

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
February 13, 2019, 8:30 a.m.
MWDOC Conference Room 101

Committee

Director Thomas, Chair
Director Finnegan
Director Osborne

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

Ex Officio Member: Director Barbre

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

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

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

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

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

PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – January 2019
 - b. Disbursement Approval Report for the month of February 2019
 - c. Disbursement Ratification Report for the month of January 2019
 - d. GM Approved Disbursement Report for the month of January 2019
 - e. Water Use Efficiency Projects Cash Flow – January 31, 2019
 - f. Consolidated Summary of Cash and Investment – December 2018
 - g. OPEB and Pension Trust Fund monthly statement

2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period ending December 31, 2018
 - b. Quarterly Budget Review

ACTION ITEMS

3. AUTHORIZATION OF TELEPHONE SERVER UPGRADE

DISCUSSION ITEMS

4. FY 2019-20 FIRST DRAFT BUDGET

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.)

5. CHANGE TO ELECTED OFFICIALS FORUM FORMAT (ANNUAL)
6. CHANGE OF INVESTMENT BROKER FIRM
7. LEGAL AND PROFESSIONAL SERVICES OPEN PURCHASE ORDERS
8. SEMI-ANNUAL DIRECTORS ACTIVITIES REPORT
9. SEMI-ANNUAL OVERTIME REPORT
10. ANNUAL AUTO ALLOWANCE REPORT
11. ANNUAL REVIEW OF COASTAL MUNICIPAL WATER DISTRICT ISSUES
12. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
13. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

14. 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
January 2019**

WATER REVENUES


Date	From	Description	Amount
01/04/19	City of Brea	November 2018 Water deliveries	176,024.55
01/09/19	City of La Habra	November 2018 Water deliveries	1,762.40
01/09/19	Santa Margarita Water District	November 2018 Water deliveries	1,808,759.21
01/09/19	City of Garden Grove	November 2018 Water deliveries	310,148.85
01/10/19	Laguna Beach County Water District	November 2018 Water deliveries	229,351.20
01/10/19	City of Westminster	November 2018 Water deliveries	255,552.02
01/10/19	Mesa Water	November 2018 Water deliveries	353,595.86
01/11/19	South Coast Water District	November 2018 Water deliveries	469,122.47
01/11/19	El Toro Water District	November 2018 Water deliveries	400,258.50
01/14/19	Serrano Water District	November 2018 Water deliveries	96,842.57
01/14/19	City of San Juan Capistrano	November 2018 Water deliveries	488,033.79
01/14/19	City of Orange	November 2018 Water deliveries	368,027.44
01/14/19	East Orange County Water District	November 2018 Water deliveries	330,387.95
01/15/19	City of Seal Beach	November 2018 Water deliveries	14,038.43
01/15/19	City of Buena Park	November 2018 Water deliveries	174,404.86
01/15/19	City of La Palma	November 2018 Water deliveries	4,280.03
01/15/19	Orange County Water District	November 2018 Water deliveries	5,366,410.82
01/15/19	Golden State Water Company	November 2018 Water deliveries	244,188.36
01/15/19	Yorba Linda Water District	November 2018 Water deliveries	50,927.24
01/15/19	Moulton Niguel Water District	November 2018 Water deliveries	2,084,193.49
01/15/19	Irvine Ranch Water District	November 2018 Water deliveries	675,604.71
01/23/19	City of Newport Beach	December 2018 Water deliveries	484,859.78
01/25/19	City of Huntington Beach	December 2018 Water deliveries	523,840.56
01/25/19	City of San Clemente	December 2018 Water deliveries	442,996.90
01/28/19	City of Garden Grove	December 2018 Water deliveries	30,922.35
01/31/19	City of Fountain Valley	December 2018 Water deliveries	12,696.64

TOTAL REVENUES \$ 15,397,230.98

Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
January 2019

MISCELLANEOUS REVENUES

Date	From	Description	Amount
01/31/19	Metropolitan Water District	10/11/18 Water Policy dinner	91.52
01/30/19	Paypal	2/21/19 Water Policy dinner	989.51
01/09/19	Stan Sprague	Jan-Feb 2019 Retiree Health insurance	485.54
01/09/19	Judy Pfister	Jan-Mar 2019 Retiree Health insurance	121.44
01/31/19	Keith Lyon	February 2019 Retiree Health insurance	288.99
01/09/19	Cathy Harris	Movie tickets	198.00
01/10/19	Cathy Green	Movie tickets	85.00
01/31/19	Janice Kovacevic	Movie tickets	17.00
01/30/19	Paypal	ISDOC Luncheon	669.63
01/31/19	AT&T	Refund for cancelled U-verse service for WEROC	58.00
		North EOC	
01/18/19	El Toro Water District	November 2018 Smartimer rebate program	104.00
01/25/19	City of San Clemente	November 2018 Smartimer rebate program	150.46
01/31/19	City of Fountain Valley	October 2018 Turf Removal rebate program	222.00
01/22/19	City of Orange	November 2018 Turf Removal rebate program	111.00
01/31/19	City of Newport Beach	November 2018 Turf Removal rebate program	91.45
01/31/19	Irvine Ranch Water District	November 2018 Turf Removal rebate program	1,967.39
01/18/19	Irvine Ranch Water District	November 2018 Turf Removal and Spray to Drip rebate program	9,993.36
01/25/19	City of San Clemente	October 2018 Smartimer and Turf Removal rebate program	2,368.90
01/15/19	Moulton Niguel Water District	October 2018 Smartimer, Rotating Nozzle & Turf Removal rebate program	22,286.29
01/22/19	Moulton Niguel Water District	November 2018 Smartimer, Rotating Nozzle & Turf Removal rebate program	24,391.10
01/15/19	Moulton Niguel Water District	November 2018 So Cal Watersmart rebate program	6,600.00
01/25/19	City of San Clemente	November 2018 So Cal Watersmart rebate program	1,175.00
01/08/19	Bureau of Reclamation	Apr-Sep 2018 CLWUE Phase II	162,953.35
01/15/19	Santa Margarita Water District	Practical Plumbing Handbook	526.00
01/15/19	City of Seal Beach	Water Loss Control technical assistance - WSO, Inc	39,872.00
TOTAL MISCELLANEOUS REVENUES			\$ 275,816.93
TOTAL REVENUES			\$ 15,673,047.91


 Robert J. Hunter, General Manager


 Hilary Chumitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	Richard C. Ackerman	
1217	January 2019 Consulting on legal and regulatory matters	1,100.00
	*** Total ***	1,100.00
	Aleshire & Wynder LLP	
49506	November 16-December 31, 2018 Legal services	247.50
49967	January 2019 Legal services	607.50
	*** Total ***	855.00
	Alta FoodCraft	
51900639	1/3/19 Coffee & tea supplies	322.84
51902216	1/31/19 Coffee & tea supplies	226.21
	*** Total ***	549.05
	ARC Document Solutions, LLC	
10010442	50% Construction draft plan copies for seismic retrofit for MWDOC office remodel	116.16
10014798	50% Construction draft plan copied to PDF for seismic retrofit for MWDOC office remodel	191.90
	*** Total ***	308.06
	Autumn Print Group	
3028	Mission statement sign for conference room 101	323.25
	*** Total ***	323.25
	Best Best and Krieger LLP	
55401-DEC18	December 2018 Legal services	12,425.18
839911	December 2018 State legislative advocacy services	8,590.23
	*** Total ***	21,015.41
	Calif. Society of Municipal Finance Officers	
300001306	2019 Membership renewal for H. Chumpitazi	110.00
	*** Total ***	110.00
	CDM Smith	
90056893	8/19/18-9/21/18 Engineering services for O.C. Water Reliability Investigation	15,972.50
	*** Total ***	15,972.50
	CSU Fullerton ASC	
AR168694	2nd Quarter FY 18/19 CDR Support	11,761.07
	*** Total ***	11,761.07
	Dudek	
20188579	12/1/18-12/28/18 Planning level reliability for South County Interconnection	6,185.78
20190040	12/29/18-1/25/19 Planning level reliability for South County Interconnection	7,803.75
	*** Total ***	13,989.53

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	GovConnection, Inc.	
56457443	1/6/19-1/5/24 Barracuda e-mail security subscription renewal	4,346.00
56450313	Network card for Hyper-V server	360.35
	*** Total ***	4,706.35
	Government Finance Officers Association	
0122001	4/1/19-3/31/20 Annual membership renewal for H. Chumpitazi	160.00
	*** Total ***	160.00
	GovernmentJobs.com, Inc.	
INV26835	12/28/18-12/27/19 Performance management software subscription, setup and training	6,503.00
	*** Total ***	6,503.00
	Green Shades Software, Inc.	
148222	2018 W-2 Upload fee	16.43
150104	Federal tax identification number verification for 2018 1099 forms	133.30
	*** Total ***	149.73
	Hashtag Pinpoint Corporation	
1180	December 2018 Social Media consultation & services	7,917.00
1182	January 2019 Social Media consultation & services	7,917.00
	*** Total ***	15,834.00
	IDS Group Inc.	
17X114.02-1	11/28/18-12/27/18 Interior design for MWDOC office remodel	5,650.00
17X114.00-5	12/28/18-1/31/19 Interior design for MWDOC office remodel	447.50
18X093.00-2	11/29/18-1/31/19 Engineering and support for MWDOC and WEROC S. EOC	37,645.47
	Seismic Retrofit project	
	*** Total ***	43,742.97
	Independent Special Dist of OC	
ISDOC013119-REG	1/31/19 ISDOC meeting registrations for Directors Barbre, Finnegan and Thomas	51.00
013019-PAYPAL	12/28/18-1/30/19 PayPal receipts for 1/31/19 meeting	669.63
	*** Total ***	720.63
	James C. Barker, P.C.	
105-0119	January 2019 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Karen's Detail Custom Frames, LLC	
3058	Custom framing for resolution for R. Record	134.69
	*** Total ***	134.69
	Lawnscapes Systems, Inc.	
399448	1/11/19 Landscape maintenance for atrium	295.00
	*** Total ***	295.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

Invoice#	Vendor / Description	Amount to Pay
	Lewis Consulting Group	
2019-107	January 2019 Consulting services	2,500.00
	*** Total ***	2,500.00
	Christopher S. Lingad	
121518	8/25/18-12/14/18 Education reimbursement	2,856.28
	*** Total ***	2,856.28
	Edward G. Means III	
MWDOC-1067	January 2019 Consulting on MET issues and guidance to engineering staff	625.00
	*** Total ***	625.00
	Patricia Meszaros	
APR-DEC2018	April-December 2018 Retiree medical premium	1,206.00
	*** Total ***	1,206.00
	NDS	
716829	1/11/19 Delivery charges for Board packets	145.81
	*** Total ***	145.81
	New Horizons CLC	
2562	3/4-8/19 Class for VMare vSphere software installation, configuration and management	3,187.50
	*** Total ***	3,187.50
	National Water Research Institute	
2019 CWF	2019 Children's Water Education Festival sponsorship	2,500.00
	*** Total ***	2,500.00
	Office Solutions	
I-01502625	1/7/19 Office supplies	369.38
I-01502637	1/7/19 Office supplies	6.79
I-01502991	1/8/19 Office supplies	32.61
I-01507780	1/15/19 Office supplies	86.98
I-01511108	1/18/19 Office supplies	63.03
I-01511162	1/18/19 Office supplies	133.70
I-01511428	1/18/19 Office supplies	86.96
I-01511480	1/18/19 Office supplies	131.37
	*** Total ***	910.82
	Orange County Fast Print, Inc.	
57367	Business cards for F. Soto	83.66
	*** Total ***	83.66
	Orange County Water District	
19848	December 2018 50% share of WACO expense	246.93
19883	December 2018 Postage, shared office & maintenance expense	8,185.69
	*** Total ***	8,432.62

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Patricia Kennedy Inc.	
10720	February 2019 Plant maintenance	214.00
	*** Total ***	214.00
	Petty Cash	
JAN2019	January 2019 Petty Cash reimbursement	330.34
	*** Total ***	330.34
	Lester A. Rosenberg	
19-05	Engineering services for replacement of air conditioning units for MWDOC IT server room and WEROC S. EOC	3,750.00
	*** Total ***	3,750.00
	Curtis Schmutte	
012319	2/21/19 Water Policy Dinner speaker's reimbursement for airfare	233.96
	*** Total ***	233.96
	Joey C. Soto	
MWDOC#008	December 2018 Grant research and acquisition assistance	2,998.95
	*** Total ***	2,998.95
	Southern California Water Committee	
042	WaterFix Communications sponsorship	25,000.00
	*** Total ***	25,000.00
	Staples Advantage	
8052942511	1/19/19 Office supplies	90.94
	*** Total ***	90.94
	Top Hat Productions	
94804	1/17/19 Lunch for Managers' meeting	504.81
	*** Total ***	504.81
	WageWorks, Inc.	
INV1177340	January 2019 Cafeteria plan administration	196.07
	*** Total ***	196.07
	Total Core Expenditures	<hr/> 201,997.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Choice Expenditures:		
	Discovery Science Center	
013119MWDOC	January 2019 Elementary School program	22,619.34
	*** Total ***	22,619.34
	Enterprise Information Sys Inc	
#MWDOC-22010	2019 Web hosting for California Sprinkler Adjustment Notification System program	2,400.00
	*** Total ***	2,400.00
	Mission RCD	
2633	December 2018 Field verifications for Water Use Efficiency rebate programs	2,823.80
	*** Total ***	2,823.80
	Orange County Water District	
19883	December 2018 Postage for Water Use Efficiency programs	28.59
	*** Total ***	28.59
	Top Hat Productions	
94775	1/8/19 Lunch for Water Loss Control meeting	467.10
	*** Total ***	467.10
	Total Choice Expenditures	28,338.83

Other Funds Expenditures:

	California Emergency Services Association	
300000259	2019 Annual membership renewal for K. Hubbard and F. Soto	130.00
	*** Total ***	130.00
	CSU Fullerton ASC	
AR168717	Maps with Southern California Edison public safety shutoff zones for WEROC	1,744.04
	*** Total ***	1,744.04
	Fry's Electronics	
22713156	Electronic supplies for WEROC S. EOC	81.82
	*** Total ***	81.82
	Mega Maids Cleaning Service	
10156	1/22/19 Cleaning services for WEROC S. EOC	90.00
	*** Total ***	90.00
	Michael Baker International	
1037732	10/29/18-12/31/18 O.C. Regional Water/Wastewater Multijurisdictional Hazardous Mitigation plan update	2,996.36
	*** Total ***	2,996.36

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of February 2019**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Mission RCD</i>	
2633	December 2018 Field verifications for Water Use Efficiency rebate programs	2,121.45
	*** Total ***	2,121.45
	<i>Office Solutions</i>	
I-01512418	1/22/19 Office supplies for WEROC S. EOC	29.96
	*** Total ***	29.96
	<i>Water Systems Optimization, Inc.</i>	
1489	December 2018 Water Loss Control program	18,572.50
1498	January 2019 Water Loss Control program	10,911.69
	*** Total ***	29,484.19
	<i>Total Other Funds Expenditures</i>	<hr/> 36,677.82
	<i>Total Expenditures</i>	<hr/> <hr/> 267,013.65

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
138619	1/4/19	SPECTB	Spectrum Business	
		0375210122018	January 2019 Telephone and internet expense	1,099.14
			***Total ***	1,099.14
138620	1/4/19	VERIZO	Verizon Wireless	
		9820932696	December 2018 4G Mobile broadband unlimited service	114.03
			***Total ***	114.03
138625	1/15/19	DUBUQU	Tina Dubuque	
		120318	November-December 2018 Business expense	140.81
			***Total ***	140.81
138628	1/15/19	IRONMO	Iron Mountain	
		AKMS313	January 2019 Archived document storage fees	209.70
			***Total ***	209.70
138636	1/15/19	SPECTB	Spectrum Business	
		0343564010119	January 2019 Telephone expense for 3 analog fax lines	108.13
			***Total ***	108.13
ACH003727	1/15/19	ACKEEX	Linda Ackerman	
		123118	December 2018 Business expense	76.30
			***Total ***	76.30
ACH003730	1/15/19	BARBRE	Brett Barbre	
		123118	December 2018 Business expense	183.12
			***Total ***	183.12
ACH003731	1/15/19	BAUMHA	Melissa Baum-Haley	
		123018	December 2018 Business expense	154.96
			***Total ***	154.96
ACH003732	1/15/19	BERGIO	Joseph Berg	
		123118	December 2018 Business expense	281.91
			***Total ***	281.91
ACH003733	1/15/19	BUIJEA	Jeannie Bui	
		113018	November 2018 Business expense	54.11
			***Total ***	54.11
ACH003734	1/15/19	DAVISR	Rachel Davis	
		123118	December 2018 Business expense	34.24
			***Total ***	34.24
ACH003735	1/15/19	DICKEX	Larry Dick	
		123118	December 2018 Business expense	114.48
			***Total ***	114.48

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003736	1/15/19	FAHLBE 123118	Beth Fahl December 2018 Business expense ***Total ***	 21.36 21.36
ACH003737	1/15/19	FINNEG 113018	Joan Finnegan November 2018 Business expense	147.25
ACH003738	1/15/19	123118	December 2018 Business expense ***Total ***	85.07 232.32
ACH003740	1/15/19	GUNAWA 123118	Lina Gunawan December 2018 Business expense ***Total ***	 16.68 16.68
ACH003747	1/15/19	MULDOO 113018	Traci L. Muldoon November 2018 Business expense ***Total ***	 21.97 21.97
ACH003755	1/15/19	SCHNEI 123118	Megan Yoo Schneider December 2018 Business expense ***Total ***	 315.56 315.56
ACH003756	1/15/19	SECKEL 120118	Karl Seckel July-December 2018 Business expense ***Total ***	 407.05 407.05
138687	1/31/19	USBANK 0403/4140/5443-DEC18	U.S. Bank 11/24/18-12/24/18 Cal Card charges ***Total *** (See attached sheet for details)	 22,077.24 22,077.24
ACH003759	1/31/19	BACATI 120118	Tiffany Baca November-December 2018 Business expense ***Total ***	 35.21 35.21
ACH003760	1/31/19	BAEZHE 123118	Heather Baez December 2018 Business expense ***Total ***	 48.00 48.00
ACH003761	1/31/19	BUIJEA 123118	Jeannie Bui December 2018 Business expense ***Total ***	 18.59 18.59
ACH003762	1/31/19	BUSSLI 123118	Charles Busslinger December 2018 Business expense ***Total ***	 73.29 73.29
ACH003763	1/31/19	DAVANK 011419	Kathryn Davanaugh January 2019 Business expense ***Total ***	 100.00 100.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003764	1/31/19	DELATO 012519	Harvey De La Torre January 2019 Business expense ***Total ***	 88.34 88.34
ACH003765	1/31/19	HARRIS 011519	Cathleen M. Harris January 2019 Business expense ***Total ***	 221.02 221.02
ACH003771	1/31/19	THOMAS 123118	Jeffery Thomas December 2018 Business expense ***Total ***	 807.80 807.80
ACH003772	1/31/19	WILSON 123118	Sarah C. Wilson December 2018 Business expense ***Total ***	 17.88 17.88
Total Core Disbursements				27,073.24

Choice Disbursements:

138627	1/15/19	HOMED1 7785-DEC18	Home Depot Credit Services 100 Foot reel tape measure ***Total ***	 38.84 38.84
138687	1/31/19	USBANK 4140-DEC18	U.S. Bank 11/24/18-12/24/18 Cal Card charges ***Total *** (See attached sheet for details)	 9.95 9.95
Total Choice Disbursements				48.79

Other Funds Disbursements:

