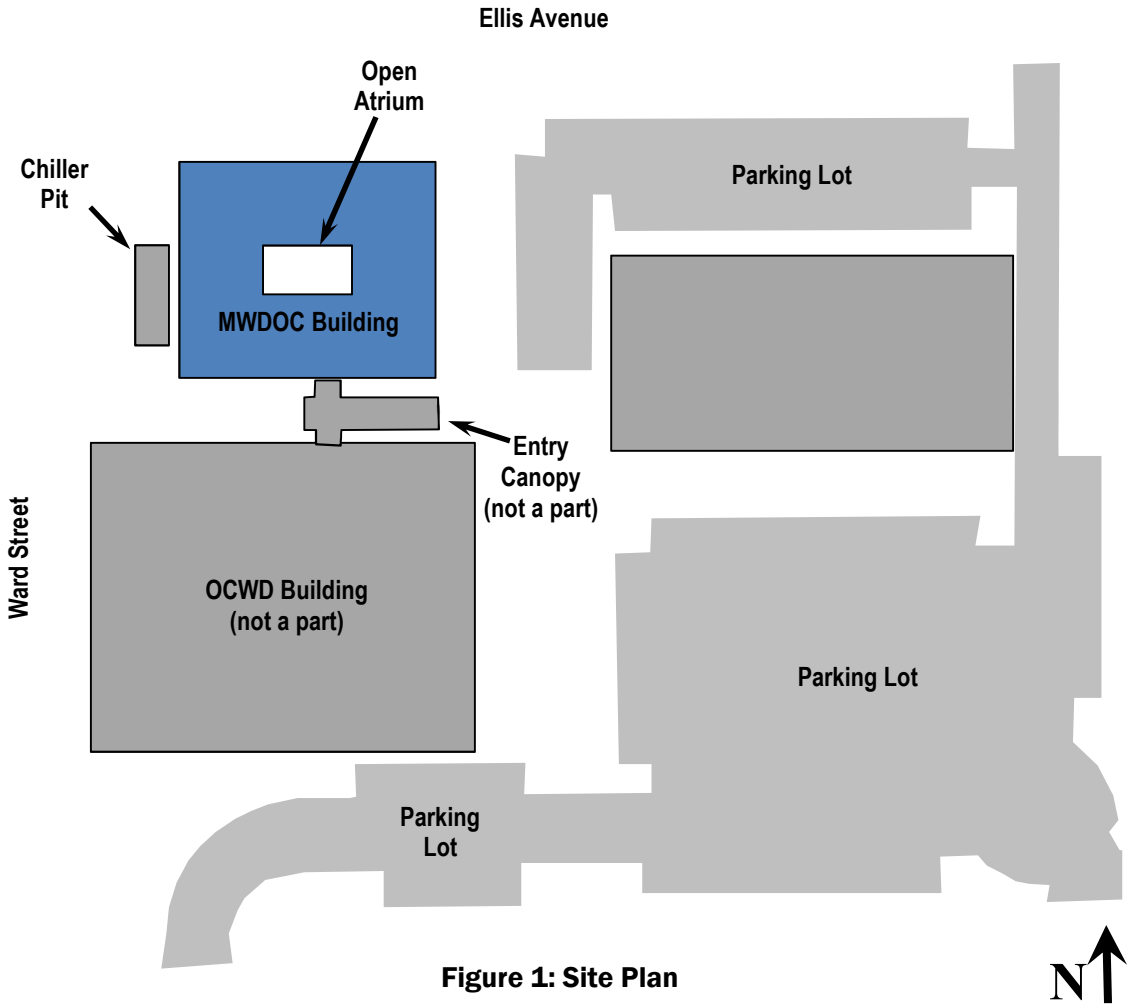



**Figure 1: Site Plan**

The vertical load resisting system of the building relies on plywood roof sheathing typically supported by sawn 2x wood rafters spaced at 24 inches on center and steel trusses oriented diagonally across the building corners. The roof framing typically bears on the perimeter masonry walls and a series of 6x wood beams supported by steel tube columns along the perimeter of the atrium. The walls and the interior columns are supported on continuous and spread concrete footings.

The building's lateral force resisting system [shown in Figure 2] relies on the plywood roof diaphragm that transfers the seismic forces out to the perimeter concrete masonry walls. These walls transfer their forces to continuous concrete footings and into the site soils.

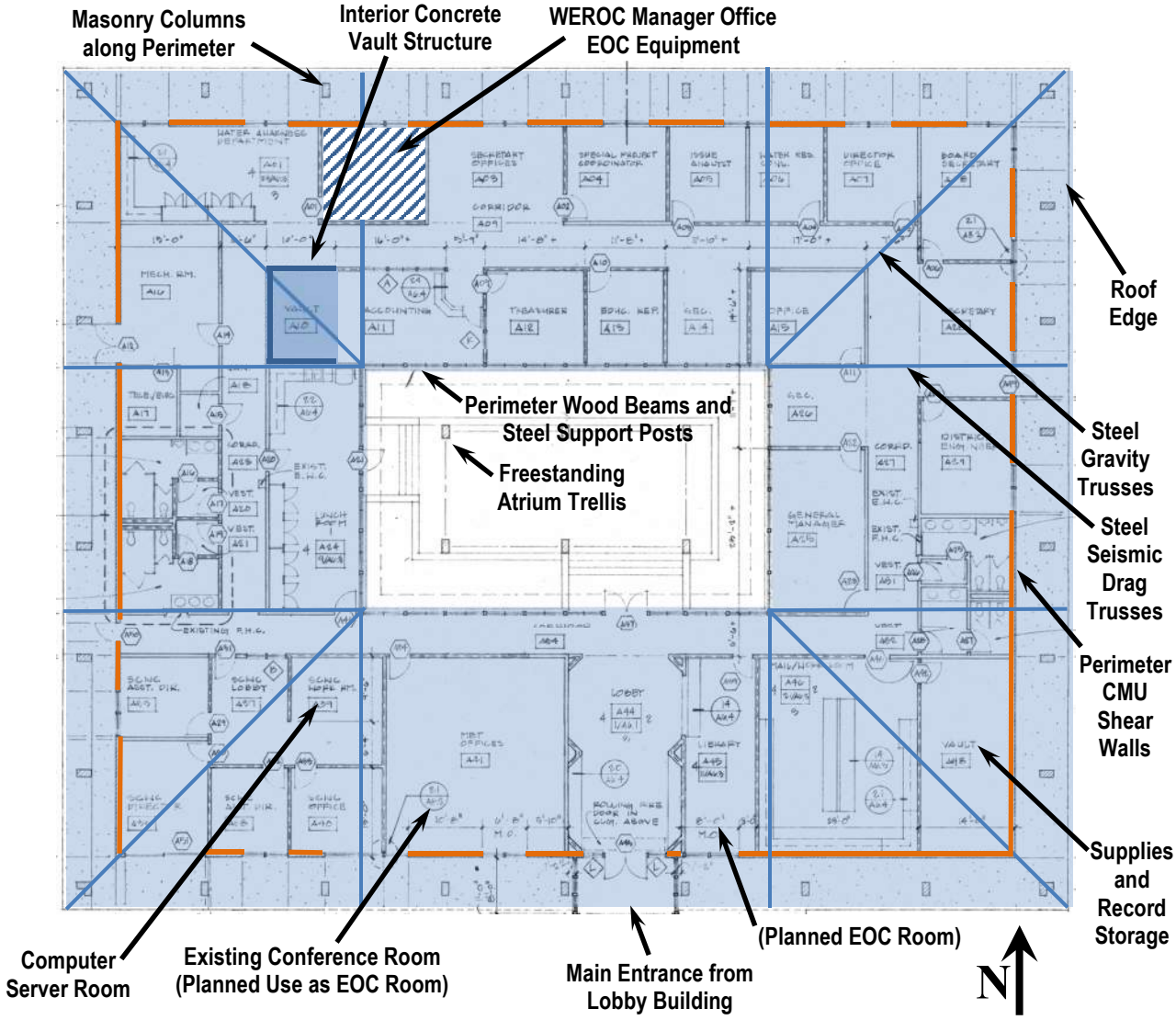



**Figure 2: Building Plan Showing Lateral Force Resisting System**

We understand that a seismic retrofit was performed in 1999 to bring the facility up to the 1997 Uniform Building Code. Drawings from that retrofit were not available for review, however some elements of a retrofit were observed during our site survey. Those elements primarily included out-of-plane wall anchors spaced at approximately 8 feet on center along the perimeter masonry wall. These anchors appeared to consist of vertical steel angles bolted to the perimeter walls and existing wood framing. Where the roof framing was parallel to the perimeter wall, anchors included a horizontal steel strap extending approximately 4 feet into the wood diaphragm and fastened with screws into 2x blocking.

**Summary of Site Observations**

David Pomerleau, structural engineer and Maja Milosevic design engineer with IDS visited the site on August 9, 2017 to observe readily accessible areas of the building. No testing or destructive investigation was conducted during this visit. In general, the building's construction appears to be consistent with the available plans. While the primary lateral force resisting system relies primarily on the perimeter masonry shear walls which are generally visible, the other elements of the system and connections between the elements were not generally visible due to the finishes or other obstructions. Overall, the building appears to be in good condition. The following items were noted during our site visit:

- Seismic Retrofit Connections – Out-of-plane connections of the perimeter masonry walls to the roof diaphragm are typically spaced at approximately 8 feet on center. Two primary versions of this connection were observed. One connection had the angles and strap connections on the inside face of the wall with blocking between the roof framing members [Photo 9]. These connections were typically observed at the building corners. Some locations revealed apparent installation deficiencies [Photo 10]. Another connection appeared to have most of the seismic connection on the exterior face of the wall. This connection was not visible, but its presence was inferred from the pattern of bolts observed protruding through the perimeter masonry wall at a spacing similar to the other seismic connections [Photo 11]. Seismic retrofit connections are also apparent at the corners of the atrium area. In these locations, bolted plates with welded connections to the steel drag trusses were observed [Photo 12].

- Interior Partition Bracing – Interior partitions have incomplete, steep, widely spaced or insufficiently attached bracing to roof framing members [Photos 13 to 16]. Some of these braces were fastened at framing locations without blocking or stability bracing. [Photo 15].

- Computer Equipment Not Anchored – Computer equipment, including the main servers for the building, that are presumed critical to the emergency operations generally have no seismic restraint or seismic straps and anchors were not engaged [Photos 17 to 20].

- Contents Not Anchored – Tall and narrow book cases located in offices as well as the building corridors are not anchored [Photos 21 and 24]. Several maps in the front conference room have support clips without sufficient seismic restraint.

- Piping Not Sufficiently Anchored – Piping is insufficiently supported and braced, especially in the ceiling above the computer server room where line breakage could flood the computer equipment [Photos 25 and 26]. Photo 26 shows some small diameter lines that have the potential to impact the structural framing due to the swaying or movement of the mechanical unit above the ceiling of the computer room. This type of impact could cause a leak. Fire sprinkler lines exist both protruding through the suspended ceiling of the computer room and

in the attic space above the computer room. If the system were to discharge or open, the computer system would be flooded.

- Mechanical Equipment Not Sufficiently Anchored – Mechanical equipment located within the building's mechanical room does not have sufficient seismic restraint [Photo 27]. Additionally, mechanical units suspended within the ceiling space have no lateral bracing [Photo 28].
- Suspended Ceilings – The ceilings generally have suspension and bracing including compression posts at brace locations [Photo 29]. However, improper bracing conditions were still observed [Photos 30 to 32]. Ceiling grids are generally not anchored along their perimeter. Additionally, the perimeter ceiling support angles are generally too narrow and irregularly anchored to properly support the ceiling grid. The grid near the concrete vault in the northwest corner have perimeter support angles insufficiently fastened to the concrete vault.
- Light Fixture Supplemental Support Wires Generally Present – The light fixtures in the ceiling system generally have supplemental support wires on all four corners of each fixture [Photos 29, 31 and 32]. Limited locations have improperly installed wires [Photos 33 and 34].
- Concrete Vault – The concrete vault located in the northwest corner of the building has been modified from the configuration shown on the available record drawings. It appears that a wall has been removed from this vault leaving only three walls as shown in Figure 2 above. Additionally, horizontal steel tube reinforcement elements appear to have been added to the top of the vault [Photos 35]. The ceiling system surrounding this vault is rigidly connected to the vault with some of the fasteners improperly or incompletely installed [Photo 36].
- Loose Tiles – Roof tiles were observed to be loose and could become detached and pose a falling hazard.

**Summary of Structural Review**

IDS reviewed the available record drawings in reference to the building's seismic force resisting system and performed preliminary calculations based on the seismic force requirements of the 2016 CBC.

IDS also used the Tier 1 Checklists from the ASCE Standard 41-13 [Ref. 7] to provide a basic screening for seismic deficiencies. ASCE 41 is a national standard widely used for the seismic evaluation of structures. Its Tier 1 procedure is a screening type of methodology intended to quickly identify potential seismic deficiencies of various structural systems and non-structural elements.

The following issues were identified through our review:

- Liquefaction – We reviewed the Seismic Hazard Zones map for this area [Ref. 7], and determined that the site is located within a regional area identified as a liquefaction zone. The USGS defines this as an area "where historic occurrence of liquefaction, or local geological, geotechnical and groundwater conditions indicate a potential for permanent ground displacements such that mitigation" would be required. Since the building is understood to be supported by shallow foundations, we would anticipate structural damage even though the building is relatively light. This damage could also include breaking of glass around the interior atrium area as the building displaces. Along the front/south side of building, the atrium glazing occurs along the main building corridor which could create issues for immediate occupancy and use. Additionally, soil instabilities may also result from the spreading of the raised pad that the building rests on. These instabilities would add to building displacements which could affect glazing and the operation of doors. More broadly, depending on the amount of liquefaction that occurs, the site's utilities, its overall function, the city and the surrounding area are expected to have increased damage and loss of functionality due to liquefaction.

- Insufficient Wall Anchorage – Wall anchorage connections having straps to wood blocking are insufficient to resist the anticipated lateral forces required by the current Code based on the observed connections at each corner of the building. Other connections along the sides of the building away from the corner were not visible and their capacity is unknown.

- Adjacent Structures – There is insufficient gap between the Administration Building and the Lobby Building to the South. However, damage resulting from impact of these two buildings is not anticipated to be significant since the structural and non-structural systems at the interface essentially mirror each other.

- Fire Suppression Piping – Fire suppression piping appears to be generally compliant regarding seismic restraint detailing, but locations were observed throughout the structure where vertical restraints at support locations are not compliant and impact with adjacent items which could damage the sprinkler lines could occur.

- Contents and Furnishings – Contents and furnishings are generally unanchored and unbraced.

- Lights, Ceilings and Partitions – Support and bracing of lights, ceilings and partitions was found to be deficient.

**Conclusions and Recommendations**

In general, the building was found to be in relatively good condition for its age and structural system and seismic restraint and bracing systems were generally found to be present. We note that the building was originally designed, constructed and even retrofitted as a non-essential facility.

However, the Immediate Occupancy performance level desired for Emergency Operations use is a high level of performance that is often difficult to consistently and completely achieve. Based on our site visit and observations of the building, as well as preliminary calculations, the MWDOC Administration building is insufficient to provide immediate occupancy performance following a major earthquake.

While some occupant injuries might occur during the earthquake, the overall risk of life-threatening injury because of structural damage is expected to be low. While the Administration building has numerous beneficial features that will contribute to better performance such as a masonry shear wall lateral system, modern single-story construction, and previous seismic retrofit; it also has many features that detract from its ability to serve as an essential facility.

The current Building Code does not require upgrade of the existing seismic force resisting system unless alterations are considered such as change of occupancy, increase of building mass or size, and modifications of the existing lateral force resisting system. However, in its current configuration, we do not believe that the Administration building will meet the structural and non-structural performance objectives desired by WEROC.

We do not believe that there are any substantial issues that would prevent the building from performing at the Life-Safety performance level similar to other office occupancy buildings of this type and vintage.

For this building to serve as an essential facility serving critical functions following a major earthquake, the following items, at a minimum, would be necessary:

1. Upgrade of the Seismic Force Resisting System – The previous seismic retrofit was not performed to the force levels and detailing requirements of the current codes for essential services performance. Additionally, that retrofit focused on building structural issues and did not include review of non-structural performance or contents. More specific information would be required of the existing seismic retrofit and a complete assessment of as-built conditions would be required to provide more specific recommendations. Several key deficiencies of the building include adequacy of the out of plane wall anchors. Consideration of liquefaction effects is also necessary to achieve the desired performance. However, regarding liquefaction, the consideration of the performance of the overall facility and utilities is also recommended.

2. Glazing – Performance of the building glazing, especially along the front hallway at the building entrance and outside the conference room intended to serve EOC functions, should be considered. Damage to this glazing may present safety hazards in these areas.

3. Ceiling and Light Support and Bracing Improvements – Ceiling edge angles and restraints do not comply with current code. Bracing and light supports should be reviewed and improved

throughout the building to reduce the likelihood of ceiling damage and falling panels that could inhibit the operation of the building following a major earthquake.

4. Anchor Non-Structural Elements and Equipment – Anchorage and bracing of non-structural elements and equipment is necessary to prevent or reduce falling objects and potential damage to equipment necessary for emergency operations. Additionally, we recommend consideration of moving the computer server room to an area free from overhead piping and possibly providing a room with a dry fire suppression system that would not impair the server if it were to be implemented.

5. Secure Loose Roof Tiles – Securing of loose roof tiles is recommended to prevent or reduce the potential for falling objects.

**References**

1. Grillas, Pirc, Rosier, Alves; "MWDOC/OCWD Office Complex, 10500 Ellis Avenue, Fountain Valley, California;" Sheets T1.1, T1.2, C1.1, C1.2, C3.1, C3.2, C4.1, C5.1, C5.2, A2.1 to A2.4, A3.1 to A3.8, A4.1 to A4.3, A5.1, A5.2, A6.1 to A6.5, A7.1, A7.2, A8.1 to A8.6, *{OCWD structural drawings only}* S1.1, S2.1, S3.1 to S3.3, S4.1, S4.2, S5.1 to S5.4, M1.1, M1.2, M2.1, M3.1 to M3.6, M4.1, M5.1, M6.1, P1.1, P2.1, P3.1 to P3.5, E1.1, E2.1 to E2.5, E3.1 E3.2, E4.1, E4.2, E5.1, E5.2, E6.1, E7.1, E8.1, L2.1 to L2.4, L3.1, F3.1, I3.1, I3.2; Not for Construction Set; Dated 6/9/89.

2. Thornton Tomasetti/Coil & Welsh; "Tenant Improvements for Orange County Water District Administration Building (MWDOC), 10500 Ellis Ave., Fountain Valley, CA 92708; Sheets S-0, to S-2, Dated 1/17/03.

3. Dames & Moore; 1996 EqRiskReductionStudy MWDOC Bldg.

4. PDC Interiors; "MWDOC Entry/Conference Room, MWDOC Reception Floor Plan;" Proposed Sheet A1.0, Dated 3/4/2016.

5. California Building Standards Commission; "2016 California Building Code, California Code of Regulations Title 24."

6. American Society of Civil Engineers (ASCE); "Minimum Design Loads for Buildings and Other Structures (ASCE/SEI 7-10)."

7. American Society of Civil Engineers (ASCE); "Seismic Evaluation and Retrofit of Existing Buildings (ASCE/SEI 41-13)."

8. State of California Division of Mines and Geology; "State of California, Seismic Hazard Zones – Newport Quadrangle;" released April 15, 1998.

**Limitations**

This letter report is intended for the sole use of Water Emergency Response Organization of Orange County in its evaluation of the subject property. It is not intended for use by other parties, and may not contain sufficient information for purposes of other parties or other uses. This letter report is based on our observations of readily accessible areas, review of available drawings, rough engineering calculations related to the building's lateral force resisting system and our engineering judgment and experience. Our assessment is limited to the building's primary structural systems in relation to seismic performance. Evaluation of site related seismic hazards such as liquefaction and slope stability is limited to a review of available regional hazard documentation. Evaluation of nonstructural items such as architectural elements, furnishings and interior equipment, and electrical, mechanical, and plumbing systems are not considered in this evaluation. Evaluation of site utilities serving the building is excluded. Evaluation of other hazards affecting essential services performance such as fire, flood and wind are excluded. Testing, destructive or otherwise, was not performed. Our limited investigation should not be considered a review of the design, nor an inspection of latent conditions that have not manifested damage to date. Other conditions affecting the structure that were not inspected, anticipated, or accessible including all public safety issues, are beyond the scope of this report. Our professional services have been performed with the degree of care and skill ordinarily exercised, under similar circumstances, by reputable consultants practicing in this field at this time.

♦◆♦

Thank you for allowing us this opportunity to be of service on this project. If you have any questions regarding this letter report, please do not hesitate to contact us.

Sincerely,

**IDS Group, Inc.**

David Pomerleau, SE
Project Manager

Said Hilmy, Ph.D., SE, LEED AP
Principal

REGISTERED PROFESSIONAL ENGINEER
SAID I. HILMY
No. 3680
STRUCTURAL
STATE OF CALIFORNIA

**Photo 1: Building Overview from Southeast Corner**

**Photo 2: Building Overview from Southwest Corner**

**Photo 3: East Side of Building**

**Photo 4: North Side of Building**

**Photo 5: South Side of Building at Entry Lobby**

**Photo 6: North Side of Building**

**Photo 7: Free Standing Trellis in Atrium**

**Photo 8: Free Standing Trellis in Atrium**

**Photo 9: Typical Out of Plane Wall Anchorage Connection**

**Photo 10: Close-up Showing Gap at Seismic Blocking**

**Photo 11: Wall Anchorage Connection Presumed to Exist on Far Side of Wall**

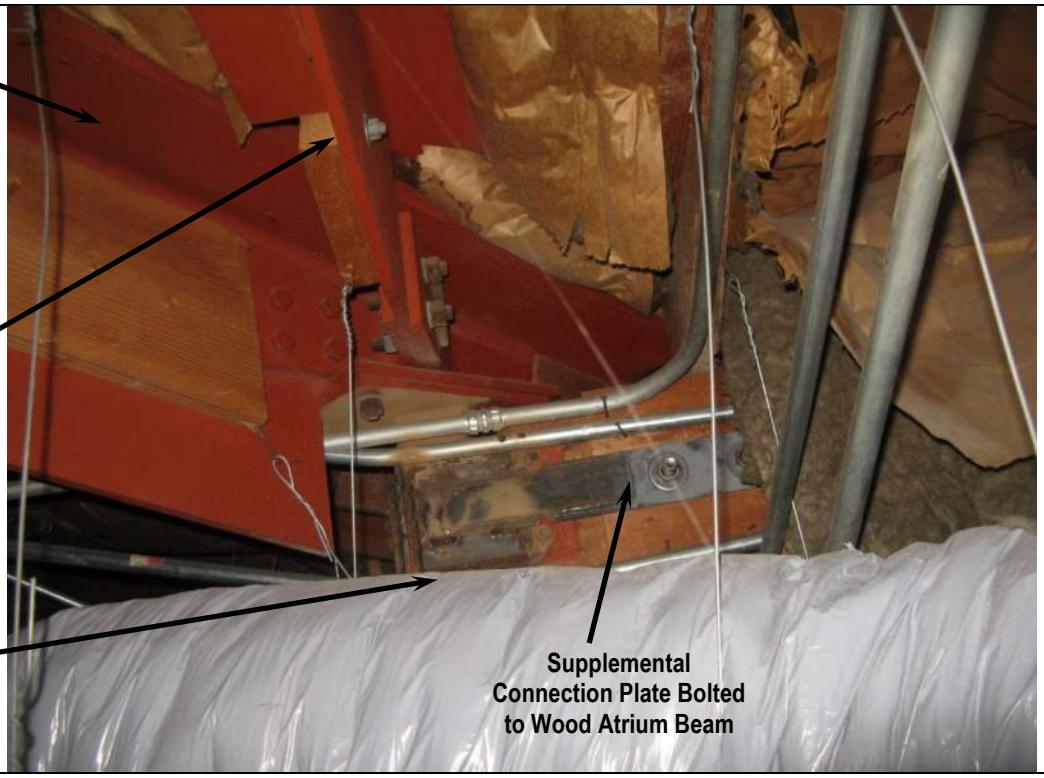



**Photo 12: Roof Seismic Connection at Atrium Corner**

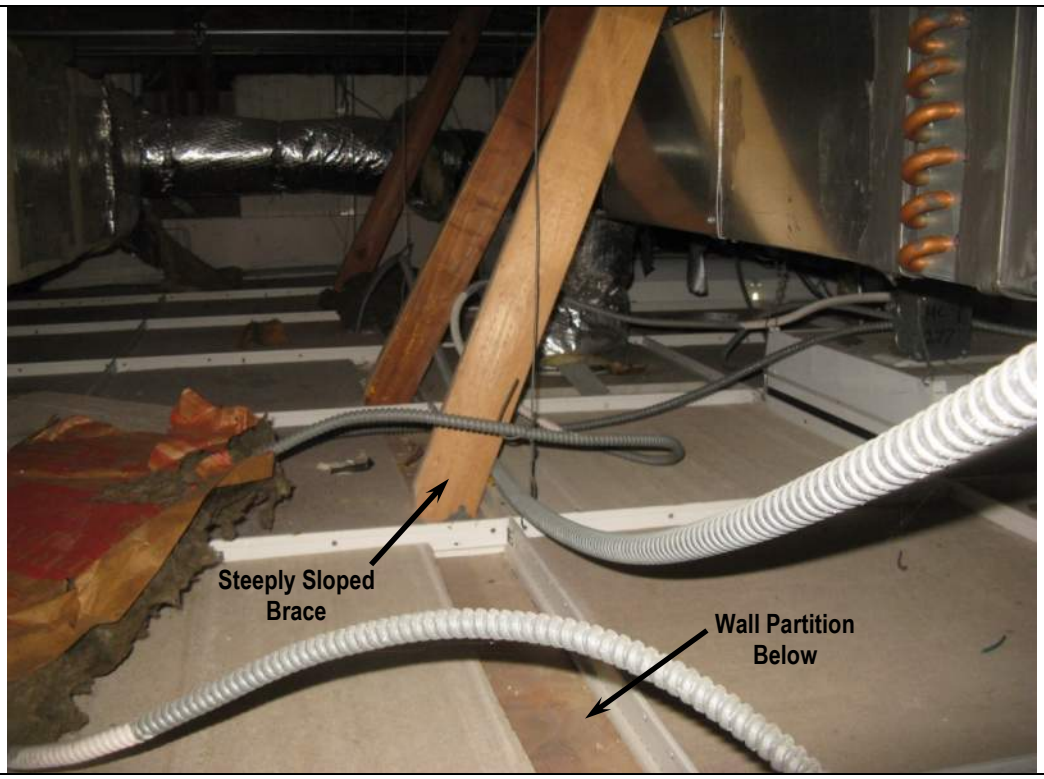



**Photo 13: Steeply Sloped Partition Bracing**

**Photo 14: Interior Partition Bracing Connection**

**Photo 15: Partition Brace to Unbraced Roof Framing**

**Photo 16: Widely Spaced, Steeply Sloped and Inadequate Brace Connection**

**Photo 17: Computer Server Cabinet Not Anchored**

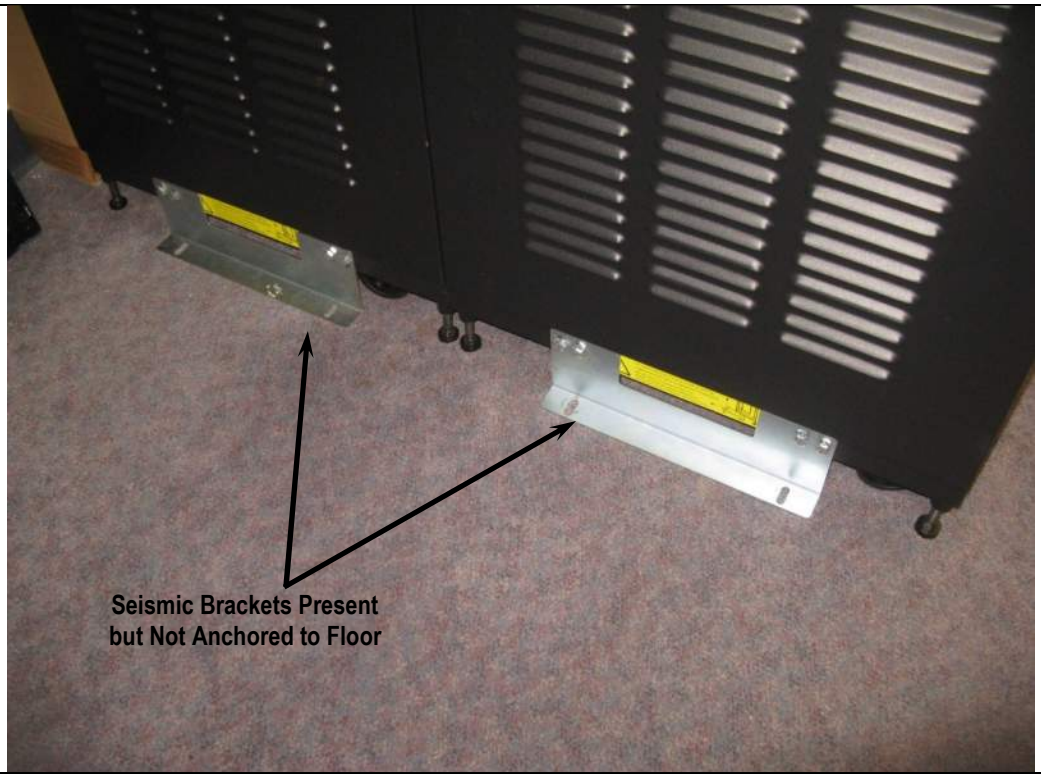



**Photo 18: Computer Server Cabinet Not Anchored**

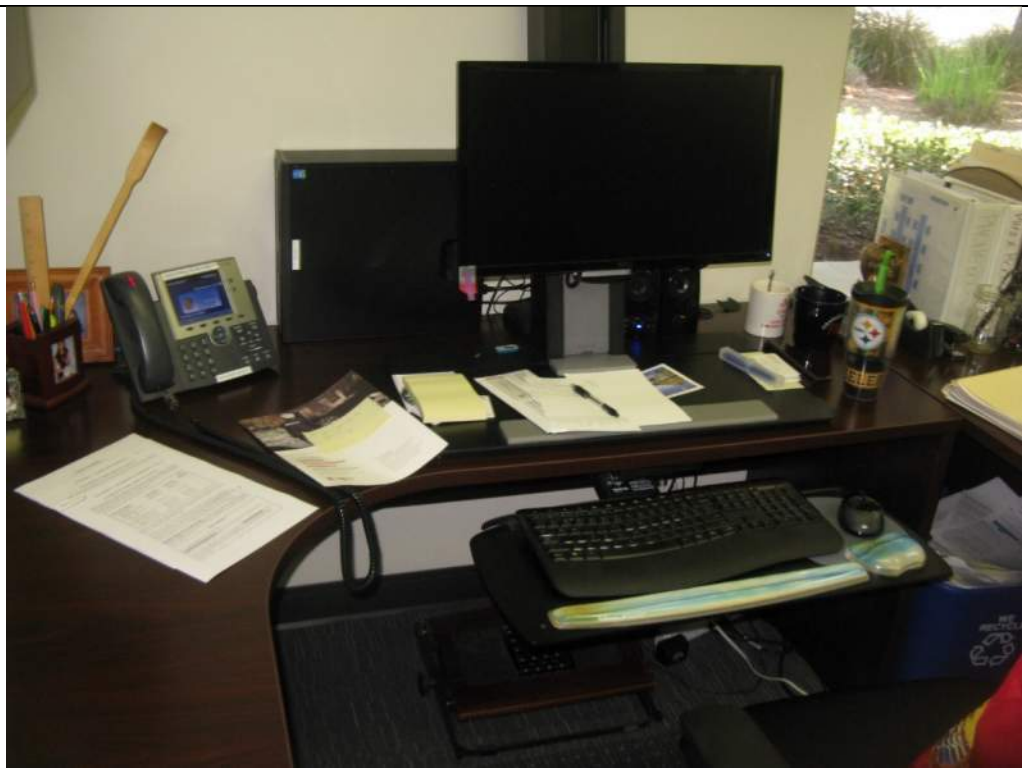


**Photo 19: Typical Unanchored Office Computer Equipment**

**Photo 20: Unrestrained Communications Equipment**

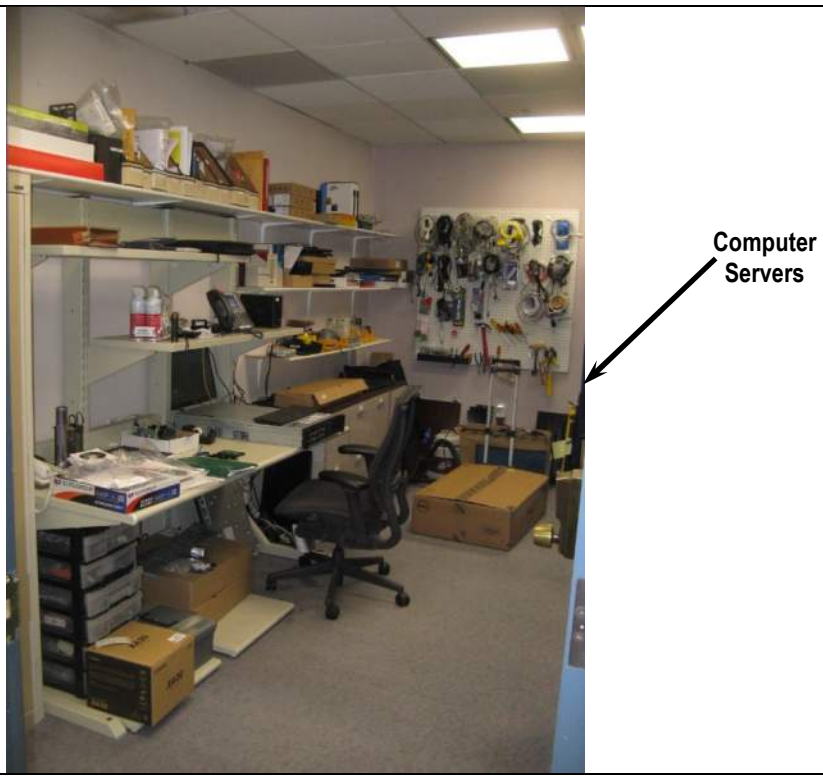



**Photo 21: Unrestrained Contents in Computer Server Room**

**Photo 22: Unanchored Tall Narrow Contents in Hallway**

**Photo 23: Storage Room at Southeast Corner**

**Photo 24: Storage Room at Southeast Corner**

**Photo 25: Piping in Ceiling Above Computer Room**

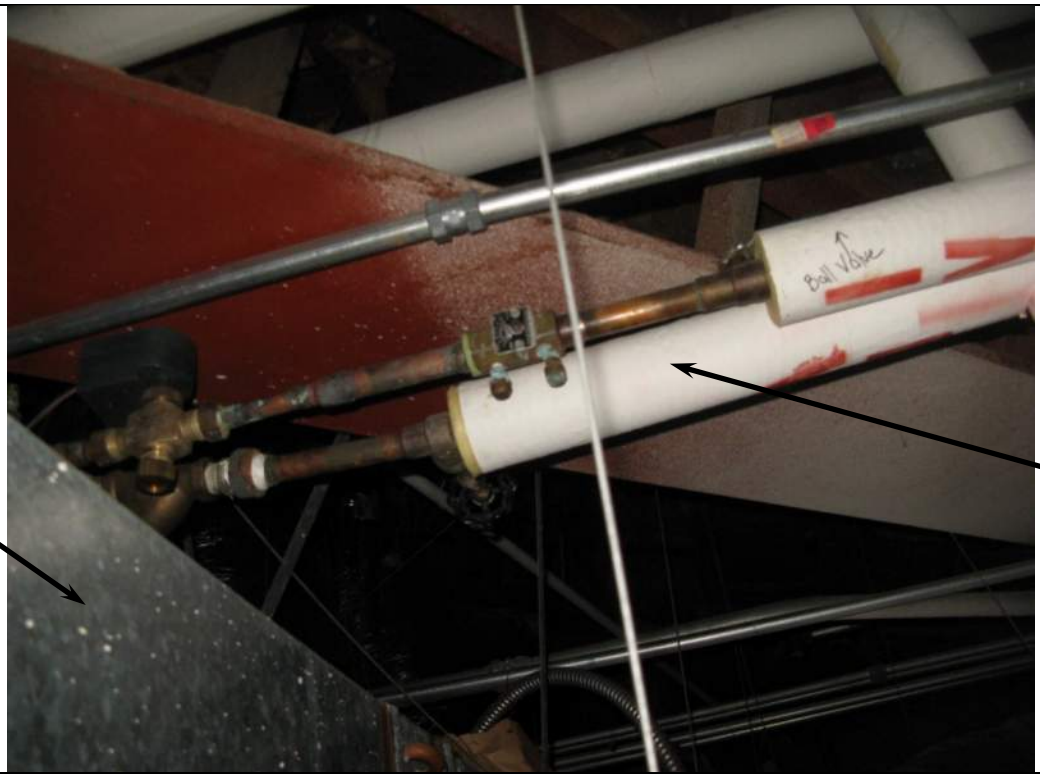



**Photo 26: Water Piping in Ceiling Above Computer Room**

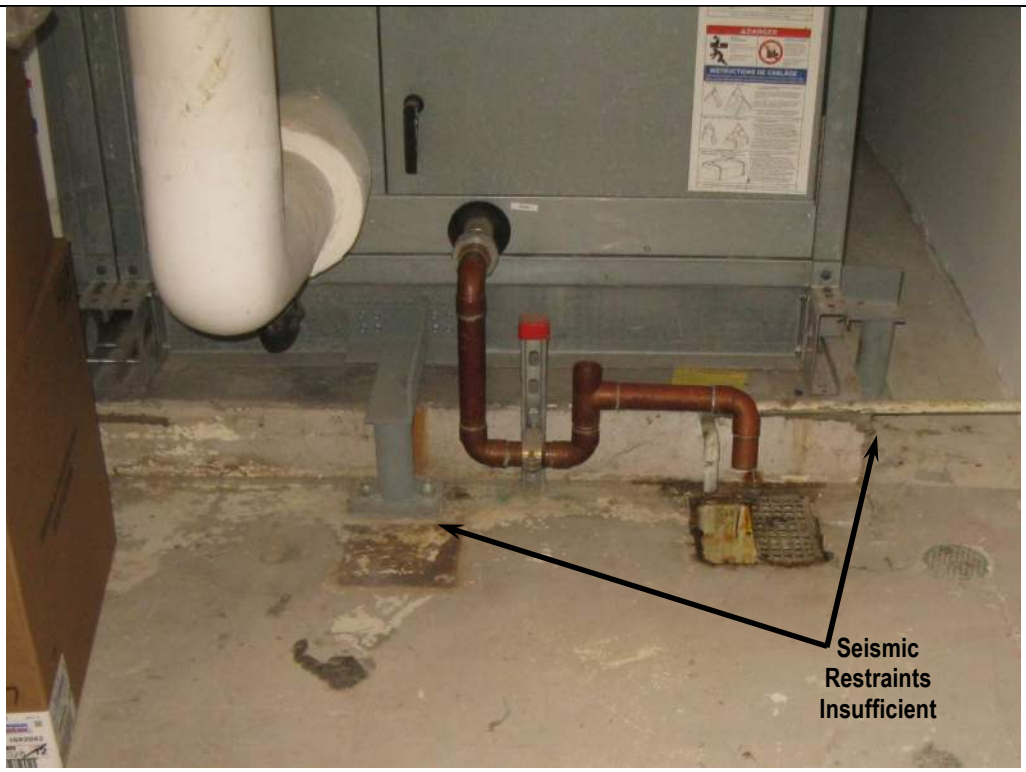



**Photo 27: Mechanical Unit in Mechanical Room**

**Photo 28: Typical In-Line Mechanical Unit without Seismic Bracing**

**Photo 29: Typical Ceiling Bracing with Compression Post**

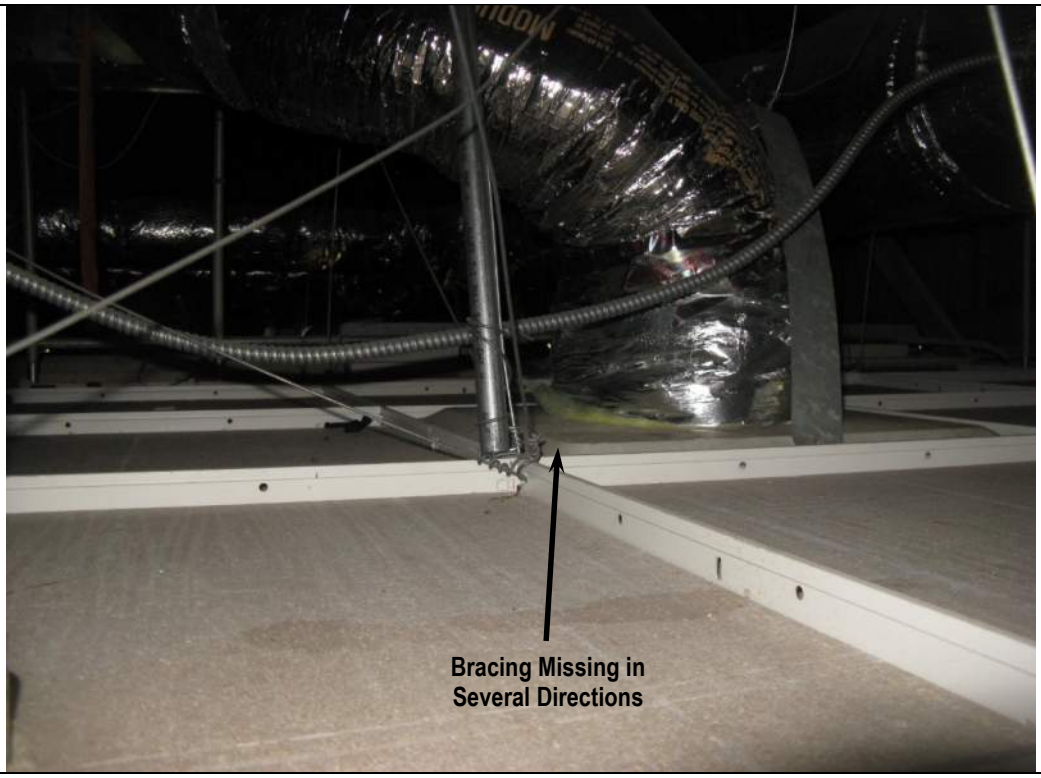



**Photo 30: View of Incomplete Lateral Bracing**

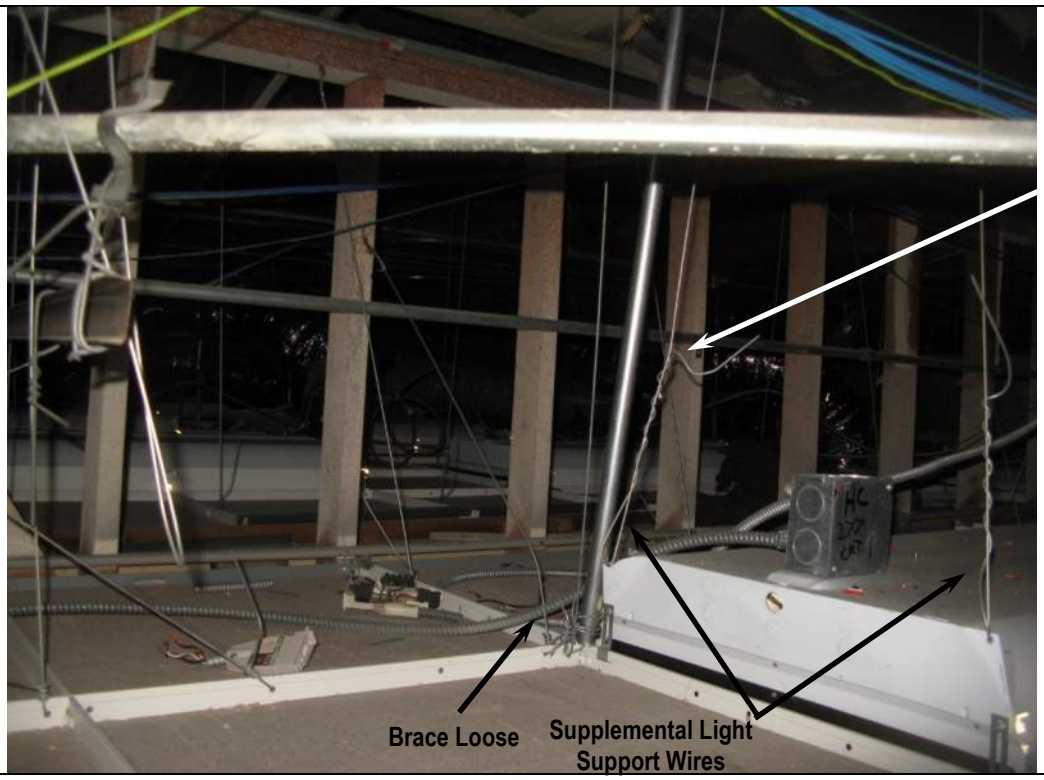



**Photo 31: Incomplete/ Improper Ceiling Bracing**

**Photo 32: Improper Ceiling Bracing Above Front/Main Conference Room**

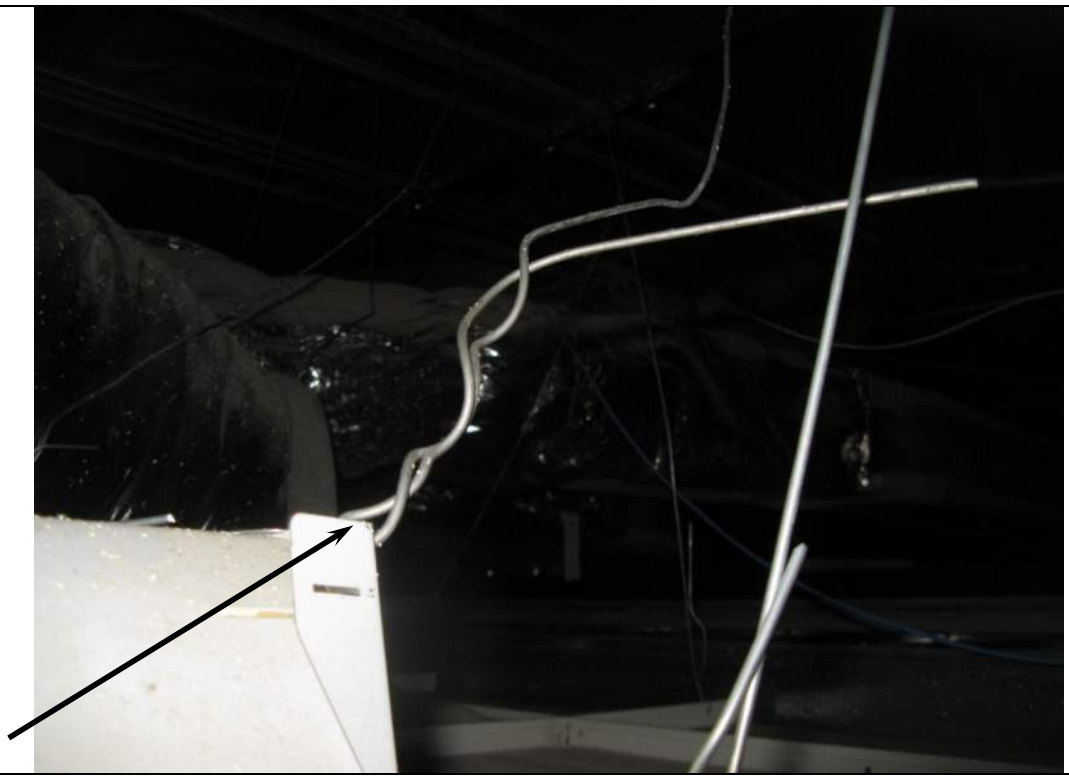


**Photo 33: Improper Light Support Wire**

**Photo 34: Improper Light Support Wire**

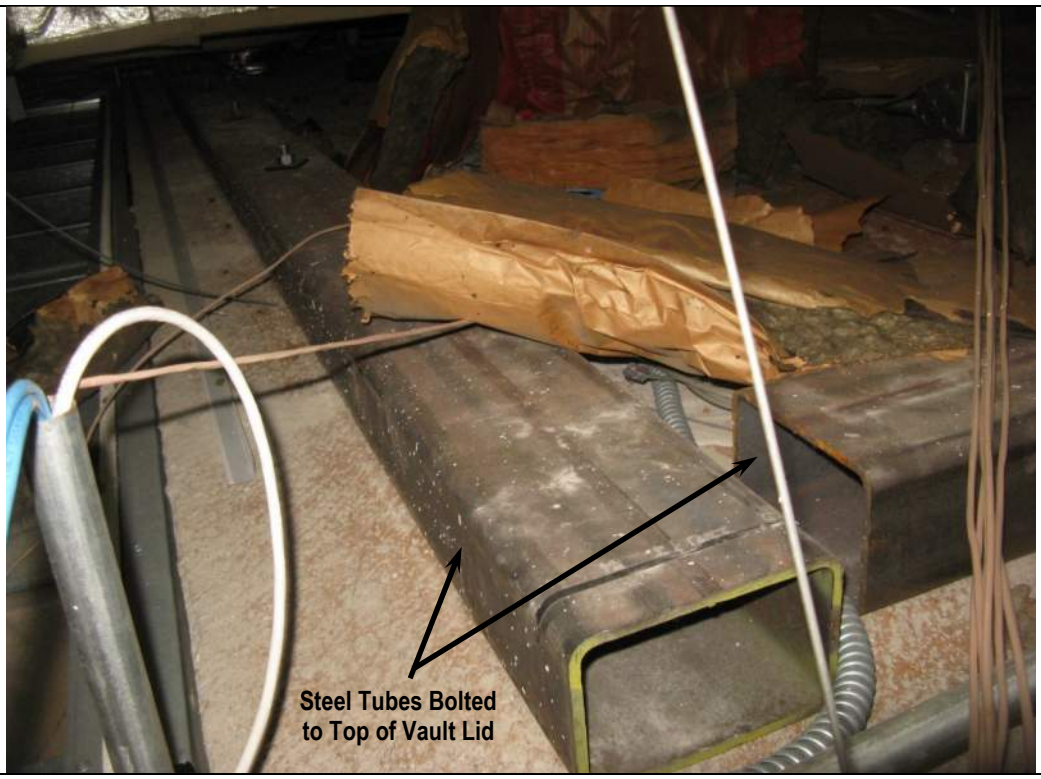



**Photo 35: Reinforcement of Vault Lid**

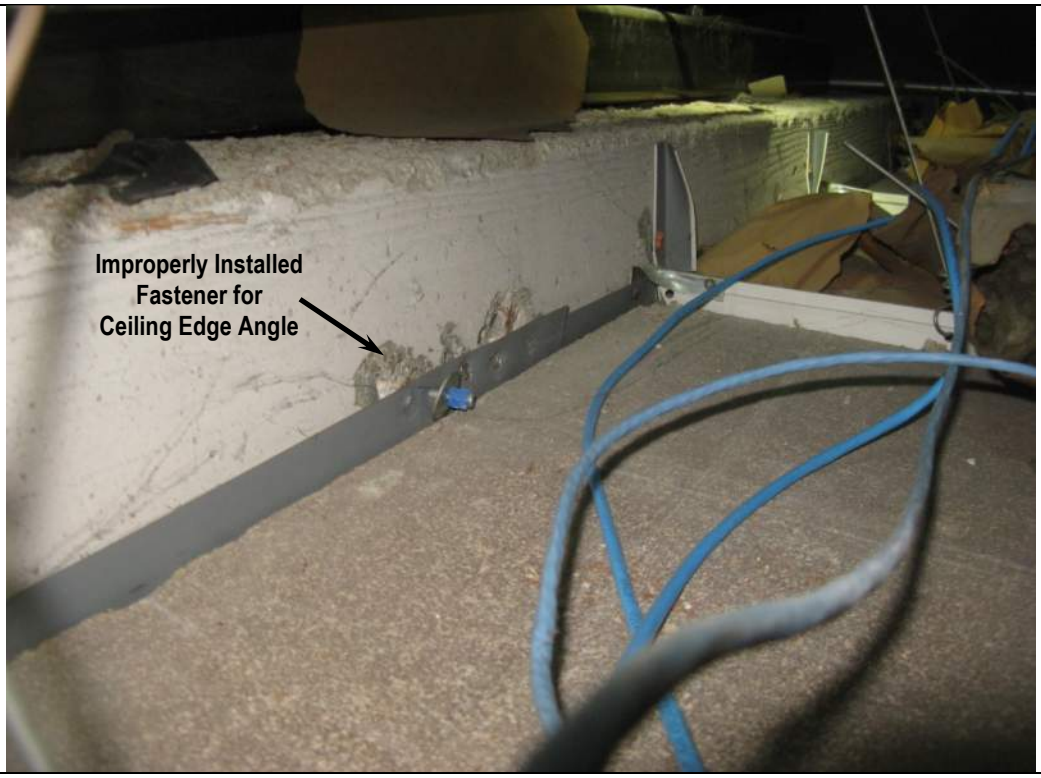



**Photo 36: Ceiling at Northwest Vault Lid**

# Potential Structural Improvements to Administrative Building

(based on Seismic Assessment)