138620	1/4/19	VERIZO 9820932696	Verizon Wireless December 2018 4G Mobile broadband unlimited service ***Total ***	 76.02 76.02
138621	1/15/19	ATTCALN 000012389491 000012389492	AT&T December 2018 WEROC N. & S. EOC telephone expense December 2018 WEROC N. EOC telephone expense ***Total ***	 206.07 106.53 312.60
138631	1/15/19	MFHETD 122118BRLP	Multi Family HET Direct Barcelona Resorts L.P. (Aliso Viejo) ***Total ***	 81,300.00 81,300.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003732	1/15/19	BERGIO	Joseph Berg	
		123118	December 2018 Business expense	4.50
			***Total ***	4.50
		DRIPPR	Spray to Drip Program	
138640	1/25/19	S2D2-R-IRWD-5028-13241	A. Reyes	297.80
138641	1/25/19	S2D2-R-MESA-35292-17312	K. Mueller	270.00
			***Total ***	567.80
		TURFRP	Turf Removal Program	
138642	1/25/19	TR11-R-SM-26794-26716	C. McPherson	501.80
138643	1/25/19	TR11-C-HB-26833-26749	Seacliff Seabreeze (Huntington Beach)	3,220.00
138644	1/25/19	TR12-R-IRWD-5028-26782	A. Reyes	1,178.00
138645	1/25/19	TR11-C-HB-26833-26796	Seacliff Seabreeze (Huntington Beach)	5,820.03
138646	1/25/19	TR11-C-HB-26833-26798	Seacliff Seabreeze (Huntington Beach)	7,820.00
138647	1/25/19	TR11-C-HB-26833-26799	Seacliff Seabreeze (Huntington Beach)	9,568.00
138648	1/25/19	TR11-C-HB-26833-26800	Seacliff Seabreeze (Huntington Beach)	7,976.40
138649	1/25/19	TR11-C-BREA-7699-26812	City of Brea	4,577.00
138650	1/25/19	TR11-C-HB-26891-26816	Seaside Village (Huntington Beach)	45,153.60
138651	1/25/19	TR11-C-BREA-7699-26820	City of Brea	36,340.00
138652	1/25/19	TR11-R-IRWD-26925-26850	T. Tackett	912.00
138653	1/25/19	TR12-R-ETWD-26972-26898	B. Phan	3,000.00
138654	1/25/19	TR12-R-MNT-27061-26983	S. Vale	1,606.00
138655	1/25/19	TR12-R-IRWD-28097-28019	D. Bryan	382.00
138656	1/25/19	TR12-R-WEST-28120-28043	H. Nguyen	1,500.00
138657	1/25/19	TR12-R-MNT-28124-28050	F. Heaton	3,000.00
138658	1/25/19	TR12-R-IRWD-29137-29062	B. Nakum	1,276.00
138659	1/25/19	TR12-R-IRWD-29142-29067	M. Endo	803.00
138660	1/25/19	TR12-R-IRWD-29172-29096	J. Levesque	468.00
138661	1/25/19	TR12-R-IRWD-29175-29099	A. Damian	623.00
138662	1/25/19	TR12-R-IRWD-29176-29100	J. Moore	910.00
138663	1/25/19	TR12-R-MNT-29191-29113	K. Munselle	1,226.00
138664	1/25/19	TR12-R-IRWD-29196-29118	T. Vu	1,500.00
138665	1/25/19	TR12-R-IRWD-29205-29125	N. Todd	514.00
138666	1/25/19	TR12-R-IRWD-29210-29129	M. Nguyen	302.00
138667	1/25/19	TR12-R-IRWD-29214-29135	E. Avalos	393.00
138668	1/25/19	TR12-R-ETWD-29222-29144	C. Keyes	600.00
138669	1/25/19	TR12-R-MNT-29225-29147	P. English	2,270.00
138670	1/25/19	TR12-R-IRWD-30230-30153	M. Dekarver	248.00
138671	1/25/19	TR12-R-IRWD-30232-30154	C. Fessenden	388.00
138672	1/25/19	TR12-R-MNT-30233-30155	M. Ewry	1,098.00
138673	1/25/19	TR12-R-MNT-30238-30162	N. Fyson	538.00
138674	1/25/19	TR12-R-MNT-30243-30167	K. Henderson	2,140.00
138675	1/25/19	TR12-R-MNT-30247-30171	R. Lum	634.00
138676	1/25/19	TR12-R-IRWD-35266-35192	V. Meitzler	499.00
138677	1/25/19	TR12-R-IRWD-35280-35209	M. Vande Wydeven	838.00
138678	1/25/19	TR12-R-MNT-35284-35213	K. St Peter	1,558.00
138679	1/25/19	TR12-R-IRWD-35301-35226	A. Valdez	309.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of January 2019**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
138680	1/25/19	TR12-R-IRWD-4397-35229	W. Chang-Chien	708.00
138681	1/25/19	TR12-R-MNT-35308-35233	E. Gilhooley	740.00
138682	1/25/19	TR12-R-IRWD-35314-35239	D. Brown	482.00
138683	1/25/19	TR12-R-IRWD-35326-35252	H. Huynh	947.00
			***Total ***	154,566.83
138686	1/31/19	SANTI1 NOV2018	Santiago Aqueduct Commission November 2018 SAC Pipeline operation surcharge	3,011.68
			***Total ***	3,011.68
138687	1/31/19	USBANK 4140-DEC18	U.S. Bank 11/24/18-12/24/18 Cal Card charges	1,335.47
			***Total ***	1,335.47
			(See attached sheet for details)	
138688	1/31/19	WSIP WSP4523	Water Savings Incentive Program Cartel Electronics, Inc. (Placentia)	15,000.00
			***Total ***	15,000.00
ACH003770	1/31/19	SANTAM NOV2018	Santa Margarita Water District November 2018 SCP Pipeline operation surcharge	27,732.97
			***Total ***	27,732.97
EFT-190131	1/31/19	METWAT 9561	Metropolitan Water District November 2018 Water deliveries	15,713,695.57
			***Total ***	15,713,695.57
			Total Other Funds Disbursements	15,997,603.44
			Total Disbursements	16,024,725.47



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: December 24, 2018
Payment Date: January 31, 2019

Date	Description	Amount
<u>Public Affairs</u>		
11/28/2018	Legislative Activities in Washington, DC on Nov. 27, 2018 - In-flight wi-fi service for D. Micalizzi	16.00
11/28/2018	Portable speaker for MWDOC events	131.40
11/30/2018	Public Relations Society of America annual membership renewal for T. Baca	260.00
11/30/2018	Public Relations Society of America annual membership renewal for D. Micalizzi	260.00
12/4/2018	UPS packaging and delivery charges for Public Affairs workshop speaker's gift	17.25
12/13/2018	Lunch for Public Affairs workshop	285.32
	Total	<u>\$ 969.97</u>

Cal Card Charges
Statement Date: December 24, 2018
Payment Date: January 31, 2019

Date	Description	Amount
<u>K. Seckel Card</u>		
11/24/2018	10/24/18-11/23/18 Web hosting service for MWDOC website	15.67
11/26/2018	American Water Works Association California-Nevada Section Water Use Efficiency Grade I workshop in Rancho Cucamonga, CA from Dec. 5-6, 2018 - Registration for S. Fetter and J. Meier	750.00
11/26/2018	WACO meeting on Dec. 7, 2018 - Accommodations for guest speaker D. Eggerton	282.70 1
11/30/2018	Federal Express delivery charges for National Notary Association on Nov. 27, 2018	18.05
11/30/2018	ACWA Fall conference in San Diego, CA from Nov. 27-30, 2018 - Accommodations for M. Baum Haley	673.59
11/30/2018	ACWA Fall conference in San Diego, CA from Nov. 27-30, 2018 - Accommodations for H. De La Torre	673.59
11/30/2018	ACWA Fall conference in San Diego, CA from Nov. 27-30, 2018 - Accommodations for H. Baez	708.59
11/30/2018	2019 California Chamber of Commerce annual membership renewal	469.00
12/1/2018	Legislative Activities in Washington, DC from Nov. 27-30, 2018 - Accommodations for D. Micalizzi	700.79
12/2/2018	12/01/18-12/31/18 E-mail service for California Sprinkler Adjustment Notification System	9.95
12/3/2018	UPS delivery charges for Board packets on Nov. 28 & 30, 2018	72.38
12/3/2018	70 Regal movie tickets for employee purchase	640.00
12/3/2018	Legislative Activities in Sacramento, CA on Dec. 12, 2018 - Airfare refund for date change for H. Baez	(34.00)
12/3/2018	Lunch for staff development meeting	70.37
12/4/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 11-14, 2018 - Refund for duplicate accommodations deposit for M. Baum Haley	(168.94)
12/4/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 11-14, 2018 - Refund for duplicate accommodations deposit for H. De La Torre	(146.26)
12/5/2018	Orange County Emergency Management Organization Holiday lunch in Buena Park, CA on Dec. 6, 2018	1,335.47 2
12/10/2018	UPS delivery charges for Board packets on Nov. 30, 2018 and Dec. 7, 2018	100.19
12/10/2018	California Water Efficiency Partnership Quarterly meeting in Napa, CA from Dec. 11-13, 2018 - Airfare for J. Berg	531.96
12/10/2018	California Water Efficiency Partnership Quarterly meeting in Napa, CA from Dec. 11-13, 2018 - Accommodations for J. Berg	273.60
12/12/2018	American Water Works Association California-Nevada Section Water Use Efficiency certification for S. Fetter	135.00
12/12/2018	American Water Works Association California-Nevada Section Water Use Efficiency certification for J. Meier	135.00
12/12/2018	Legislative Activities in Sacramento, CA on Dec. 18, 2018 - Airfare for H. Baez	529.96
12/13/2018	8 Toner cartridges	301.55
12/14/2018	Food for staff development meeting	29.99
12/14/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 11-14, 2018 - Accommodations for H. De La Torre	377.57

Cal Card Charges
Statement Date: December 24, 2018
Payment Date: January 31, 2019

Date	Description	Amount
12/14/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 11-14, 2018 -Accommodations for M. Baum Haley	384.54
12/14/2018	Southern California Water Coalition Quarterly Luncheon meeting in Irvine, CA on Jan. 25, 2019 - Registration for H. Baez and M. Baum Haley	150.00
12/14/2018	Southern California Water Coalition Quarterly Luncheon meeting in Irvine, CA on Jan. 25, 2019 - Registration for Director Tamaribuchi	75.00
12/17/2018	Emergency repair to board up shattered atrium window	495.00
12/17/2018	UPS delivery charges for Board packets on Dec. 7, 12 & 14, 2018	127.50
12/18/2018	Shutterstock license downloads for Images on Demand	29.00
12/19/2018	Laptop computer for Director Barbre	3,378.83 3
Total		<u>\$ 13,125.64</u>

- 1 OCWD will reimburse MWDOC for \$141.35
- 2 Lunch attendees reimbursed MWDOC
- 3 Director Barbre reimbursed MWDOC \$1,378.83, balance will be paid through payroll deductions as an employee computer loan

Cal Card Charges
Statement Date: December 24, 2018
Payment Date: January 31, 2019

Date	Description	Amount
R. Hunter Card		
11/26/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 12-14, 2018 - Airfare for Director Barbre	173.98 1
11/26/2018	ACWA Fall conference in San Diego, CA from Nov. 27-29, 2018 - Accommodations for R. Hunter	519.06
11/26/2018	ACWA Fall conference in San Diego, CA from Nov. 27-29, 2018 - Accommodations for Director Tamaribuchi	519.06
11/26/2018	ACWA Fall conference in San Diego, CA from Nov. 28-29, 2018 - Accommodations for Director Yoo Schneider	259.53
11/27/2018	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 5-6, 2018 - Airfare for Director Yoo Schneider	432.96
11/28/2018	ACWA Fall conference in San Diego, CA from Nov. 27-29, 2018 - Lunch for Director Tamaribuchi, R. Hunter and guest	119.66
11/28/2018	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 5-6, 2018 - Accommodations for Director Yoo Schneider	240.35
11/28/2018	California Environmental Dialogue Plenary meeting in Sacramento, CA from Dec. 5-7, 2018 - Accommodations for Director Tamaribuchi	492.20
11/29/2018	Association of California Cities Orange County Washington DC Federal Advocacy trip in Washington, DC from Jan. 27-30, 2019 - Airfare for Director Barbre	1,478.40 2
11/30/2018	ACWA Fall conference in San Diego, CA from Nov. 27-30, 2018 - Accommodations for Director Thomas	851.95
12/1/2018	Legislative Activities in Washington, DC from Nov. 27-30, 2018 - Accommodations for Director Barbre	776.44 3
12/3/2018	California Environmental Dialogue Plenary meeting in Sacramento, CA on Dec. 7, 2018 - Refunded airfare for R. Hunter	(529.96)
12/4/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 12-14, 2018 - Refund for duplicate accommodations deposit for Director Thomas	(146.26)
12/4/2018	Colorado River Water Users Association Annual conference in Las Vegas, NV from Dec. 12-14, 2018 - Airfare for Director Thomas	191.98 4
12/5/2018	Legislative Activities in Washington, DC from Jan. 9-11, 2019 - Airfare for Director Barbre	1,528.40 5
12/7/2018	Food for Elected Officials meeting	900.77
12/19/2018	Staff holiday luncheon	1,518.53
Total		\$ 9,327.05

- 1 Flight canceled, funds available for future flight
- 2 Director Barbre to reimburse MWDOC \$1,021.80
- 3 Director Barbre reimbursed MWDOC \$161.50
- 4 Flight canceled, funds available for future flight
- 5 Director Barbre to reimburse MWDOC \$1,071.80

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of January 2019

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
138689	1/31/19	WESTIN M-EDN07IA	Westin South Coast Plaza Deposit for 2/21/19 Water Policy Dinner event facility	5,000.00
			***Total ***	5,000.00
ACH003769	1/31/19	PATRIC 10677	Patricia Kennedy Inc. January 2019 Plant maintenance	214.00
			***Total ***	214.00
			Total Core Disbursements	5,214.00
Choice Disbursements:				
138639	1/24/19	PARKSR 925-2014-012-2019	State of California 2/1/19-1/31/20 Lease for Doheny Ocean Desal site (4th extension)	29,172.15
			***Total ***	29,172.15
			Total Choice Disbursements	29,172.15
Other Funds Disbursements:				
			Total Other Funds Disbursements	0.00
			Total Disbursements	34,386.15



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 01/31/19**

	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	TOTALS
Cash - Beginning Balance	\$ 280,051.97	\$ 273,554.92	\$ 407,387.74	\$ 170,892.71	\$ 70,974.64	\$ (267,020.46)	\$ (231,676.04)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	
REVENUES:													
BUREC	4,605.00	111.00		102,395.93			162,953.35						\$ 270,065.28
City of Brea													-
City of Buena Park	222.00	222.00											222.00
City of Fountain Valley			1,376.29	663.05	111.00		222.00						2,594.34
City of Fullerton													-
City of Garden Grove													-
City of Huntington Beach	598.99			40.00									638.99
City of La Habra	222.00												222.00
City of San Clemente	3,244.99	9,442.99											22,623.33
City of San Juan Capistrano				1,683.99	3,312.00	1,245.00	3,694.36						-
City of Santa Ana													-
City of Tustin													-
City of Newport Beach		3,343.80		1,980.57		2,314.05	91.45						7,729.87
City of Orange	444.00		913.75	1,134.10	173.85	428.00	111.00						3,204.70
City of Westminster	333.00	539.00	555.00		666.00								2,083.00
County of Orange													-
Department of Water Resources	32,990.80												32,990.80
East Orange County Water District													-
El Toro Water District		774.00		2,544.00	4,063.10	290.00	104.00						7,775.10
Irvine Ranch Water District	8,271.11	47,878.73		11,090.04	98,495.70	108,960.16	11,960.75						286,666.49
Laguna Beach County Water District		15.00				30.00							45.00
Mesa Water District	66.82	197.98	170.00	140.00		356.00							930.80
Metropolitan Water District		191,093.43				27,066.04	14,020.41						232,179.88
Moulton Niguel Water District	38,341.68	7,726.23	10,281.98	10,872.48	21,400.00	32,011.70	53,277.39						173,911.46
Orange County Water District													-
Santa Margarita Water District													-
Trabuco Canyon Water District		605.76		18.98	100.00								724.74
Yorba Linda Water District		284.07											284.07
Miscellaneous Revenues													
Miscellaneous	2,228.14			1,587.30									3,815.44
Interest Revenue	91,568.53	262,233.99	13,297.02	134,144.44	128,321.65	172,720.95	246,434.71	-	-	-	-	-	\$ 1,048,717.29
Total Revenues													
EXPENDITURES:													
Budget Based Tiered Rates, Ratfells	2,220.00	1,050.00	1,800.00	11,960.00	730.00	5,150.00	2,080.00						24,990.00
Droplet													-
IRWD													-
Golden State Water Company													-
City of Huntington Beach													-
Laguna Beach CWD													-
Metropolitan Water District	28,091.13		25,193.39	87,250.95	24,411.51								164,946.98
Mission RCD		20,060.11	18,627.78	13,404.64	2,770.71	2,324.45	2,324.45						57,187.69
Multi Family HET Direct			4,800.00		75,975.00	100,275.00	81,300.00						262,350.00
Pollard Water		44,516.38			3,045.00								47,561.38
Recycled Water On Site Retrofit program			11,099.50	1,384.50									12,484.00
South Coast Water District					18,800.00								18,800.00
Spray to Drip program	690.45	4,310.08	5,308.76	1,129.60	1,320.58	413.25	567.80						13,740.52
SMWD	34,905.00												34,905.00
Turf Removal	32,139.00	58,464.60	177,399.11	117,228.82	337,478.95	30,263.28	154,566.83						907,540.59
Water Savings Incentive Program							15,000.00						15,000.00
Miscellaneous Expenses													
Interest Expense													-
Salary & Benefit			5,563.51	1,700.00	1,785.00	1,275.00							10,323.51
Total Expenditures	98,045.58	128,401.17	249,792.05	234,068.51	466,316.75	137,376.53	255,839.08	-	-	-	-	-	\$ 1,568,829.67
Cash - Ending Balance	\$ 273,554.92	\$ 407,387.74	\$ 170,892.71	\$ 70,974.64	\$ (267,020.46)	\$ (231,676.04)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	\$ (241,080.41)	



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
 December 31, 2018

Street Address:
 18700 Ward Street
 Fountain Valley, California 92708

Mailing Address:
 P.O. Box 20895
 Fountain Valley, CA 92728-0895

(714) 963-3058
 Fax: (714) 964-9389
www.mwdoc.com

Brett R. Barbre
 President

Joan C. Finnegan
 Vice President

Larry D. Dick
 Director

Wayne S. Osborne
 Director

Megan Yoo Schneider
 Director

Sat Tamaribuchi
 Director

Jeffery M. Thomas
 Director

Robert J. Hunter
 General Manager

MEMBER AGENCIES

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

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

Fund	Book Value	% of Portfolio
Designated Reserves		
General Operations	\$3,341,910	19.31%
Grant & Project Cash Flow	1,500,000	8.67%
Election Expense	608,000	3.51%
Building Repair	385,408	2.23%
OPEB	297,147	1.72%
Total Designated Reserves	6,132,465	35.44%
General Fund	8,287,029	47.87%
Water Fund	2,845,092	16.44%
Conservation Fund	(231,676)	(1.34%)
Desalination Feasibility Study Fund	(145,268)	(0.84%)
WEROC Fund	390,869	2.26%
Trustee Activities	28,911	0.17%
Total	\$17,307,422	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.58%	\$100,264	\$100,264
Short-term investment			
• LAIF	58.57%	\$10,136,894	\$10,136,894
• OCIP	22.92%	3,967,673	3,967,673
Long-term investment			
• Corporate Bond	6.66%	1,152,591	1,124,779
• Certificates of Deposit	11.27%	1,950,000	1,925,724
Total	100.00%	\$17,307,422	\$17,255,334

The average number of days to maturity/call as of December 31, 2018 equaled 158 and the average yield to maturity is 2.229%. During the month, the District's average daily balance was \$24,673,325.97. 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 December 2018.

The (\$52,088) difference between the book value and the market value on December 31, 2018 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.