Municipal Water District of Orange County

# Background

- Focus of MWDOC Admin Building Seismic Assessment
  - Life Safety - protection of people in the facility
    - During and immediately after a seismic event
  - Ability of the facility to continue to function after a seismic event:
    - for business purposes, and
    - serve as a backup WEROC EOC if the South EOC was unavailable
- Expert Analysis
  - IDS Group - Structural Engineering Division
    - Structural Engineering Design Services
    - Assessment, Repair and Alterations of Existing Facilities
    - Earthquake Risk Mitigation and Retrofit

# Performance-Based Seismic Design

- ‘Current Seismic codes are essentially aimed at the preservation of life and safety… not to limit damage’*
- Current Seismic code design for non-essential facilities are intended to provide life safety:
  - No damage in a minor earthquake
  - Limited structural damage in moderate earthquake
  - Resist collapse in a major earthquake
- Building Performance Objectives (Levels) aim to achieve a reliable estimate of performance under different earthquake hazard scenarios

* FEMA 389 - Communicating with Owners and Managers of New Buildings on Earthquake Risk-2004

# Spectrum of Building Performance Levels

## (ASCE/SEI 43-13-Seismic Evaluation and Retrofit of Existing Buildings)

Life Safety & Continued Operations Focus ← | → Life Safety Focus

| Operational (1-A) | Immediate Occupancy (1-B) | Damage Control (2-B) | Life Safety (3-C) | Reduced Safety (4-D) | Collapse Prevention (5-D) |
|---|---|---|---|---|---|
| Very little damage, power available, equipment operable | Overall damage light. Building remains safe, with minor repairs and some cleanup. Non-structural components and utilities remain secure, but may not function. | Range between Immediate Occupancy and Life Safety. Control damage to allow return to function quicker. | Structural & Non-structural damage is significant. May not be safe for continued operations without repair. | Performance range midway between Life Safety and Collapse Prevention | Building standing but low resistance to additional shaking (after shocks), Extensive Non-Structural component damage, Unsafe for occupancy. |

$$$$$$ $$$$ $$$ $

Deciding where to be on this spectrum

Relative Cost to Attain Performance Level

MWDOC

# Definitions

- **Life Safety** – Relates to protection of people in the building during a seismic event to prevent serious injury or death. Under this designation:
  - Structural walls should not fail but the building may permanently lean to one side. The structural walls can withstand additional aftershocks, but the structural components will have weakened.
  - It may not be possible to re-occupy the building until repairs are made to the structural system, and it may not be economical to repair the building following a seismic event.
  - The ability to re-occupy the building following an earthquake is not part of the design considerations.
  - Non-structural components are likely damaged and overturned (i.e. pipes likely break, glass likely broken under pressure resulting in projectile fragments, jammed doors, lights and suspended ceilings likely fall, furniture likely overturned). Interior (partition) walls are likely damaged and may fall down.

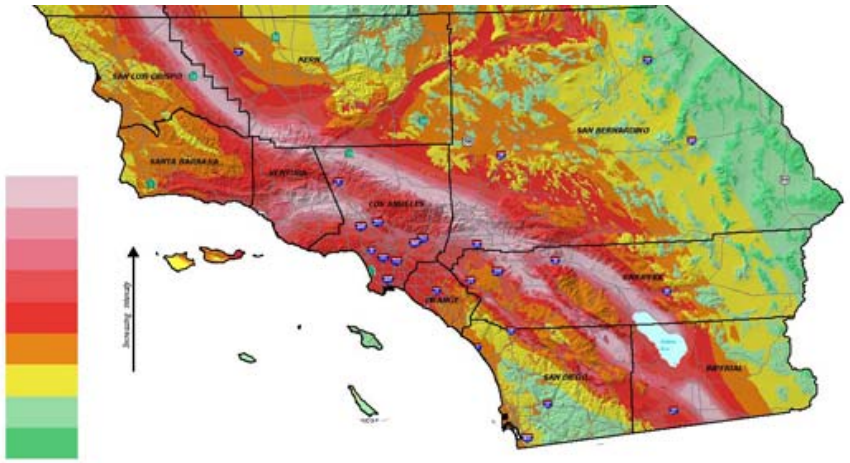
# Definitions (cont.)

- **Damage Control -** This is a spectrum halfway between Immediate Occupancy/Essential Facility and Life Safety:
  - The structural system is more robust than Life-Safety, increasing the probability the building can be re-occupied sooner. (i.e. The building is designed with consideration of the building being re-occupied.)
  - Non-structural items may shift around, (i.e. they may have some damage, but overhead items remain suspended, plumbing and electrical fixtures and lines work provided there is power and water from the local utility).
  - Schools are typically built to this standard.

# Definitions (cont.)

- **Essential Facility - (also called Immediate Occupancy)** –
  - This designation is typically provided for facilities that are critically needed following a large seismic event (Fire, police, utility structures, etc.).
  - Damage is limited. The building structural system is largely in its pre-earthquake condition.
  - Non-structural systems have negligible damage and are functional.
  - Typically, the facility can be occupied with a normal level of functioning without repairs

# Seismic Risk



Level of Earthquake Hazard

- Function of 3 Elements*:
  - Likelihood of an Earthquake Occurring & its Intensity (Hazard)
  - Performance Characteristics of a Building (Vulnerability)
  - Resulting Losses - Injuries, Damage, and Interruption of Operations (Consequences)

* FEMA 389 - Communicating with Owners and Managers of New Buildings on Earthquake Risk-2004

# Seismic Risk Management

Strategies to limit Seismic Risk effects:

- Design Strategies
  - Reduce Hazards –
    - Relocate building or
    - Improve foundation soils
  - Reduce Vulnerability –
    - Increase building's capacity to withstand an earthquake
- Business Strategies
  - Diversify Operations
    - Alternate EOCs that are geographically dispersed
- Event Response Strategies
  - Train Staff
  - Prepare for Rapid Inspection, Repair, and Recovery
  - Stockpile supplies for temporary operations

# Seismic Assessment Results

- Complete the Non-structural recommendations to reduce potential injuries and improve immediate operational capabilities
  - In progress
- Report raised concerns about potential building damage and impacts to operational performance.
  - Attaining Essential Facility requirements would be extremely costly and difficult to achieve,
  - Some operational performance level improvement could be accomplished.
- Additional evaluation to clarify reasonable retrofit options
  - Determination of Acceptable Risk/Investment

# Building Components

(ASCE/SEI 41-13 Seismic Evaluation and Retrofit of Existing Buildings)

## Structural

- Roof
- Walls
- Foundation

Structural Performance is Rated
(High to Low) S-1 to S-5

## Non-Structural

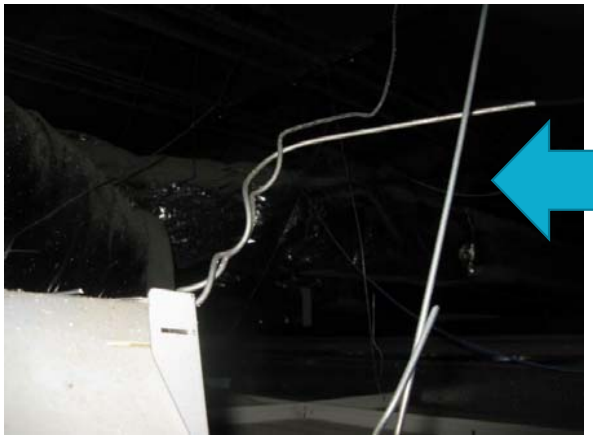
(in Progress)

- Ceilings
- Partitions
- Windows (Safety Film)
- Mechanical/Electrical Equipment
- Furniture
- Utilities

Non-Structural Performance is Rated
(High to Low) N-A to N-D

# Examples
## (Non-Structural – Lights & Ceilings)

2011 Christchurch, NZ M7.1



Bracing Missing, Wire Supports incorrectly tied

# Examples
## (Non-Structural – Partition Bracing)

1994 Northridge M6.7

Not Braced

Not Connected Correctly

Partition Wall Braces need to be properly connected to structural system

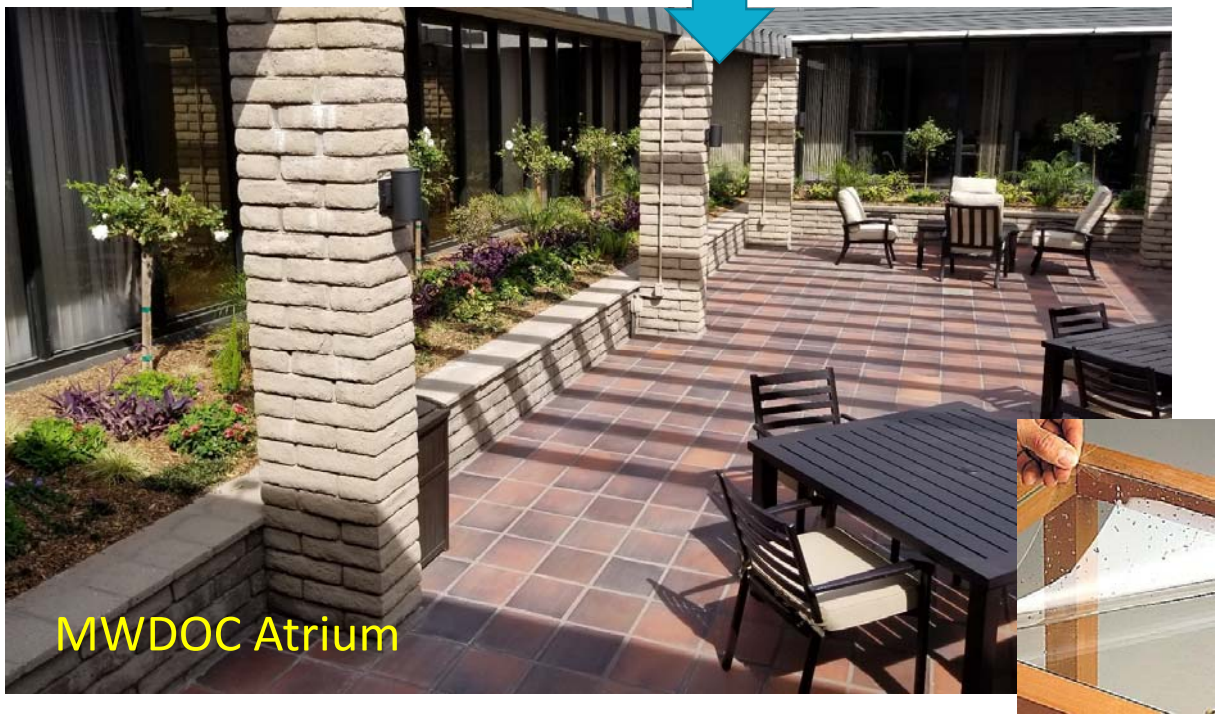
# Examples
## (Non-Structural – Windows)

### 2014 Brea M5.1

Windows under pressure during earthquakes can explode, sending glass projectile fragments everywhere.

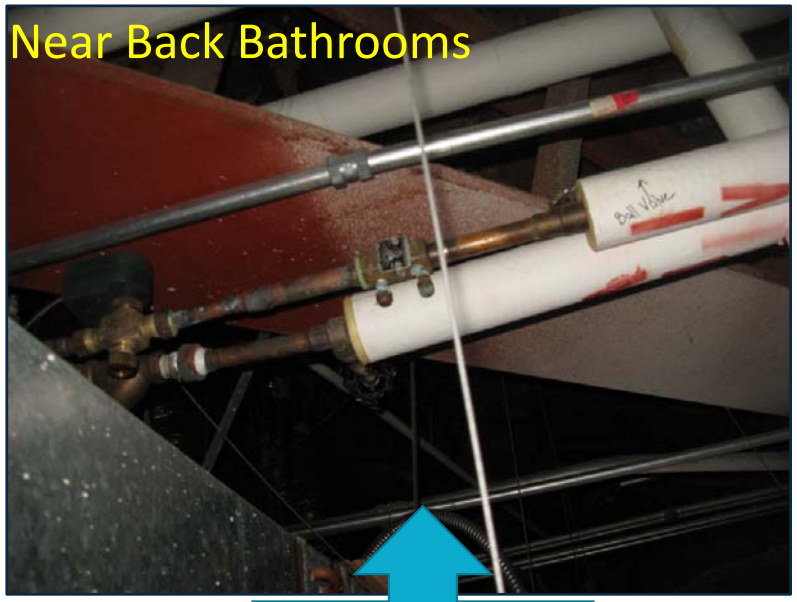
### 2011 Christchurch, NZ M7.1

101 windows at MWDOC Admin Building (46 in the atrium)




Safety film holds glass fragments together reducing the risk of injury.

# Examples
## (Non-Structural - Utilities)

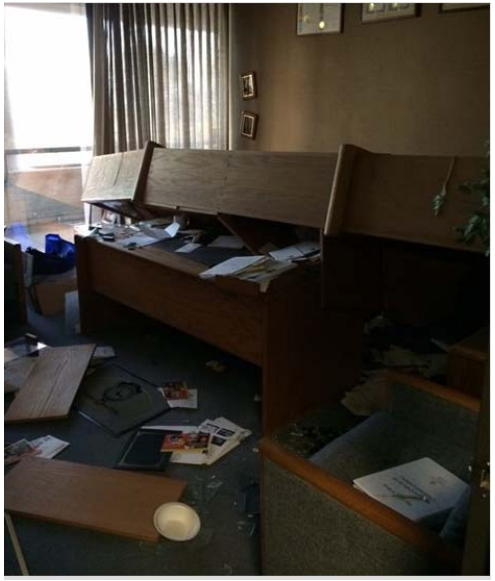



Piping too close to adjacent beam

Water Pipes – Some additional work is needed.

# Examples
## (Non-Structural – Furniture Bracing)

2014 Brea M5.1



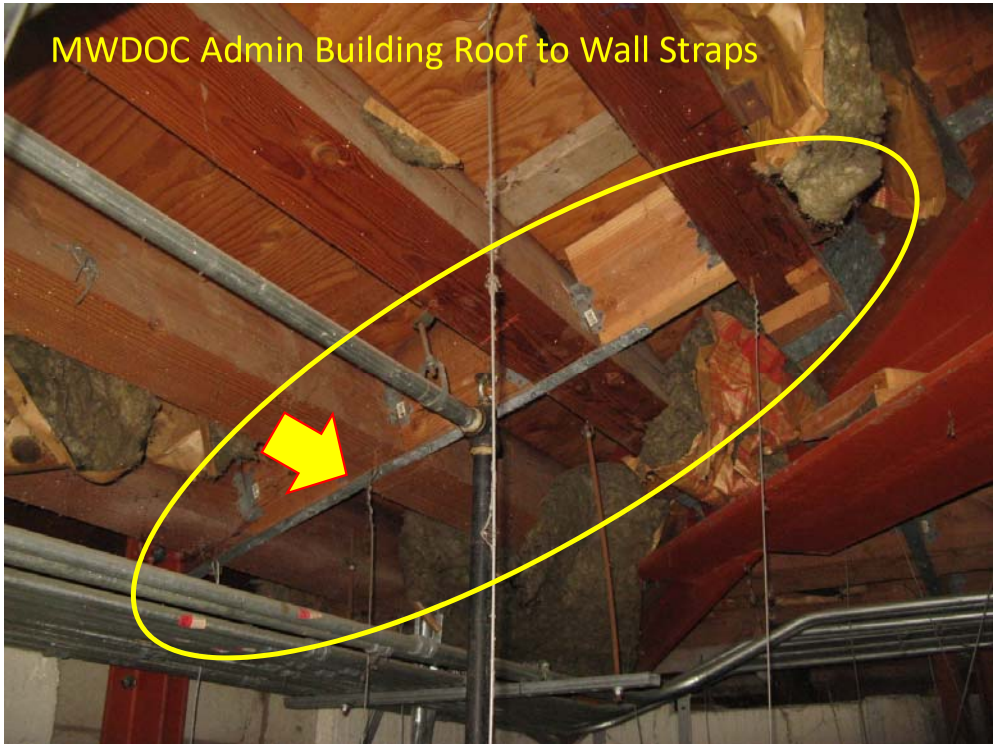
Unbraced Furniture Cabinets

Contents & Furnishings – need anchoring and bracing

# Structural – Roof

a. Reinforce Corners of Roof Structure in Atrium $\approx \$40{,}000$

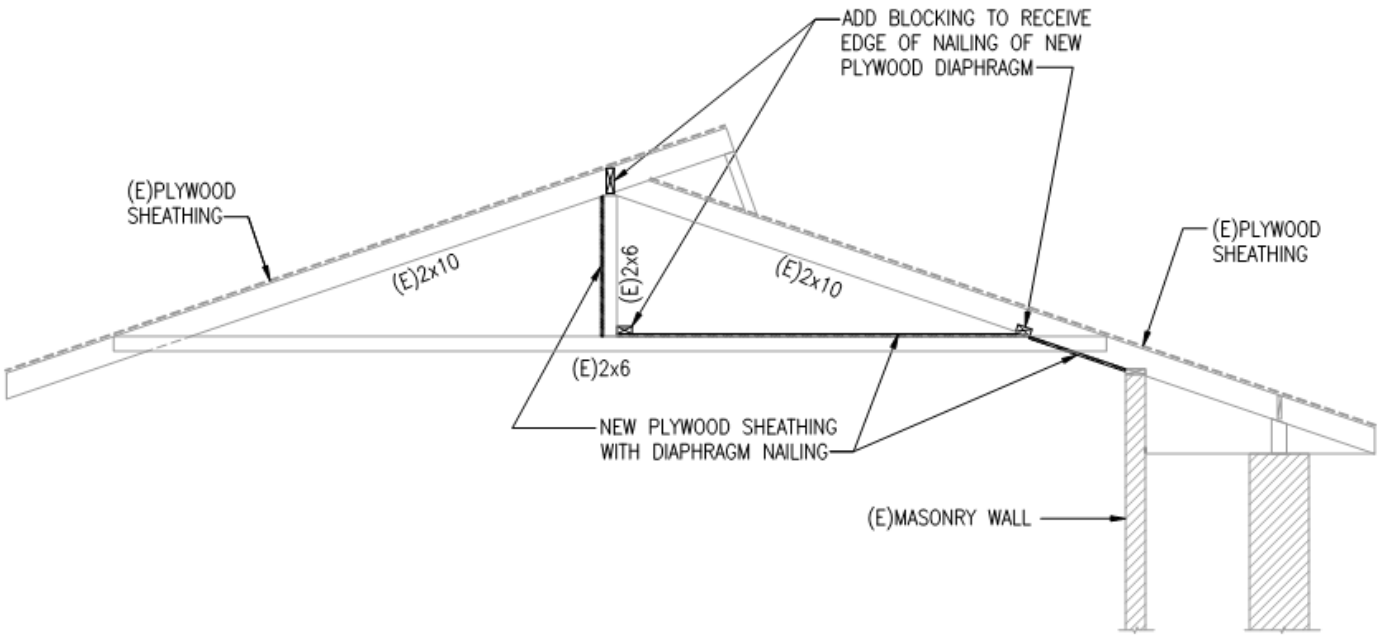
# Structural – Wall to Roof Connections




b. Strengthen Existing Wall to Roof Connections ≈ $ 60,000

d. Add additional Wall to Roof Connections ≈ $200,000

# Structural Roof – Plywood Diaphragm




c. Add Plywood (Diaphragm) to Strengthen Roof Structure ≈ $100,000

# Seismic Assessment Structural Options*

| Scope of Work Item – Options to Reduce Vulnerability (MWDOC Admin Building) | Rough Order of Magnitude Cost |
|---|---|
| a. Reinforce Corners of Roof Structure at Atrium | $40,000 |
| b. Strengthen Existing Wall to Roof Connections | $60,000 |
| c. Add Plywood (Diaphragm) to strengthen roof structure | $100,000 |
| d. Add additional Wall to Roof Connections | $200,000 |
| e. Improve Soils under the Building against Liquefaction | $1,400,000 |
| f. Brace/Improve Non-Structural Items (currently in progress) | $100,000 |

* IDS Group - Conceptual Seismic Retrofit Study of MWDOC Administrative Building Feb. 26, 2018

Not Recommended

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# Spectrum of Building Performance

## (ASCE/SEI 43-13-Seismic Evaluation and Retrofit of Existing Buildings)

Life Safety & Continued Operations Focus ← | → Life Safety Focus

| Operational (1-A) | Immediate Occupancy (1-B) | Damage Control (2-B) | Life Safety (3-C) | Reduced Safety (4-D) | Collapse Prevention (5-D) |
|---|---|---|---|---|---|
| Very little damage, power available, equipment operable | Overall damage light. Building remains safe, with minor repairs and some cleanup. Non-structural components and utilities remain secure, but may not function. | Range between Immediate Occupancy and Life Safety. Control damage to allow return to function quicker. | Structural & Non-structural damage is significant. May not be safe for continued operations without repair. | Performance range midway between Life Safety and Collapse Prevention | Building standing but low resistance to additional shaking (after shocks), Extensive Non-Structural component damage, Unsafe for occupancy. |

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Relative Cost to Attain Performance Level

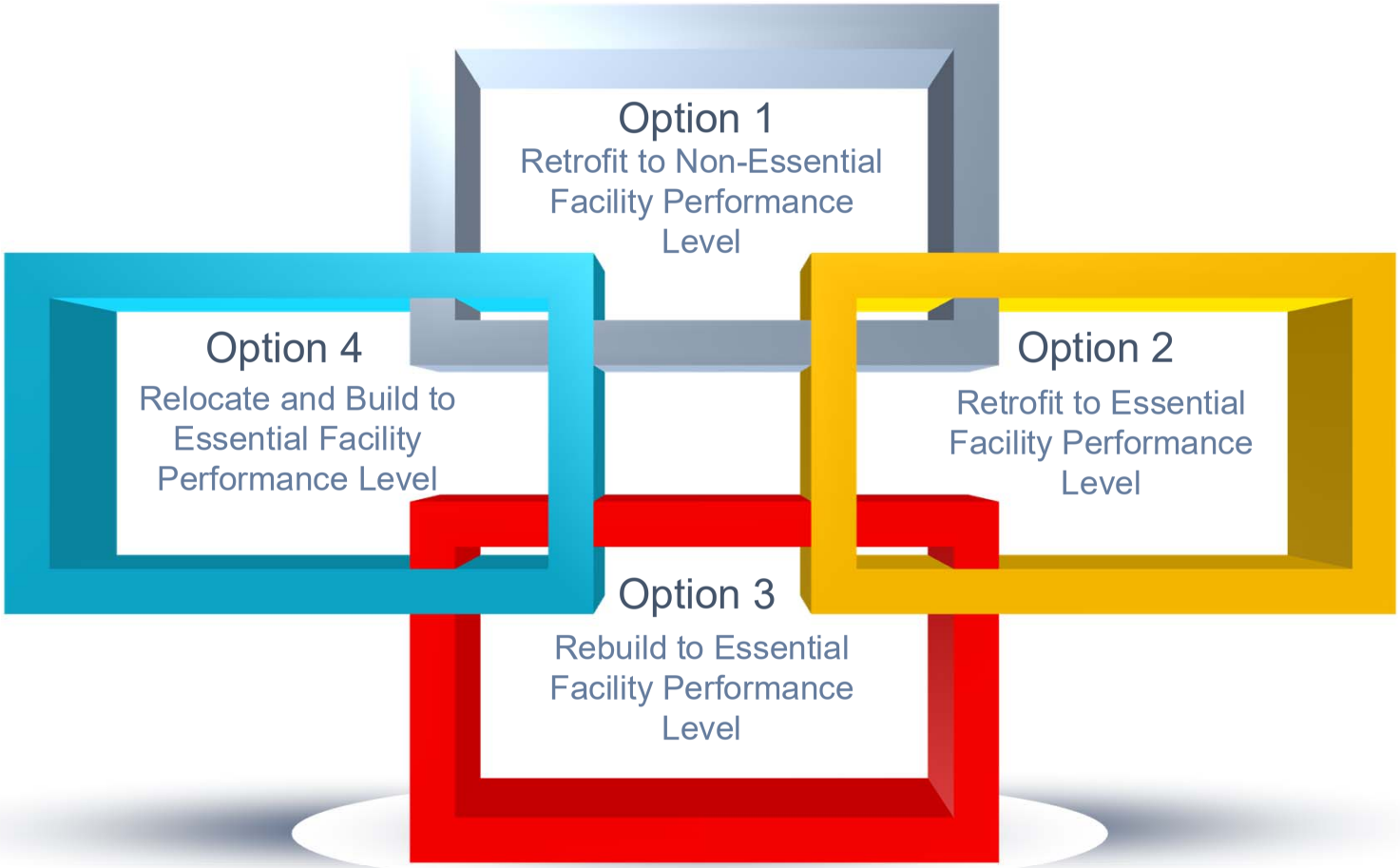
MWDOC

| ASCE 41-13 / IDS | Target Building Performance Level | | | | | |
|---|---|---|---|---|---|---|
| | ← Increasing Life Safety & Continued Operations | | | ← Increasing Life Safety | | |
| Example Event, Event Type, (Building Type) | Operational (1-A) | Immediate Occupancy (1-B) | Damage Control (2-B) | Life Safety (3-C) | Reduced Safety (4-D) | Collapse Prevention (5-D) |
| Structure Condition (Based on pga at site) | Very little damage, equipment operable | Building remains safe, only minor repairs, negligible N-S damage | Building returns to function quicker, negligible N-S damage | Structure is stable, but significantly damaged, N-S Overturned | Significant Damage, limited ability to resist aftershocks, Significant N-S damage | Building barely Standing, Likely Significant N-S damage |
| Newport-Ingle. M7.4 (Extreme) .79 | ** | $1.9 Million a-f | $1.9 Million a-f | $300,000 a,b,c,f | $200,000 a,b,c | $100,000 a,b |
| Compton M7.3 (Extreme) .56 | ** | $1.9 Million a-f | $1.9 Million a-f | $200,000 a,b,f | $100,000 a,b | $100,000 a,b |
| San Andreas M8.0 (Reduced) .42 | ** | $1.9 Million a-f | $500,000 a-d, f | $200,000 a,b,f | $100,000 a,b | $40,000 a |
| 20% in 50 yrs (Reduced) .30 | $1.9 Million a-f | $1.9 Million a-f | $200,000 a,b,f | $140,000 a,f | $0 | $0 |
| 50% in 50 yrs, (Frequent) .20 | $300,000 a,b,c,f | $200,000 a,b,c | $140,000 a,f | $0 | $0 | $0 |

** Approaches Building Replacement Cost

Increasing Damage Potential ↑

# Options


Option 1
Retrofit to Non-Essential Facility Performance Level
Option 2
Retrofit to Essential Facility Performance Level
Option 3
Rebuild to Essential Facility Performance Level
Option 4
Relocate and Build to Essential Facility Performance Level

# Option 1

## Costs & Benefits

| Benefit | Cost |
|---|---|
| Non-Essential (New Building) Standard for a Newport-Inglewood Scale Event (M7.4) – No Consideration for Re-occupancy | **$300,000** |
| Additional Damage Control for up to a San Andreas Scale Event (M8.0) –improve likelihood to re-occupy | **$500,000** |

| Downside |
|---|
| Non-essential facility that may not be operable for a Compton (M7.3) or Newport-Inglewood (M7.4) scale event |

| Total Investment | | Budgeted | Unbudgeted |
|---|---|---|---|
| Structural to Damage Control (above) | **$500,000** | **$233,100** | **$266,900** |
| Other Upcoming (roof, HVAC, remodel) | **$958,200** | **$744,926** | **$213,274** |
| Previous Investments (2009 -2016) | **$689,100** | **N/A** | **N/A** |
| | **≈ $2,147,300** | **$978,026** | **$480,174** |

# Option 2

| Total Investment | |
|---|---|
| Structural to Essential Facility (above) | **$1,900,000** |
| Previous Investments (2009 -2016) | **$689,100** |
| Other Upcoming (roof, HVAC, remodel) | **$958,200** |
| | **≈ $3,557,300** |

## Costs & Benefits

| Benefit | Cost |
|---|---|
| Building may incur some damage, but can be cleaned up and re-occupied for all predicted scale events | **$1,900,000** |
| Make foundation modifications<br>Retrofit Structural & Non-Structural components. | $1,400,000<br>$500,000 |

| Downside |
|---|
| Cost and operational disruption during construction.<br>NOT recommended by IDS |

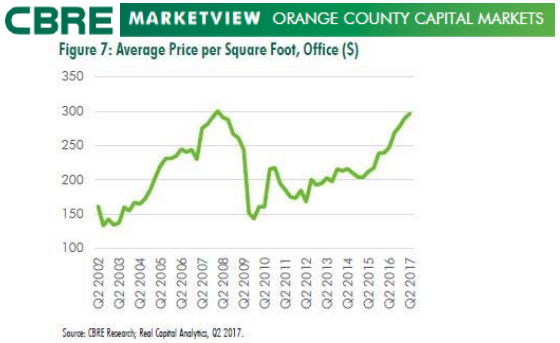
# Option 3

## Costs & Benefits

| Benefit | Cost |
|---|---|
| Rebuild to Essential Facility Standard. Building may incur some damage, but can be cleaned up and re-occupied for all predicted scale events | **$5.8-$7.2 M** |
| 18-month Relocation ($24 per S.F. per Yr.) | $460,800 |
| Moving Costs (2 moves) | $52,000 |
| Tear Down existing building | $ 99,000 |
| Make foundation modifications | $1,200,000 |
| Rebuild to Essential Facility Standard | $3.95 - $5.34 M |

| Downside |
|---|
| Cost, relocation disruption to operations (move twice) |

# Option 4




## Costs & Benefits

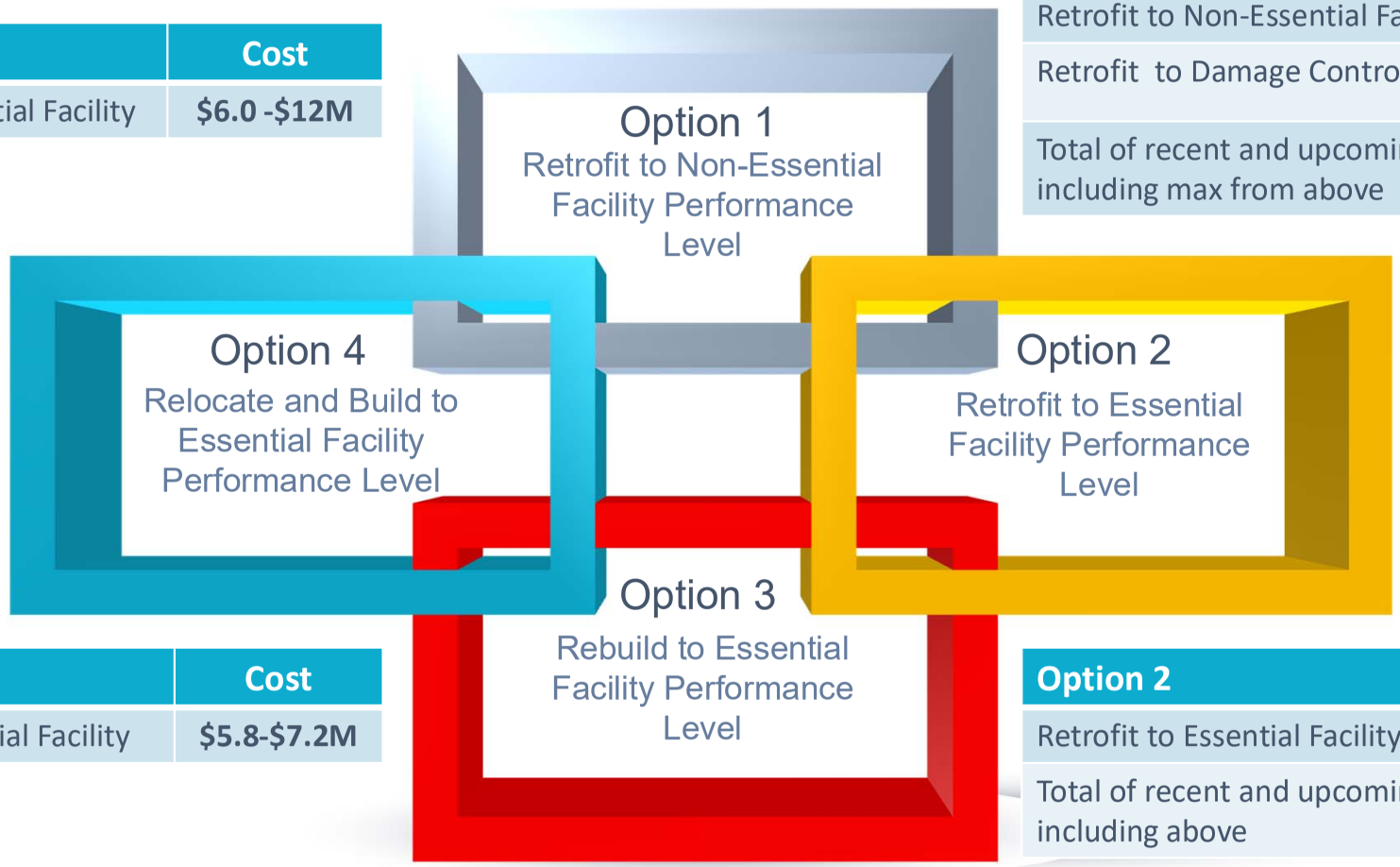
| Benefit | Cost |
|---|---|
| Relocate to non-liquefaction site - Retrofit existing building or Build a new Essential Facility. Building remains in pre-earthquake condition for all predicted events | **$6.0 - $12.5M** |
| Purchase Property (1 acre) Median Rate<br>Tear Down existing building (if rebuilding)<br>Retrofit/Build to Essential Facility Standard<br>Moving Expenses | $5.37M<br>$180,000<br>$600K/$6.9M<br>$26,000 |

| Downside |
|---|
| Cost |

# Options

| Option 1 | Cost |
|---|---|
| Retrofit to Non-Essential Facility | $300K |
| Retrofit to Damage Control Facility | $500K |
| Total of recent and upcoming including max from above | $2.1 M |

| Option 4 | Cost |
|---|---|
| Relocate to Essential Facility | $6.0 -$12M |




| Option 3 | Cost |
|---|---|
| Rebuild to Essential Facility | $5.8-$7.2M |

| Option 2 | Cost |
|---|---|
| Retrofit to Essential Facility | $1.9M |
| Total of recent and upcoming including above | $3.5M |

# Staff Recommendations

| | Work Items | Rough Order of Magnitude Cost |
|---|---|---|
| At minimum: Complete work items to achieve Life Safety (3-C) Level for Newport-Inglewood (extreme) event. | a,b,c,f | $300,000 |
| Recommend: Complete work items to achieve Damage Control (2-B) Level for San Andreas (reduced) event | a,b,c,d,f | $500,000 |

**Staff recommends the higher level of investment to ensure that the building would perform at or better than a Life Safety performance level and moving up to a Damage Control performance level.**

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# Next Steps

| | Non-Structural | Dates |
|---|---|---|
| 1 | Permitting | April 2018 |
| 2 | Notice Inviting Bids | May 1 2018 |
| 3 | Bid Opening | June 7, 2018 |
| 4 | Board Consideration for Award | June 20, 2018 |
| 5 | Construction | Jul-Sep 2018 |

| | Structural | Timeline |
|---|---|---|
| 1 | RFP for Design and Construction Mgmt. | May-June 2018 |
| 2 | Board Consideration of Award of Design, Construction Mgmt. Contract | Aug 2018 |
| 3 | Design & Permitting | Aug-Nov 2018 |
| 4 | Advertise for Bids | Dec 2018 |
| 5 | Board Consideration for Award of Contract | Jan 2019 |
| 6 | Construction | Jan - May 2019 |

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# Questions

# Why Accept Higher Risk for Existing Buildings?

- Existing buildings do not immediately become ‘deficient’ when the code changes (as knowledge of earthquakes improves)
- Past building codes have traditionally accepted higher risk, both in national standards and local ordinances
- Existing Buildings have a shorter remaining life than new buildings (less chance of a major event occurring within the remaining building life)
- Implementing performance enhancing features into a new building is less expensive than implementing them in an existing building

**Item No. 6**

**ACTION ITEM**
April 18, 2018

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Cathleen Harris, Administrative Services Manager

**SUBJECT:** **OFFICE REMODEL – PHASE 1 & 2**

## STAFF RECOMMENDATION

It is recommended that the Board of Directors review the schematics, provide input on Phase 1 and 2, and authorize staff to proceed.

## COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

## DETAILED REPORT

In November 2017, the Board approved entering into a contract with IDS Group for architectural, space planning, interior design and construction administration services for a total amount of $44,236.

MWDOC's office building was built in 1973 and is approximately 45 years old. A major remodel was completed in 1992, when MWDOC moved to Fountain Valley. There have been some remodels and office additions throughout the years with the latest ones being:

- 2016
  - MWDOC lobby area was updated
  - Restrooms remodeled
- 2017
  - Back hallway carpet was replaced due to leak

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): Y** | Budgeted amount: 2017/18-$354,500<br>2018/19 - $237,800 | Core _x_ | Choice __ |
| **Action item amount:** | Line item: 19-8810 & 19-8811 | | |
| | | | |

- Atrium landscape and renovation

With the successful implementation of the Records Management Program to digitize the District's archives, the former archival space (library) is now available for other uses. We are looking to improve efficiencies, reevaluate the efficient use of existing space, maximize storage space, modernize the existing office design to meet the needs of the current and future workforce and determine the most favorable balance between shared work areas, private workstations and private offices that allow for collaboration and enhance work flow processes.

Staff included funds in the 2017-18 and 2018-19 Budget for this effort. This project will be coordinated with the EOC Assessment study to ensure that the use of the conference rooms can be used as an EOC Operations site in the event of an emergency. The key areas to be evaluated are:

Phase 1

- Conference Room 101
- Library (to be converted to a new conference room)
- Copy Room
- MWDOC Reception area
- File room

A total of approximately $354,500 was included in the 2017/18 Budget. $147,700 for the remodel construction costs and $206,800 for capital expenditures.

Phase 2

- Former Conference Room 102
- Existing open office space area and adjacent offices along the north side of the atrium (this area will be evaluated for best use of space and workstation needs)
- Intern area
- Evaluate other areas that may be better utilized

A total of approximately $237,800 is included in the 2018/19 Budget. $166,800 for the remodel construction costs and approximately $71,000 for capital expenditures.

Also included in the 2018/19 budget is roof replacement and HVAC upgrade work and replacement of condenser unit in computer room for a total of $208,500.

Staff will be coordinating these efforts with the seismic work.

At this time, staff is seeking the Committee's input on the proposed schematics for Phases 1&2, noting that Phase 2 office remodel work is included in the proposed 2018/19 building expense budget along with roof replacement costs, HVAC upgrades and replacement of computer room HVAC unit.

Attached are schematics for the Committee's review and input. The proposed schematics show Phase 1 & 2.

# MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

18700 Ward Street
Fountain Valley, California 92708

## TENANT IMPROVEMENTS

IDS GROUP

SCHEMATIC DESIGN PACKAGE
**4.04.18**

schematic
design

**AREA '2' - phase 2**
PROPOSED AREA OF WORK

GENERAL NOTES
A. new paint & carpet to be provided throughout office areas, exceptions:
- toilet rooms
- lobby
- mechanical room
- janitor room
- telecom room
- west hallway*

B. new paint & anti-static flooring to be provided at server room

C. new millwork as indicated at copy room & conference 102

D. interior CMU wall at 'vault' to be demolished

E. new power / data to be provided in conference room 101 & 102

F. lighting & HVAC registers to be relocated as needed at area of work

G. cubicles & chairs shown to confirm 'fit' & are not a part of work

*carpet to remain (recently replaced)

**AREA '3' - phase 3b**
*FUTURE AREA OF WORK*

**AREA '3' - phase 3a**
*FUTURE AREA OF WORK*

LEGEND
1 lobby
2 reception
3 office
4 cubicle workstations
5 conference room
6 break room / kitchenette
7 copy room*
8 storage
9 janitor
10 toilet room, men
11 toilet room, women
12 server room
13 telecom
14 mechanical
15 collaborative space

*existing equipment to be reused per MWDOC direction

= new stud wall

= new glass wall, see sht. 7

**AREA '1' - phase 1**
PROPOSED AREA OF WORK

# MWDOC TENANT IMPROVEMENT

existing floor plan

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountain Valley, CA 92708

date: 04.02.2018

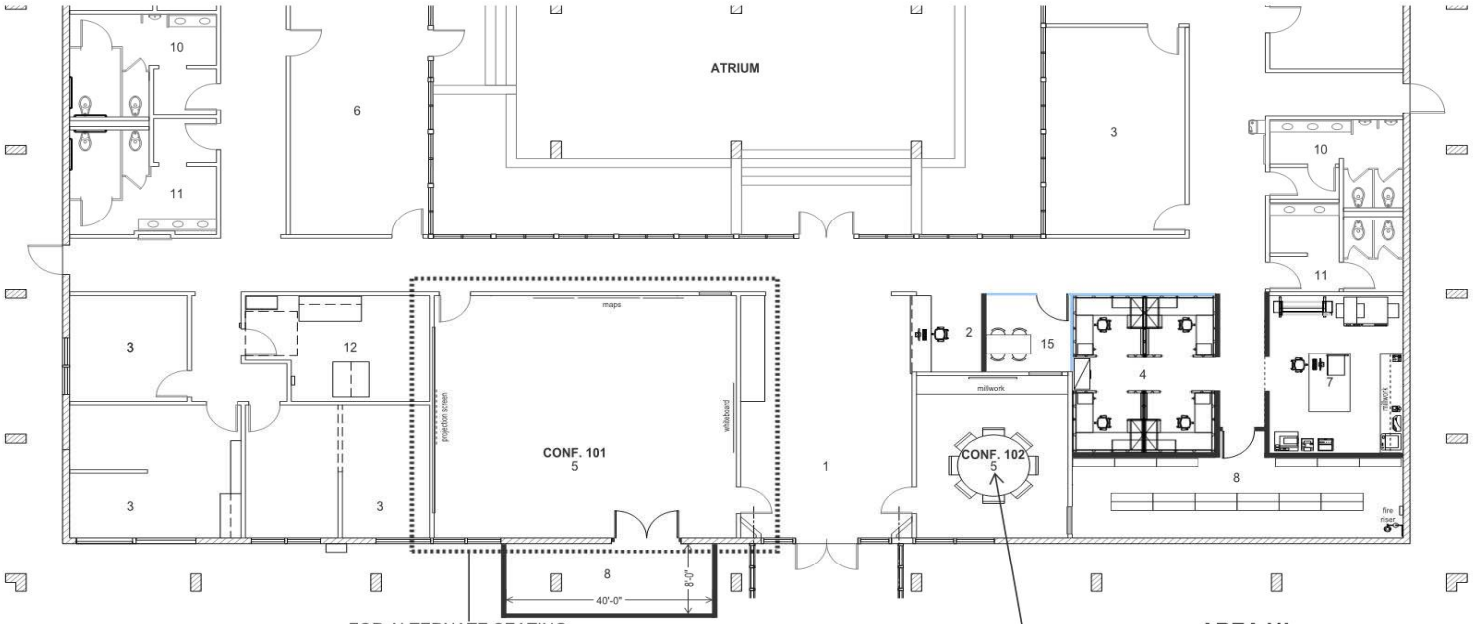
project no: 17X062.00

scale: 1/16" = 1'-0"

1

IDS GROUP

schematic
design




**AREA '1'**

STAFF, existing: 11
STAFF, proposed: 11 & 5 'hotel' (7'x7' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 2a

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountaln Valley, CA 92708

date: 04.04.2018

project no: 17X114.00

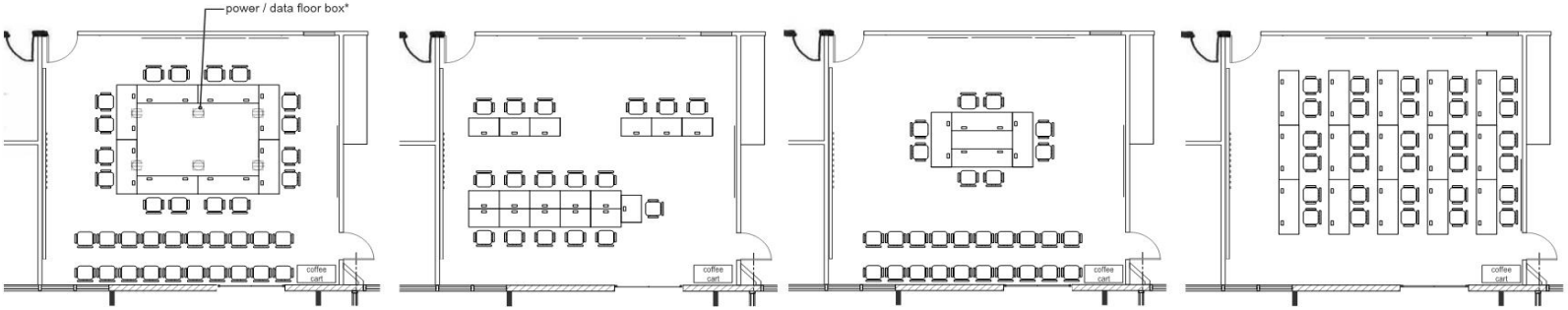
scale: 3/32" = 1'-0"

0 2' 5' 10' 20'

3

IDS
IDS GROUP

*schematic*
design




Planning & Operations Committee seating
**exact location of floor boxes to be determined*

EOC seating

Director's Lunch seating

General Meeting / Training seating

# MWDOC TENANT IMPROVEMENT

**logo:** MWDOC

**client:** OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

**project address:** 18700 Ward Street
Fountaln Valley, CA 92708

**date:** 04.04.2018

**project no:** 17X114.00

**scale:** 3/32" = 1'-0"

0 2' 5' 10' 20'

seating floor plan

**4**

IDS
IDS GROUP

schematic
design

**AREA '2' - phase 2**
PROPOSED AREA OF WORK

**GENERAL NOTES**

A. new paint & carpet to be provided throughout office areas.

B. new paint to be provided at the following areas, existing flooring to remain:
- toilet rooms
- lobby
- mechanical room
- janitor room
- telecom room
- server room
- west hallway

C. new millwork as indicated at copy room & conference 102

D. interior CMU wall at 'vault' to be demolished

E. new power / data to be provided in conference room 101 & 102

F. lighting & HVAC registers to be relocated as needed at area of work

G. cubicles & chairs shown to confirm 'fit' & are not a part of work

**LEGEND**
1 lobby
2 reception
3 office
4 cubicle workstations
5 conference room
6 break room / kitchenette
7 copy room*
8 storage
9 janitor
10 toilet room, men
11 toilet room, women
12 server room
13 telecom
14 mechanical
15 collaborative space

*existing equipment to be reused per MWDOC direction

= new stud wall

= new glass wall, see sht. 10

**AREA '1' - phase 1**
PROPOSED AREA OF WORK

# MWDOC TENANT IMPROVEMENT

existing floor plan

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountaln Valley, CA 92708

date: 04.04.2018

project no: 17X114.00

scale: 1/16" = 1'-0"

1

IDS
IDS GROUP

schematic
design

**AREA '2'**

STAFF, existing: 11
STAFF, proposed: 14 (7'x'7 & 8'x8' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 1b

**logo:** MWDOC

**client:** OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

**project address:** 18700 Ward Street
Fountaln Valley, CA 92708

**date:** 04.04.2018

**project no:** 17X114.00

**scale:** 3/32" = 1'-0"

0 2' 5' 10' 20'

**6**

IDS
IDS GROUP

schematic
design

**AREA '2'**

STAFF, existing: 11
STAFF, proposed: 12 (8'x8' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 1a

**logo:** MWDOC

**client:** OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

**project address:** 18700 Ward Street
Fountain Valley, CA 92708

**date:** 04.04.2018

**project no:** 17X114.00

**scale:** 3/32" = 1'-0"

0 2' 5' 10' 20'

**5**

IDS
IDS GROUP

schematic
design

**AREA '2'**

STAFF, existing: 11
STAFF, proposed: 13 (8'x8' & 7'x7' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 2a

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountain Valley, CA 92708

date: 04.04.2018

project no: 17X114.00

scale: 3/32" = 1'-0"

0 2' 5' 10' 20'

7

IDS GROUP

schematic
design

**AREA '2'**

STAFF, existing: 11
STAFF, proposed: 15 (8'x8' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 2b

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountain Valley, CA 92708

date: 04.04.2018

project no: 17X114.00

scale: 3/32" = 1'-0"

0 2' 5' 10' 20'

8

IDS GROUP

schematic
design

**AREA '2'**

STAFF, existing: 11
STAFF, proposed: 11 (8'x8' cubicles)

# MWDOC TENANT IMPROVEMENT

partial floor plan, opt. 2c

logo: MWDOC

client: OC Municipal Water District
18700 Ward Street
Fountain Valley, CA 92708

project address: 18700 Ward Street
Fountain Valley, CA 92708

date: 04.02.2018

project no: 17X114.00

scale: 3/32" = 1'-0"

0 2' 5' 10' 20'

9

IDS GROUP

*schematic*
design

full height / sliding door

opacifier film / sliding door

DIRTT PARTITION SYSTEM

partial height / sliding door

opacifier film / privacy

# MWDOC TENANT IMPROVEMENT

referential images - glass wall

**logo:**

**client:** Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

**project address:** 18700 Ward Street
Fountain Valley, CA 92708

**date:** 04.04.2018

**project no:** 17X114.00

**scale:**

**10**

IDS
IDS GROUP

**Item No. 7**

**DISCUSSION ITEM**
April 11, 2018

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

**FROM:** **Robert Hunter, General Manager**

**Staff Contact: Hilary Chumpitazi**

**SUBJECT:** **FY 2018-19 Third 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 third draft of MWDOC's budget for FY 2018-19. Pertinent aspects of the third draft budget include:

1. The third 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 $30,639 to $499,204.
2. The third draft has a budget total of $217,214,597 and a consolidated general fund budget of $9,865,799 (revenue).
3. The total revenue amount for the Core budget is $8,589,018, an increase of $531,619 or 6.6% over the current year's budget. $240,000 (45%) of this increase is derived from increased interest revenue.
4. The proposed third draft budget includes a planned reserves draw of $5,227. 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 third draft budget should be considered preliminary.
13. 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.

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 financial change between the second and third draft budget is change from a contribution to reserves of $15,295 to a draw of $5,277 (net change of $20,572). There have been several changes between the second and third draft budgets, including:

- A total of $21,600 in expenses was added by restoring participation in the Association of Metropolitan Water Agencies (AMWA) and one of the three budgeted meetings.
- $5,000 reduction in Professional Fees.