 Robert J. Hunter
 General Manager


 Hilary Chumpitazi
 Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Portfolio Management - Portfolio Summary

December 31, 2018

12/31/2018	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,925,723.50	1,950,000.00	11.33	859	2.504
Corporate Bond	1,150,000.00	1,124,779.50	1,152,590.99	6.68	755	2.290
Local Agency Investment Funds	10,136,893.83	10,136,893.83	10,136,893.83	58.93	1	2.282
Orange County Investment Pool	3,967,672.61	3,967,672.61	3,967,672.61	23.06	1	1.939
Total Investments	17,204,566.44	17,155,069.44	17,207,157.43	100.00	149	2.229
Cash						
Cash	100,264.11	100,264.11	100,264.11		1	0.00
Total Cash and Investments	17,304,830.55	17,255,333.55	17,307,421.54		149	2.229

Total Earnings	Month Ending November	Fiscal Year to Date
Current Year	54,373.23	297,849.38
Average Daily Balance	24,673,325.97	
Effective Rate of Return	2.229%	

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

2-5-19


Hilary Chumipitazi, Treasurer

Date

02/05/2019

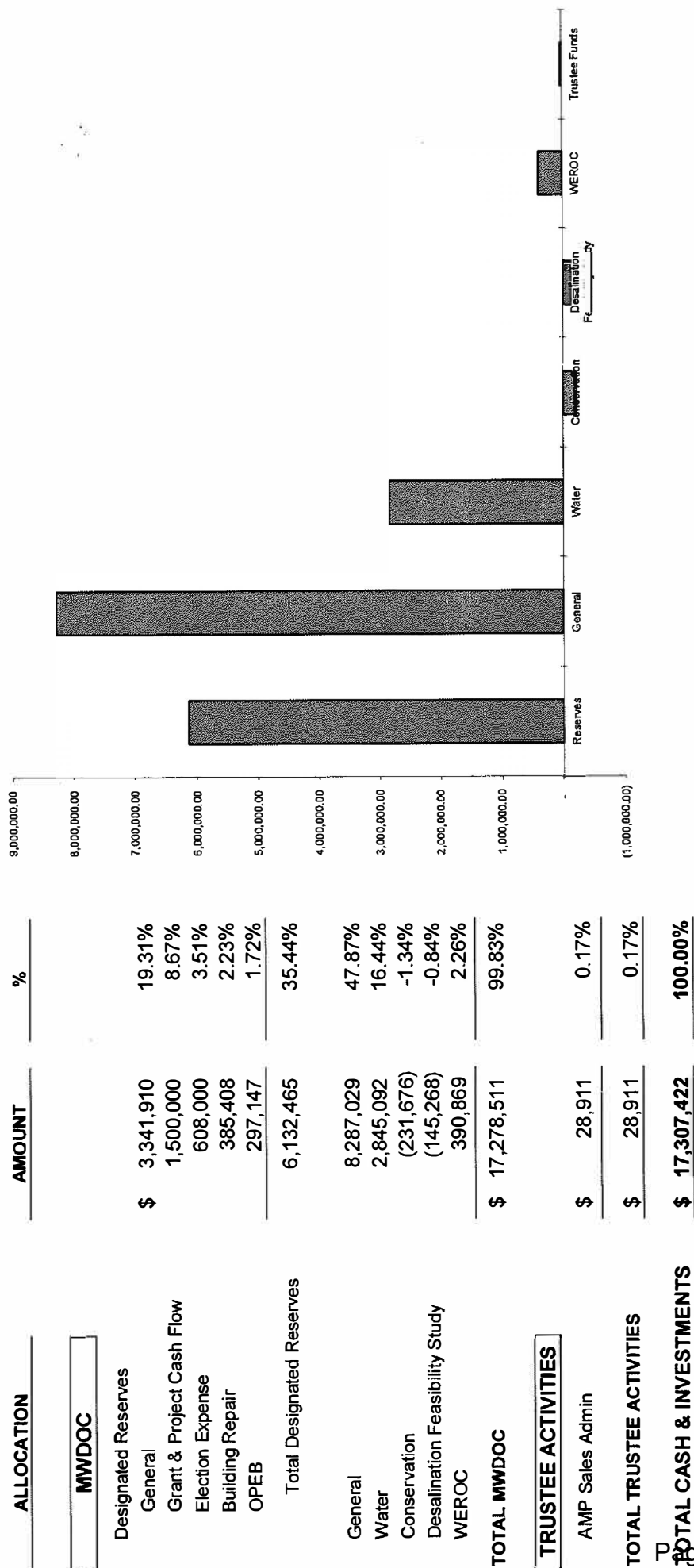
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
December 31, 2018

Issuer	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Negotiable Certificate Of Deposit									
Barclays Bank	06740KKY2	9/27/2017	250,000.00	240,085.00	250,000.00	2.250	2.250	1,366	9/27/2022
Capital One Bank	14042E6C9	9/2/2015	250,000.00	249,140.00	250,000.00	1.950	1.950	246	9/3/2019
Comenity Capital	20033AUX2	7/25/2017	200,000.00	194,426.00	200,000.00	2.000	2.000	928	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	247,640.00	250,000.00	3.300	3.300	1,667	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	248,092.50	250,000.00	3.350	3.350	1,681	8/8/2023
HSBC Bank	40434AKG5	1/21/2016	250,000.00	249,955.00	250,000.00	2.250	2.534	21	1/21/2021
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	247,120.00	250,000.00	2.500	2.500	763	2/1/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,265.00	250,000.00	2.050	2.050	211	7/30/2019
Sub Total			1,950,000.00	1,925,723.50	1,950,000.00	2.468	2.504	859	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	495,020.00	500,494.12	2.250	2.152	357	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	189,432.00	200,000.00	2.500	2.500	1,292	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	246,477.50	250,636.89	2.550	2.409	707	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	193,850.00	201,459.98	2.500	2.278	1,275	6/28/2022
Sub Total			1,150,000.00	1,124,779.50	1,152,590.99	2.402	2.290	755	
Total Investments			3,100,000.00	3,050,503.00	3,102,590.99	2.444	2.425	820	
Total Earnings									
Current Year		Month Ending November	6,363.25	Fiscal Year To Date	36,761.72				

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

Investments	CUSIP/Ticker	Settlement Date	Par Value	Market Value	Book Value	Coupon Rate	YTM @ Cost	Days To Call/Maturity	Maturity Date
Local Agency Investment Funds									
LAIF LGIP	LAIF	6/30/2010	10,136,893.83	10,136,893.83	10,136,893.83	2.282	2.282	1	N/A
Sub Total			10,136,893.83	10,136,893.83	10,136,893.83	2.282	2.282	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,967,672.61	3,967,672.61	3,967,672.61	1.939	1.939	1	N/A
Sub Total			3,967,672.61	3,967,672.61	3,967,672.61	1.939	1.939	1	
Total Investments			14,104,566.44	14,104,566.44	14,104,566.44	2.186	2.186		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	99,764.11	99,764.11	99,764.11	0.000	0.000	1	N/A
Total Cash			100,264.11	100,264.11	100,264.11	0.000	0.000	1	
Total Cash and Investments			14,204,830.55	14,204,830.55	14,204,830.55	2.186	2.186	1	
Total Earnings									
Current Year		Month Ending November	48,009.98	Fiscal Year To Date	261,087.66				

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



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
12/1/2018 to 12/31/2018Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 12/1/2018	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 12/31/2018
OPEB	\$2,065,285.13	\$0.00	-\$81,237.45	\$430.26	\$0.00	\$0.00	\$1,983,617.42
PENSION	\$202,972.21	\$0.00	-\$7,983.86	\$42.29	\$0.00	\$0.00	\$194,946.06
Totals	\$2,268,257.34	\$0.00	-\$89,221.31	\$472.55	\$0.00	\$0.00	\$2,178,563.48

Investment Selection**Source**

OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective**Source**

OPEB	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.
PENSION	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

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-3.93%	-6.83%	-4.12%	4.94%	3.94%	-	10/26/2011
PENSION	-3.93%	-6.83%	-	-	-	-	7/31/2018

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

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

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

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

PARS DIVERSIFIED PORTFOLIOS MODERATE

Q4 2018

WHY THE PARS DIVERSIFIED MODERATE PORTFOLIO?

Comprehensive Investment Solution

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

Rigorous Manager Due Diligence

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

Flexible Investment Options

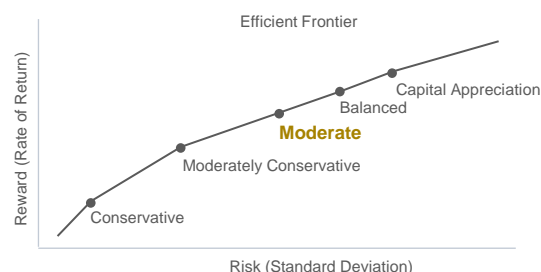
In order to meet the unique needs of our clients, we offer access to flexible implementation strategies: HighMark Plus utilizes actively managed mutual funds while Index Plus utilizes index-based securities, including exchange-traded funds. Both investment options leverage HighMark's active asset allocation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

Risk Management

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

INVESTMENT OBJECTIVE

To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.



ASSET ALLOCATION — MODERATE PORTFOLIO

	Strategic Range	Policy	Tactical
Equity	40 - 60%	50%	51%
Fixed Income	40 - 60%	45%	46%
Cash	0 - 20%	5%	3%

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

HighMark Plus Composite (Active)

Current Quarter*	-6.71%
Blended Benchmark*, **	-6.48%
Year To Date	-4.03%
Blended Benchmark	-3.37%
1 Year	-4.03%
Blended Benchmark	-3.37%
3 Year	4.96%
Blended Benchmark	5.04%
5 Year	3.95%
Blended Benchmark	4.36%
10 Year	7.78%
Blended Benchmark	7.35%

Index Plus Composite (Passive)

Current Quarter*	-6.46%
Blended Benchmark*, **	-6.48%
Year To Date	-4.03%
Blended Benchmark	-3.37%
1 Year	-4.03%
Blended Benchmark	-3.37%
3 Year	4.72%
Blended Benchmark	5.04%
5 Year	3.85%
Blended Benchmark	4.36%
10 Year	7.20%
Blended Benchmark	7.35%

* Returns less than 1-year are not annualized. **Breakdown for Blended Benchmark: From 10/1/2012 – Present: 26.5% S&P500, 5% Russell Mid Cap, 7.5% Russell 2000, 3.25% MSCI EM (net), 6% MSCI EAFE (net), 33.50% BBG Barclays US Agg, 10% ICE BofAML 1-3 Yr US Corp/Gov't, 1.50% ICE BofAML US High Yield Master II, 1.75% Wilshire REIT, and 5% FTSE 1 Mth T-Bill. From 4/1/2007 – 9/30/2012: the blended benchmark was 43% S&P 500; 2% Russell 2000, 5% MSCI EAFE (net), 15% ICE BofAML 1-3 Year Corp./Gov't, 30% BBG Barclays US Agg, 5% FTSE 1 Mth T-Bill. Prior to April 2007: the blended benchmark was 50% S&P 500, 15% ICE BofAML 1-3Yr Corp/Gov, 30% BBG Barclays US Agg, and 5% FTSE 1 Mth T-Bill.

ANNUAL RETURNS (Gross of Investment Management Fees, but Net of Embedded Fund Fees)

HighMark Plus Composite (Active)

2008	-22.88%
2009	21.47%
2010	12.42%
2011	0.55%
2012	12.25%
2013	13.06%
2014	4.84%
2015	0.14%
2016	6.45%
2017	13.19%
2018	-4.03%

Index Plus Composite (Passive)

2008	-18.14%
2009	16.05%
2010	11.77%
2011	2.29%
2012	10.91%
2013	12.79%
2014	5.72%
2015	-0.52%
2016	7.23%
2017	11.59%
2018	-4.03%

PORTFOLIO FACTS

HighMark Plus (Active)

Composite Inception Date	10/2004
No of Holdings in Portfolio	18

Index Plus (Passive)

Composite Inception Date	05/2006
No of Holdings in Portfolio	12

HOLDINGS

HighMark Plus (Active)

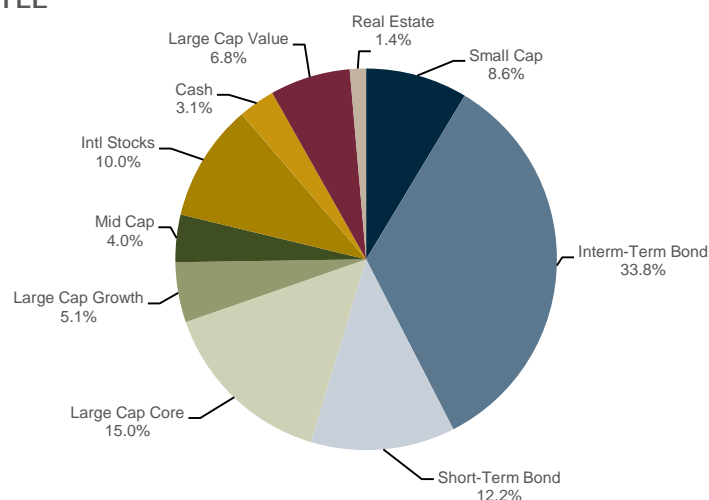
Columbia Contrarian Core I3
Vanguard Growth & Income Adm
Dodge & Cox Stock Fund
Harbor Capital Appreciation - Retirement
T. Rowe Price Growth Stock - I
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
Undiscovered Managers Behavioral Value
T. Rowe Price New Horizons - I
DFA Large Cap International Portfolio
Dodge & Cox International Stock
MFS International Growth – R6
Hartford Schroders Emerging Markets Eq
Vanguard Short-Term Invest-Grade Adm
PIMCO Total Return Fund - Inst
PGIM Total Return Bond – R6
DoubleLine Core Fixed Income - I
First American Government Obligations Z

Index Plus (Passive)

iShares Core S&P 500 ETF
iShares S&P 500 Value
iShares S&P 500 Growth
iShares Russell Mid-Cap ETF
Vanguard Real Estate ETF
iShares Russell 2000 Value
iShares Russell 2000 Growth
iShares MSCI EAFE ETF
Vanguard FTSE Emerging Markets ETF
Vanguard Short-Term Invest-Grade Adm
iShares Core U.S. Aggregate
First American Government Obligations Z

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

STYLE



The performance records shown represent size-weighted composites of tax exempt accounts that meet the following criteria: Composites are managed by HighMark's HighMark Capital Advisors (HCA) with full investment authority according to the PARS Moderate active and passive objectives.

The adviser to the PARS portfolios is US Bank, and HighMark serves as sub-adviser to US Bank to manage these portfolios. US Bank may charge clients as much as 0.60% annual management fee based on a sliding scale. As of December 31, 2018, the blended rate is 0.58%. US Bank pays HighMark 60% of the annual management fee for assets sub-advised by HighMark under its sub-advisory agreement with US Bank. The 36 basis points paid to HighMark, as well as other expenses that may be incurred in the management of the portfolio, will reduce the portfolio returns. Assuming an investment for five years, a 5% annual total return, and an annual sub-advisory fee rate of 0.36% deducted from the assets at market at the end of each year, a 10 million initial value would grow to \$12.55 million after fees (Net-of-Fees) and \$12.76 million before fees (Gross-of-Fees). Gross returns are presented before management and custodial fees but after all trading expenses and reflect the reinvestment of dividends and other income. Client's return will be reduced by the advisory fees and other expenses it may incur as a client. Additional information regarding the firm's policies and procedures for calculating and reporting performance results is available upon request. Performance results are calculated and presented in U.S. dollars and do not reflect the deduction of investment advisory fees, custody fees, or taxes but do reflect the deduction of trading expenses. Returns are calculated based on trade-date accounting.

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

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

HIGHMARK CAPITAL MANAGEMENT

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

ABOUT THE ADVISER

HighMark® Capital Management, Inc. (HighMark) has nearly 100 years (including predecessor organizations) of institutional money management experience with \$7.5 billion in assets under management and \$7.3 billion in assets under advisement*. HighMark has a long term disciplined approach to money management and currently manages assets for a wide array of clients.

ABOUT THE PORTFOLIO MANAGEMENT TEAM

Andrew Brown, CFA®

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

Salvatore "Tory" Milazzo III, CFA®

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

J. Keith Stribling, CFA®

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

Christiane Tsuda

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

Anne Wimmer, CFA®

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

Randy Yurchak, CFA®

Senior Portfolio Manager
Investment Experience: since 2002
HighMark Tenure: since 2017
Education: MBA, Arizona State University; BS, University of Washington

Asset Allocation Committee

Number of Members: 16
Average Years of Experience: 27
Average Tenure (Years): 14

Manager Review Group

Number of Members: 7
Average Years of Experience: 18
Average Tenure (Years): 6

*Assets under management ("AUM") include assets for which HighMark provides continuous and regular supervisory and management services. Assets under advisement ("AUA") include assets for which HighMark provides certain investment advisory services (including, but not limited to, investment research and strategies) for client assets of its parent company, MUFG Union Bank, N.A.

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

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

<u>ASSETS</u>	Amount
Cash in Bank	100,264.11
Investments	17,207,157.43
Accounts Receivable	21,860,097.82
Accounts Receivable - Other	118,294.92
Accrued Interest Receivable	159,018.20
Prepays/Deposits	326,850.97
Leasehold Improvements	3,735,829.68
Furniture, Fixtures & Equipment	563,307.34
Less: Accum Depreciation	<u>(2,964,217.56)</u>
TOTAL ASSETS	<u>\$41,106,602.91</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	23,083,083.35
Accounts Payable - Other	390.85
Accrued Salaries and Benefits Payable	434,448.87
Other Liabilities	291,522.84
Unearned Revenue	954,311.68
Total Liabilities	<u>24,763,757.59</u>
 Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	994,121.02
Total Restricted Fund Balances	<u>994,121.02</u>
Designated Reserves	
General Operations	3,341,910.36
Grant & Project Cash Flow	1,500,000.00
Election Expense	608,000.00
Building Repair	385,407.45
OPEB	297,147.00
Total Designated Reserves	<u>6,132,464.81</u>
General Fund	3,071,799.80
General Fund Capital	525,009.00
WEROC Capital	115,298.58
WEROC	183,846.12
Total Unrestricted Fund Balances	<u>10,028,418.31</u>
Excess Revenue over Expenditures	
Operating Fund	5,570,730.79
Other Funds	<u>(250,424.80)</u>
Total Fund Balance	<u>16,342,845.32</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,106,602.91</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	7,697,005.75	7,697,006.00	100.00%	0.00	0.25
Ground Water Customer Charge	<u>0.00</u>	<u>499,012.00</u>	<u>499,012.00</u>	<u>100.00%</u>	<u>0.00</u>	<u>0.00</u>
Water rate revenues	0.00	8,196,017.75	8,196,018.00	100.00%	0.00	0.25
Interest Revenue	<u>52,627.79</u>	<u>285,767.74</u>	<u>390,000.00</u>	<u>73.27%</u>	<u>0.00</u>	<u>104,232.26</u>
Subtotal	<u>52,627.79</u>	<u>8,481,785.49</u>	<u>8,586,018.00</u>	<u>98.79%</u>	<u>0.00</u>	<u>104,232.51</u>
Choice Programs	0.00	1,084,394.86	1,174,750.00	92.31%	0.00	90,355.14
Miscellaneous Income	44.76	3,254.83	3,000.00	108.49%	0.00	(254.83)
School Contracts	4,052.46	34,528.11	102,031.00	33.84%	0.00	67,502.89
Gain on Sale of Investments	0.00	3.61	0.00		0.00	(3.61)
Transfer-In From Reserve	<u>0.00</u>	<u>0.00</u>	<u>5,276.00</u>	<u>0.00%</u>	<u>0.00</u>	<u>5,276.00</u>
Subtotal	<u>4,097.22</u>	<u>1,122,181.41</u>	<u>1,285,057.00</u>	<u>87.33%</u>	<u>0.00</u>	<u>162,875.59</u>
TOTAL REVENUES	<u>56,725.01</u>	<u>9,603,966.90</u>	<u>9,871,075.00</u>	<u>97.29%</u>	<u>0.00</u>	<u>267,108.10</u>

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

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	284,670.04	1,745,259.54	3,522,982.00	49.54%	0.00	1,777,722.46
Salaries & Wages - Grant Recovery	0.00	(3,837.94)	(6,300.00)	60.92%	0.00	(2,462.06)
Salaries & Wages - Recovery	(1,071.00)	(4,712.40)	0.00	0.00%	0.00	4,712.40
Director's Compensation	15,146.49	93,551.85	255,360.00	36.64%	0.00	161,808.15
MWD Representation	9,206.69	59,991.98	145,920.00	41.11%	0.00	85,928.02
Employee Benefits	84,746.45	516,231.23	1,108,564.00	46.57%	0.00	592,332.77
CALPERS Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Employee Benefits - Grant Recovery	0.00	(875.57)	0.00	0.00%	0.00	875.57
Employee Benefits - Recovery	(204.00)	(897.60)	0.00	0.00%	0.00	897.60
Director's Benefits	7,224.65	44,062.05	94,767.00	46.50%	0.00	50,704.95
Health Insurance for Retirees	7,922.61	31,477.55	70,519.00	44.64%	0.00	39,041.45
Training Expense	1,020.00	2,960.78	25,000.00	11.84%	0.00	22,039.22
Tuition Reimbursement	2,856.28	2,856.28	5,000.00	57.13%	0.00	2,143.72
Temporary Help Expense	0.00	0.00	5,000.00	0.00%	0.00	5,000.00
Personnel Expenses	411,518.21	2,693,067.75	5,433,812.00	49.56%	0.00	2,740,744.25
Engineering Expense	24,289.28	202,317.98	330,000.00	61.31%	122,108.42	5,573.60
Legal Expense	12,672.68	84,465.25	255,000.00	33.12%	170,534.75	0.00
Audit Expense	0.00	19,380.00	29,000.00	66.83%	0.00	9,620.00
Professional Services	42,190.45	393,718.27	1,430,758.00	27.52%	505,578.10	531,461.63
Professional Fees	79,152.41	699,881.50	2,044,758.00	34.23%	798,221.27	546,655.23
Conference-Staff	229.81	10,116.81	42,880.00	23.59%	0.00	32,763.19
Conference-Directors	75.00	5,630.81	24,930.00	22.59%	0.00	19,299.19
Travel & Accom.-Staff	7,413.21	21,683.63	99,600.00	21.77%	0.00	77,916.37
Travel & Accom.-Directors	5,640.04	14,545.17	51,750.00	28.11%	0.00	37,204.83
Travel & Conference	13,358.06	51,976.42	219,160.00	23.72%	0.00	167,183.58
Membership/Sponsorship	909.19	116,102.36	141,662.00	81.96%	0.00	25,559.64
CDR Support	0.00	23,522.14	47,044.00	50.00%	23,522.12	(0.26)
Dues & Memberships	909.19	139,624.50	188,706.00	73.99%	23,522.12	25,559.38
Business Expense	68.19	1,506.59	5,600.00	26.90%	0.00	4,093.41
Maintenance Office	7,972.65	50,275.47	132,796.00	37.86%	79,019.69	3,500.84
Building Repair & Maintenance	1,006.08	5,399.04	20,000.00	27.00%	15,095.96	(495.00)
Storage Rental & Equipment Lease	209.70	1,256.10	3,460.00	36.30%	1,203.90	1,000.00
Office Supplies	2,658.98	13,706.30	36,000.00	38.07%	2,427.47	19,866.23
Postage/Mail Delivery	1,777.67	4,786.44	9,000.00	53.18%	2,624.44	1,589.12
Subscriptions & Books	0.00	375.65	1,500.00	25.04%	0.00	1,124.35
Reproduction Expense	(18.40)	5,266.05	33,073.00	15.92%	1,302.21	26,504.74
Maintenance-Computers	0.00	2,442.19	8,000.00	30.53%	1,332.76	4,225.05
Software Purchase	6,503.00	30,077.70	45,861.00	65.58%	869.20	14,914.10
Software Support	2,883.28	25,757.59	51,934.00	49.60%	1,200.00	24,976.41
Computers and Equipment	0.00	9,041.24	11,850.00	76.30%	0.00	2,808.76
Automotive Expense	1,120.06	9,243.60	17,262.00	53.55%	0.00	8,018.40
Toll Road Charges	66.48	464.36	1,000.00	46.44%	0.00	535.64
Insurance Expense	8,787.18	54,803.55	138,500.00	39.57%	0.00	83,696.45
Utilities - Telephone	1,960.89	11,142.05	20,178.00	55.22%	787.35	8,248.60
Bank Fees	0.00	4,079.87	21,225.00	19.22%	0.00	17,145.13
Miscellaneous Expense	5,538.61	40,648.28	119,205.00	34.10%	0.00	78,556.72
MWDOC's Contrb. to WEROC	41,436.33	121,178.02	216,868.00	55.88%	0.00	95,689.98
Depreciation Expense	2,822.33	16,934.01	0.00	0.00%	0.00	(16,934.01)
Other Expenses	84,793.03	408,384.10	893,312.00	45.72%	105,862.98	379,064.92
Election Expense	0.00	0.00	304,000.00	0.00%	0.00	304,000.00
Building Expense	6,545.00	26,787.41	531,827.00	5.04%	188,298.00	316,741.59
Capital Acquisition	0.00	13,514.43	255,500.00	5.29%	0.00	241,985.57
TOTAL EXPENSES	596,275.90	4,033,236.11	9,871,075.00	40.86%	1,115,904.37	4,721,934.52
NET INCOME (LOSS)	(539,550.89)	5,570,730.79	0.00			