## 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 $398,426 (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 $124,252 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 was held on April 5, 2018. 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 third 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 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 analysis of projected expenses and budget variances for the third 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 functional budget target of essentially breaking even. The third draft budget calls for a draw on reserves of $5,277.

| | 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. <u>Budget Input from Member Agencies</u>

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** has submitted two letters. The first 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.

  OCWD's second letter provides three comments for consideration by MWDOC's Board of Directors: (1) MWDOC should reduce the number of Washington DC trips from a total of nine to five; (2) OCWD does not support the inclusion of memberships for the Association of Metropolitan Water Agencies and the California Council for Environmental & Economic Balance;

and (3) MWDOC should maintain their reserves at less than the target level at the upper end of the range and apply the amount released from reserves to the unfunded CALPERS liability.

- **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".

## 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 in order to guide the efforts at MET in a constructive manner and 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 (EWQSK). 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 primarily 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 third draft budget includes a decrease of $124,252 in professional fees in the Core budget that is close to offsetting the $1252,995 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 (e.g., 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.

New funding for the Southern California Water Coalition outreach effort for the California WaterFix is included in the budget at an estimated participation is $30,000.

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 evaluation of 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 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 this year's 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. 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.
- Added to the budget 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. 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 $499,012.

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

# Annual Budget for Fiscal Year 2018-19

**Third Draft**

**MWDOC's mission is:**

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

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

| | FY 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) | (1) |
| Employee Benefits | 929,655 | 909,766 | (19,889) | 979,729 | 69,962 | 50,073 | (2) |
| 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) | 42,880 | 11,316 | 3,935 | |
| Conference Expense - Directors | 23,700 | 22,500 | (1,200) | 24,930 | 2,430 | 1,230 | |
| Engineering Expense | 360,000 | 263,000 | (97,000) | 330,000 | 67,000 | (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 | 138,641 | (3,461) | 141,662 | 3,021 | (440) | |
| 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 | 830,683 | (152,995) | 859,426 | 28,743 | (124,252) | |
| 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 | - | |

## 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) | 99,600 | 19,747 | 4,000 |
| Travel & Accommodations - Directors | 49,850 | 46,752 | (3,098) | 51,750 | 4,998 | 1,900 |
| 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** | **$ 7,144,698** | **$ (694,772)** | **$ 7,758,468** | **$ 613,770** | **$ (81,001)** |
| 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** | **$ 7,820,621** | **$ (375,248)** | **$ 8,594,295** | **$ 773,674** | **$ 398,426** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **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 | - | 499,012 | 30,447 | 30,447 |
| 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** | **$ 8,589,018** | **$ 394,464** | **$ 531,619** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **EFFECT ON RESERVES:** | | | | | | |
| **TOTAL CONTRIBUTION (DRAW) FROM RESERVES** | **$ (138,470)** | **$ 373,933** | **$ 512,403** | **$ (5,277)** | **$ (379,210)** | **$ 133,193** |

(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) | (1) |
| 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 | (2) |
| 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 | - | - | - | - | - | - | |

**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 | |
| Employee Benefits | 1,056,766 | 1,022,856 | (33,910) | 1,108,564 | 85,708 | 51,798 | (2) |
| 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) | 42,880 | 11,316 | 3,935 | |
| Conference Expense - Directors | 23,700 | 22,500 | (1,200) | 24,930 | 2,430 | 1,230 | |
| Engineering Expense | 360,000 | 263,000 | (97,000) | 330,000 | 67,000 | (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 | 138,641 | (3,461) | 141,662 | 3,021 | (440) | |
| 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 | 1,339,155 | (200,655) | 1,427,263 | 88,108 | (112,547) | |
| 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) | 99,600 | 19,747 | 4,000 |
| Travel & Accommodations - Directors | 49,850 | 46,752 | (3,098) | 51,750 | 4,998 | 1,900 |
| 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** | **$ 8,293,817** | **$ (792,272)** | **$ 9,035,249** | **$ 741,432** | **$ (50,839)** |
| 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** | **$ 8,969,740** | **$ (472,749)** | **$ 9,871,076** | **$ 901,336** | **$ 428,588** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **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 | - | 499,012 | 30,447 | 30,447 |
| 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** | **$ 9,865,799** | **$ 522,126** | **$ 561,781** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **EFFECT ON RESERVES:** | | | | | | |
| **TOTAL CONTRIBUTION (DRAW) FROM RESERVES** | **$ (138,470)** | **$ 373,933** | **$ 512,403** | **$ (5,277)** | **$ (379,210)** | **$ 133,193** |

(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 PEPRA 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 |
| 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 |
| 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:** | | | | | | |
| 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 2017-2018 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 | - | 44,000 | 44,000 | 94,000 | 50,000 | 94,000 |
| **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) |
| Monitoring and Evaluation | - | 6,803 | 6,803 | - | (6,803) | - |
| 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) |
| Databasing | - | 1,350 | 1,350 | - | (1,350) | - |
| **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 | $ 1,188,992 | |
| 12 | Administrative - General | 3.86 | 3.45 | 645,146 | 575,554 | 616,618 | |
| 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 | 772,435 | 843,133 | |
| 31 | Governmental Affairs | 1.03 | 0.96 | 483,719 | 438,754 | 480,284 | |
| 35 | Water Use Efficiency (Core) | 0.58 | 0.62 | 417,986 | 419,375 | 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 | (1) |
| | **CORE TOTAL** | **30.61** | **30.48** | **$ 7,839,469** | **$ 7,144,698** | **$ 7,758,468** | |
| 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** | **$ 8,293,817** | **$ 9,035,249** | |
| 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 | 0.59 | | | | |

(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 | FISCAL MASTER PLAN PROJECTIONS [1] FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 |
|---|---|---|---|---|---|---|---|
| Beginning Designated Reserve Balance - MWDOC | $6,004 | $ 6,378 | $ 6,373 | $ 6,465 | $ 6,794 | $ 7,117 | $ 7,410 |
| Net OPEB Asset | 484 | 484 | 484 | 484 | 484 | 484 | 484 |
| OPEB Reserve | 209 | 209 | 209 | 209 | 209 | 209 | 209 |
| Adjusted Reserve Balance | 5,311 | 5,685 | 5,680 | 5,772 | 6,101 | 6,424 | 6,717 |
| **Revenues** | | | | | | | |
| Water Rate Revenues: | | | | | | | |
| Retail Meter Agency Charge | 7,436 | **7,697** | 7,766 | 7,844 | 7,950 | 8,033 | 8,125 |
| Ground Water Customer Charge | 469 | **499** | 509 | 519 | 530 | 540 | 551 |
| Subtotal | 7,904 | **8,196** | 8,275 | 8,363 | 8,480 | 8,573 | 8,676 |
| 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 | 213 | 249 |
| Misc./Reimbursements | 3 | **3** | 3 | 3 | 3 | 3 | 3 |
| Subtotal | 1,439 | **1,670** | 1,447 | 1,474 | 1,535 | 1,598 | 1,662 |
| **Total Revenues** | 9,344 | **9,866** | 9,722 | 9,837 | 10,015 | 10,171 | 10,338 |
| **Expenses** | | | | | | | |
| Core Expenses | 6,974 | **7,503** | 7,653 | 7,806 | 7,962 | 8,121 | 8,284 |
| 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** | 8,294 | **9,035** | 8,975 | 9,154 | 9,337 | 9,523 | 9,714 |
| **Revenue Over Expenses w/o Building & Election** | 1,050 | **831** | 747 | 683 | 678 | 647 | 625 |
| **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** | **$ 4,727** | **$ 4,940** | **$ 4,732** | **$ 5,453** | **$ 5,472** | **$ 5,983** | **$ 5,950** |

**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** | **$ 12.30** | **$ 12.35** | **$ 12.40** | **$ 12.45** | **$ 12.50** |
| Fixed Charge % | | 100% | 100% | 100% | 100% | 100% | 100% |
| **Rate Increase Proposal:** | | | | | | | |
| Increment Rate | | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| Connection Charge | | **$ 0.35** | **$ 0.05** | **$ 0.05** | **$ 0.05** | **$ 0.05** | **$ 0.05** |

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

| | FISCAL MASTER PLAN PROJECTIONS FY18-19 | FY19-20 | FY20-21 | FY21-22 | FY22-23 |
|---|---|---|---|---|---|
| **Working Capital:** | | | | | |
| Designated Reserve Fund | 5,679.93 | 5,772 | 6,101 | 6,424 | 6,717 |
| 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 | 11,330 | 11,447 | 11,801 | 12,149 | 12,467 |
| Interest rate | 1.25% | 1.25% | 1.50% | 1.75% | 2.00% |
| **Interest Revenue Projections:** | | | | | |
| Interest income - General | 142 | 143 | 177 | 213 | 249 |
| **Total Interest Revenue Projections** | **142** | **143** | **177** | **213** | **249** |

## Total Core Expenses

| | | 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 | 263,000 | 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 | 830,683 | 859,426 |
| 7110 | Conference - Employee | 38,945 | 31,564 | 42,880 |
| 7115 | Conference - Directors | 23,700 | 22,500 | 24,930 |
| 7150 | Travel & Accommodations - Employee | 95,600 | 79,853 | 99,600 |
| 7155 | Travel & Accommodations - Director | 49,850 | 46,752 | 51,750 |
| 7210 | Membership / Sponsorship | 142,102 | 138,641 | 141,662 |
| 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 | 6,683,824 | 7,541,599 |
| | 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 | 7,820,621 | 8,594,295 |

## 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 | 263,000 | 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 | 944,155 | 1,025,398 |
| | Other Professional Fees - School Programs | 390,160 | 395,000 | 401,865 |
| 7110 | Conference - Employee | 38,945 | 31,564 | 42,880 |
| 7115 | Conference - Directors | 23,700 | 22,500 | 24,930 |
| 7150 | Travel & Accommodations - Employee | 95,600 | 79,853 | 99,600 |
| 7155 | Travel & Accommodations - Director | 49,850 | 46,752 | 51,750 |
| 7210 | Membership / Sponsorship | 142,102 | 138,641 | 141,662 |
| 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 | 7,832,943 | 8,818,381 |
| | 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 |
| | | 9,442,488 | 8,969,740 | 9,871,076 |

| | | 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 [3] | 225,000 [4] |
| 7030 | Audit | | | |
| 7040 | Other Professional Fees | | | |
| 7110 | Conference - Employee | | | |
| 7115 | Conference - Directors | 23,700 | 22,500 | 24,930 [5] |
| 7150 | Travel & Accommodations - Employee | | | |
| 7155 | Travel & Accommodations - Director | 49,850 | 46,752 | 51,750 [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 | 1,188,992 |
| | MWDOC's Contribution to Election Rsrv | | 304,000 | 304,000 |
| | | 1,148,384 | 1,388,273 | 1,492,992 |

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)

## 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 | 42,880 | 2 |
| 7115 | Conference - Directors | | | | |
| 7150 | Travel & Accommodations - Employee | 95,600 | 79,853 | 99,600 | 2 |
| 7155 | Travel & Accommodations - Director | | | | |
| 7210 | Membership / Sponsorship | 94,356 | 90,353 | 91,660 | 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 | 616,618 | |

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 |

| | | 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 |
| 6205 | Training | | | | |
| 6210 | Tuition Reimbursement | | | | |
| 6220 | Temporary Help | | | | |
| 7010 | Engineering - Outside Services | | | | |
| 7020 | Legal - General | | | | |
| 7030 | Audit | | | | |
| 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 |
| 7315 | Building Repair & Maintenance | 11,000 | 20,000 | 20,000 | |
| 7320 | Rents & Leases | 8,400 | 3,342 | 3,460 | 4 |
| 7330 | Office Supplies | 35,580 | 35,500 | 36,000 | |
| 7340 | Postal / Mail Delivery | 5,800 | 4,300 | 4,500 | |
| 7350 | Subscriptions / Books | | | | |
| 7360 | Reproduction Expense | 3,800 | 3,700 | 4,473 | |
| 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 | 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 |
| 8810 | Capital Acquisition | 249,500 | 170,507 | 193,000 | 6 |
| | **Total Expenditure** | 1,105,965 | 975,686 | 1,283,116 | |
| | MWDOC's Building Expense (8811) | 356,400 | 371,923 | 531,827 | 7 |
| | | 1,462,365 | 1,347,609 | 1,814,943 | |

1 Retirees:
- 12 Retirees

2
- Pension Plan administration by Dissinger Associates $ 4,500
- Cafeteria Plan Wageworks $ 2,223

6,723

3
- Window Cleaning $ 1,200
- Sewer Flush & Extra Office Cleaning $ 1,300
- from OCWD $ 121,780
- Plant Maintenance $ 2,696
- Landscape/Maintenance Atrium $ 3,720
- Binding Machine Renewal $ 700
- Carpet Cleaning $ 1,400

$ 132,796

4
- Iron Mountain $ 2,460
- El Toro Water District (South EOC site) 1,000

$ 3,460

5
- Misc equipment repairs, fees etc.

6
- Office Furniture/Generator
  See Exhibit H

7
- Bldg Improvements - Eval / Design / Roof / HVAC

**Planning and**
**Resource Development**
**21**

| | | 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 | 1 |
| 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.

| | | 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 | 1 |
| 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

| | | 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 | 108,000 | 175,000 | See Exhibit J. |
| 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 | 772,435 | 843,133 | |

| | | 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 [1] | 308,000 [2] |
| | 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 | 12,000 [3] |
| 8410 | Overhead Reimbursement | | | |
| 8610 | Depreciation Expense | | | |
| 8710 | Election Expenses | | | |
| 8810 | Capital Acquisition | | | |
| | **Total Expenditure** | 483,719 | 438,754 | 480,284 |

| | | |
|---|---|---|
| 1 | • BB&K | $ 90,000 |
| | • Barker | $ 96,000 |
| | • Travel/Miscellaneous | $ 7,505 |
| | • Lewis Consulting | $ 36,000 |
| | • Ackerman | $ 30,000 |
| | • Grant Research & Acquisition | $ 20,000 |
| | | $ 279,505 |
| 2 | • BB&K | $ 90,000 |
| | • Barker | $ 96,000 |
| | • Travel/Miscellaneous | $ 8,000 |
| | • Lewis Consulting | $ 42,000 |
| | • Ackerman | $ 36,000 |
| | • Grant Research & Acquisition | $ 36,000 |
| | | $ 308,000 |
| 3 | • Legislative Outreach & Briefings | $ 7,000 |
| | • WACO | $ 5,000 |
| | | $ 12,000 |

| | | 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 | 265,703 | 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 | 51,000 | 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 |
| • Legislative Staff Trip Travel Costs | $ 5,000 |
| • Sponsorship Contigency Fund | $ 5,000 |
| | $ 51,000 |

**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 | 252,000 | 225,000 | 1 |
| 7110 | Conference - Employee | | | | |
| 7115 | Conference - Directors | | | | |
| 7150 | Travel & Accommodations - Employee | | | | |
| 7155 | Travel & Accommodations - Director | | | | |
| 7210 | Membership / Sponsorship | 22,605 | 21,839 | 22,962 | 2 |
| 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 | 419,375 | 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 [1] |
| 7040 | Other Professional Fees | 115,000 | 20,000 | 48,000 [2] |
| 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

| | | 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 | | | | |
| 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 | 10,000 | 7,878 | 8,000 | 1 |
| 7430 | Software Purchase | 44,260 | 36,635 | 45,861 | 2 |
| 7440 | Software Support | 48,894 | 41,628 | 51,934 | 3 |
| 7540 | Computers and Equipment | 33,050 | 29,639 | 11,850 | 4 |
| 7580 | Maintenance Expense | | | | |
| 7610 | Automotive / Mileage | | | | |
| 7615 | Toll Road Charges | | | | |
| 7620 | Insurance Expense | | | | |
| 7640 | Utilities - Telephone | | | | |
| 7650 | Bank Fees | | | | |
| 7670 | Miscellaneous Expenses | 3,000 | 2,163 | 2,000 | |
| 8810 | Capital Acquisition | | | 62,500 | 5 |
| | **Total Expenditure** | 279,442 | 259,137 | 330,002 | |

1 • Misc repairs, maint & components

2 • Misc software upgrades and license

| | | |
|---|---|---|
| 3 | • MWDOC Website Support & Enhancements | $ 15,000 |
| | • Investment software usage cost | $ 2,340 |
| | • Financial Management System | $ 23,773 |
| | • Cisco Smartnet support | $ 3,300 |
| | • Misc NAV development | $ 2,000 |
| | • Jet Reports support | $ 1,521 |
| | • ECS Laserfiche Annual Support | $ 4,000 |
| | | $ 51,934 |

| | | |
|---|---|---|
| 4 | • 3 Laptops | $ 4,500 |
| | • 5 desktop computers w/ 9 monitors | $ 7,000 |
| | • RICOH color printer support | $ 350 |
| | | $ 11,850 |

| | | |
|---|---|---|
| 5 | • Physical Server for Virtual Host | $ 15,500 |
| | • 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) | 1 |
| 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 | 2 |
| 7110 | Conference - Employee | | | | |
| 7115 | Conference - Directors | | | | |
| 7150 | Travel & Accomodations - Employee | | | | |
| 7155 | Travel & Accomodations - Director | | | | |
| 7210 | Membership / Sponsorship | | | | |
| 7250 | CDR Participation | | | | |
| 7310 | Office Maintenance | | | | |
| 7320 | Rents & Leases | | | | |
| 7330 | Office Supplies | | | | |
| 7340 | Postal / Mail Delivery | 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 |
| 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 [1] |
| 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 | 191,380 | 1 |
| | | | | | |
| | | | | | |
| 4205 | | | | | |
| 4230 | Reimbursements | | 5,246 | | 2 |
| 4240 | | | | | |
| 4410 | | | | | |
| 4805 | | | | | |
| | **Total Revenue** | 358,433 | 363,679 | 382,760 | |
| | Operational Reserves to Capital | 844 | 844 | 80,912 | 3 |
| | MWDOC Contribution to Capital Improvements | 281,657 | 281,657 | 25,488 | |
| | | 640,934 | 646,180 | 489,160 | |

1 • OCSD $ 37,510
• SOCWA $ 14,545
• OCWD $ 95,690
• 3 Cities -- $14,545 ea $ 43,635
$ 191,380

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 prior year carryover will potentially be used 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 | 18,900 | √ |
| 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 | - | √ |
| 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 | $ 73,660 | |
| OC Chapter-Calif. Landscape Contractors Assoc. | $ 1,500 | $ 1,500 | $ 1,625 | √ |
| CA Water Efficiency Partnership (formerly CA Urban Water Cnvr Cncl) | 12,009 | 11,366 | 12,241 | √ |
| **Subtotal Cost Center 35** | $ 13,509 | $ 12,866 | $ 13,866 | |
| **Subtotal - Elective Participation** | **$ 89,905** | **$ 85,484** | **$ 87,566** | |
| 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** | **$ 139,245** | **$ 142,267** | |

# 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. Wtr Agencies Exec. (AMWA) Conf., San Francisco (1 staff) | 900 | 1,800 | |
| 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* | 3,250 | 3,750 | √ |
| General Fund Total ** | $ 42,880 | $ 99,600 | |
| 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** | $ 42,880 | $ 99,600 | |

* 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 (3 Directors) | 2,100 | 1,800 | √ |
| ACWA Spring Conference, Monterey (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* | 2,500 | 2,500 | √ |
| TOTAL** | $ 24,930 | $ 51,750 | |
| **PROPOSED GENERAL FUND BUDGET** | $ 24,930 | $ 51,750 | |

* 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 | Consulting on MET issues | 50,000 | 25,000 | √ |
| | (To be determined) | MET and Reliability Planning | 155,000 | 150,000 | |
| | | **Total Engineering Expenses** | **360,000** | **330,000** | |
| **Legal Expenses** | | | | | |
| Administration (11 & 13) | Best, Best & Krieger | General Legal Counsel Services | 195,000 | 200,000 | √ |
| | Aleshire & Wynder | Legal Counsel Services Regarding San Diego CWA | 25,000 | 25,000 | √ |
| | Best, Best & Krieger | Labor Counsel Services | 30,000 | 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 Expenses** | | | | | |
| 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 | √ |
| | (To Be determined) | Benchmark Study | 40,000 | | |
| Governmental Affairs (31) | 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 | √ |
| | (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 | |
| Public Affairs (32) | Stetson Engineers | Consumer Confidence Report (CCR) Technical Water Quality Advisor | 34,178 | 35,203 | √ |
| | 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 | |
| | (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 | |
| | (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 | | |
| WUE - Core (35) | (To be determined) | General WUE Research | 75,000 | 75,000 | |
| | Blue Watchdog Conservation, Inc | 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 | |
| Finance & IT (41 & 45) | Union Bank | Custodial Bank fees | 3,000 | 3,000 | √ |
| | 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 | 499,012 | | | | | **499,012** | | **499,012** |
| 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 | 191,380 | 28,397 | **3,191,912** | | **3,191,912** |
| Carryover Funds | | | | - | | **-** | | **-** |
| Choice Revenue | 1,276,781 | | | | | **1,276,781** | | **1,276,781** |
| Miscellaneous Income | 3,000 | | | | | **3,000** | | **3,000** |
| **Total Revenues** | **9,865,799** | **204,112,094** | **2,972,135** | **408,248** | **28,397** | **217,386,673** | **(216,868)** | **217,169,805** |
| **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 | 1,427,263 | | 2,972,135 | 30,000 | | **4,429,398** | - | **4,429,398** |
| 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 | 141,662 | | | 605 | | **142,267** | | **142,267** |
| 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 | 42,880 | | | 2,800 | | **45,680** | | **45,680** |
| Conference Expense - Directors | 24,930 | | | | | **24,930** | | **24,930** |
| 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 | 99,600 | | | 6,430 | | **106,030** | | **106,030** |
| Travel & Accommodations - Directors | 51,750 | | | | | **51,750** | | **51,750** |
| Depreciation Expense (annualized) | - | | | | | **-** | | **-** |
| Overhead Expenses billed to AMP and WFC | - | | | | | **-** | | **-** |
| Overhead Reimbursement | - | | | | - | **-** | | **-** |
| MWDOC Building Expense | 531,827 | | | | | **531,827** | | **531,827** |
| WEROC Sinking Fund Expense (generator & radios) | | | | - | | **-** | | **-** |
| Capital Acquisition | 255,500 | | | 106,400 | | **361,900** | | **361,900** |
| All Other Expenses | 1,817,379 | - | - | 152,413 | - | **1,969,792** | - | **1,969,792** |
| **Total Expenses** | **9,871,076** | **204,099,094** | **2,972,135** | **489,160** | **-** | **217,431,465** | **(216,868)** | **217,214,597** |
| **EFFECT ON RESERVES / FUND BALANCE** | **$ (5,277)** | **$ 13,000** [2] | **$ -** | **$ (80,912)** | **$ 28,397** | **$ (44,792)** | **$ -** | **$ (44,792)** |

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

# 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)** |

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.

SINCE 1933

**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

March 29, 2018

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

SUBJECT: Fiscal Year 2018-19 Budget Preparation

Dear Mr. Hunter:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing its FY2018-19 budget and has been describing this work to its member agencies over the past few months. Orange County Water District (OCWD) appreciates this open, interactive and transparent budget process. OCWD would like to provide three comments for your Board's consideration.

1. The draft March 2018 budget includes funding for 9 trips (3 Association related and 6 advocacy) to Washington DC which seems excessive. We believe that 1 Association and quarterly (4) advocacy trips would be more appropriate, which would result in a reduction to the proposed budget of approximately $26,800. The District is aware of other MWDOC member agencies with this same concern.

2. We concur with the MWDOC Administration & Finance Committee's recommendation on February 14th to remove membership in the Association of Metropolitan Water Agencies from the budget and would further ask consideration for removal of the membership for the California Council for Environmental & Economic Balance, which appears to be more a business-related organization. Removal of these two memberships would result in a reduction to the proposed budget of approximately $71,300.

3. MWDOC has decided to maintain General Operation reserves at the higher 180 days level versus 90 days. This amounts to approximately an additional $1.6 million in reserves. OCWD is unaware of the justification to maintain the higher reserve level. MWDOC has also decided to begin making new $207,000 annual payments towards funding its $2.2 million CALPERS unfunded liability. OCWD suggests transferring the $1.6 million in the MWDOC General Operation reserve towards the CALPERS unfunded liability. The net remaining CALPERS unfunded liability would

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www.ocwd.com

be about $0.6 million. MWDOC could then reduce the annual transfers to fund this liability to about $60,000. The proposed FY2018-19 MWDOC meter charge increase could then be significantly reduced.

If these recommendations are implemented it would result in a very minor increase in rates and still be compliant with the MWDOC reserve policy.

Thank you for your consideration.

Sincerely,

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

Cc OCWD Board of Directors

**SOUTH COAST WATER DISTRICT**

**Board of Directors**

William Green
*President*

Wayne Rayfield
*Vice President*

Dennis Erdman
*Director*

Doug Erdman
*Director*

Rick Erkeneff
*Director*

January 24, 2018

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

***Mailing Address:*** *P.O. Box 30205, Laguna Niguel, CA 92607-0205*
***Street Address:*** *31592 West Street, Laguna Beach, CA 92651*
***Fax:*** *(949) 499-4256* ***Phone:*** *(949) 499-4555*

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SINCE 1933

**ORANGE COUNTY WATER DISTRICT**

ORANGE COUNTY'S GROUNDWATER AUTHORITY

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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



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(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

**Item No. 8**

**ACTION ITEM**
April 18, 2018

**TO:** Board of Directors

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

Robert J. Hunter, General Manager

**Staff Contacts:** Harvey De La Torre

**SUBJECT:** **Proposed MWDOC Water Rate Resolution for Fiscal Year 2018-19**

## STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. Increase the MWDOC Retail Meter Charge from $11.90 to $12.25 per meter, and the Groundwater Customer Charge from $468,565 to $499,012, effective July 1, 2018; and

2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2018 and January 1, 2019 as identified in the Water Rate Resolution for Fiscal Year 2018-19.

## COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

## REPORT

MWDOC adopts a water rate resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A is the proposed MWDOC Water Rate Resolution for Fiscal Year 2018-19. In order to show the proposed changes compared to last year's version, the attached proposed water rate resolution is in a redline form. The most significant changes are within the choice service programs with some programs being modified or removed.

Below is a summary of the proposed Rates and Charges for FY2018-19:

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): NA** | Budgeted amount: NA | Core _X_ | Choice __ |
| **Action item amount: NA** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

| Proposed Rates | Proposed Rates July 1, 2018 | Proposed Rates January 1, 2019 |
|---|---|---|
| MWDOC Retail Meter Charge | $11.90/meter | $12.25/meter |
| MWDOC Groundwater Customer Charge* | $468,565 | $499,012 |
| System Access Rate | $299.00 | $326.00 |
| System Power Rate | $132.00 | $127.00 |
| Water Stewardship Rate | $55.00 | $69.00 |
| MWDOC Melded Supply Rate | $209.00 | $209.00 |
| Treatment Surcharge | $320.00 | $319.00 |
| | | |
| Treated Full Service Rate | $1,015.00 | $1,050.00 |
| Untreated Full Service Rate | $695.00 | $731.00 |

[*] This is an annual charge to OCWD

**Attachment A – REDLINE VERSION of Proposed MWDOC Water Rate Resolution for Fiscal Year 2018-19**

**Attachment B – CLEAN VERSION of Proposed MWDOC Water Rate Resolution for Fiscal Year 2018-19**

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated budgets, and the methods for allocating such costs to the member agencies and 3 Cities, and has directed staff to bill for those costs pursuant to Section 10 of this Resolution as part of MWDOC's water rates and charges; and,

WHEREAS, there is a need to charge for costs associated with the transfer or

wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

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

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

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

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

| Rate Component | July 1 through December 31, 2018~~2017~~ | Beginning January 1, 2019~~2018~~ |
|---|---|---|
| **Untreated Full Service** | **$695~~666~~.00** | **$731~~695~~.00** |
| **Treated Full Service** | **$1,015~~979~~.00** | **$1,050~~15~~.00** |
| **Unbundled Rate By Component:** | | |
| System Access Rate | $299~~89~~.00 | $326~~299~~.00 |
| System Power Rate | $132~~24~~.00 | $127~~132~~.00 |
| Water Stewardship Rate | $55~~2~~.00 | $69~~55~~.00 |
| MWDOC Melded Supply Rate* | $209~~201~~.00 | $209.00 |
| Tiered Supply Rate (Tier 1/Tier 2)* | N/A | N/A |
| **Subtotal Untreated Full Service:** | **$695~~666~~.00** | **$731~~695~~.00** |
| Treatment Surcharge | $320~~13~~.00 | $319~~20~~.00 |
| **Total Treated Full Service:** | **$1,015~~979~~.00** | **$1,050~~15~~.00** |

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

(b) **Drought Allocation Surcharge**

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

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

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 2018~~7~~-19~~8~~ Metropolitan

estimates that the amount of Metropolitan's Readiness-to-Serve ("RTS") Charge applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is $10,455,204 10,631,604. The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to eachthe MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net Metropolitan RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 20187-198 charges, the four-year average shall be based on fiscal years 20132-143 through 20165-176). The Net Metropolitan RTS Charges to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year 20187-198 MWDOC Readiness to ServeRTS Charge Rate

For fiscal year 20187-198, MWDOC will charge the MWDOC member agencies total Net RTS Charges of $10,455,204 10,631,604. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 20187-198 is set forth in **Exhibit A**. Once the actual Net Standby

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

## SECTION 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 2019~~8~~, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be $3,753,900~~3,854,970~~. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being imposed (i.e., for calendar year 2019~~8~~ charges, the highest peak day flow shall be based on May 1 through September 30, 2015~~4~~, 2016~~5~~ and 2017~~6~~). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 2019~~8~~ Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an

operative part hereof.

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

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be $12.25~~11.90~~. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

**SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE**

The annual charge to be imposed on Orange County Water District (OCWD) for Core services provided by MWDOC for fiscal year 2018~~7~~-19~~8~~ shall be $~~498,189~~499,012~~468,565~~. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2018~~7~~-19~~8~~ general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on ~~the~~ OCWD's most recent 10-year historical water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

**SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 2018~~7~~-19~~8~~**

The Choice services to the member agencies shall be provided and charged for as follows for 2018~~7~~-19~~8~~:

(a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year 2017~~6~~. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating member agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.

(b) The Elementary School Education Program will provide grade-specific water education programs for students in Grade 1 through Grade 6 in private and public schools located in Orange County. Each participating member agency may set a target number of students for which the School Education program ("basic program") be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of $4.11~~03~~ per student. The School Education Program in fiscal year 2018~~7~~-19~~8~~ offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and

under a separate fee structure.

~~(c)~~ The High School Education Program will provide for a grade-specific water education program for students in Grade 9 through Grade 12 in private and public schools within Orange County~~ in conjunction with a digital program and teachers' training program~~. The High School program is charged based ~~on the~~on the ~~level of participation and the program structure~~number of High Schools participating in the program. For Fiscal Year 2018~~7~~-19~~8~~, the participation rate is $4,371~~244~~ per ~~participating~~ High School~~, and the total cost for the digital program and teachers' education is $42,436~~. ~~These costs are apportioned over all agencies participating based on the percentage of each agency's high school students compared to the total number of high school students in the program (all cities and water agencies participating). The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.~~

(c)

(e) ~~Poseidon Huntington Beach Ocean Desalination Program – The Poseidon Ocean Desalination project Choice activities for fiscal year 2016-17 are uncertain at the time the Board is adopting the budgets and setting the rates and charges. During fiscal year 2014-15, 17 member agencies participated in the Poseidon Choice program. MWDOC will not charge the participating member agencies during fiscal year 2017-18, but will refund the existing accumulation of funds to each agency who deposited funds towards the Poseidon Workgroup.~~ Blank

(f) Blank

~~(f)~~ .

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

The details on these Choice options and charges to the member agencies are included in Section 10 and are set forth in **Exhibit C**, attached hereto and by this reference incorporated herein and made an operative part hereof .

## SECTION 7. RATES AND CHARGES FOR WHEELED, EXCHANGED OR TRANSFERRED WATER

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

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

(a) A one-time administrative charge, based on actual time spent to account for the staff time and legal counsel time required for preparation of an agreement or agreements to establish the legal and administrative framework for water to be wheeled or transferred through exchanges with Metropolitan.

(b) Unless otherwise specified by written agreement with MWDOC, an annual charge will be assessed, based on actual time spent in any year

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

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

**SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)**

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

**SECTION 9. EFFECTIVE DATE.**

The rates set forth in this Resolution shall become effective as of July 1, 2018~~7~~ or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

**SECTION 10. BILLING AND PAYMENT.**

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

for other charges as follows:

(a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;

(b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;

(c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B;** and

(d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.

(e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 53 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

**SECTION 11. EXEMPTION FROM CEQA**.

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

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

**SECTION 12. REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2018~~7~~-19~~8~~ budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

**SECTON 13. SUPERSEDES PRIOR RESOLUTIONS.**

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

**SECTION 14. RATES SUBJECT TO ORDINANCE.**

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

**SECTION 15. IMPLEMENTATION.**

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

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

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

AYES: Directors
NOES:
ABSENT:
ABSTAIN:

_____
MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, the MWDOC Board has approved the "Choice" services, the associated budgets, and the methods for allocating such costs to the member agencies and 3 Cities, and has directed staff to bill for those costs pursuant to Section 10 of this Resolution as part of MWDOC's water rates and charges; and,

WHEREAS, there is a need to charge for costs associated with the transfer or

wheeling of water into the MWDOC service area by any member agency as is provided for in this Resolution.

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

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

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

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

| Rate Component | July 1 through December 31, 2018 | Beginning January 1, 2019 |
|---|---|---|
| **Untreated Full Service** | **$695.00** | **$731.00** |
| **Treated Full Service** | **$1,015.00** | **$1,050.00** |
| **Unbundled Rate By Component:** | | |
| System Access Rate | $299.00 | $326.00 |
| System Power Rate | $132.00 | $127.00 |
| Water Stewardship Rate | $55.00 | $69.00 |
| MWDOC Melded Supply Rate* | $209.00 | $209.00 |
| Tiered Supply Rate (Tier 1/Tier 2)* | N/A | N/A |
| **Subtotal Untreated Full Service:** | **$695.00** | **$731.00** |
| Treatment Surcharge | $320.00 | $319.00 |
| **Total Treated Full Service:** | **$1,015.00** | **$1,050.00** |

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

(b) **Drought Allocation Surcharge**

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

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

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 2018-19 Metropolitan estimates that the amount of Metropolitan's Readiness-to-Serve ("RTS") Charge applicable to MWDOC,

which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is $10,455,204 . The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to each MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net Metropolitan RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 2018-19 charges, the four-year average shall be based on fiscal years 2013-14 through 2016-17). The Net Metropolitan RTS Charge to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year 2018-19 MWDOC RTS Charge

For fiscal year 2018-19, MWDOC will charge the MWDOC member agencies total Net RTS Charges of $10,455,204. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 2018-19 is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS Charge for the

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

## SECTION 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 2019, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be $3,753,900. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being imposed (i.e., for calendar year 2019 charges, the highest peak day flow shall be based on May 1 through September 30, 2015, 2016 and 2017). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 2019 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

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

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be $12.25. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

**SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE**

The annual charge to be imposed on Orange County Water District (OCWD) for Core services provided by MWDOC for fiscal year 2018-19 shall be $499,012. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2018-19 general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on OCWD's most recent 10-year historical water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

**SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 2018-19**

The Choice services to the member agencies shall be provided and charged for as follows for 2018-19:

(a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year 2017. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating member agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.

(b) The Elementary School Education Program will provide grade-specific water education programs for students in Grade 1 through Grade 6 in private and public schools located in Orange County. Each participating member agency may set a target number of students for which the School Education program ("basic program") be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of $4.11 per student. The School Education Program in fiscal year 2018-19 offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure.

(c) The High School Education Program will provide for a grade-specific water education program for students in Grade 9 through Grade 12 in private and public schools within Orange County. The High School program is charged based on the number of High Schools participating in the program. For Fiscal Year 2018-19, the participation rate is $4,371 per High School.

(e) Blank

(f) Blank

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

The details on these Choice options and charges to the member agencies are included in Section 10 and are set forth in **Exhibit C**, attached hereto and by this reference incorporated herein and made an operative part hereof .

## SECTION 7. RATES AND CHARGES FOR WHEELED, EXCHANGED OR TRANSFERRED WATER

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

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

(a) A one-time administrative charge, based on actual time spent to account for the staff time and legal counsel time required for preparation of an agreement or agreements to establish the legal and administrative framework for water to be wheeled or transferred through exchanges with Metropolitan.

(b) Unless otherwise specified by written agreement with MWDOC, an annual charge will be assessed, based on actual time spent in any year

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

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

**SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)**

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

**SECTION 9. EFFECTIVE DATE.**

The rates set forth in this Resolution shall become effective as of July 1, 2018 or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

**SECTION 10. BILLING AND PAYMENT.**

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

for other charges as follows:

(a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;

(b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;

(c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B;** and

(d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.

(e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 53 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

**SECTION 11. EXEMPTION FROM CEQA.**

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

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

**SECTION 12. REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2018-19 budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

**SECTON 13. SUPERSEDES PRIOR RESOLUTIONS.**

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

**SECTION 14. RATES SUBJECT TO ORDINANCE.**

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

**SECTION 15. IMPLEMENTATION.**

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

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

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

AYES: Directors
NOES:
ABSENT:
ABSTAIN:

_____
MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

# EXHIBIT A

## Readiness-to-serve Charge for MWDOC Client Agencies for FY 2018-19

| | | |
|---|---|---|
| Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2018/19 = | $ | 17,600,888 |
| Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2018/19 = | $ | (7,145,684) |
| Net MWD RTS Charge = | $ | 10,455,204 |

**DRAFT**
as of 4/4/18

| Agency | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 4-Yr Ave | AF Share (%) | Net RTS | 2018 Monthly Charge July - December | 2019 Monthly Charge January - June |
|---|---|---|---|---|---|---|---|---|---|
| Brea | 3,459 | 3,285 | 1,553 | 1,159.7 | 2,364 | 1.15% | $ 119,891 | $ 10,358 | $ 9,624 |
| Buena Park | 4,571 | 2,782 | 716 | 3,229.0 | 2,824 | 1.37% | $ 143,229 | $ 12,374 | $ 11,497 |
| East Orange County Water District | 4,765 | 3,164 | 1,726 | 1,372.0 | 2,757 | 1.34% | $ 139,787 | $ 12,077 | $ 11,221 |
| El Toro Water District | 10,165 | 8,631 | 6,967 | 6,638.7 | 8,100 | 3.93% | $ 410,764 | $ 35,487 | $ 32,973 |
| Fountain Valley | 2,644 | 2,618 | 1,985 | 2,112.1 | 2,340 | 1.13% | $ 118,646 | $ 10,250 | $ 9,524 |
| Garden Grove | 5,183 | 5,928 | 3,301 | 6,134.7 | 5,137 | 2.49% | $ 260,477 | $ 22,503 | $ 20,909 |
| Golden State Water Company | 8,209 | 5,863 | 3,395 | 5,664.0 | 5,783 | 2.80% | $ 293,245 | $ 25,334 | $ 23,540 |
| Huntington Beach | 9,342 | 7,692 | 6,060 | 6,083.7 | 7,295 | 3.54% | $ 369,902 | $ 31,957 | $ 29,693 |
| Irvine Ranch Water District | 21,127 | 16,680 | 11,732 | 18,594.7 | 17,034 | 8.26% | $ 863,768 | $ 74,624 | $ 69,338 |
| La Habra | 42 | 232 | 10 | 75.7 | 90 | 0.04% | $ 4,564 | $ 394 | $ 366 |
| La Palma | 663 | 539 | 491 | 651.2 | 586 | 0.28% | $ 29,711 | $ 2,567 | $ 2,385 |
| Laguna Beach County Water District | 3,926 | 3,641 | 3,310 | 1,663.1 | 3,135 | 1.52% | $ 158,964 | $ 13,733 | $ 12,761 |
| Mesa Water District | 0 | 0 | 202 | 0.0 | 51 | 0.02% | $ 2,563 | $ 221 | $ 206 |
| Moulton Niguel Water District | 28,869 | 26,792 | 23,429 | 22,866.0 | 25,489 | 12.36% | $ 1,292,542 | $ 111,667 | $ 103,757 |
| Newport Beach | 6,045 | 4,338 | 3,167 | 3,316.9 | 4,217 | 2.05% | $ 213,821 | $ 18,473 | $ 17,164 |
| Orange | 7,796 | 6,516 | 4,103 | 5,786.3 | 6,050 | 2.93% | $ 306,813 | $ 26,507 | $ 24,629 |
| Orange County Water District | 55,215 | 65,759 | 54,661 | 42,878.5 | 54,628 | 26.50% | $ 2,770,170 | $ 239,324 | $ 222,371 |
| San Clemente | 9,654 | 8,917 | 6,512 | 6,542.5 | 7,906 | 3.83% | $ 400,933 | $ 34,638 | $ 32,184 |
| San Juan Capistrano | 5,189 | 5,166 | 4,998 | 5,555.5 | 5,227 | 2.54% | $ 265,077 | $ 22,901 | $ 21,279 |
| Santa Margarita Water District | 28,779 | 26,725 | 21,892 | 21,846.5 | 24,810 | 12.03% | $ 1,258,129 | $ 108,694 | $ 100,994 |
| Seal Beach | 1,164 | 787 | 1,033 | 1,000.4 | 996 | 0.48% | $ 50,500 | $ 4,363 | $ 4,054 |
| Serrano Water District | 4,034 | 4,682 | 216 | 2,198.6 | 2,782 | 1.35% | $ 141,097 | $ 12,190 | $ 11,326 |
| South Coast Water District | 6,030 | 5,714 | 4,910 | 4,907.0 | 5,390 | 2.61% | $ 273,335 | $ 23,614 | $ 21,941 |
| Trabuco Canyon Water District | 3,183 | 2,968 | 2,198 | 2,000.2 | 2,587 | 1.25% | $ 131,204 | $ 11,335 | $ 10,532 |
| Westminster | 3,760 | 2,356 | 459 | 2,602.0 | 2,294 | 1.11% | $ 116,331 | $ 10,050 | $ 9,338 |
| Yorba Linda Water District | 10,881 | 5,595 | 3,375 | 5,369.7 | 6,305 | 3.06% | $ 319,739 | $ 27,623 | $ 25,667 |
| **Sum of MWDOC Agencies** | **244,694** | **227,369** | **172,400** | **180,248.7** | **206,178** | **100%** | **$ 10,455,204** | **$ 903,260** | **$ 839,274** |

**EXHIBIT B**

**Capacity Charge for MWDOC Member Agencies for CY 2019**

DRAFT 4/3/18

| | 2015 | 2016 | 2017 | Peak |
|---|---|---|---|---|
| MWDOC's Peak to MWD (cfs) | 293.0 | 406.0 | 436.5 | 436.5 |
| Date | 7/3/15 | 7/12/16 | 7/24/17 | 7/24/17 |

Metropolitan Capacity Charge to MWDOC for CY 2019 $ 3,753,900 *

| Agency | Capacity Charge Eligible Flows (CFS) 2015 | 2016 | 2017 | 3-Yr Peak | CFS Share (%) | Annual Capacity Charge | Monthly Capacity Charge |
|---|---|---|---|---|---|---|---|
| City of Brea | 8.5 | 6.8 | 11.4 | 11.4 | 2.02% | $ 75,936 | $ 6,328 |
| City of Buena Park | 7.6 | 4.0 | 7.7 | 7.7 | 1.37% | $ 51,612 | 4,301 |
| East Orange County Water District | 11.4 | 12.8 | 9.0 | 12.8 | 2.28% | $ 85,722 | 7,144 |
| El Toro Water District | 15.9 | 16.3 | 16.8 | 16.8 | 2.99% | $ 112,413 | 9,368 |
| City of Fountain Valley | 3.6 | 3.3 | 3.7 | 3.7 | 0.66% | $ 24,719 | 2,060 |
| City of Garden Grove | 9.0 | 13.0 | 13.6 | 13.6 | 2.42% | $ 91,025 | 7,585 |
| Golden State Water Company | 7.9 | 12.9 | 11.3 | 12.9 | 2.30% | $ 86,318 | 7,193 |
| City of Huntington Beach | 25.0 | 28.4 | 17.5 | 28.4 | 5.05% | $ 189,699 | 15,808 |
| Irvine Ranch Water District | 41.2 | 43.5 | 36.2 | 43.5 | 7.75% | $ 290,769 | 24,231 |
| City of La Habra | 2.3 | 1.7 | 7.3 | 7.3 | 1.30% | $ 48,614 | 4,051 |
| City of La Palma | 1.4 | 2.9 | 1.2 | 2.9 | 0.52% | $ 19,371 | 1,614 |
| Laguna Beach County Water District | 7.0 | 7.6 | 5.4 | 7.6 | 1.35% | $ 50,855 | 4,238 |
| Mesa Water District | 0.0 | 0.0 | 0.0 | 0.0 | 0.00% | $ - | - |
| Moulton Niguel Water District | 45.1 | 48.0 | 58.7 | 58.7 | 10.46% | $ 392,559 | 32,713 |
| City of Newport Beach | 10.3 | 8.9 | 11.6 | 11.6 | 2.07% | $ 77,655 | 6,471 |
| Orange County Water District | 61.0 | 135.9 | 160.1 | 160.1 | 28.53% | $ 1,070,861 | 89,238 |
| City of Orange | 15.8 | 17.8 | 15.8 | 17.8 | 3.18% | $ 119,308 | 9,942 |
| City of San Clemente | 21.6 | 21.9 | 19.4 | 21.9 | 3.91% | $ 146,597 | 12,216 |
| City of San Juan Capistrano | 14.6 | 14.3 | 14.1 | 14.6 | 2.61% | $ 97,942 | 8,162 |
| Santa Margarita Water District | 53.9 | 62.3 | 58.4 | 62.3 | 11.09% | $ 416,471 | 34,706 |
| City of Seal Beach | 5.5 | 5.5 | 5.9 | 5.9 | 1.05% | $ 39,517 | 3,293 |
| Serrano Water District | 0.0 | 2.0 | 0.0 | 2.0 | 0.36% | $ 13,379 | 1,115 |
| South Coast Water District | 7.3 | 8.1 | 7.5 | 8.1 | 1.44% | $ 54,057 | 4,505 |
| Trabuco Canyon Water District | 6.0 | 6.1 | 8.1 | 8.1 | 1.45% | $ 54,308 | 4,526 |
| City of Westminster | 5.3 | 4.7 | 4.6 | 5.3 | 0.94% | $ 35,275 | 2,940 |
| Yorba Linda Water District | 12.6 | 12.7 | 16.3 | 16.3 | 2.90% | $ 108,918 | 9,076 |
| | | | Total | 561.2 | 100% | $ 3,753,900 | $ 312,825 |
| | | | | MWDOC Capacity Charge Per CFS: | | $ 6,689 | |

* Based on MWDOC's aggregate peak flow of 466.7 cfs on 7/24/2017 charge at MET's 2019 rate of $8,600 per cfs

# Exhibit C

## MWDOC Member Agency Choice Services Program Summary

**Cost Allocations by Agencies for FY 2018-19**

**DRAFT**

*As of 4/03/2018*

| Retail Agency | Water Use Efficiency [1] | School Education (Elementary)[2] | School Education (High School)[2] | Water Loss Control Program [3] | Total Choice Allocation |
|---|---|---|---|---|---|
| Brea | $ 26,135 | $ 6,576 | $ 4,371 | | **$ 37,082** |
| Buena Park | $ 7,694 | $ 8,631 | $ 4,371 | | **$ 20,696** |
| East Orange County WD | $ 1,379 | $ - | $ 4,371 | | **$ 5,750** |
| El Toro WD | $ 16,693 | $ 5,910 | $ 8,742 | | **$ 31,345** |
| Fountain Valley | $ 13,028 | $ 5,154 | $ - | | **$ 18,182** |
| Garden Grove | $ 9,067 | $ 14,385 | $ - | | **$ 23,452** |
| Golden State Water Company | $ 10,310 | | $ 8,742 | | **$ 19,052** |
| Huntington Beach | $ 83,858 | $ 22,605 | $ 4,371 | | **$ 110,834** |
| Irvine Ranch WD | $ 235,153 | $ - | $ - | | **$ 235,153** |
| La Habra | $ 2,934 | $ 8,220 | $ - | | **$ 11,154** |
| La Palma | $ 2,617 | $ 2,844 | $ - | | **$ 5,461** |
| Laguna Beach County WD | $ 2,575 | $ 1,110 | $ 4,371 | | **$ 8,055** |
| Mesa Water | $ 43,362 | $ 3,494 | $ 4,371 | | **$ 51,226** |
| Moulton Niguel WD | $ 92,835 | $ 16,440 | $ 13,113 | | **$ 122,388** |
| Newport Beach | $ 41,041 | $ - | $ - | | **$ 41,041** |
| Orange | $ 30,601 | $ 9,453 | $ - | | **$ 40,054** |
| Orange County WD | $ - | $ - | $ - | | **$ -** |
| San Clemente | $ 17,798 | $ 3,699 | $ 4,371 | | **$ 25,868** |
| San Juan Capistrano | $ 7,071 | $ 4,110 | $ 4,371 | | **$ 15,552** |
| Santa Margarita WD | $ 91,657 | $ 14,385 | $ 4,371 | | **$ 110,413** |
| Seal Beach | $ 1,309 | $ 2,511 | $ - | | **$ 3,820** |
| Serrano WD | $ 1,225 | $ 1,722 | $ - | | **$ 2,947** |
| South Coast WD | $ 29,009 | $ 4,850 | $ 4,371 | | **$ 38,230** |
| Trabuco Canyon WD | $ 6,408 | $ 1,993 | $ - | | **$ 8,402** |
| Tustin | $ 22,026 | $ 13,563 | $ 4,371 | | **$ 39,960** |
| Westminster | $ 11,001 | $ 10,082 | $ - | | **$ 21,083** |
| Yorba Linda WD | $ 28,948 | $ 4,250 | $ - | | **$ 33,198** |
| Anaheim | $ 1,518 | $ 30,546 | $ 4,371 | | **$ 36,434** |
| Fullerton | $ 1,140 | $ 10,193 | $ - | | **$ 11,333** |
| Santa Ana | $ 765 | $ 52,550 | $ 4,371 | | **$ 57,686** |
| **Orange County Total** | **$ 839,155** | **$ 259,275** | **$ 87,420** | **$ -** | **$ 1,185,850** |

TBD: Pending Each Agency's Level of Service

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

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY 2018-19

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

[3] For FY 2018-19 the Water Loss Control Program includes Phases III & IV. Agency costs will vary based on the selection of technical & professional services. The final cost by agency are not expected to be determined until Fall 2018

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/17 - 12/31/17

| INCURRED BY: | POSITION: | VENDOR: | EVENT: | ITEM: | AMOUNT |
|---|---|---|---|---|---|
| B. Barbre | Director | American Airlines | Legislative activities<br>Los Angeles, CA to Washington, DC - 11/22/17 | Transportation | $ 231.00 |
| | | | | B. Barbre Total: | $ 231.00 |
| M. Yoo Schneider | Director | American Airlines | Association of California Water Agencies DC conference<br>Washington, DC to Los Angeles, CA - 3/2/17 | Transportation | $ 468.20 |
| | | M. Yoo Schneider | Metropolitan Water District of So. Calif. Inspection tour<br>San Juan Capistrano, CA to San Jacinto, CA - 3/5/17 | Transportation | $ 100.69 |
| | | | | M. Yoo Schneider Total: | $ 568.89 |
| L. McKenney | Director | The Citizen Hotel | Association of California Water Agencies Board meeting<br>Sacramento, CA - 2/2/17 | Accommodations | $ 281.08 |
| | | | | L. McKenney Total: | $ 281.08 |
| J. Thomas | Director | Hilton San Diego Resort | Urban Water Institute conference<br>San Diego, CA - 8/17/17 | Accommodations | $ 246.81 |
| | | J. Thomas | Colorado River Water Users Association conference<br>Tustin, CA to Las Vegas, NV - 12/13/17 | Transportation | $ 141.78 |
| | | Colorado River Water Users Association | Colorado River Water Users Association conference<br>Las Vegas, NV - 12/14/17 | Registration | $ 293.00 |
| | | Caesars Palace | Colorado River Water Users Association conference<br>Las Vegas, NV - 12/13/17 | Accommodations | $ 174.61 |
| | | Caesars Palace | Colorado River Water Users Association conference<br>Las Vegas, NV - 12/14/17 | Accommodations | $ 174.61 |
| | | J. Thomas | Colorado River Water Users Association conference<br>Las Vegas, NV to Tustin, CA - 12/15/17 | Transportation | $ 141.78 |
| | | | | J. Thomas Total: | $ 1,172.59 |
| S. Tamaribuchi | Director | Courtyard Marriott | California Water Policy conference<br>San Diego, CA - 4/5/17 | Accommodations | $ 208.49 |
| | | Courtyard Marriott | California Water Policy conference<br>San Diego, CA - 4/6/17 | Accommodations | $ 208.49 |
| | | | | S. Tamaribuchi Total: | $ 416.98 |