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

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	5,636,380.20	92,973,050.10	188,976,940.00	49.20%	96,003,889.90
Readiness to Serve Charge	903,260.48	5,419,562.88	10,902,178.00	49.71%	5,482,615.12
Capacity Charge CCF	321,247.50	1,927,485.00	3,854,976.00	50.00%	1,927,491.00
SCP/SAC Pipeline Surcharge	23,010.49	185,196.73	365,000.00	50.74%	179,803.27
Interest	<u>2,217.24</u>	<u>10,218.49</u>	<u>13,000.00</u>	<u>78.60%</u>	<u>2,781.51</u>
TOTAL WATER REVENUES	<u>6,886,115.91</u>	<u>100,515,513.20</u>	<u>204,112,094.00</u>	<u>49.25%</u>	<u>103,596,580.80</u>
<u>WATER PURCHASES</u>					
Water Sales	5,636,380.20	92,973,050.10	188,976,940.00	49.20%	96,003,889.90
Readiness to Serve Charge	903,260.48	5,419,562.88	10,902,178.00	49.71%	5,482,615.12
Capacity Charge CCF	321,247.50	1,927,485.00	3,854,976.00	50.00%	1,927,491.00
SCP/SAC Pipeline Surcharge	<u>23,010.49</u>	<u>185,196.73</u>	<u>365,000.00</u>	<u>50.74%</u>	<u>179,803.27</u>
TOTAL WATER PURCHASES	<u>6,883,898.67</u>	<u>100,505,294.71</u>	<u>204,099,094.00</u>	<u>49.24%</u>	<u>103,593,799.29</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u><u>2,217.24</u></u>	<u><u>10,218.49</u></u>	<u><u>13,000.00</u></u>		

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

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	14,883.26	128,540.00	11.58%
Expenses	<u>15,646.86</u>	<u>128,540.00</u>	12.17%
Excess of Revenues over Expenditures	(763.60)	0.00	
Member Agency Administered Passthru			
Revenues	281,150.00	100,000.00	281.15%
Expenses	<u>281,150.00</u>	<u>100,000.00</u>	281.15%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	10,198.34	43,500.00	23.44%
Expenses	<u>10,198.34</u>	<u>43,500.00</u>	23.44%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	124,722.54	425,000.00	29.35%
Expenses	<u>124,758.63</u>	<u>425,000.00</u>	29.35%
Excess of Revenues over Expenditures	(36.09)	0.00	
CII Rebate Program			
Revenues	109,230.00	462,500.00	23.62%
Expenses	<u>109,230.00</u>	<u>462,500.00</u>	23.62%
Excess of Revenues over Expenditures	0.00	0.00	
Turf Removal Program			
Revenues	389,600.30	1,345,000.00	28.97%
Expenses	<u>770,656.06</u>	<u>1,345,000.00</u>	57.30%
Excess of Revenues over Expenditures	(381,055.76)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	61,335.95	366,840.00	16.72%
Expenses	<u>83,753.15</u>	<u>366,840.00</u>	22.83%
Excess of Revenues over Expenditures	(22,417.20)	0.00	
Large Landscape Survey Program			
Revenues	1,124.41	64,000.00	1.76%
Expenses	<u>8,824.69</u>	<u>64,000.00</u>	13.79%
Excess of Revenues over Expenditures	(7,700.28)	0.00	
WSIP - Industrial Program			
Revenues	0.00	36,755.00	0.00%
Expenses	<u>0.00</u>	<u>36,755.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WUE Projects			
Revenues	992,244.80	2,972,135.00	33.38%
Expenses	<u>1,404,217.73</u>	<u>2,972,135.00</u>	47.25%
Excess of Revenues over Expenditures	(411,972.93)	0.00	
WEROC			
Revenues	312,558.02	489,160.00	63.90%
Expenses	<u>171,943.85</u>	<u>489,160.00</u>	35.15%
Excess of Revenues over Expenditures	140,614.17	0.00	



Memorandum

DATE: February 13, 2019

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

FROM: Robert Hunter

SUBJECT: Quarter ending December 2018 Fiscal YTD Financials Actual versus Budget

The following reports are attached:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget Summary Report
Fiscal Year to Date ending December 2018 (Unaudited)
(\$000 Omitted)
General Fund and Reserve Fund

GENERAL FUND

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% Used</u>
<u>REVENUES</u>			
Water Rate revenues:			
Retail Connection Charge	7,697	7,697	100.0%
Ground Water Customer Charge	499	499	100.0%
Subtotal	8,196	8,196	100.0%
Other Revenues:			
Interest income	286	390	73.3%
Choice Programs	1,084	1,175	92.3%
School Contracts ⁽¹⁾	35	102	33.8%
Other income	3	3	108.6%
Transfer in from Reserve ⁽²⁾	0	5	0.0%
Subtotal	1,408	1,675	84.1%
TOTAL REVENUES	9,604	9,872	97.3%
<u>EXPENSES</u>			
Personnel Expenses (incl. Dir.)	2,693	5,434	49.6%
Professional services ⁽³⁾	413	1,460	28.3%
Outside engineering	202	330	61.3%
Legal expense ⁽⁴⁾	84	255	33.1%
Travel & Conference ⁽⁵⁾	52	219	23.7%
Dues and memberships ⁽⁶⁾	140	189	74.0%
General & Admin expense ⁽⁷⁾	408	1,197	34.1%
Building repair & expense ⁽⁸⁾	27	532	5.0%
Capital acquisition (not including building repairs) ⁽⁹⁾	14	256	5.3%
TOTAL EXPENSES	4,033	9,871	40.9%
EXCESS OF REVENUES OVER EXPENSES	5,571		

RESERVE FUND

Beginning Balance	5,520
Nov 2018 - excess from FY 17-18 General Fund	612
TOTAL RESERVE FUND	6,132

- (1) School Contracts begin in September
(2) Transfer in from Reserves is moved at year-end
(3) Professional Services - Projects in process
(4) Legal expense includes unanticipated events
(5) Travel & Conference scheduled throughout the fiscal year
(6) Dues and memberships are generally paid early in the fiscal year
(7) Pending the County's invoice for the election expense
(8) Building repair & expense scheduled throughout the fiscal year
(9) Capital acquisition being performed throughout the year

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2018 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
REVENUES			
Retail Connection Charge	7,697,006	7,697,006	100.00%
Ground Water Customer Charge	499,012	499,012	100.00%
Water Rate Revenues	8,196,018	8,196,018	100.00%
Choice Programs	1,084,395	1,174,750	92.31%
Interest Revenue	285,768	390,000	73.27%
Miscellaneous Income	3,258	3,000	108.61%
School Contracts	34,528	102,031	33.84%
Transfer in from Reserve	0	5,276	0.00%
Other Revenues	1,407,949	1,675,057	84.05%
TOTAL REVENUES	9,603,967	9,871,075	97.29%

OPERATING EXPENSES			
Salaries & Wages	1,745,260	3,522,982	49.54%
less Recovery's	(8,550)	(6,300)	135.72%
Directors' Compensation	93,552	255,360	36.64%
MWD Representation	59,992	145,920	41.11%
Employee Benefits	516,231	1,108,564	46.57%
less Recovery's	(1,773)	0	0.00%
CALPERS Unfunded Liability Contribution	207,000	207,000	100.00%
Directors Benefits	44,062	94,767	46.50%
Health Insurances for Retirees	31,478	70,519	44.64%
Training Expense	2,961	25,000	11.84%
Tuition Reimbursement	2,856	5,000	57.13%
Temporary Help Expense	0	5,000	0.00%
Personnel Expenses	2,693,068	5,433,812	49.56%
Engineering Expense	202,318	330,000	61.31%
Legal Expense	84,465	255,000	33.12%
Audit Expense	19,380	29,000	66.83%
Professional Services	393,718	1,430,758	27.52%
Professional Fees	699,882	2,044,758	34.23%
Conference-Staff	10,117	42,880	23.59%
Conference-Directors	5,631	24,930	22.59%
Travel & Accom.-Staff	21,684	99,600	21.77%
Travel & Accom.-Directors	14,545	51,750	28.11%
Travel & Conference	51,976	219,160	23.72%
Membership/Sponsorship	116,102	141,662	81.96%
CDR Support	23,522	47,044	50.00%
Dues & Memberships	139,625	188,706	73.99%

Municipal Water District of Orange County
Revenues and Expenditures Actual vs Budget Line Item Report
Fiscal Year to Date ending December 2018 (Unaudited)
General Fund

	YTD ACTUAL	ANNUAL BUDGET	% Used
Business Expense	1,507	5,600	26.90%
Maintenance Office	50,275	132,796	37.86%
Building Repair & Maintenance	5,399	20,000	27.00%
Storage Rental & Equipment Lease	1,256	3,460	36.30%
Office Supplies	13,706	36,000	38.07%
Postage/Mail Delivery	4,786	9,000	53.18%
Subscriptions & Books	376	1,500	25.04%
Reproduction Expense	5,266	33,073	15.92%
Maintenance-Computers	2,442	8,000	30.53%
Software Purchase	30,078	45,861	65.58%
Software Support	25,758	51,934	49.60%
Computers and Equipment	9,041	11,850	76.30%
Automotive Expense	9,244	17,262	53.55%
Toll Road Charges	464	1,000	46.44%
Insurance Expense	54,804	138,500	39.57%
Utilities - Telephone	11,142	20,178	55.22%
Bank Fees	4,080	21,225	19.22%
Miscellaneous Expense	40,648	119,205	34.10%
MWDOC's Contribution to WEROC	121,178	216,868	55.88%
Depreciation Expense	16,934	0	0.00%
Election Expense	0	304,000	0.00%
MWDOC Building Expense	26,787	531,827	5.04%
Capital Acquisition	13,514	255,500	5.29%
Other Expenses	448,686	1,984,639	22.61%
TOTAL EXPENSES	4,033,236	9,871,075	40.86%
EXCESS OF REVENUES OVER EXPENSES	5,570,731	0	

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Statement of Revenues and Expenditures
Fiscal Year to Date ending December 2018 (Unaudited)
Water Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>Water Revenues</u>			
Water Sales	92,973,050	188,976,940	(96,003,890)
Readiness to Serve Charge	5,419,563	10,902,178	(5,482,615)
Capacity Charge CCF	1,927,485	3,854,976	(1,927,491)
SCP/SAC Pipeline Surcharge	185,197	365,000	(179,803)
Interest	<u>10,218</u>	<u>13,000</u>	<u>(2,782)</u>
Total Water Revenues	<u>100,515,513</u>	<u>204,112,094</u>	<u>(103,596,581)</u>
<u>Water Purchases</u>			
Water Sales	92,973,050	188,976,940	(96,003,890)
Ready to Serve Charge	5,419,563	10,902,178	(5,482,615)
Capacity Charge	1,927,485	3,854,976	(1,927,491)
SCP/SAC Pipeline Surcharge	<u>185,197</u>	<u>365,000</u>	<u>(179,803)</u>
Total Water Purchases	<u>100,505,295</u>	<u>204,099,094</u>	<u>(103,593,799)</u>
EXCESS OF REVENUES OVER			
EXPENDITURES	<u>10,218</u>	<u>13,000</u>	<u>(2,782)</u>

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2018 (Unaudited)
Other Funds

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>Balance</u>
<u>WEROC</u>			
Revenues	312,558	489,160	(176,602)
Expenditures	171,944	489,160	(317,216)
Excess of Revenues over Expenditures	140,614	0	140,614

WUE Projects (details on next page)

Revenues	992,245	2,972,135	(1,979,890)
Expenditures	1,404,218	2,972,135	(1,567,917)
Excess of Revenues over Expenditures	(411,973)	0	(411,973)

Footnote:

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2018 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	<u>Fiscal Year Budget</u>	<u>% of Budget</u>	<u>Projected Final FY Budget</u>
<u>Spray to Drip Conversion</u>					
Revenues	14,883		128,540	11.58%	128,540
Expenditures	15,647		128,540	12.17%	128,540
Excess of Revenues over Expenditures	(764)	-5%			

Actual Variance: Payment to Program Participants ahead of Grant, Metropolitan (on water bill), and Retail Water Agencies reimbursements.

Budget Variance: To be on target the % of Budget should be closer to 50% for the first half of the year. All reporting current. Have requested marketing to increase to build participation. Year end likely outcome will be less than \$128,540.

Member Agency Administered Pass thru

Revenues	281,150		100,000	281.15%	100,000
Expenditures	281,150		100,000	281.15%	100,000
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Reporting to collect Revenues on pace with Expenditures.

Budget Variance: After budget numbers were submitted, HE Toilet activity has increased significantly. We are currently at \$281,150, which is likely to increase even further. How much is unknown at this time.

ULFT Rebate Program

Revenues	10,198		43,500	23.44%	43,500
Expenditures	10,198		43,500	23.44%	43,500
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provided supplemental funding to increase activity in their service territories.

Budget Variance: Work in progress.

HECW Rebate Program

Revenues	124,723		425,000	29.35%	425,000
Expenditures	124,759		425,000	29.35%	425,000
Excess of Revenues over Expenditures	(36)	0%			

Actual Variance: This tracks MWDOC member agencies activities to provided supplemental funding to increase activity in their service territories.

Budget Variance: Work in progress.

Notes:

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

[2] Fiscal year budget versus Actual

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Revenues and Expenditures Actual versus Budget
Fiscal Year to Date ending December 2018 (Unaudited)
Water Use Efficiency Projects

	<u>Actual</u>	<u>Variance %</u>	<u>Fiscal Year Budget</u>	<u>% of Budget</u>	<u>Projected Final FY Budget</u>
<u>CII Rebate Program</u>					
Revenues	109,230		462,500	23.62%	462,500
Expenditures	109,230		462,500	23.62%	462,500
Excess of Revenues over Expenditures	0	0%			

Actual Variance: This tracks MWDOC member agencies activities to provided supplemental funding to increase activity in their service territories.

Budget Variance: Work in progress.

Turf Removal Program

Revenues	389,600		1,345,000	28.97%	1,345,000
Expenditures	770,656		1,345,000	57.30%	1,345,000
Excess of Revenues over Expenditures	(381,056)	-98%			

Actual Variance: Payment to Program Participants ahead of Grant, Metropolitan (on water bill), and Retail Water Agencies reimbursements.

Budget Variance: To be on target the % of Budget should be closer to 50% for the first-half of the year. All reporting current. Close to 50%.

Comprehensive Landscape (CLWUE)

Revenues	61,336		366,840	16.72%	366,840
Expenditures	83,753		366,840	22.83%	366,840
Excess of Revenues over Expenditures	(22,417)	-37%			

Actual Variance: Grant funded program. Revenues will catch up as Granting Agencies pay submitted invoices. All reporting is current.

Budget Variance: Budget percent for revenues will catch up at year-end closing. For expenditures, this will increase as we move through the fiscal year.

Large Landscape Survey Program

Revenues	1,124		64,000	1.76%	64,000
Expenditures	8,825		64,000	13.79%	64,000
Excess of Revenues over Expenditures	(7,700)	-685%			

Actual Variance: MWDOC currently has all Revenues sufficient to cover Expenditures. Revenue won't match expenses until year end closing.

Budget Variance: Budget percent for revenues will catch up at year-end closing. For expenditures, this will increase as we move through the fiscal year.

WSIP - Industrial Program

Revenues	0		36,755	0.00%	36,755
Expenditures	0		36,755	0.00%	36,755
Excess of Revenues over Expenditures	0	0%			

Actual Variance: Currently at '0' due to the lengthy implementation period for individual projects. Revenue amount is Grant funded.

Budget Variance: Several projects in the queue to finish this year.

Notes:

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

[2] Fiscal year budget versus Actual

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



ACTION ITEM
February 20, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager,
Hilary Chumpitazi, Accounting Manager

SUBJECT: **Authorization of Telephone Server Upgrade**

STAFF RECOMMENDATION

It is recommended that the Board of Directors authorize the General Manager to enter into a contract with Resilient Communications for the Telephone Server Upgrade for a total cost of \$18,537.72.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Our current Cisco telephone server and software are no longer being supported by Cisco and needs to be upgraded to the current version. Our existing hardware and software has been in service since March, 2011 and has served its useful life. Per our Administrative Code and Contracts Manual, staff sought three competitive bids for our Telephone Server Upgrade project which includes a new server, software, licensing and support.

We received the following three quotes:

Budgeted (Y/N): Y	Budgeted amount: \$27,000	Core <u>X</u>	Choice <u> </u>
Action item amount: \$18,537.72	Line item: 45 – 8810 - Capital Acquisition		
Fiscal Impact (explain if unbudgeted):			

	Product	Installation	Maintenance	Tax & Freight	Total
Resilient Communications	7,148.00	9,300.00	1,464.27	625.45	18,537.72
CDW-Government	9,505.43	18,687.50	2,764.66	831.73	31,789.32
Insight Public Sector	11,293.25	29,359.00	2,362.58	958.70	43,973.53

Based on the quotes received and the recommendation by OCWD, Staff recommends awarding the contract to Resilient Communications.

All products are by Cisco and Resilient Communications was used by OCWD for their upgrade.

In accordance with the Administrative Code this contract is within the General Manager's approval authority (under \$25,000) but, prior to receiving these quotes it was anticipated that it would be over and require Board approval. As such we left this as an Action Item.



DISCUSSION ITEM

February 13, 2019

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: FY 2019-20 First 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 first draft of MWDOC's budget for FY 2019-20. Pertinent aspects of the first draft budget include:

1. The first draft budget includes a proposed increase of \$0.15 to the retail service charge bringing the retail rate to \$12.40 per retail meter. The groundwater customer charge to OCWD increases by \$132,693 to \$631,705.
2. The first draft has a budget total of \$251,598,408 (revenue) and a consolidated general fund budget of \$10,886,068 (revenue).
3. The total revenue amount for the Core budget is \$9,103,634, an increase of \$514,617 or 6.0% over the current year's budget. \$190,000 (36.9%) of this increase is derived from increased interest revenue.
4. The proposed first draft budget includes a planned reserves draw of \$197,941. Reserves will be fully funded.
5. The unfunded CALPERS liability annual payment of \$207,000 is proposed. This will be the second year of the ten-year funding program.
6. MWDOC completed the migration of the pension benefit costs from MWDOC to the employees in the current fiscal year's budget (7% over 7 years). Therefore, there is no pension-associated 1% salary increase in the proposed budget.
7. The proposed salary contribution pool is at 7% of salaries and wages and reflects the increased rate of inflation (CPI = 3.8%) and merit considerations. No COLA (Cost of Living Adjustment) is being proposed.
8. Increase in staff of four new hires: 1.5 FTE for the new Water Loss Control Shared Services Choice program, 0.5 FTE for the WUE Core program for policy work, 1.0 FTE in Reliability Planning & Engineering and 1.0 FTE in MET Issues and Water Policy for Bay-Delta related technical services and communication.

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

9. Building improvement expenses increase substantially by \$336,504 (63.3%) to a net of \$868,331 plus projected carryover for the office remodel. The majority of the office remodel is expected to occur in FY2019-20.
10. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$2,370,147; a decrease of \$583,696 over this year's budget.
11. Annual Local Resource Project (LRP) funding will decrease significantly next year as the OCWD Groundwater Replenishment System (GWRs) LRP total incentive payments will be completed. This LRP agreement started in June 2004, with a term end date of June 2030, and a total incentive limit of \$86,273,000. In August 2008, the agreement was amended to increase the annual yield from 31,000 to 70,000 acre-feet, thereby accelerated the timeframe upon reaching the incentive limit. As a result, it is anticipated the GWRs production will reach the total incentive limit by the end of FY 2018-19. The annual LRP funding in the proposed FY2019-20 budget is \$5,465,263, a reduction of \$7,206,805 from last year's actuals.
12. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$7,835,410.
13. As last year, the schedule for the budget process impacts the timing of Choice budget elections by Member Agencies. Therefore, the Choice budget estimates in the first draft budget should be considered preliminary.