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/17 - 12/31/17

| INCURRED BY: | POSITION: | VENDOR: | EVENT: | ITEM: | AMOUNT |
|---|---|---|---|---|---|
| **M. Baum-Haley** | Senior Water Resources Analyst | M. Baum-Haley | Association of California Water Agencies Spring conference<br>Monterey, CA to Irvine, CA - 5/12/17 | Transportation | $ 201.70 |
| | | | | **M Baum-Haley Total:** | **$ 201.70** |
| **J. Berg** | Director of Water Use Efficiency | Hyatt Regency | Department of Water Resources hearing<br>Sacramento, CA - 4/17/17 | Accommodations | $ 373.16 |
| | | The Citizen Hotel | California Water Efficiency Partnership committee meeting<br>Sacramento, CA - 4/27/17 | Accommodations | $ 147.03 |
| | | Southwest Airlines | California Water Efficiency Partnership committee meeting<br>Round trip Santa Ana, CA to Sacramento, CA - 11/1/17 | Transportation | $ 347.95 |
| | | Paradise Point | North American Water Loss conference<br>San Diego, CA - 12/3/17 | Accommodations | $ 279.09 |
| | | Paradise Point | North American Water Loss conference<br>San Diego, CA - 12/4/17 | Accommodations | $ 279.09 |
| | | Southwest Airlines | Legislative activities<br>Round trip Santa Ana, CA to Sacramento, CA - 12/6/17 | Transportation | $ 475.96 |
| | | | | **J. Berg Total:** | **$ 1,902.28** |
| **C. Busslinger** | Principal Engineer | Water Education Foundation | Santa Ana River Watershed conference<br>Ontario, CA - 5/25/17 | Registration | $ 158.49 |
| | | | | **C. Busslinger Total:** | **$ 158.49** |
| **K. Hubbard** | WEROC Programs Manager | K. Hubbard | Association of California Water Agencies Spring conference<br>Fountain Valley, CA to Los Angeles, CA to Monterey, CA - 5/9/17 | Transportation | $ 204.12 |
| | | K. Hubbard | Association of California Water Agencies Spring conference<br>Monterey, CA to Fountain Valley, CA - 5/11/17 | Transportation | $ 193.86 |
| | | | | **K. Hubbard Total:** | **$ 397.98** |

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/17 - 12/31/17

| INCURRED BY: | POSITION: | VENDOR: | EVENT: | ITEM: | AMOUNT |
|---|---|---|---|---|---|
| **F. Soto** | WEROC Emergency Programs Coordinator | F. Soto | California Emergency Services Association South Gate, CA to Fish Camp, CA - 10/8/17 | Transportation | $ 155.69 |
| | | F. Soto | California Emergency Services Association Fish Camp, CA to South Gate, CA - 10/13/17 | Transportation | $ 155.69 |
| | | | | **F. Soto Total:** | **$ 311.38** |
| | | | | **Grand Total** | **$ 5,642.37** |

**Administration Activities Report**
**March 8, 2018 to April 5, 2018**

| Activity | Summary |
|---|---|
| **Administration/Board** | Staff worked on the following:<br>• Scheduling meetings for Rob Hunter and other various meetings of the Board members.<br>• Assisted Rob/Karl with various write ups and follow-up for the Committees and Board.<br>• Sent the Water Supply Reports to the member agencies.<br>• Assisting management staff with District policy and procedures.<br>• Collected Vendor Reporting forms, prepared Form 700s for distribution, distributed Form 700s to Board and Staff and filed Form 700s with the Clerk of the Board<br>• Prepared and organized invitations to Elected Officials Forum on April 5th; organizing the logistics for said event<br>• 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.<br>• Responded to one Public Records Act request<br>• Working with staff and vendors to obtain updated and current insurance certificates for agreements<br>• Working with HR regarding efforts to fill the upcoming vacancy in the Admin Department<br>• Scheduled meetings for Rob and Karl and ordered lunches for several meetings. |
| **MWDOC/OCWD Joint Administration** | No new information to report. |
| **Health Benefits** | JPIA provided notification that Universal Health Services (UHS) participation in the Anthem PPO and HMO networks was terminated effective 03/31/2018. |
| **Records Management** | • Review of unfiled electronic documents is in process. There are several thousand documents that require indexing, moving to the proper location, or purging.<br>• A new employee has been trained in records management procedures, and a former employee's files have been reviewed for disposition.<br>• Staff is holding a teleconference with Laserfiche on 4/5/18 to review current practices and determine if updates are needed to the existing software |
| **Recruitment /Departures** | • Recruitment efforts are underway for the following positions:<br>o Executive Assistant |

| **Other** | |
|---|---|
| **Projects and Activities** | • HR is wrapping up work with Ralph Anderson on the Classification & Compensation Study. The final report is included in the 4.11.18 A&F packet.<br>• Staff continues research on a recruitment and performance management software for implementation in the 2018/19 budget year.<br>• Reviewed and submitted the Worker's Compensation Credit Incentive worksheet for the upcoming renewal. Additionally, SDRMA announced an 8% reduction in the renewal premium for 2018-19.<br>• Staff is preparing for 2018/19 Budget items.<br>• Staff is researching and evaluating implementation of a cell phone reimbursement policy.<br>• 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.<br>• All MWDOC staff meeting was held on March 31. |

**Item No. 10b**

# INFORMATION ITEM
**April 11, 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 |
|---|---|---|---|
| **Finance** | | | |
| Further Implementation of WUE Landscape Programs Databases and Web Site. | On-going | On-going | In Progress |
| Government Compensation in California Report 2017 | **100%** | 03-30-18 | Completed |
| Preparation of documents for FY18-19 budget process. | **90%** | 04-30-18 | In Progress |
| 2018 W-9 collection for water rebates. Currently not holding any rebate checks | On-going | On-going | In Progress |
| RFP for new banking services issued on 03/13/18. Proposals due 04/11/18 | **50%** | 05-09-18 | In Progress |
| Annual audit with Vazquez & Co. - Interim audit week of July 9th; final audit week of September 17th | **0%** | 11-14-18 | Not Started |

| Description | % of Completion | Estimated Completion date | Status |
|---|---|---|---|
| **Information Technology** | | | |
| 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. | **70%** | 06-30-17 | In Progress |

| Description | % of Completion | Estimated Completion date | Status |
|---|---|---|---|
| **FY 2017-18 Completed Special Tasks**<br>**Finance** | | | |
| 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 |
| Prepare, mail and file 2017 1099-MISC forms for rebate checks and accounts payable | **100%** | 01-30-18 | Completed |
| **Information Technology** | | | |
| 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 |
| 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 |

**Item No.** 11

**INFORMATION ITEM**
April 11, 2018

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

**FROM:** **Robert Hunter, General Manager** Staff Contact: Kevin Hostert

**SUBJECT:** **Monthly Water Usage Data, Imported Water Projections, 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 Imported Water Sales for MWDOC, and selected water supply information.

- OC Water Usage, Monthly by Supply OCWD Groundwater was the main supply in February.
- OC Water Usage, Monthly, Comparison to Previous Years Water usage in February 2018 was above average compared to the last 5 years. Higher usage was due to little precipitation and above normal temperatures for the month of February. 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.
- Historical OC Water Consumption OC water consumption is projected to be 547,000 AF in FY 2017-18 *(this includes ~15 TAF of agricultural usage and non-retail water agency usage).* This is about 28,000 AF more than FY 2016-17 and is about 56,000 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 152 gallons per day (This includes recycled water). Although OC

| | | | |
|---|---|---|---|
| **Budgeted (Y/N): N** | Budgeted amount: N/A | Core X | Choice __ |
| **Action item amount: N/A** | Line item: | | |
| **Fiscal Impact (explain if unbudgeted):** | | | |

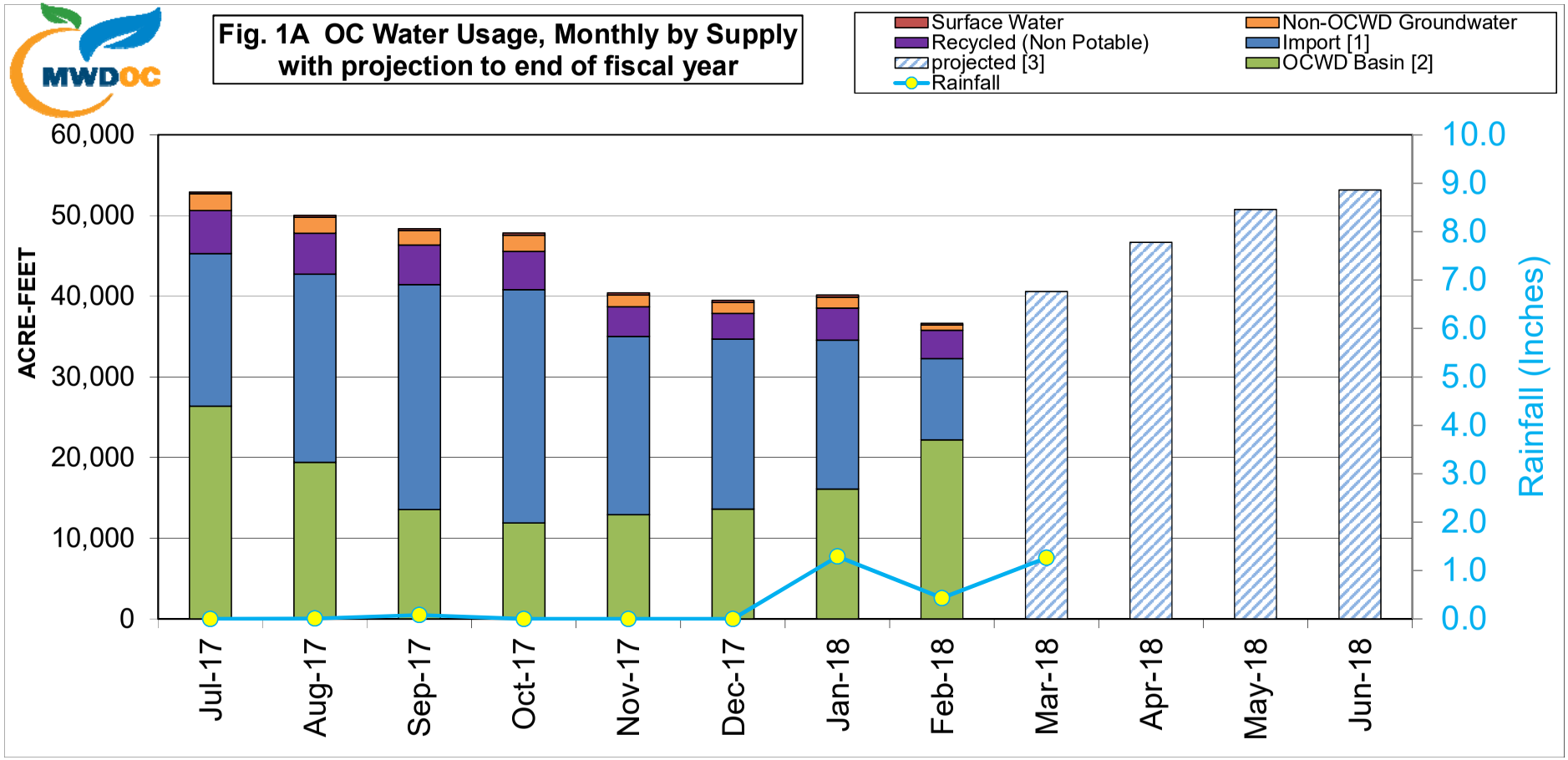
population has increased 20% over the past two decades, water usage has not increased, on average. A long-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts

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 April was well below average for this period. Water year to date rainfall in Orange County is 3.62 inches which is 31% of normal.

- Northern California accumulated precipitation through early April was around 81% of normal for this period. Water Year 2017 was the wettest water year on record. The Northern California snowpack was 43% of normal as of April 1st. 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 March, 40.8% of California is experiencing moderate or severe drought conditions while 77.0% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was remains at 20% as of late March.

- Colorado River Basin accumulated precipitation through early April was 69% average for this period. The Upper Colorado Basin snowpack was 71% of normal as of April 3. 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 and are at 47.1% of their total capacity. 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 March, Lake Mead levels were 12.2' above the "trigger" limit. The USBR predicts that the end of 2018 will not hit the "trigger" level.

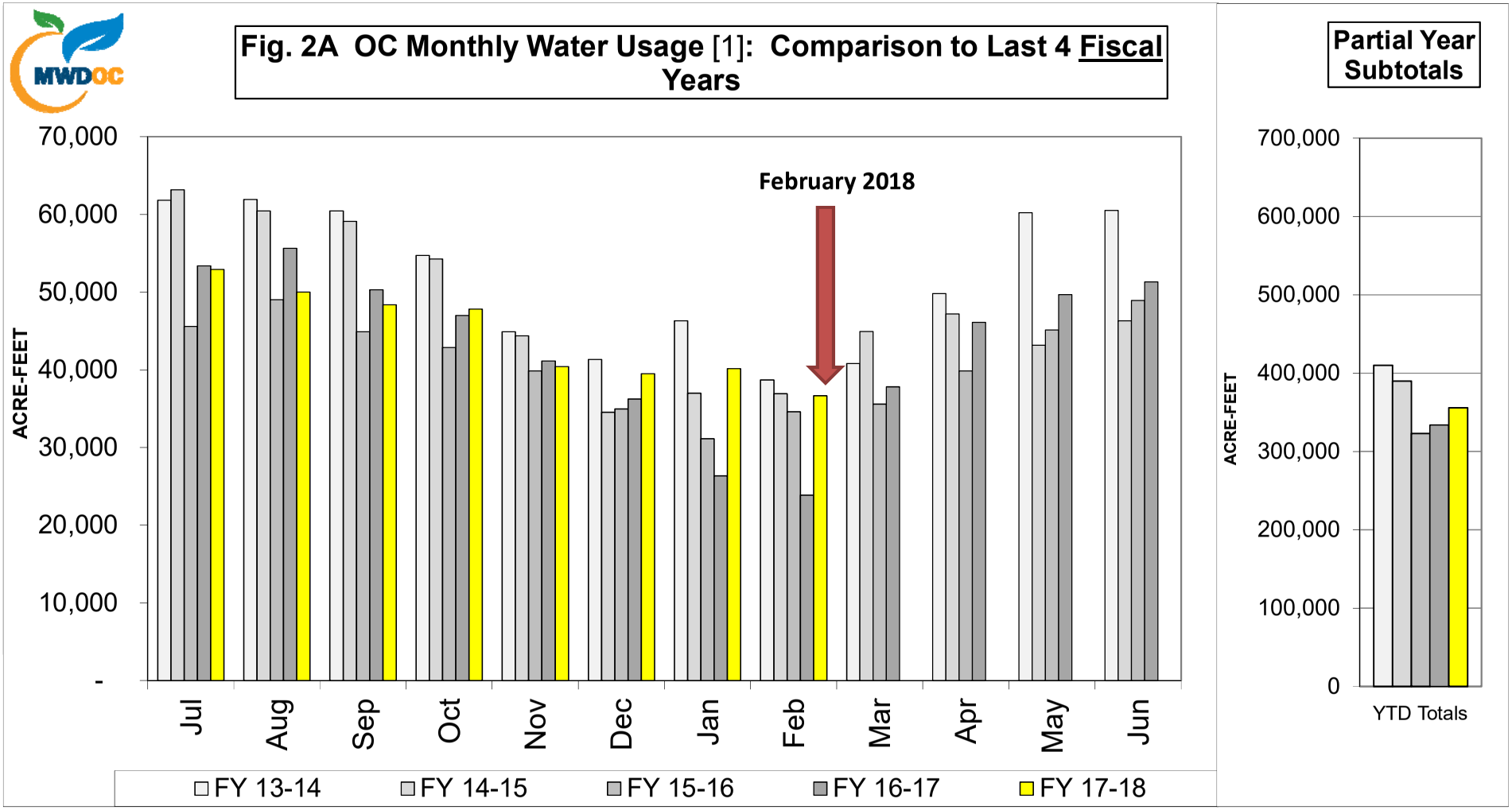



[1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.

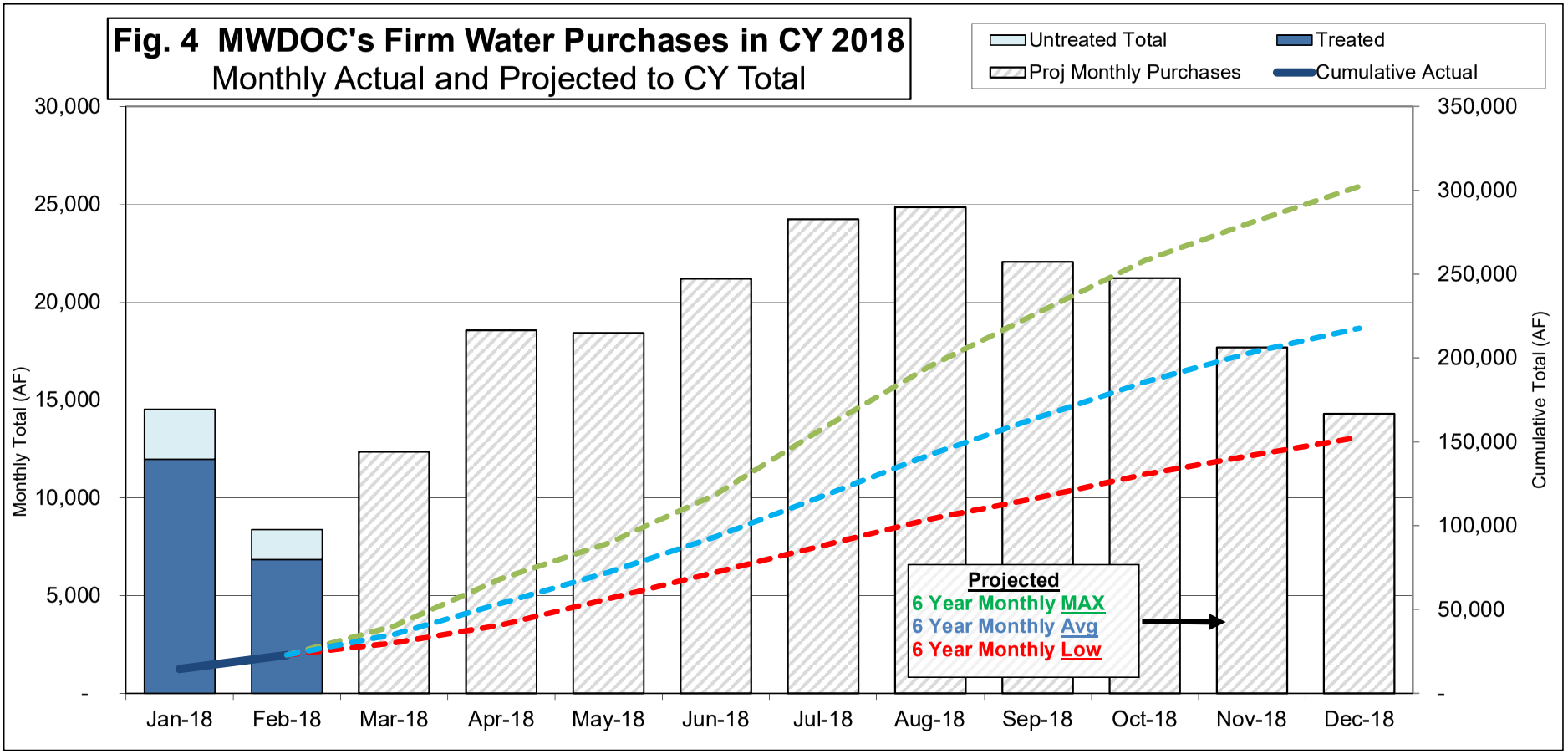
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '16-17 is 75%.

[3] MWDOC'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.




[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.




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.

MWDOC

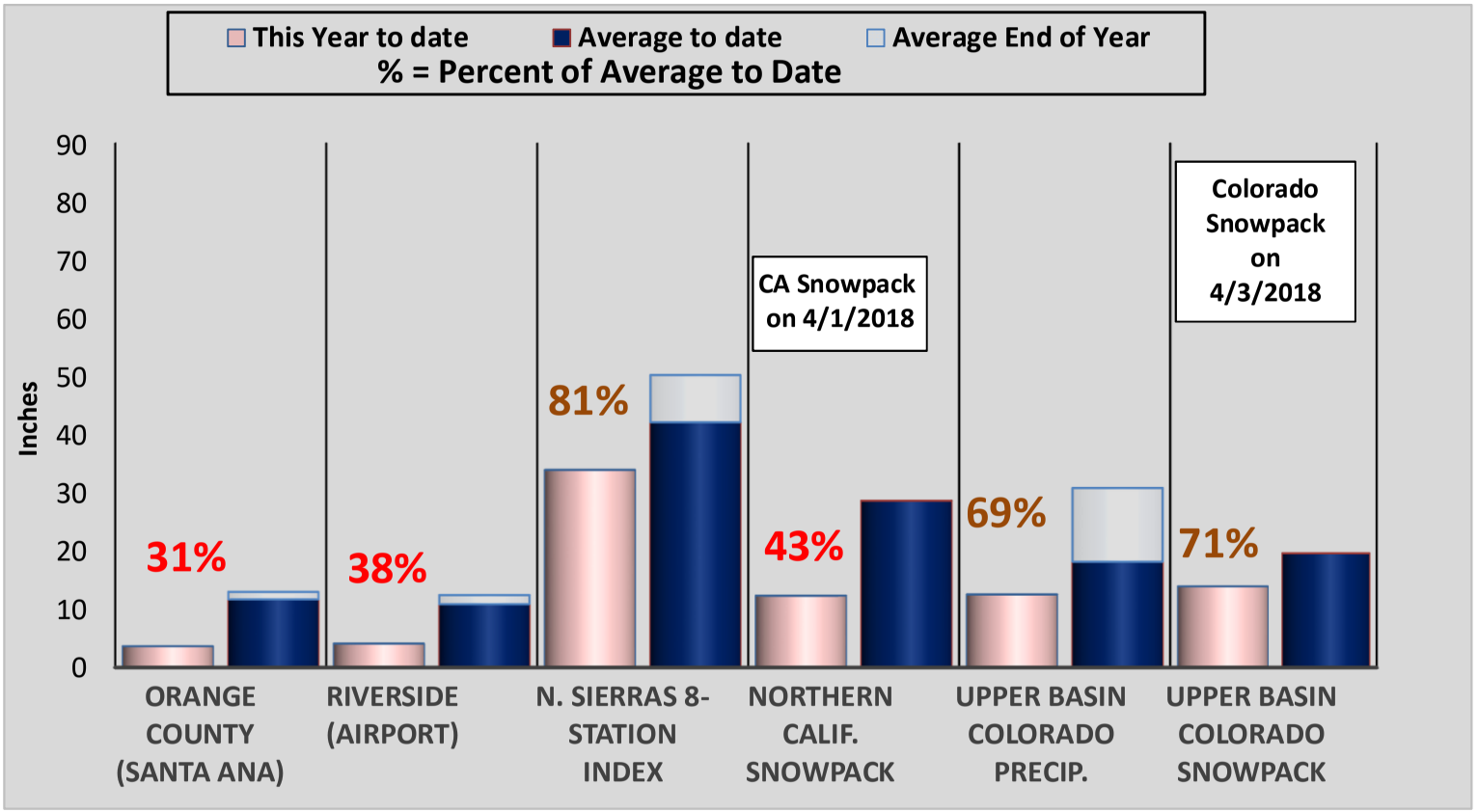
prepared by the Municipal Water District of Orange County