New items that are incorporated in the budget include:

- A. The creation of a Water Loss Control Shared Services Program in the Water Use Efficiency Department Budget, which will include the addition of 1.5 new FTEs (Choice) as well as Equipment and Training Costs of approximately \$85,400 for initiation of the program.
- B. The addition of 0.5 FTE (Core) for WUE policy work related to water loss regulation.
- C. The hiring of two new FTEs; one in the Reliability Planning & Engineering Department to assist in the transition of institutional knowledge and expertise in preparation for the upcoming retirement of the Assistant General Manager, and one FTE in the MET Issues & Water Policy Department to assist in Bay-Delta and CA WaterFix issues;
- D. There are five new organization memberships proposed (Exhibit D):
 - a. CMUA (California Municipal Utilities Association)
 - b. Water Environment Federation (WEF)(Individual membership)
 - c. International Association of Business Communicators (ABC)
 - d. Urban Water Institute (UWI)
 - e. California utilities Emergency Association

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

This is the first draft budget. Therefore there is no prior draft or changes.

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

The year-to-year (Y-T-Y) changes in the total Core expenses between FY2018-19 and FY2019-20 are \$ 707,280 (8.2%).

- The largest Y-T-Y expense increase (\$725,623) is in the cost categories of Salaries and Wages and Employee Benefits. This is driven primarily by the addition of 2.5 Core employees and the proposed Compensation Pool for salary increases.
- The other large increase (\$336,504) is in the Building Expense category. It is anticipated that the vast majority of the seismic and office space construction will occur during FY2019-20.

The year-to-year changes in the total Choice expenses between FY2018-19 and FY2019-20 are \$505,652 (39.6%).

- The largest Y-T-Y expense increase (\$278,757) is from the new choice Water Loss Control Shared Services Program.
- The other large increase (\$191,533) is from the School Program.

DETAILED REPORT

The FY2019-20 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. Compensation Pool Guidelines
5. Budget Input from Member Agencies
6. Key Priorities & Initiatives for FY 2019-20
7. Core/Choice Programs
8. Water Rates and Charges

A short discussion on each item follows:

1. MWDOC Budget Process & Schedule

Last year, MWDOC implemented its new schedule where the budget process was accelerated by one month. This schedule change, to adopt the final MWDOC budget one month earlier (April), was made to facilitate the budget and rate schedules of our Member Agencies. Under this schedule, the Year-End Projections and Conceptual Budget were discussed at the January 9 Administration & Finance (A&F) Committee and the first draft budget (this document) is presented at the February 13, 2019 A&F Committee meeting. The final budget is scheduled for approval by the MWDOC Board of Directors at the April 10, 2019 Board meeting.

Similar to last year, the Choice budget elections and commitments will lag behind this proposed schedule; and staff will bring back to the Board a revised Final Choice Budget in September 2019 to reflect the reconciliations and final program commitments of our Member Agencies. Changes in Choice programs do not impact the rates and charges passed in April for Core activities. Unlike last year, additional employees are required to implement the Water Loss Shared Service program under the Choice Budget. If that program and budget is approved by the MWDOC Board of Directors, the new employees will not be hired until there are commitments from the Member Agencies for the services.

2. MWDOC Budget Principles for FY2019-20

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

- **Principle #1: Budget Investments Align with MWDOC's Priorities & Values**
The Budget should reflect the mission and goals of MWDOC and align proposed activities with the valued benefits of the Board and our stakeholders. The budget process should be transparent and readily facilitate public review and input.
- **Principle #2: Activities Based on a County-wide Perspective**
MWDOC's service area extends to Orange County's borders and the budgeted activities must comprehensively address issues, needs, and benefits for the entire service area and our regional involvement in the service area and operations of the Metropolitan Water District of Southern California (MET).
- **Principle #3: Efficient Program Design & Performance**
The budgeted programs must consider complementary and cooperative designs to maximize benefits from other regional and local water resource programs to maximize value.
- **Principle #4: Full Cost Recovery**
The budget will be developed so as to support full cost recovery of all expenses via the rates and charges without the unplanned use of reserves.
- **Principle #5: Compliance with Administrative Code**
The proposed budget and budget process should fully comply with applicable sections of the MWDOC Administrative Code.

3. Projected Reserve Fund Balances

One goal of 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 to reduce it 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 current FY2018-19 year-end projects indicate that \$329,336 will be available to contribute to reserves.

The MWDOC designated reserve targets for FY2019-20 and the financial audit balances at the beginning of FY2018-19 are summarized in the table below. The reserve targets are calculated according to MWDOC Board of Directors approved policy. The total unfunded reserve balance is \$234,469 (i.e., Total Target of \$6,366,934 (minus) Total Current Balance of \$6,132,465). As indicated above, a total of \$329,336 is projected to be available for contribution to reserves from the FY2018-19 operations. Part of these funds (\$234,469) are allocated to the General Operations, Building, and Election Reserves as indicated in the table column "FY2018-19 Projected Year End Reclass to Reserves". All reserves will be fully funded by these actions.

An additional \$182,867 is available in excess of the fully funded reserve targets. Therefore, the goal for rate setting in the FY2019-20 budget will be to have a budget deficit of \$182,867 to draw down the reserve.

Designated Reserves	# Days Cash	FY 2019-20 Target Reserve	FY 2018-19 Current Balance	FY 2018-19 Projected Year End Reclass to Reserves	FY 2019-20 Projected Reserve Balance
General Operations	90-180	\$ 3,460,419	\$ 3,341,910	\$ 118,508	\$ 3,460,419
Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
Building Reserve	10-15	413,368	385,407	27,961	413,368
Election Reserve	N/A	696,000	608,000	88,000	696,000
OPEB Reserve est.9/2016	N/A	297,147	297,147	-	297,147
TOTALS		\$ 6,366,934	\$ 6,132,465	\$ 234,469	\$ 6,336,934

The first draft budget has a draw on reserves of \$197,941; slightly in excess of the \$182,867 draw down target. The additional reserves draw of \$15,074 is well within the error level of the budget projections.

4. Compensation Pool Guidelines

MWDOC's compensation system includes both job classification specific salary ranges and person-specific salaries. Annual modifications to both are implemented under different but inter-related practices. A common goal of both practices is to maintain competitive and appropriate salaries and benefits within the Southern California market.

Job Classification Salary Ranges.

MWDOC annually adjusts our salary ranges by the local Consumer Price Index (CPI) for the previous calendar year. The 2018 CPI for the LA/Long Beach/Anaheim area was 3.80%. This is a full percentage point above the 2017 number and more than double the ten year average of 1.67%. Every three years MWDOC contracts for a Comprehensive Baseline Survey that reviews our job classifications with similar agencies and job functions. In general, MWDOC has found limited range corrections to be necessary. Therefore we will continue the CPI adjustment for FY2019-20. The next Comprehensive Baseline Survey is scheduled to begin in the Fall of 2020 and therefore is not included in this proposed budget.

Person-Specific Salaries

MWDOC does not have Cost Of Living Adjustments (COLA) and a COLA is not included or proposed in this budget. As part of the budget process, MWDOC establishes a Compensation Pool that facilitates employee salary increases allocated solely on merit. Most of the water agencies in our annual direct labor market survey have both defined merit and COLA components to their annual salary increases. The functional difference is that while both approaches cover both merit and inflation, other agencies will guarantee a COLA pay increase to all employees, while MWDOC employees are at risk of no salary increase depending upon their performance.

There is an objective comparison as to how well MWDOC's salary system has been performing relative to the market. As noted above, MWDOC's salary ranges have been generally tracking the labor market conditions. In addition, MWDOC salaries have largely maintained a mid-range position with predominately only long-tenured employees bumping up against the range ceiling. There are two complicating factors to this comparison. There has been significant movement between job classifications (i.e., promotions) that help maintain the mid-range salary positions. The mid-range position has also been subsidized by the seven years of 1% salary increases implemented to offset the annual 1% transfer of benefit costs to employees.

A three-year direct comparison of MWDOC's merit pool to salary increases for twenty water utilities from our annual survey indicates that MWDOC's salary increases have averaged 2.34% below the market annually; or 1.34% below if the benefit transfer of 1% is included. One disadvantage of developing the budget early is that comparative data is incomplete for FY2019-20. However, it appears that the comparative average salary increase will be in the range of 7.0% to 7.3%.

Given that MWDOC's compensation pool covers both inflation and merit and that it has kept salaries competitive and within ranges over several years, a review of 5-year and 10-year compensation increases and CPI data was conducted to quantify the past practice. While the annual CPI increases over the 10-year period averaged 1.67%, the range was a positive 3.80% (2018) to negative 0.78% (2009). Overall the compensation pool can be described as consisting of an inflation component of the CPI plus a merit component of 85% of the

CPI. The total 1.85xCPI function appears to be a reasonable calculation for the mid-inflation range (CPI 2.4% to 4.7%) but breaks down at the more extreme ranges of CPI. For example, 0% CPI would calculate as a 0% compensation pool increase and would obviously not reward merit as intended. At the other end of the range, other problems arise. For example in 1980 the CPI was 13.5% and this would calculate at the unlikely compensation pool of 25%.

The 2018 CPI is 3.80% for the region which is slightly above the middle of the 2.4% to 4.7% effective range. Applying the 1.85xCPI formula to the 3.8% CPI yields a compensation pool of 7.03%, which was rounded to 7.0% for the first draft budget. This is in-line with the comparative information we have at this early date.

5. Budget Input from Member Agencies

In November 2018, MWDOC sent a letter to all of its member agencies informing them of the start of the MWDOC FY2019-20 Budget Process, and invited their formal participation in the process which can including suggestion of activities and general comments. The FY2018-19 budget year-end projections and the conceptual FY2019-20 budget were discussed at the January 9, 2019 Administration & Finance Committee meeting as well as the January 17, 2019 MWDOC Agencies Managers Meeting. The Water Loss Control Shared Business Plan was also discussed at the latter as well as the December 19, 2018 Planning & Operations Committee.

- OCWD submitted a January 9, 2019 letter identifying four Metropolitan Water District of Southern California (MET) issues of importance. These are the same issues submitted for last year's budget.

Additional Member Agency input is expected during the budget process.

6. Key Priorities & Initiatives for FY 2019-20

MWDOC's MISSION

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

While MWDOC is organized into several functional departments or cost centers, operationally there is significant internal support and cooperation on the different tasks of our mission. For example, a critical issue like the WaterFix will involve Reliability Planning & Engineering, MET Issues, Government Affairs, Public Affairs, the Board of Directors and Administrative Support. MWDOC's key priorities and initiatives are discussed for the following major departments and cost centers:

- Reliability Planning & Engineering (Cost Center 21)
- Metropolitan (MET) Issues & Water Policy (Cost Center 23)
- Water Use Efficiency (WUE) (Cost Centers 35, 62 & 70)
- Water Emergency Response (WEROC)(Cost Center 25)
- Communication/Public Affairs (Cost Center 32 & 63)

- Public Affairs Department (Cost Center 31)
- Administration Department (Cost Centers 11, 12, 13, & 19)
- Finance & Information Technology (Cost Centers 41 & 45)

However, it is clear from the following discussion that many of the issues are not addressed in departmental silos but are shared responsibilities under our overarching mission.

Reliability Planning & Engineering (Cost Center 21)

The Reliability Planning & Engineering (Engineering) Department efforts are varied and aimed at helping our member agencies to navigate and understand the implications of long term water emergency and supply planning and the numerous intricacies involved from MET in providing imported water (e.g., service connections, metering of water, pipeline operations, etc). Other activities include:

- shutdown planning,
- re-lining of pipelines by MET (especially the AMP),
- pump-in to the EOCF#2,
- work on the IRWD Regional SOC Interconnection, and integration aspects of local projects including integration from
 - Poseidon,
 - Doheny,
 - San Juan Watershed Projects

The department also provides internal support to other departments, most notably Administration and WEROC especially on our office building improvements. In addition, Engineering works closely with the MET Issues & Water Policy Department, as many MET issues overlap between the two departments in covering what happens at MET and the implications to the local member agencies. MWDOC also coordinates the operations with OCWD in examination of opportunities to refill the groundwater basin. Areas of overlap with the MET Issues group include evaluating the reliability improvements from the Carson Regional Recycling Project, the Strand Ranch Project, MET's IRP, MET's need for emergency storage, MET's Water Supply Allocation Plan, MET rates, MET's LRP and water quality issues.

Regional Water Reliability and Follow-up from the 2018 OC Water Reliability Study

Since completion of the 2016 OC Water Reliability Study, which established much of the analysis methodology for supply and system reliability planning, several important and impactful changes occurred;

- MET's Board approved a financial commitment for more than 60 percent of the total funding for the California WaterFix,
- New global climate change models became available, indicating significantly greater future temperatures for the Colorado River Basin and California and greater variability in future precipitation,
- U.S. Bureau of Reclamation (BOR) revised forecasts indicating a significantly increased likelihood of a water shortage declaration for the Colorado River within the next three to five years given Lake Mead water surface elevations since 2014.

This prompted MWDOC to complete the 2018 Reliability Study to analyze the implications of these issues and to determine the water supply and demand reliability impacts in Orange County due to these changed conditions. In addition, the 2018 Study included evaluations and rankings of various projects that could improve the supply and system reliability in Orange County. Findings of the 2018 Study included:

- South OC area is short of emergency supplies today by 20.0 to 27.5 MGD. This need can be met through a combination of local projects and emergency projects such as the IRWD SOC Emergency Interconnection and the pump-in to the EOCF#2.
- The need for additional water supplies for the OC Basin area is small, meaning the OC Basin performs well under both the minimal and significant climate impact scenarios evaluated. Without new investments, the OC Basin may utilize demand curtailment at the level of 10 percent about once every 20 years to meet supply gaps. Alternatively, several potential projects, currently under consideration by OCWD, could meet supply shortfalls.

With respect to South Orange County (SOC), the 2018 Study recommended:

- The San Juan Watershed Project and the Doheny Project both provide cost-effective annual supplies and emergency supplies. These two projects should make up the core reliability improvement strategy for SOC, and should be augmented by other projects evaluated in this study, such as the emergency use of groundwater for system outages, Cadiz water banking and extraordinary supplies.
- Additional study is recommended to determine the appropriate timing and sizing of phases of the Doheny and San Juan Watershed Projects, to better understand system integration issues with water quality and stranding of assets, operational issues during winter months and operational issues to enable water to be moved through various pipelines in SOC to deal with emergency situations.
 - MWDOC is currently working to develop strategies to integrate future water sources into the OC water distribution system. Pursuit of this key priority will continue through FY 2019-20 and into FY 2020-21. The groundwork for these efforts were laid by a workshop held in 2018 and two whitepapers that are in the process of being completed to ascertain if research by others on these topics is sufficient or if additional research work is required.
 - The workshop indicated a hydraulic model to determine the residence time and mixing of supplies would be beneficial, along with water quality modules that might be added into the model. Staff researched the model MET is using and is attempting to leverage the information for MET pipelines in OC. Additional work is anticipated in both this year and next year.

With respect to the OC Basin, the 2018 Study recommended:

- MWDOC and OCWD should work together to fully evaluate the opportunities this project provides to the OC Basin because the Carson IPR project by MET may be the next least-cost supply available to the OC Basin, pending the final terms and conditions.
- MWDOC and OCWD should work together if the Santa Ana River Conservation and Conjunctive Use Project (SARCCUP) extraordinary supply yield to OCWD is not fully

needed by the OC Basin. The utilization of the supplies could provide significant benefits in the form of extraordinary supplies (drought protection) for the OC Basin and/or others in Orange County.

The Reliability Study developed a set of strong analytical tools and methodologies that will be used to further evaluate projects and potential actions. The 2018 Study suggested a number of follow-up actions and projects that will be pursued in the remainder of FY2018-19 and into FY2019-20.

A number of findings in the 2018 Reliability Study were made with respect to MWDOC. These include:

- Advocate for policies at MET that are beneficial to Orange County and Southern California as we move forward at MET on reviewing the Local Resources Program (LRP), the Water Supply Allocation Plan (WSAP), MET's proposed Emergency Storage requirements and the 2020 IRP.
- The Strand Ranch drought protection program was evaluated as a seven-year pilot program in the study. Further work should proceed to develop terms and conditions for a potentially expanded program with Strand Ranch or other extraordinary supply programs (e.g., SARCCUP) to develop additional drought protection until the completion of the California WaterFix.
- Additional study is recommended to determine the appropriate timing and sizing of phases of the Doheny and San Juan Watershed Projects. MWDOC should work on this with the SOC agencies along with system integration and operational issues from new projects.
- While the 2016 and 2018 study results indicated minimal emergency supply needs for the OC Basin and Brea/La Habra areas, MWDOC recommends that all retail agencies review their needs for backup generators for emergency response throughout Orange County and include refueling plans coordinated through WEROC.

The 2018 Study, along with other recent discussions, has identified issues that should be discussed and addressed within MET's next IRP Update, which is scheduled to be completed in 2020. These include:

- Use of scenario planning to incorporate a more adverse climate change future for MET as a planning technique
- Evaluation of the Carson IPR Project. Is it a beneficial project? Who pays and who receives the benefits? Is it good for Orange County? Is it good for MET at \$1,700/AF? What does SOC pay and what benefits do they receive? Should there be any specific performance terms for agencies receiving the water during allocation situations?
- Use of MET Storage. Consider the need for additional surface storage in Southern California to deal with both emergency supplies and the capture of additional wet year water. What does it look like in our modeling? Does MET need more put and take capacity? What is the split between the SWP and CRA side of MET and how do these

work independently when either the SWP or the CRA are constrained in any particular year and have low flows?

- Operational issues associated with new projects. These include a large gamut of concerns ranging from operational issues associated with adding new projects within MET and OC to issues associated with water moving in different directions in the same pipeline, getting approval from MET for introducing local sources in the MET system, long residence times in pipelines during low demands or during periods of certain operations, chloramine residual decay, and water quality issues from blending various sources of water. Also included is the stranding of assets (MET and local) and the base-loaded integration during low demand winter months. MWDOC is looking at hydraulic and water quality modeling to help on some of these issues.
- Stranding of MET assets and evaluating the issue of MET agencies rolling off the system or decreasing their dependence on MET. How can we develop an overall "low cost" plan for Southern California by working together? This was part of the origin for MET's first IRP, but it has not been addressed with subsequent updates. How much "roll-off" of MET supply is anticipated? How should we incorporate this into our planning? What are the operational and financial implications?
- Changes to MET's WSAP. The Reliability Study identified areas of conflict between local supply development and improvements or benefits under a MET allocation. Can the WSAP be improved to allow agencies to significantly improve their drought protection? Extraordinary supplies seem to be the holy grail of drought protection. How can these opportunities be opened up for agencies that want to make such investments? Should MET offer drought protection for a price? Should local projects get more of a credit under the WSAP? Do we want to remain under a "share the pain" allocation system, or is it time to go down another path?
- Future MET rate structure and LRP. What changes are needed or what changes can be anticipated?
- MET Total Dissolved Solids (TDS). How will changing water quality in terms of TDS impact water supply planning at local levels?
 - How TDS control issues are working on the CRA? Can additional measures be implemented?
 - Feasibility of lowering the TDS via RO of a portion of the CRA flows? Is this the most cost effective way of managing TDS for the groundwater basins and recycling? What are the hidden costs of TDS to plumbing and other?
 - TDS for groundwater basins with respect to replenishment water?
- Improved Groundwater Basin Management & MET Storage Programs. How can these provide better drought and emergency protection through conjunctive use, Cyclic Storage and other MET programs. Historically, there have been problems with developing effective MET groundwater programs. Having the groundwater basins at low

storage levels prior to and during allocations are situations that should be discouraged. How can we help reverse these types of situations?

In addition to the work from the OC Water Reliability Study, other items expected to surface this coming year include work associated with the small non-compliant water systems in California to help avoid State requested “water funding” from retailers to correct the non-compliant problems, evaluation of the Strand Ranch “drought protection” program, continuation of efforts related to pump-in of the EOCF#2 and the IRWD Regional South County Interconnection work and initial work on the shutdown of the AMP to accommodate MET’s PCCP relining work scheduled for future years (this only relates to the planning for the work, not the actual shutdowns). Staff plans on developing a hydraulic model of the regional water distribution system in OC to allow various scenarios to be run assuming blending of water qualities from various sources.

Staffing to the department will increase by about 1 FTE as succession planning continues for the retirement of the Assistant General Manager in early FY 2020-21.

Metropolitan (MET) Issues and Water Policy (Cost Center 23)

The MET Issues and Water Policy department within MWDOC focuses on the review and analysis of MET and local, regional and statewide water policy issues. MWDOC was formed in 1951 to serve the majority of Orange County as its MET member agency representative and make imported water available to all of Orange County. This remains the District’s primary function. Although this function has taken various forms over the decades, the emphasis continues to be that MWDOC ensures policies, programs and projects, water management decisions, and water rates developed and implemented by MET have a significant value to the residents and ratepayers in Orange County and to Southern California. The department’s role and functions include promoting the interest of Orange County at MET, providing our MET Directors and Board support and technical assistance on MET issues and policies, assist and plan water management and reliability programs in collaboration with MET and our member agencies, and provide assistance on water policy issues which can include Bay-Delta and Colorado River issues, reliability planning and Dry-year program support & analysis. In addition, the department also provides internal support to other departments, such as water policy and water management review on legislative matters, water use efficiency issues and public outreach efforts. The Bay-Delta issues continue to expand in complexity and importance as the California WaterFix and EcoRestore programs move forward and interact with the Central Valley Project and State Water Board actions. There is also coordination with WEROC in relation to MET emergency planning and operations.