*numbers are subject to change

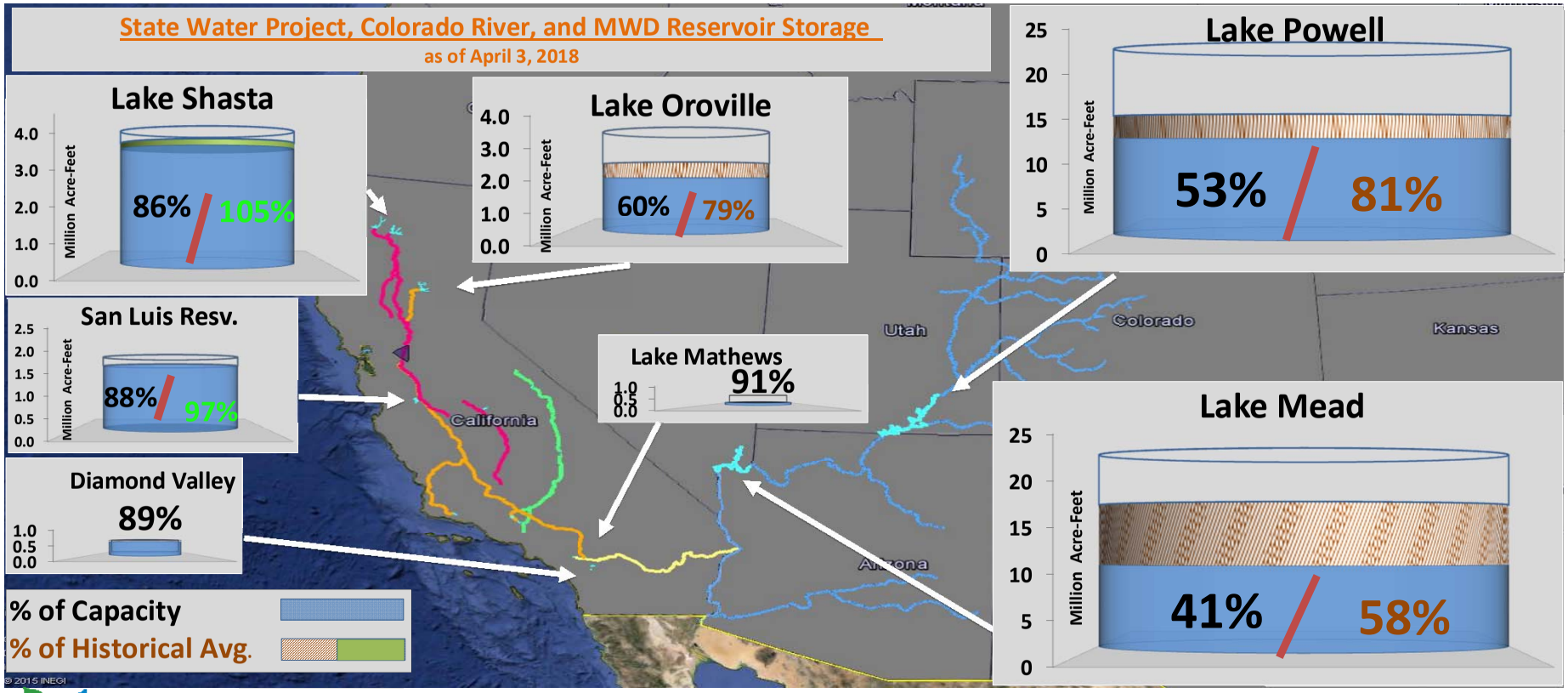
printdate 4/3/2018

# Accumulated Precipitation

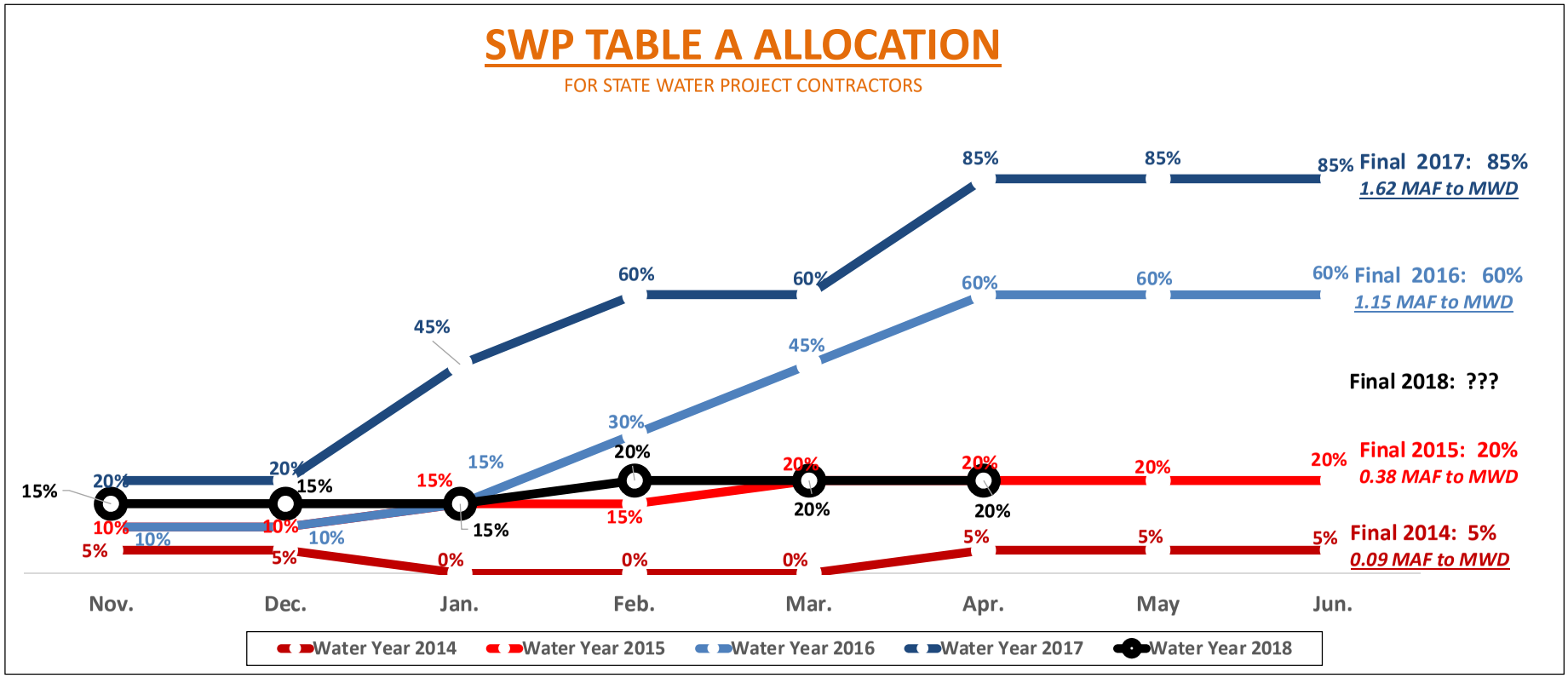
## for the *Oct.-Sep.* water year, through early April 2018

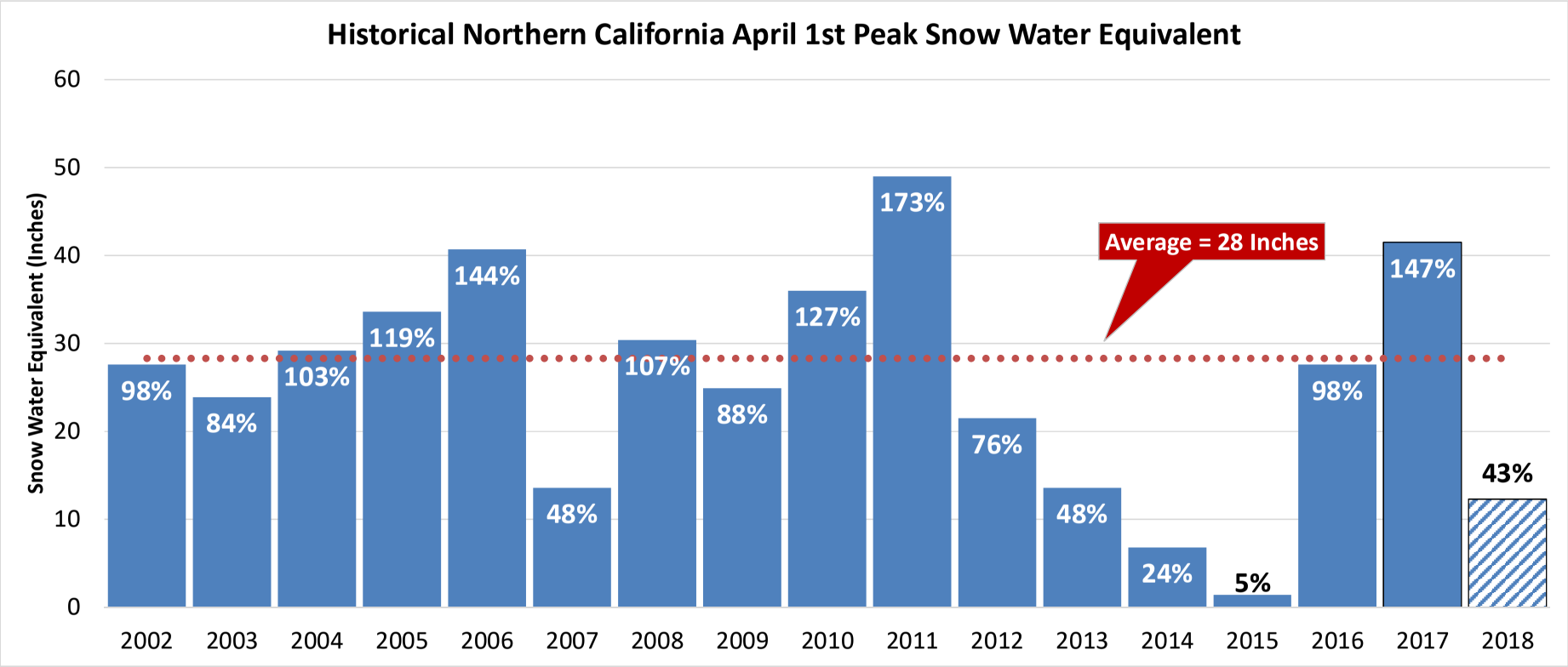


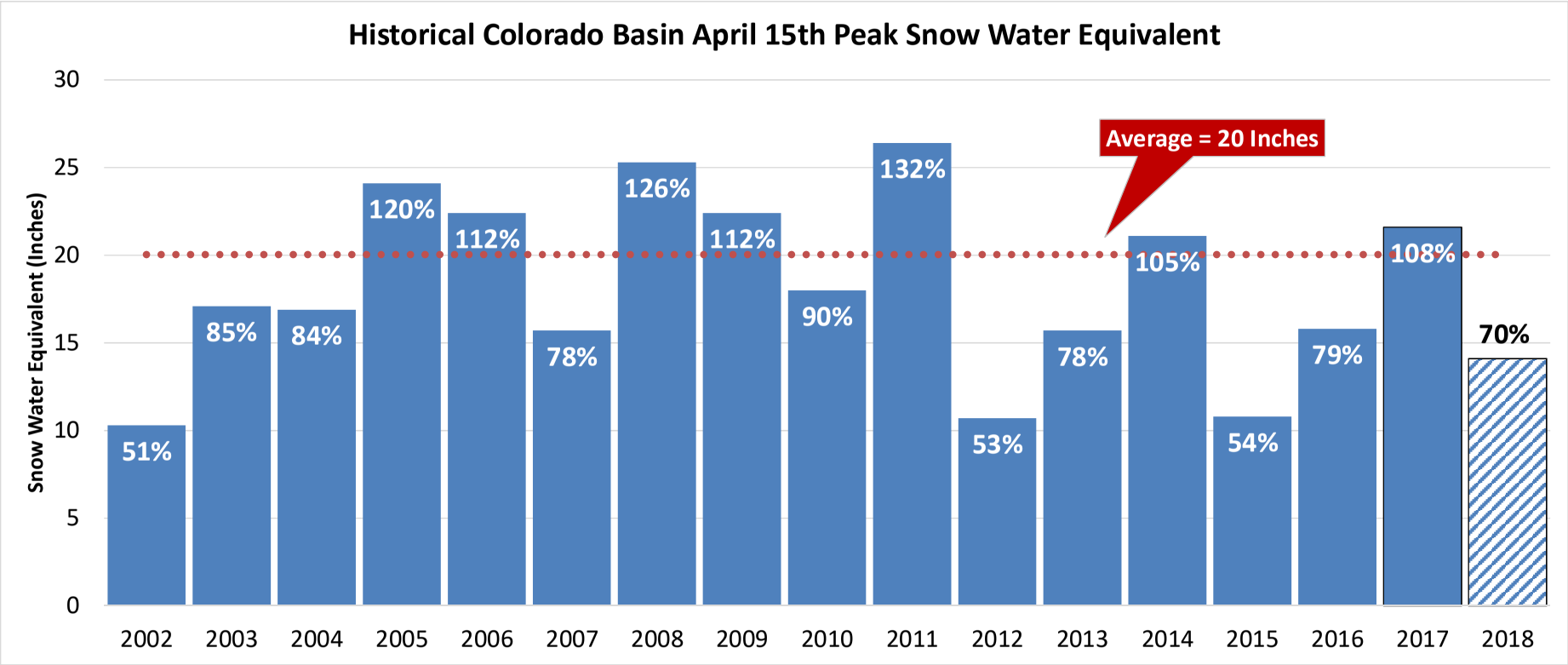

* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.



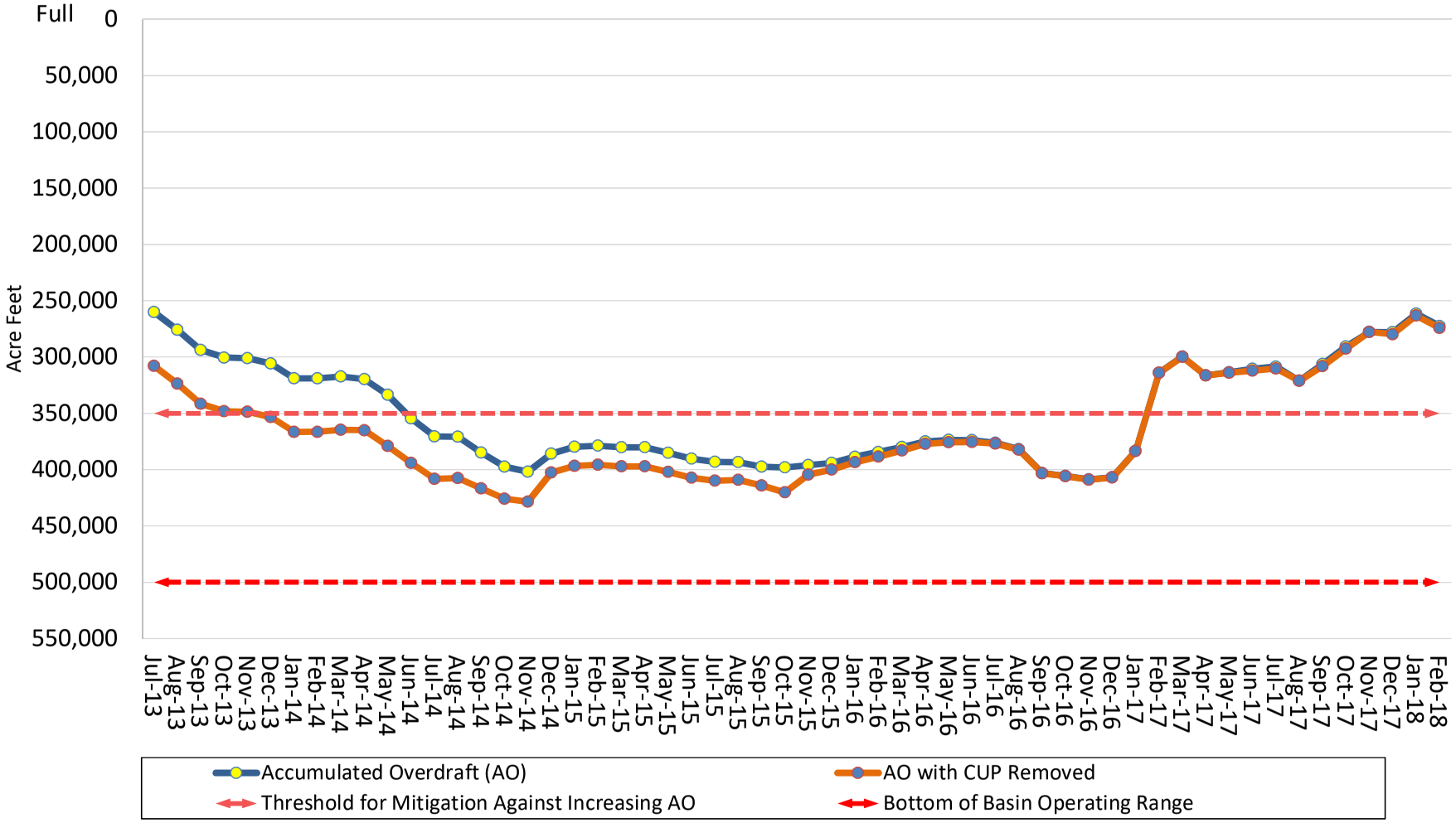

prepared by the Municipal Water District of Orange County
*Number are Subject to Change


SWP TABLE A ALLOCATION
FOR STATE WATER PROJECT CONTRACTORS
Final 2017: 85%
1.62 MAF to MWD
Final 2016: 60%
1.15 MAF to MWD
Final 2018: ???
Final 2015: 20%
0.38 MAF to MWD
Final 2014: 5%
0.09 MAF to MWD
Nov.
Dec.
Jan.
Feb.
Mar.
Apr.
May
Jun.
Water Year 2014
Water Year 2015
Water Year 2016
Water Year 2017
Water Year 2018


Historical Northern California April 1st Peak Snow Water Equivalent
Snow Water Equivalent (Inches)
60
50
40
30
20
10
0
Average = 28 Inches
98%
84%
103%
119%
144%
48%
107%
88%
127%
173%
76%
48%
24%
5%
98%
147%
43%
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

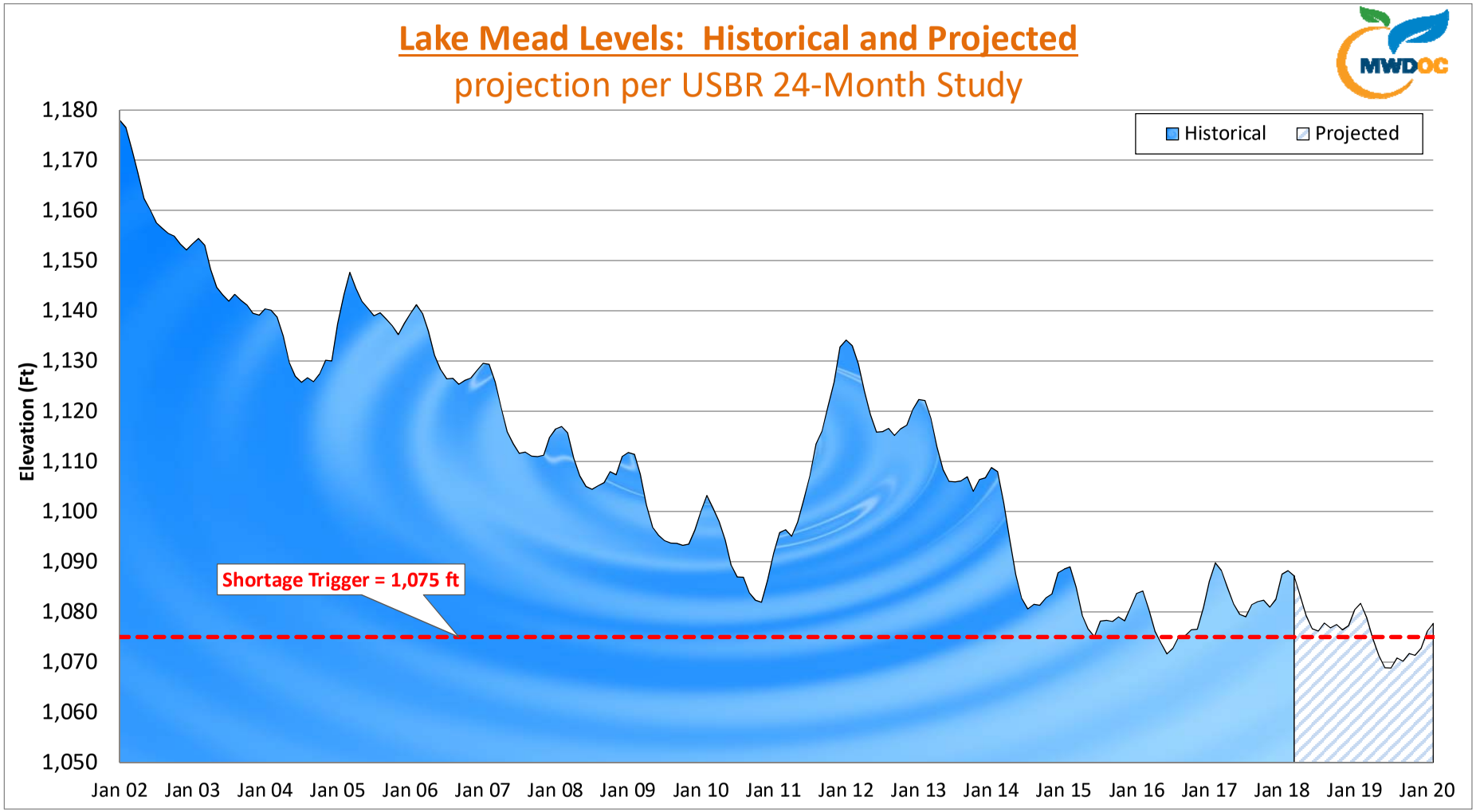

Historical Colorado Basin April 15th Peak Snow Water Equivalent
Snow Water Equivalent (Inches)
30
25
20
15
10
5
0
Average = 20 Inches
51%
85%
84%
120%
112%
78%
126%
112%
90%
132%
53%
78%
105%
54%
79%
108%
70%
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

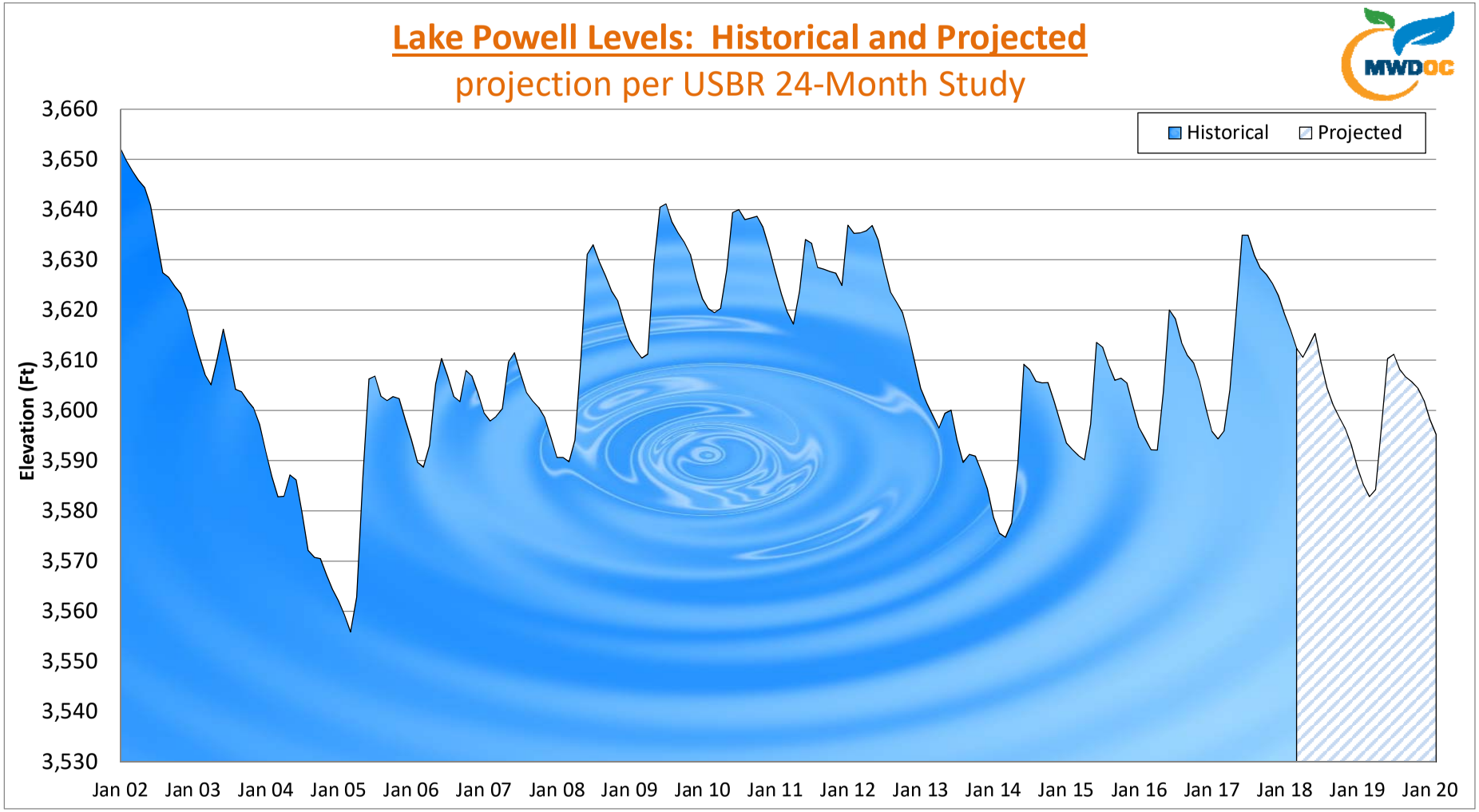
# Accumulated Overdraft of the OCWD Groundwater Basin as of February 2018




| | Jul-16 | Aug-16 | Sep-16 | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AO (AF) | 376,310 | 381,800 | 403,047 | 405,635 | 408,729 | 406,832 | 383,548 | 314,004 | 299,755 | 316,286 | 313,468 | 310,434 |
| AO w/CUP removed (AF) | 376,864 | 382,340 | 403,223 | 405,811 | 408,906 | 407,009 | 383,548 | 314,004 | 299,931 | 316,462 | 314,009 | 312,164 |
| | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 |
| AO (AF) | 308,488 | 321,131 | 306,280 | 290,800 | 277,691 | 278,056 | 261,521 | 272,475 | | | | |
| AO w/CUP removed (AF) | 310,216 | 321,131 | 308,007 | 292,522 | 277,691 | 279,776 | 263,237 | 274,188 | | | | |

Source of data = OCWD monthly Water Resources Report in Board meeting packet


Lake Mead Levels: Historical and Projected
projection per USBR 24-Month Study
MWDOC
Historical
Projected
Elevation (Ft)
1,180
1,170
1,160
1,150
1,140
1,130
1,120
1,110
1,100
1,090
1,080
1,070
1,060
1,050
Shortage Trigger = 1,075 ft
Jan 02
Jan 03
Jan 04
Jan 05
Jan 06
Jan 07
Jan 08
Jan 09
Jan 10
Jan 11
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16
Jan 17
Jan 18
Jan 19
Jan 20


Lake Powell Levels: Historical and Projected
projection per USBR 24-Month Study
MWDOC
Historical
Projected
Elevation (Ft)
3,660
3,650
3,640
3,630
3,620
3,610
3,600
3,590
3,580
3,570
3,560
3,550
3,540
3,530
Jan 02
Jan 03
Jan 04
Jan 05
Jan 06
Jan 07
Jan 08
Jan 09
Jan 10
Jan 11
Jan 12
Jan 13
Jan 14
Jan 15
Jan 16
Jan 17
Jan 18
Jan 19
Jan 20