Many of MWDOC’s initiatives are aimed at maintaining a close working relationship with MET and other MET Member Agencies to guide the efforts at MET in a constructive manner; in the best interest of the region and Orange County. Key initiatives this coming year include the following:

- Continue to work closely with MET on supporting and advocating the design and construction of the preferred option of the California WaterFix

- Be actively involved in developing the upcoming MET Biennial Budget and proposed Rates and Charges for FY 2020-21 and FY2021-22
- Through the utilization of the OC Reliability Study, be engaged in the development of MET's 2020 IRP; and any policy implementation and water management directions that may come out of this process.
- Continue to monitor the activities of the Colorado River and the implementation of Drought Management initiatives among the Lower Basin States.
- 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, there remains a series of additional cases that SDCWA has filed each time a new rate was set by the MET Board (i.e., 2014, 2016, and 2017).
- Be an active participant in the progression of the Carson Regional Recycling Projects and its policy and cost impacts to Orange County and Southern California.
- Continue to explore the cost-benefits for dry-year storage opportunities for Orange County
- Promoting Orange County positions in policy formation and actions including MET investments in LRP funding policy and decisions, Water Use Efficiency, modifications to allocation policies and procedures, communication activities and legislation and MET's groundwater policies.
- OCWD identified four MET issues of importance: (1) establish a permanent regional MET In-Lieu program during surplus conditions; (2) modification of the Water Supply Allocation Plan rules to appropriately include groundwater basin agencies; (3) determination of the terms necessary to phase-out the MET Conjunctive Use Program (CUP) storage agreement; and (4) obtain MET's approval to pump potable water into MET pipeline facilities.

Due to the importance of California WaterFix to Orange County's reliability, MWDOC will be adding one FTE to the department to provide the District with technical assistance to increase our advocacy efforts on Bay-Delta issues, ensure progression of this key project and assist legislative activities associated with the Bay-Delta, and local information transfer with the Government Affairs Department.

Water Use Efficiency (WUE) Department (Cost Centers 35, 62 & 70)

The Water Use Efficiency Department consists of both Core and Choice budgets and focuses primarily on two programs: Water Use Efficiency Program & Water Loss Control Shared Services Program.

Water Use Efficiency Program

Water use efficiency mandates continue to evolve from the 20% by 2020 framework adopted in 2009 to the new efficiency standards based approach scheduled to begin in 2020. Providing the technical and policy expertise and program support along with securing funds for water use efficiency efforts is a priority for MWDOC. MWDOC has been providing this function since 1991.

In partnership with our member agencies, MWDOC and MET will continue to implement a comprehensive portfolio of water use efficiency programs that include all customer sectors.

Emphasis will be on landscape water saving opportunities as irrigation accounts for approximately 50% of urban water use in Orange County. MWDOC will maximize access to Conservation Credits Program funding from MET and grant funding from the California Department of Water Resources (DWR) and US Bureau of Reclamation (BOR).

Areas of focus include:

- Aerial Imagery, Landscape Area Measurements and Data Warehousing Project: In preparation for member agency compliance with new Water Use Efficiency Standards contained in Senate Bill 606 and Assembly Bill 1668, staff is planning to implement an Aerial Imagery, Landscape Area Measurements and Data Warehousing Project in partnership with the Santa Ana River Watershed Project Authority and will include all of Orange County. The project will provide irrigated area measurements for all parcels in the county. This data will be warehoused by way of a centralized aerial image and data management tool for access by individual retail agencies. Agencies can pull this information into their in-house GIS systems or access it as needed from the SAWPA administered data warehouse. This information can be used in a variety of ways including:
 - Water Use Efficiency Standards Compliance
 - Tracking urban landscaping trends
 - Water demand tracking and forecasting
 - Implementation of Budget Based Tiered Rates

Orange County's cost share of this broader effort is \$283,000. After Proposition 1 funding is applied, MWDOC's share is budgeted for \$200,000 which will be funded over two years.

- The States' new Long Term Water Use efficiency framework will require significant research to better understand and inform stakeholders and policy makers as the final standard setting occurs. This research may be focused locally or through partnerships beyond Orange County such as the California Water Efficiency Partnership.
- 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 advocate for Program refinements at MET that ensure Orange County program needs are met and continue to evolve.
- Participate in the update or establishment of device, appliance or fixture water use standards contained in the Cal Green Plumbing Code, Public Utilities Commission, and EPA WaterSense Program.
- MWDOC will continue to promote the Water Savings Incentive and Recycled Water Retrofit Programs including the addition of supplemental grant funding whenever available.
- 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 for rebate program participants.
- Staff will provide leadership for the California Water Efficiency Partnership Board and committees.
- Secure program funding; MWDOC is currently projecting approximately \$4 million for WUE program funding from Metropolitan and grants.

Water Loss Control Shared Services –

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 to influence developing regulations. MWDOC's expertise has also been beneficial in workgroups addressing the numerous water use efficiency legislative and regulatory proposals.

Implementation of Water Loss Control Shared Services per the Business Plan adopted by the Board in December 2018 will be initiated in FY2019-20. These services will be provided through a combination of Core services funded by MWDOC and Choice services funded by participating agencies. Core services that are currently funded by MWDOC include Water Balance Validation, Leak Detection Equipment lending, and state-wide water loss policy monitoring and development. This work will be supplemented by an addition 0.5 FTE.

The Choice Shared Services will include Meter Accuracy Testing, Distribution System Leak Detection, Distribution System Pressure Surveys and Distribution System Flushing. These Choice services will be provided by 1.5 new FTE MWDOC staff members. Functionally, the Water Loss Control Programs Supervisor position will be split 50/50 between Core and Choice services and the Leak Detection Technician will be 100 percent choice funded. As a new service to member agencies and a means to provide stability for the program, MWDOC will capitalize the startup costs for equipment.

Areas of focus include:

- Initiate implementation of the Water Loss Control Shared Services Business Plan
- Continue to convene the Water Loss Control Work Group
- Phase IV of the Water Loss Control Technical Assistance will continue in partnership with member agencies and Water Systems Optimization
- Engagement in the State Water Resources Control Board rule making process to establish a volumetric water loss standard called for in SB 555.

Water Emergency Response (WEROC) (Cost Center 25)

MWDOC provides the administrative umbrella for the Water Emergency Response Organization of Orange County (WEROC). The services and support provided by WEROC are intended to be an extension of Member Agency staffing in their emergency preparedness efforts, and a resource during emergencies to ensure representation, coordination, and recovery. WEROC staff continue to develop and provide the resources, tools, trainings and grant funding targeted at enhancing Member Agency and WEROC EOC Staff preparedness and resilience. Staff take pride in developing unique products for member agencies, such as translations of the required Division of Drinking Water notices into the eight most common languages in Orange County. Significant work continues on advocacy for the water and wastewater sector for our member agencies. Advocacy

representation this year has included: the Operational Area (OA) Agreement revision process; a significant number of County and Operational Area emergency response plan reviews; CalOES Southern California Catastrophic Earthquake Plan and the Fuel Distribution Concept of Operations; AWWA and FEMA revision to NIMS required resource typing for water and wastewater utilities; and outreach to Edison, SDG&E and the California Public Utilities Commission on Public Safety Power Shutoff programs. So far this year, staff have provided critical response coordination during the Holy Fire, multiple Edison Public Safety Power Shutoff (PSPS) events, the Woolsey Fire, and as mutual aid to Butte County and Paradise Irrigation District following the Camp Fire.

Key initiatives for WEROC in FY2019-2020 include:

- WEROC staff are working with a consultant to develop a Critical Infrastructure and Emergency Preparedness Matrix of federal, state, and local requirements and best practices for water and wastewater agencies. This will include a review of the America's Water Infrastructure Act of 2018 and a plan to assist member agencies with meeting any requirements.
- Continue to build upon the lessons learned from various trainings, exercises, and real events. There were some significant lessons this fiscal year that should be given staff time and effort to consider and implement. Primary areas of focus will include the Emergency Water Quality Sample Kits (EWQSK), Joint Information Systems, Wildfire Benzene Contamination Response Planning and meeting the new Dam Inundation Mapping and Planning requirements.
- In 2016, WEROC staff started a county-wide effort to develop individual City Commodity Point of Distribution (POD) Plans, Water Utility Water POD Plans, and an Orange County Operational Area Commodity & Water Procurement and Distribution Plan for the distribution of water, food, and other needed supplies following a major disaster. This significant effort will proceed with the development of the County-wide POD coordination and planning needed, as a next step.
- WEROC Staff have secured a homeland security grant funded generator for the MWDOC Administration Building to provide continuity of MWDOC operations, as well as the potential for WEROC to utilize the site as an alternate EOC site following a disaster. WEROC staff will be working with MWDOC staff to incorporate the new asset into the electrical system improvements already needed.
- WEROC Staff continue to work with MWDOC staff to implement non-structural seismic and fire code safety improvements at the South Emergency Operations Center (EOC). Staff will also move forward with updates to furniture, HVAC systems, and electrical improvements at the facility as well. Capital improvements are budgeted and paid for by MWDOC, and are not included in the WEROC Operations Budget. The WEROC South EOC projects are being completed in conjunction with the MWDOC administration building to achieve the greatest economies of scale possible, therefore, causing some delays in the WEROC projects. The capital budget reflects previously approved budgeted costs, carryover of unspent capital funds and new realized costs for the previously identified projects due to unforeseen costs, inflation and building code compliance.

Communication - Public Affairs Department (Cost Centers 32 & 63)

MWDOC is committed to keeping Orange County engaged, involved and up-to-date on current water issues, water-saving opportunities, pending policy matters and special events. Communication with our Member Agencies and the public we serve is a critical component of MWDOC's core function. Communication related to critical water policy issues, water supply and system reliability, and water resource projects and investments are all essential elements of the MWDOC Communications Program & Plan. To maximize both effectiveness and efficiency MWDOC is working with our Member Agencies on coordinated communication efforts. Central to that effort this year has been a continued focus on the successful completion of the California WaterFix, and enhanced engagement with the public through digital communications and community education events and promotions.

MWDOC has provided water-related school education programs 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. Additionally, MWDOC has developed, sponsors and coordinates a Boy Scouts Merit Badge program, as well as a Girl Scouts Patch program to further reach Orange County youth with water resource, conservation, and careers messaging.

The 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 trip program and tours.

Key Initiatives FY2019-20

- The Public Affairs Department looks to build on the successes from previous years, elevating community awareness and involvement with issues and challenges related to the reliable delivery of potable water. With an established voice and growing audiences, MWDOC's Strategic Communications Program & Plan provides initiatives for FY2019-20:
 - Continue to focus on the WaterFix and EcoRestore with consistent messaging about the need to finish the State Water Project with the full twin-tunnel WaterFix. Develop messaging and programs with the Engineering and MET Programs Departments.
 - Develop messaging in conjunction with the Government Affairs Department that amplifies MWDOC's opposition to any potential legislation that imposes a "public goods charge," "water user fee," or "water tax" on public water agencies or their ratepayers.
 - Underscore the agency's role as the primary resource and planning entity for the County by highlighting the findings of the OC Reliability Study.
 - Deliver targeted messages to decision-makers and those with influence upon the decision-makers, although local government and grass root elements are included in the plan, as well.

- Utilize digital communications featuring MWDOC's award winning website, and social media channels with an emphasis on video, to target specific audiences, as well as to "listen" to public sentiment about these issues, and identify any growing concerns or opposition.
- An important component of the MWDOC Communications Program & Plan is the public outreach through the Water Policy Dinners and the OC Water Summit, both of which are included in the budget. Building off of the existing program's success, MWDOC will continue to lead the way in water reliability and water policy issue discussions by implementing the *MWDOC Water Policy Forum & Dinner speakers series*. The new format will provide additional *value* for past, present, and future attendees. Through a collaboration with the Association of California Cities – Orange County (ACC-OC), it was recognized that many newly elected officials and other members would benefit from examining water issues related to supply on a geographical basis. The 2019 series will focus on each of the three distinct California water regions: Northern, Central, and Southern California.
- Critical to the success of our communication is the active coordination with our Member Agencies. This is facilitated with formal meetings and the informal cooperation between agencies. Additionally, MWDOC's outreach support efforts integrates media kits produced in-house to provide Member Agencies with regional outreach materials related to national campaigns like: Imagine a Day Without Water and the Wyland National Mayors Challenge for Water Conservation, regional efforts like MWDOC's annual Poster Contest and Water Use Efficiency programs, and emergency communications tool kit templates for disaster response. These new resources for Member Agencies are valuable in assisting our agencies to provide messaging continuity for the region.
- As part of its multi-faceted public education effort, MWDOC sponsors the Orange County Boy Scout Council's Soil & Water Conservation Merit Badge and offers the Water Resources and Conservation Patch produced jointly with the Girl Scouts of Orange County. MWDOC partners with several of its member agencies to host clinics that teach the Boy Scouts and Girl Scouts about where their water comes from, the challenges of getting water to Orange County, how to be water efficient, and the prospect of pursuing a career in water.
- The MWDOC Public Affairs Department spends a significant amount of time each year developing materials, preparing itineraries and guest lists, coordinating with guests and MWDOC/Metropolitan Directors and staff, and participating on tours to critical water facilities throughout the state as part of the District's involvement in the Metropolitan Inspection Trip Program. MWDOC/Metropolitan Directors host an average of ten to twelve inspection trips each "season". While a season typically runs from September to June, several months are needed in advance to plan and prepare each trip. Additionally, each May, staff begins working with Metropolitan and the MWDOC/Metropolitan Directors to develop and negotiate their trip schedules for the upcoming season. Therefore, while this program may be presented as a seasonal effort, staff works diligently year-round to connect influential Orange County citizens to the District's programs, activities, plans, and water itself as a valuable resource that needs to be protected.
- As an integral part of the Public Affairs Department's efforts to elevate public awareness, garner support, and establish confidence in the District, staff provides extensive support to the District's member agencies as well as to all

other departments within the organization. Examples of this include communications and marketing research, strategies, design support and materials – both electronic and print. This is accomplished through a variety of tools such as: social media, MWDOC's website, bill inserts, flyers, program promotions and how-to videos, media kits and toolkits, briefing papers, news releases, and informational campaign support to name a few.

- Also included in the budget, is the continued funding of the Southern California Water Coalition WaterFix communication program.

Public Affairs Choice Programs for FY2019-20

The Choice Programs for FY2019-20 include:

- School Program- A request for proposals (RFP) for all MWDOC school programs will open next month. Presently, the grade school program is run in conjunction with The Discovery Cube with assembly programs in grades 1-5. Since 2015, MWDOC's High School Program has been conducted in conjunction with the County of Orange's Inside the Outdoors (ITO). As we look to refine and possibly expand the school program into grades 6-9, it is anticipated that both entities will submit proposals.

Governmental Affairs Department (Cost Center 31)

Governmental Affairs will continue to work at the local, state and national levels with our Member Agencies, local and regional partners (3 cities, MET, and MET Member Agencies), organizations, legislative delegations, key stakeholders, regulatory agencies and bureaus to advance Orange County's agenda in FY2019-20. Central to this effort are policy, legislative and regulatory developments and opportunities. There was a flood of legislative activity in Sacramento in FY2018-19 that will continue into next fiscal year. Legislation and actions include:

- Legislation or a Budget Trailer Bill to fund the "Safe and Affordable Drinking Water Act" (tax on water);
- Legislation to implement a Low Income Rate Assistance program for water;
- Monitoring how the Administration and Legislature intends to implement the draft CA Water Plan update;
- Ensuring the California WaterFix and EcoRestore project continues to move forward;
- Supporting the Colorado River Drought Contingency Plan;
- Working to ensure that funding for water infrastructure and repairs along with funding for new projects that will enhance long-term reliability for the region.

Federal activities will include the annual legislative trips, luncheon and dinner as well targeted work on supporting legislative and regulatory actions in support of Southern California water; in addition to seeking outside funding opportunities in support of Orange County projects. The MWDOC Grants Program continues to be an asset for our member agencies and provide helpful information and tools for them, along with MWDOC to obtain funding for various programs and infrastructure.

Locally, there will be a particular focus this year on informing and engaging elected officials and staff, key agency personnel and government associations or groups on water resource issues critical to Orange County including the California WaterFix.

The department will rely on our local, state, and federal advocates to track, monitor and assist in education outreach on these issues.

Administration Department (Cost Centers 11, 12, 13, &19)

The Administrative Department is comprised of Board Administration, General Administration, Personnel and Overhead. The Administration Department provides support to the entire District to ensure operations run smoothly and efficiently. Fundamental activities include:

- Staff attendance, preparation and compilation of Board and Committee Agendas and minutes;
- The insurance of compliance with the District Administrative Code, Contracts Manual and publication of required legal notices and coordinate all Public Records requests.;
- The oversight and maintenance of the Electronic Records Management System for the District, as well as train staff on policies related to accessing, storing and transmitting electronic records;
- The oversight and maintenance of the District's Database Management System in an effort to provide a centralized database for staff in improving efficiencies;
- Personnel activities include recruitment, screening, selection, employee orientation, benefits and compensation administration, employee documentation, performance management, research and surveys;
- Oversight of the Safety and Risk Management and the District's Workers Compensation, Liability and Property Insurance Programs;
- Oversight of all items related to building facilities management.

Key initiatives in the coming year include:

- District wide staff development training
- Encourage participation in the Public Agency Leadership Training through Cal State University Fullerton
- Succession Planning for upcoming retirements
- Preparation for WUE staffing recruitments and additional staff recruitments
- Implementation and training of Performance Evaluation System
- Oversee building remodel improvements

MWDOC Building Improvements

Administration, Engineering, and WEROC staff are working together to coordinate multiple improvement projects at the MWDOC Administration Building. Staff has previously budgeted for renovation efforts for the conference rooms, copy room and the library area, as well as redesigning other office areas to create additional work spaces. During this time, there have been various issues that have come up resulting in three project areas that support the renovation efforts: seismic safety improvements (board approved), upgrading the existing electrical system to meet current and future demands, and replacing the IT server room air conditioning unit. In evaluating all of the various components, it was determined that it would be more cost effective and efficient to coordinate all of these projects more closely to allow the improvements to move forward in a more seamless manner. This is especially important considering the building permitting process, which will require the District to comply with Title 24 (Building Energy Efficiency Standards), Life Safety Compliance, as well as American with Disabilities Act (ADA) code compliance. Identifying and planning the electrical system for the District is a critical step that must be completed before moving forward with the office remodel. Therefore, staff is coordinating closely with electrical and architectural/space planning consultants. The WEROC South EOC projects (see more under WEROC) are being completed in conjunction with the MWDOC administration building to achieve economies of scale. The capital budget reflects previously approved budgeted costs, carryover of unspent capital funds and new realized costs for the previously identified projects due to unforeseen costs, inflation and building code compliance. We anticipate work will begin with the electrical improvements in August 2019 and the office remodel work immediately following.

Finance & Information Technology (Cost Centers 41 & 45)

The Finance department includes Accounting and Information Technology (IT). The Department provides support to MWDOC through payroll, accounts payable/receivable, fixed assets, investments, grant funding, reconciliations and technology. Staff provides support to WEROC for disaster recovery at both the District office and the Emergency Operation Center. Finance and IT's priorities are Financial Stewardship, Auditing and Controls, which is demonstrated by receiving an unmodified opinion from our annual audit process

Finance also provides monthly accounting to our Member Agencies through monthly billing of water deliveries, in-lieu credits, LRP payments, conservation rebate and choice programs.

IT provides uninterrupted service for our phones and computers with the highest level of firewall protection to prevent threats, viruses and hackers from penetrating our system. Key Initiatives in the coming year include:

- Maintain functional operations and support throughout the upcoming building renovations at MWDOC
- Supporting the succession planning for upcoming retirements
- Continue with IT's PC/Printer refresh program and security updates which, exchanges out equipment after it's useful like to prevent the loss of any data

- Purchase Performance Management Software for Human Resources
- Continue to assist at Public Affairs events
- Assist with vehicle purchases for the Shared Services Program
- Support the District with any future financing needs

7. Core/Choice Programs for FY2019-20

The Choice Programs for FY2019-20 include:

- School Program - As discussed above the School Program will go out for bid during this fiscal year. Vendors and programs will be available for the next fiscal year and the beginning of the school year.
- Water Use Efficiency - Will continue to access MET WUE funding and grants from other sources for implementation programs for OC.
- Water Loss Control Shared Services – This new program was developed in conjunction with our Member Agencies and the business plan has been presented to and approved by the MWDOC Board of Directors. This program will only be implemented after Member Agencies have subscribed for the services.

8. Water Rates and Charges

MWDOC's revenue funding for its Core Budget derives from the Retail Meter Service Charge and the Groundwater Customer Charge. The rate structure was developed as part of the May 2016 rate study and was implemented by the MWDOC Board of Directors for FY2016-17. It is anticipated that a new rate study will be conducted in FY2020-21 and any changes would be initiated for FY2021-22. Based on the Proposed Budget:

For FY 2019-20 the proposed Retail Meter Service Charge is \$12.40 per meter.

For FY 2018-19 the proposed Groundwater Customer Charge is \$631,705.

All other charges cover the cost of water supply including MET water purchases and MET associated charges (i.e. Readiness-to-Serve (RTS) and Capacity Charge). The proposed Total Water Purchases for FY 2019-20 are budgeted at \$237,942,996.

Attachments:

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



Annual Budget for Fiscal Year 2019-20

First 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 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET	
OPERATING EXPENSES:							
Salaries & Wages	\$ 3,104,292	\$ 3,084,643	\$ (19,649)	\$ 3,669,658	\$ 585,015	\$ 565,366	(1)
Employee Benefits	979,729	970,716	(9,012)	1,139,985	169,269	160,257	(2)
Director Compensation	255,360	221,341	(34,019)	268,133	46,792	12,773	
Director Benefits	94,767	92,575	(2,192)	93,947	1,373	(819)	
MWD Representation	145,920	140,343	(5,577)	153,218	12,875	7,298	
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-	
Overhead Reimbursement	(161,317)	(173,642)	(12,324)	(225,831)	(52,189)	(64,513)	
Health Insurance Coverage for Retirees	70,519	50,492	(20,027)	70,287	19,795	(232)	
Audit Expense	29,000	19,380	(9,620)	29,240	9,860	240	
Automotive & Toll Road Expenses	18,262	19,878	1,616	20,200	322	1,938	
Conference Expense - Staff	42,880	38,505	(4,375)	43,546	5,041	666	
Conference Expense - Directors	24,930	23,530	(1,400)	25,062	1,532	132	
Engineering Expense	330,000	531,508	201,508	435,000	(96,508)	105,000	
Insurance Expense	138,500	138,000	(500)	140,000	2,000	1,500	
Legal Expense - General	255,000	167,000	(88,000)	200,000	33,000	(55,000)	
Maintenance Expense	132,796	112,300	(20,496)	138,527	26,227	5,731	
Membership / Sponsorship	141,662	144,044	2,382	158,976	14,932	17,314	
CDR Participation	47,044	47,044	-	50,156	3,112	3,112	
Miscellaneous Expense	134,430	101,618	(32,812)	97,300	(4,318)	(37,130)	
Postage / Mail Delivery	8,600	8,300	(300)	9,000	700	400	
Professional Fees	862,921	796,837	(66,084)	920,445	123,608	57,524	
Rents & Leases	3,460	3,200	(260)	3,616	416	156	
Outside Printing, Subscription & Books	34,573	34,000	(573)	62,500	28,500	27,927	
Office Supplies	36,000	32,000	(4,000)	36,000	4,000	-	
Building Repair & Maintenance	20,000	10,000	(10,000)	20,000	10,000	-	
Computer Maintenance	8,000	8,000	-	8,000	-	-	
Business Expense	5,600	4,200	(1,400)	5,200	1,000	(400)	
Software Support & Expense	97,795	96,000	(1,795)	93,634	(2,366)	(4,161)	
Computers and Equipment	11,850	11,850	-	45,750	33,900	33,900	
Telecommunications Expense	20,178	22,200	2,022	24,333	2,133	4,155	
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-	
Training Expense	25,000	22,000	(3,000)	30,000	8,000	5,000	
Tuition Reimbursement	5,000	2,500	(2,500)	5,000	2,500	-	

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

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	99,600	92,850	(6,750)	106,745	13,895	7,145
Travel & Accommodations - Directors	51,750	50,275	(1,475)	61,973	11,698	10,223
MWDOC's Contribution to WEROC: Operations	191,380	191,380	-	228,978	37,598	37,598
and to WEROC Capital Improvements	25,488	25,488	-	44,389	18,901	18,901
Capital Acquisition (excluding building)	255,500	167,500	(88,000)	338,900	171,400	83,400
Capital Acquisition Carryover		88,000	88,000	(330,624)	(418,624)	(330,624)
NORMAL OPERATING EXPENSES	\$ 7,758,468	\$ 7,602,855	\$ (155,613)	\$ 8,433,244	\$ 830,389	\$ 674,776
MWDOC's Building Expense	\$ 531,827	\$ 390,986	\$ (140,841)	\$ 1,291,557	\$ 900,571	\$ 759,730
Building Expense Carryover		\$ 140,841	\$ 140,841	\$ (423,226)	\$ (564,067)	\$ (423,226)
Contribution to Election Reserve	304,000	288,000	(16,000)	-	(288,000)	(304,000)
TOTAL EXPENSES	\$ 8,594,295	\$ 8,422,682	\$ (171,613)	\$ 9,301,575	\$ 878,893	\$ 707,280

REVENUES:						
Retail Meter Charge	\$ 7,697,006	\$ 7,697,006	\$ 0	\$ 7,888,930	\$ 191,924	\$ 191,924
Ground Water Customer Charge	499,012	499,012	-	631,705	132,693	132,693
Interest Revenue	390,000	553,000	163,000	580,000	27,000	190,000
Miscellaneous Income	3,000	3,000	-	3,000	-	-
TOTAL REVENUES	\$ 8,589,018	\$ 8,752,018	\$ 163,000	\$ 9,103,634	\$ 351,617	\$ 514,617

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (5,277)	\$ 329,336	\$ 334,613	\$ (197,941)	\$ (527,277)	\$ (192,664)

- (1) Total FY2019-2020 Salaries & Wages includes \$15,367 for intern support
- (2) Total FY2019-2020 Benefits includes \$1,620 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.221% for Classic employees and 6.985% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2020.
- (3) FY2018-2019 Projected carryover is the amount budgeted less the amount of work projected to be completed in FY2018-2019.
FY2019-2020 Budgeted carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY2019-2020.
- (4) MWDOC FY2019-2020 designated reserve target is unfunded in the amount of \$234,469 with \$329,336 projected to be available for contribution to reserves from FY2018-2019 operations. Of this amount (\$329,336-\$234,469+\$88,000 (Net Contribution to election reserves, after a \$200,000 election expense, already included)) \$182,867 is available in excess of the fully funded reserve target. This is offset by the proposed budget deficit from the FY2019-2020 operations.

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

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 418,691	\$ 405,091	\$ (13,601)	\$ 539,187	\$ 134,097	\$ 120,496
less for Recovery from Grants	(6,300)	(5,714)	586	(5,500)	214	800
Employee Benefits	128,836	107,086	(21,750)	164,541	57,455	35,705
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	161,317	173,642	12,324	225,831	52,189	64,513
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	-	-	-	1,500	1,500	1,500
Vehicle Expense	-	-	-	13,160	13,160	13,160
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	6,000	6,562	562	12,000	5,438	6,000
Postage / Mail Delivery	400	336	(64)	400	64	-
Professional Fees	567,837	533,837	(34,000)	751,962	218,125	184,125
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	-	-	-	2,033	2,033	2,033
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	-	-	-
Telecommunications Expense	-	-	-	1,440	1,440	1,440
Computers and Equipment	-	-	-	3,700	3,700	3,700
Temporary Help Expense	-	-	-	-	-	-
Training Expense	-	-	-	2,000	2,000	2,000
Tuition Reimbursement	-	-	-	-	-	-

(1)

(2)

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

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition	-	-		70,180	70,180	70,180
Subtotal Expenses	\$ 1,276,781	\$ 1,220,839	\$ (55,942)	\$ 1,782,434	\$ 561,594	46.00%
TOTAL EXPENSES	\$ 1,276,781	\$ 1,220,839	\$ (55,942)	\$ 1,782,434	\$ 561,594	\$ 505,652

REVENUES:						
Choice Revenue	\$ 1,276,781	\$ 1,220,839	\$ (55,942)	\$ 1,782,434	\$ 561,594	\$ 505,652
TOTAL REVENUES	\$ 1,276,781	\$ 1,220,839	\$ (55,942)	\$ 1,782,434	\$ 561,594	\$ 505,652

- (1) Total FY2019-2020 Salaries & Wages includes \$44,509 for intern support
- (2) Total FY2019-2020 Benefits includes \$4,633 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.221% for Classic employees and 6.985% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2020.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,522,983	\$ 3,489,733	\$ (33,250)	\$ 4,208,845	\$ 719,112	\$ 685,862
less for Recovery from Grants	(6,300)	(5,714)	586	(5,500)	214	800
Employee Benefits	1,108,564	1,077,802	(30,762)	1,304,526	226,724	195,962
Director Compensation	255,360	221,341	(34,019)	268,133	46,792	12,773
Director Benefits	94,767	92,575	(2,192)	93,947	1,373	(819)
MWD Representation	145,920	140,343	(5,577)	153,218	12,875	7,298
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	-	-	-	-	-	-
Health Insurance Coverage for Retirees	70,519	50,492	(20,027)	70,287	19,795	(232)
Audit Expense	29,000	19,380	(9,620)	29,240	9,860	240
Automotive & Toll Road Expenses	18,262	19,878	1,616	21,700	1,822	3,438
Vehicle Expense - Water Loss Control	-	-	-	13,160	13,160	13,160
Conference Expense - Staff	42,880	38,505	(4,375)	43,546	5,041	666
Conference Expense - Directors	24,930	23,530	(1,400)	25,062	1,532	132
Engineering Expense	330,000	531,508	201,508	435,000	(96,508)	105,000
Insurance Expense	138,500	138,000	(500)	140,000	2,000	1,500
Legal Expense - General	255,000	167,000	(88,000)	200,000	33,000	(55,000)
Maintenance Expense	132,796	112,300	(20,496)	138,527	26,227	5,731
Membership / Sponsorship	141,662	144,044	2,382	158,976	14,932	17,314
CDR Participation	47,044	47,044	-	50,156	3,112	3,112
Miscellaneous Expense	140,430	108,180	(32,250)	109,300	1,120	(31,130)
Postage / Mail Delivery	9,000	8,636	(364)	9,400	764	400
Professional Fees	1,430,758	1,330,674	(100,084)	1,672,407	341,733	241,649
Rents & Leases	3,460	3,200	(260)	3,616	416	156
Outside Printing, Subscription & Books	34,573	34,000	(573)	62,500	28,500	27,927
Office Supplies	36,000	32,000	(4,000)	36,000	4,000	-
Supplies - Water Loss Control	-	-	-	2,033	2,033	2,033
Building Repair & Maintenance	20,000	10,000	(10,000)	20,000	10,000	-
Computer Maintenance	8,000	8,000	-	8,000	-	-
Business Expense	5,600	4,200	(1,400)	5,200	1,000	(400)
Software Support & Expense	97,795	96,000	(1,795)	93,634	(2,366)	(4,161)
Computers and Equipment	11,850	11,850	-	49,450	37,600	37,600
Telecommunications Expense	20,178	22,200	2,022	25,773	3,573	5,595
Temporary Help Expense	5,000	-	(5,000)	5,000	5,000	-
Training Expense	25,000	22,000	(3,000)	32,000	10,000	7,000
Tuition Reimbursement	5,000	2,500	(2,500)	5,000	2,500	-

(1)

(2)

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	99,600	92,850	(6,750)	106,745	13,895	7,145
Travel & Accommodations - Directors	51,750	50,275	(1,475)	61,973	11,698	10,223
MWDOC's Contribution to WEROC: Operations	191,380	191,380	-	228,978	37,598	37,598
and to WEROC Capital Improvements	25,488	25,488	-	44,389	18,901	18,901
Capital Acquisition (excluding building)	255,500	167,500	(88,000)	409,080	241,580	153,580
Capital Acquisition Carryover		88,000	88,000	(330,624)	(418,624)	(330,624)
NORMAL OPERATING EXPENSES	\$ 9,035,249	\$ 8,823,694	\$ (211,555)	\$ 10,215,678	\$ 1,391,984	\$ 1,180,429
MWDOC's Building Expense	\$ 531,827	\$ 390,986	\$ (140,841)	\$ 1,291,557	\$ 900,571	\$ 759,730
Building Expense Carryover		\$ 140,841	\$ 140,841	\$ (423,226)	\$ (564,067)	\$ (423,226)
Contribution to Election Reserve	304,000	288,000	(16,000)	-	(288,000)	(304,000)
TOTAL EXPENSES	\$ 9,871,076	\$ 9,643,521	\$ (227,555)	\$ 11,084,009	\$ 1,440,488	\$ 1,212,933

(3)

(3)

REVENUES:						
Retail Meter Charge	\$ 7,697,006	\$ 7,697,006	\$ 0	\$ 7,888,930	\$ 191,924	\$ 191,924
Ground Water Customer Charge	499,012	499,012	-	631,705	132,693	132,693
Interest Revenue	390,000	553,000	163,000	580,000	27,000	190,000
Miscellaneous Income	3,000	3,000	-	3,000	-	-
Choice Revenue	1,276,781	1,220,839	(55,942)	1,782,434	561,594	505,652
TOTAL REVENUES	\$ 9,865,799	\$ 9,972,857	\$ 107,058	\$ 10,886,068	\$ 913,211	\$ 1,020,269

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (5,277)	\$ 329,336	\$ 334,613	\$ (197,941)	\$ (527,277)	\$ (192,664)

(4)

- (1) Total FY2019-2020 Salaries & Wages includes \$59,876 for intern support
- (2) Total Benefits includes \$6,222 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 10.221% for Classic employees and 6.985% for PEPRAs employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2020.
- (3) FY2018-2019 Projected carryover is the amount budgeted less the amount of work projected to be completed in FY2018-2019.
FY2019-2020 Budgeted carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY2019-2020.
- (4) MWDOC FY2019-2020 designated reserve target is unfunded in the amount of \$234,469 with \$329,336 projected to be available for contribution to reserves from FY2018-2019 operations. Of this amount (\$329,336-\$234,469+\$88,000 (Net Contribution to election reserves, after a \$200,000 election expense, already included)) \$182,867 is available in excess of the fully funded reserve target. This is offset by the proposed budget deficit from the FY2019-2020 operations.

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

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
Water Revenues						
Water Sales	\$ 205,393,716	\$ 237,701,659	\$ 32,307,944	\$ 237,841,537	\$ 139,878	\$ 32,447,821
Local Resource Program Incentives	(16,416,776)	(12,672,068)	3,744,708	(5,465,263)	7,206,805	10,951,513
Readiness-To-Serve Charge	10,902,178	10,135,278	(766,900)	10,071,282	(63,996)	(830,896)
Capacity Charge	3,854,976	3,735,205	(119,771)	3,615,440	(119,765)	(239,536)
Interest Revenue - Tier 2 Cont.	13,000	17,500	4,500	20,000	2,500	7,000
SCP/SAC Pipeline Surcharge	365,000	342,651	(22,349)	350,000	7,349	(15,000)
TOTAL WATER REVENUES	\$ 204,112,094	\$ 239,260,226	\$ 35,148,132	\$ 246,432,996	\$ 7,172,771	\$ 42,320,902
Water Expenses						
Water Purchases	\$ 205,393,716	\$ 237,701,659	\$ 32,307,944	\$ 237,841,537	\$ 139,878	\$ 32,447,821
Local Resource Program Incentives	(16,416,776)	(12,672,068)	3,744,708	(5,465,263)	7,206,805	10,951,513
Readiness-To-Serve Charge	10,902,178	10,135,278	(766,900)	10,071,282	(63,996)	(830,896)
Capacity Charge	3,854,976	3,735,205	(119,771)	3,615,440	(119,765)	(239,536)
SCP/SAC Pipeline Surcharge	365,000	342,651	(22,349)	350,000	7,349	(15,000)
TOTAL WATER EXPENSES	\$ 204,099,094	\$ 239,242,726	\$ 35,143,632	\$ 246,412,996	\$ 7,170,271	\$ 42,313,902
Changes to Fund Balance:						
Tier 2 Contingency	\$ 13,000	\$ 17,500	\$ 4,500	\$ 20,000	\$ 2,500	\$ 7,000

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

	FY 2018-2019 ADOPTED BUDGET	FY 2018-2019 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2019-2020 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2018-2019 BUDGET
Funding						
Metropolitan Water District	\$ 680,000	\$ 915,455	\$ 235,455	\$ 1,067,130	\$ 151,675	\$ 387,130
USBR	127,380	133,104	5,724	58,100	(75,004)	(69,280)
DWR	714,755	955,410	240,655	169,912	(785,498)	(544,843)
Member Agencies	1,356,000	914,874	(441,126)	1,040,004	125,130	(315,996)
MWDOC	30,000	35,000	5,000	35,000	-	5,000
TOTAL OUTSIDE FUNDING	\$ 2,908,135	\$ 2,953,843	\$ 45,708	\$ 2,370,147	\$ (583,696)	\$ (537,988)
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	\$ 6,300	\$ 5,714	\$ (586)	\$ 5,500	\$ (214)	\$ (800)
Monitoring and Evaluation	-	-	-	-	-	-
Installation Verification	135,000	50,511	(84,489)	50,000	(511)	(85,000)
Rebate Incentives	2,766,835	3,071,245	304,410	2,320,539	(750,706)	(446,296)
Databasing	-	-	-	-	-	-
TOTAL PROGRAMS EXPENSES	\$ 2,908,135	\$ 3,127,470	\$ 219,335	\$ 2,376,039	\$ (751,431)	\$ (532,096)

Exhibit B
Expenditures by Program

Cost Center	PROGRAM	FY 2018-2019 BUDGET FTE	FY 2019-2020 BUDGET FTE	FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
11	Administrative - Board	1.85	1.90	\$ 1,188,992	\$ 1,015,180	\$ 1,214,987
12	Administrative - General	3.45	3.54	616,618	623,741	703,232
13	Personnel / Staff Development	1.40	1.53	315,728	281,318	329,579
19	Overhead	3.79	4.37	1,283,116	1,198,428	1,147,297
21	Reliability Planning and Engineering	3.85	4.15	785,812	927,800	1,139,042
22	Research Participation	0.00	0.00	47,044	47,044	-
23	Metropolitan Issues and Water Policy	4.14	4.76	843,133	899,588	959,744
31	Governmental Affairs	0.96	0.94	480,284	464,453	495,743
35	Water Use Efficiency (Core)	0.62	0.97	386,212	375,638	485,572
32	Public Affairs	3.68	3.81	756,078	775,176	796,472
41	Finance	3.18	3.17	508,581	451,601	581,848
45	Information Technology	1.00	0.99	330,002	326,023	306,362
25	MWDOC's Contribution to WEROC	2.55	2.53	216,868	216,868	273,367
CORE TOTAL		30.48	32.67	\$ 7,758,468	\$ 7,602,855	\$ 8,433,244
62	Water Use Efficiency Program	5.13	5.07	839,155	801,400	874,517
63	School Programs	0.21	0.10	437,626	419,439	629,159
70	Water Loss Control	0.00	1.46	-	-	278,757
CHOICE TOTAL		5.33	6.62	\$ 1,276,781	\$ 1,220,839	\$ 1,782,434
CORE & CHOICE TOTAL		35.81	39.29	\$ 9,035,249	\$ 8,823,694	\$ 10,215,678
Includes:	Full-time employees	30.00	34.12	(2)		
	Part-time employees	0.72	0.74			
	Interns	2.50	1.90			
	WEROC Full-time employees	2.00	2.53			
	WEROC Part-time employees	0.59	0.00			

(1)

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

(2) FTE's for 2018-2019 are calculated based on 2080 hours of work for the year. FTE's for 2019-2020 are calculated based on 2096 hours worked for the year. This corresponds to the actual working days for the fiscal year which varies year to year. MWDOC and WEROC combined are budgeted to have a total of 37 full-time employees, 1 part-time employee and 4 interns. MWDOC and WEROC share one of the full-time employees. Several full-time employees are budgeted to work less than 40 hours a week which explains the fractions of an FTE for full-time employees.

Municipal Water District of Orange County
2019-2020 FISCAL MASTER PLAN PROJECTIONS

(in thousands)

	Projected ACTUALS FY18-19	BUDGET FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Beginning Designated Reserve Balance - MWDOC	\$6,132	\$ 6,433	\$ 6,323	\$ 6,548	\$ 6,788	\$ 6,925	\$ 7,025
OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	5,835	6,136	6,026	6,251	6,491	6,628	6,728
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,697	7,889	7,969	8,087	8,130	8,223	8,320
Ground Water Customer Charge	499	632	644	657	670	684	697
Subtotal	8,196	8,521	8,614	8,744	8,800	8,906	9,017
Other Revenues:							
Choice Revenues	1,221	1,782	1,818	1,854	1,892	1,929	1,968
Interest Earnings	553	580	586	601	619	634	648
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,777	2,365	2,407	2,459	2,514	2,566	2,619
Total Revenues	9,973	10,886	11,021	11,203	11,314	11,473	11,636
Expenses							
Core Expenses	7,347	8,425	8,593	8,765	8,941	9,119	9,302
Choice Expenses	1,221	1,782	1,818	1,854	1,892	1,929	1,968
Capital Acquisitions (not including building)	256	8	20	20	20	20	20
Total Expenses w/o Building & Election	8,824	10,216	10,432	10,640	10,852	11,069	11,290
Revenue Over Expenses w/o Building & Election	1,149	670	589	563	462	404	346
ELECTION Reserve Beginning Balance	608	696	696	304	608	390	694
Annual Election Reserve Contribution	288	-	304	304	304	304	304
Annual Election Expense	200	-	696	-	522	-	696
Election Reserve Ending Balance	696	696	304	608	390	694	302
BUILDING Reserve Beginning Balance	385	413	413	413	413	413	413
Annual Building Reserve Contribution	560	688	50	10	10	10	10
Annual Building Expense	532	868	50	10	10	10	10
Building Reserve Ending Balance	413	413	413	413	413	413	413
CASH FLOW Reserve Beginning Balance	1,500	1,500	1,500	1,500	1,500	1,500	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
Ending General Fund & Cash Flow Reserves	\$ 5,027	\$ 5,009	\$ 5,544	\$ 5,480	\$ 5,835	\$ 5,611	\$ 6,045
Document does not reflect MWDOC's irrevocable trust towards OPEB liability							
MWDOC Water Rates							
Water Sales in Acre Feet	216,977	220,121	230,154	238,554	240,123	245,123	245,123
Total Retail Customer Meters	628,327	636,204	640,102	644,366	645,211	650,010	655,101
OCWD BPP %	75%	75%	75%	75%	75%	75%	75%
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 12.25	\$ 12.40	\$ 12.45	\$ 12.55	\$ 12.60	\$ 12.65	\$ 12.70
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 0.15	\$ 0.05	\$ 0.10	\$ 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:

3.21% per year

Working Capital and Interest Revenue Projections

	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Working Capital:					
Designated Reserve Fund	6,323	6,548	6,788	6,925	7,025
General Fund Float	8,000	8,000	8,000	8,000	8,000
WUE use of fund	(200)	(200)	(200)	(200)	(200)
Water Payment Float	3,850	3,875	3,900	3,925	3,950
Average Working Capital	17,973	18,223	18,488	18,650	18,775
Interest rate	3.26%	3.30%	3.35%	3.40%	3.45%
Interest Revenue Projections:					
Interest Income - General	586	601	619	634	648
Total Interest Revenue Projections	586	601	619	634	648

Total Core Expenses

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,104,292	3,084,643	3,669,658
6090	Directors Compensation - MWDOC	255,360	221,341	268,133
6095	Directors Compensation - MWD	145,920	140,343	153,218
6105	Benefits - Admin	979,729	970,716	1,139,985
	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
	Overhead Reimbursement	(161,317)	(173,642)	(225,831)
6115	Benefits - Directors	94,767	92,575	93,947
6120	Health Insurance Coverage for Retirees	70,519	50,492	70,287
6205	Training	25,000	22,000	30,000
6210	Tuition Reimbursement	5,000	2,500	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	330,000	531,508	435,000
7020	Legal - General	255,000	167,000	200,000
7030	Audit	29,000	19,380	29,240
7040	Other Professional Fees	862,921	796,837	920,445
7110	Conference - Employee	42,880	38,505	43,546
7115	Conference - Directors	24,930	23,530	25,062
7150	Travel & Accommodations - Employee	99,600	92,850	106,745
7155	Travel & Accommodations - Director	51,750	50,275	61,973
7210	Membership / Sponsorship	141,662	144,044	158,976
7250	CDR Participation	47,044	47,044	50,156
7305	Business Expense	5,600	4,200	5,200
7310	Office Maintenance	132,796	112,300	138,527
7315	Building Repair & Maintenance	20,000	10,000	20,000
7320	Rents & Leases	3,460	3,200	3,616
7330	Office Supplies	36,000	32,000	36,000
7340	Postal / Mail Delivery	8,600	8,300	9,000
7350	Subscriptions / Books	1,500	900	1,500
7360	Reproduction Expense	33,073	33,100	61,000
7410	Computer & Peripherals Maint	8,000	8,000	8,000
7430	Software Purchase	45,861	45,000	34,500
7440	Software Support	51,934	51,000	59,134
7540	Computers and Equipment	11,850	11,850	45,750
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	17,262	19,139	19,300
7615	Toll Road Charges	1,000	739	900
7620	Insurance Expense	138,500	138,000	140,000
7640	Utilities - Telephone	20,178	22,200	24,333
7650	Bank Fees	21,225	4,617	1,200
7670	Miscellaneous Expenses	113,205	97,001	96,100
8810	Capital Acquisition	255,500	167,500	338,900
	Total Expenditure	7,541,599	7,297,987	8,490,501

MWDOC's Contribution:

to WEROC Capital improvements	25,488	25,488	44,389
to WEROC Operations	191,380	191,380	228,978
MWDOC's Contribution to Election Rsrv	304,000	288,000	-
Capital Acquisition Carry Over (8810)		88,000	(330,624)
MWDOC's Building Expense	531,827	390,986	1,291,557
Building Expense Carryover		140,841	(423,226)
	<u>8,594,295</u>	<u>8,422,682</u>	<u>9,301,575</u>

Total Choice Revenue and Expense

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
	Choice Revenue	972,087	972,087	1,782,434
4205	School Contracts	102,031	102,031	-
4705	Prior Year Carry Over	202,663	202,663	-
		-	-	-
	Choice billing over/under	-	(55,942)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,276,781	1,220,839	1,782,434

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	418,691	405,091	539,187
	S & B Reimb. DSC or Recov from Grants	(6,300)	(5,714)	(5,500)
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	128,836	107,086	164,541
	Overhead Reimbursement	161,317	173,642	225,831
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	-	-	2,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	165,972	131,972	141,972
	Other Professional Fees - School Programs	401,865	401,865	609,990
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	-	-	-
7332	Supplies - Water Loss Control	-	-	2,033
7340	Postal / Mail Delivery	400	336	400
7350	Subscriptions / Books	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	-
7440	Software Support	-	-	-
7540	Computers and Equipment	-	-	3,700
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7612	Vehicle Expense	-	-	13,160
7615	Toll Road Charges	-	-	1,500
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	-	-	1,440
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	6,000	6,562	12,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	-	-	70,180
	Total Expenditure	1,276,781	1,220,839	1,782,434

Total Core and Choice Expenses

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,522,983	3,489,733	4,208,845
	S & B Reimb. DSC or Recov from Grants	(6,300)	(5,714)	(5,500)
6090	Directors Compensation - MWDOC	255,360	221,341	268,133
6095	Directors Compensation - MWD	145,920	140,343	153,218
6105	Benefits - Admin	1,108,564	1,077,802	1,304,526
	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
	Overhead Reimbursement	-	-	-
6115	Benefits - Directors	94,767	92,575	93,947
6120	Health Insurance Coverage for Retirees	70,519	50,492	70,287
6205	Training	25,000	22,000	32,000
6210	Tuition Reimbursement	5,000	2,500	5,000
6220	Temporary Help	5,000	-	5,000
7010	Engineering - Outside Services	330,000	531,508	435,000
7020	Legal - General	255,000	167,000	200,000
7030	Audit	29,000	19,380	29,240
7040	Other Professional Fees	1,028,893	928,809	1,062,417
	Other Professional Fees - School Programs	401,865	401,865	609,990
7110	Conference - Employee	42,880	38,505	43,546
7115	Conference - Directors	24,930	23,530	25,062
7150	Travel & Accommodations - Employee	99,600	92,850	106,745
7155	Travel & Accommodations - Director	51,750	50,275	61,973
7210	Membership / Sponsorship	141,662	144,044	158,976
7250	CDR Participation	47,044	47,044	50,156
7305	Business Expense	5,600	4,200	5,200
7310	Office Maintenance	132,796	112,300	138,527
7315	Building Repair & Maintenance	20,000	10,000	20,000
7320	Rents & Leases	3,460	3,200	3,616
7330	Office Supplies	36,000	32,000	36,000
7332	Supplies - Water Loss Control	-	-	2,033
7340	Postal / Mail Delivery	9,000	8,636	9,400
7350	Subscriptions / Books	1,500	900	1,500
7360	Reproduction Expense	33,073	33,100	61,000
7410	Computer & Peripherals Maint	8,000	8,000	8,000
7430	Software Purchase	45,861	45,000	34,500
7440	Software Support	51,934	51,000	59,134
7540	Computers and Equipment	11,850	11,850	49,450
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	17,262	19,139	19,300
7612	Vehicle Expense	-	-	13,160
7615	Toll Road Charges	1,000	739	2,400
7620	Insurance Expense	138,500	138,000	140,000
7640	Utilities - Telephone	20,178	22,200	25,773
7650	Bank Fees	21,225	4,617	1,200
7670	Miscellaneous Expenses	119,205	103,563	108,100
8810	Capital Acquisition	255,500	167,500	409,080
	Total Expenditure	8,818,381	8,518,826	10,272,935

MWDOC's Contribution:

to WEROC Capital improvements	25,488	25,488	44,389
to WEROC Operations	191,380	191,380	228,978
MWDOC's Contribution to Election Rsrv	304,000	288,000	-
Capital Acquisition Carryover (8810)	-	88,000	(330,624)
MWDOC's Building Expense	531,827	390,986	1,291,557
Building Expense Carryover	-	140,841	(423,226)
	9,871,076	9,643,521	11,084,009

Administrative - Board
11

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	258,131	205,845	274,056	
6090	Directors Compensation - MWDOC	255,360	221,341	268,133	1
6095	Directors Compensation - MWD	145,920	140,343	153,218	2
6105	Benefits - Admin	77,533	64,831	85,133	
6115	Benefits - Directors	94,767	92,575	93,947	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	225,000	160,000	195,000	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	24,930	23,530	25,062	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	51,750	50,275	61,973	5
7210	Membership / Sponsorship	27,040	27,426	28,072	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,100	4,300	4,500	
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	10,662	12,614	12,500	
7615	Toll Road Charges	600	400	500	
7620	Insurance Expense				
7640	Utilities - Telephone	1,200	700	893	
7650	Bank Fees				
7670	Miscellaneous Expenses	12,000	11,000	12,000	7
8410	Overhead Reimbursement				
8810	Capital Acquisition				
	Total Expenditure	1,188,992	1,015,180	1,214,987	

1&2 • Based on 5% increase from Jan to June 2020.

3 • Best, Best & Krieger \$ 144,400
• Aleshire & Wynder \$ 15,600
\$ 160,000

4 • Best, Best & Krieger \$ 182,500
• Aleshire & Wynder \$ 12,500
\$ 195,000

5 • See Exhibit F.

6 • See Exhibit D.

7 • Misc board expenses (supplies)

MWDOC's Contribution to Election Rsrv	304,000	288,000	-
	<u>1,492,992</u>	<u>1,303,180</u>	<u>1,214,987</u>

Administrative - General
12

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	260,272	273,941	269,650
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	94,306	104,759	103,341
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000		5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	6,000	6,000	2,500
7110	Conference - Employee	42,880	38,505	43,546
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	99,600	92,850	106,745
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	91,660	93,521	105,794
7250	CDR Participation			50,156
7305	Business Expense	5,600	4,200	5,200
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,500	900	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	6,525	6,800
7615	Toll Road Charges	400	339	400
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,800	2,200	2,600
8810	Capital Acquisition			
	Total Expenditure	616,618	623,741	703,232

1 • See Exhibit J.

2 • See Exhibit E.

3 • See Exhibit D.

4 • Center for Demographic Research at
Cal State University Fullerton
(Moved from Cost Center 22)

Personnel / Staff Development
13

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	179,875	181,932	206,844	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	54,453	54,885	61,235	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training	25,000	22,000	30,000	1
6210	Tuition Reimbursement	5,000	2,500	5,000	
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	30,000	7,000	5,000	2
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	21,400	13,000	21,500	3
8810	Capital Acquisition				
	Total Expenditure	315,728	281,318	329,579	

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 \$ 1,200
• Holiday Lunch \$ 2,800
• OCWD Health Fair \$ 300
• Employee Flu Shots \$ 200
• Job Ads Recruiting \$ 5,000
• TAD Executive Assessments \$ 4,500
\$ 21,500

Overhead
19

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	444,512	448,320	540,698	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	138,248	132,940	165,130	
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	
6111	Overhead Reimbursement from Choice	(161,317)	(173,642)	(225,831)	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees	70,519	50,492	70,287	1
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees	6,723	6,600	6,812	2
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance	132,796	112,300	138,527	3
7315	Building Repair & Maintenance	20,000	10,000	20,000	
7320	Rents & Leases	3,460	3,200	3,616	4
7330	Office Supplies	36,000	32,000	36,000	
7340	Postal / Mail Delivery	4,500	4,000	4,500	
7350	Subscriptions / Books				
7360	Reproduction Expense	4,473	4,600	4,500	
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	138,500	138,000	140,000	
7640	Utilities - Telephone	18,978	21,000	22,483	
7650	Bank Fees	21,225	4,617	1,200	
7670	Miscellaneous Expenses	4,500	4,000	4,100	5
8810	Capital Acquisition	193,000	105,000	338,900	6
	Total Expenditure	1,283,116	1,110,428	1,477,921	
	Capital Acquisition Carryover (8810)		88,000	(330,624)	8
	MWDOC's Building Expense (8811)	531,827	390,986	1,291,557	7
	Building Expense Carryover		140,841	(423,226)	8
		1,814,943	1,730,255	2,015,628	

1 Retirees:

- 12 Retirees

2 • Pension Plan administration by Dissinger Associates \$ 4,500

- Cafeteria Plan Wagerworks \$ 2,312

6,812

3 • Window Cleaning \$ 1,200

- Sewer Flush & Extra Office Cleaning \$ 1,300
- OCWD \$ 126,256
- Plant Maintenance \$ 2,671
- Landscape/Maintenance Atrium \$ 5,000
- Binding Machine Renewal \$ 700
- Carpet Cleaning \$ 1,400

\$ 138,527

4 • Iron Mountain \$ 2,616

- El Toro Water District (South EOC site) 1,000

\$ 3,616

5 • Misc equipment repairs, fees etc.

6 • Office Furniture/Generator/Audio Visual See Exhibit H

7 • Bldg Improvements - Eval / Design / Roof / HVAC Seismic / Construction / Electrical

8 • FY18-19 Carryover is the Amount budgeted less the amount of work projected to be completed.

• FY19-20 Carryover is the Cumulative dollars from Prior Years that will be applied toward work projected to be completed in FY19-20.

Reliability Planning and Engineering
21

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	490,675	458,543	629,997	*
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	133,136	125,472	176,545	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services	155,000	338,868	325,000	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		500	500	
7650	Bank Fees				
7670	Miscellaneous Expenses	7,000	4,416	7,000	
8810	Capital Acquisition				
	Total Expenditure	785,812	927,800	1,139,042	

1 • Includes general consulting,
local supply integration.

* One FTE added for Sr. Engineer Position

Research Participation
22

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 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	47,044	47,044	
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses			
8810	Capital Acquisition			
	Total Expenditure	47,044	47,044	-

<- <- Moved to Cost Center 12

Metropolitan Issues and Water Policy

23

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	507,087	540,037	650,389	*
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	161,046	166,910	199,354	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services	175,000	192,640	110,000	
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				
7045	Other Professional Fees - MET				
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery				
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	Computer & Peripherals Maint				
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense				
7640	Utilities - Telephone				
7650	Bank Fees				
7670	Miscellaneous Expenses				
8810	Capital Acquisition				
	Total Expenditure	843,133	899,588	959,744	

• See Exhibit J

* One FTE added for Bay Delta Position

Government Affairs
31

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	117,400	113,359	125,148
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	42,784	41,589	44,595
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	308,000	301,505	314,000
	Other Professional Fees - DSC			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	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	12,000	8,000	12,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	480,284	464,453	495,743

1 • BB&K \$ 90,000
• Barker \$ 96,000
• Travel/Miscellaneous \$ 7,505
• Lewis Consulting \$ 42,000
• Ackerman \$ 30,000
• Grant Research & Acquisition \$ 36,000
\$ 301,505

2 • BB&K \$ 96,000
• Barker \$ 96,000
• Travel/Miscellaneous \$ 8,000
• Lewis Consulting \$ 42,000
• Ackerman \$ 36,000
• Grant Research & Acquisition \$ 36,000
\$ 314,000

3 • Legislative Outreach & Briefings \$ 7,000
• WACO \$ 5,000
\$ 12,000

Public Affairs
32

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	305,539	326,486	358,126	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	105,336	103,492	112,356	
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	269,198	269,198	241,133	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	28,500	28,500	56,500	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			457	
7650	Bank Fees				
7670	Miscellaneous Expenses	47,505	47,500	27,900	3
8810	Capital Acquisition				
	Total Expenditure	756,078	775,176	796,472	

1	Public Affairs Activities:	
	• Resolutions/Proclamations	\$ 4,500
	• Member Agency Workshops PAW	\$ 6,500
	• Consumer Confidence Reports	\$ 40,633
	• Event Registration Fees	\$ 4,500
	• WaterFix Program Support	\$ 30,000
	• Wyland Mayors Challenge	\$ 10,000
	• Scouts Program	\$ 15,000
	Subtotal	\$111,133

	Communications Plan Activities:	
	• Strategic Digital Outreach	\$ 95,000
	• Advertising	\$ 20,000
	• Special Events AV Support	\$ 15,000
	Subtotal	\$130,000
		<u>\$241,133</u>

2	• Promotional Items, Branded Materials	\$ 25,000
	• Info Items Handouts, Books, Folders	\$ 25,000
	• Poster Slogan Award & Ceremony	6,500
		<u>\$ 56,500</u>

3	• Ricki Maint and Repair	\$ 3,400
	• Children's Water Festival	
	Sponsorship	\$ 3,500
	• Spring Smartscape Expo	\$ 7,000
	• Event Display Materials	\$ 4,000
	• Legislative Staff Trip Travel Costs	\$ 5,000
	• Sponsorship Contingency Fund	\$ 5,000
		<u>\$ 27,900</u>

**Water Use Efficiency
(Core)
35**

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	103,988	105,721	144,986	*
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	31,262	38,300	44,476	
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	225,000	202,534	265,000	1
7110	Conference - Employee				
7115	Conference - Directors				
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship	22,962	23,097	25,110	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	5,985	6,000	
8810	Capital Acquisition				
	Total Expenditure	386,212	375,638	485,572	

1 • General Research	\$ 75,000
• Landscape Education	5,000
• Water Loss Control Work Grp	\$ 55,000
• WLC Business Plan Implement	\$ 30,000
• Aerial Imagery and Landscape Measurement Project	<u>\$100,000</u>
	\$265,000
2 • CalWEP Dues	\$ 12,775
• South O.C. Watershed Mngmt Area Dues	\$ 10,500
• OC CLCA	<u>\$ 1,835</u>
	\$ 25,110

* Half FTE added for Water Loss Control Program

General Finance
41

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	328,933	322,576	354,005
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	101,648	98,245	106,603
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	29,000	19,380	29,240
7040	Other Professional Fees	48,000	11,000	91,000
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage			
7615	Toll Road Charges			
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	400	1,000
8810	Capital Acquisition			
	Total Expenditure	508,581	451,601	581,848

1 • Annual Audit	\$ 19,767
• Single Audit	\$ 4,473
• WUE Grant Review	\$ 5,000
	<u>\$ 29,240</u>

2 • Custodial Bank fees	\$ 6,500
• Financial Consulting	\$ 40,000
• OPEB Actuarial	\$ 4,500
• Business Continuity Consultant	\$ 40,000
	<u>\$ 91,000</u>

Information Technology
45

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	107,880	107,882	115,761	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	39,977	39,291	41,217	
6115	Benefits - Directors				
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General				
7030	Audit				
7040	Other Professional Fees				1 • Misc repairs, maint & components
7110	Conference - Employee				
7115	Conference - Directors				2 • Misc software upgrades and license
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				3 • MWDOC Website Support & Enhancements \$ 15,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Financial Management System \$ 23,773
7330	Office Supplies				• Cisco Smartnet support \$ 4,500
7340	Postal / Mail Delivery				• Misc NAV development \$ 2,000
7350	Subscriptions / Books				• Jet Reports support \$ 1,521
7360	Reproduction Expense				• ECS Laserfiche Annual Support \$ 4,000
7410	Computer & Peripherals Maint	8,000	8,000	8,000	1
7430	Software Purchase	45,861	45,000	34,500	2
7440	Software Support	51,934	51,000	59,134	3
7540	Computers and Equipment	11,850	11,850	45,750	4
7580	Maintenance Expense				4 • NAS storage for backups \$ 6,000
7610	Automotive / Mileage				• 7 Desktop Computers w/ Monitors \$ 10,600
7615	Toll Road Charges				• RICOH color printer support \$ 350
7620	Insurance Expense				• RICOH color printer replacement \$ 6,000
7640	Utilities - Telephone				• WiFi Network Equipment \$ 6,000
7650	Bank Fees				• Replace HR and Eng printers \$ 3,600
7670	Miscellaneous Expenses	2,000	500	2,000	• Cloud Storage for Disaster Recovery \$ 11,000
8810	Capital Acquisition	62,500	62,500		• 2 Laptop Computers \$ 2,200
	Total Expenditure	330,002	326,023	306,362	\$ 45,750

**Water Use Efficiency
(choice)
62**

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
4215	Choice Revenue	684,346	684,346	874,517
4705	Prior Year Carry over	154,809	154,809	
	Choice billing over/under		(37,755)	
	Total Revenue	839,155	801,400	874,517

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2019 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2019-2020 PROPOSED BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	397,568	394,710	424,388
6012	Salaries & Benefits - Recovery from Grants	(6,300)	(5,714)	(5,500)
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	122,007	103,877	118,240
	Overhead Reimbursement	153,508	169,657	189,017
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	165,972	131,972	141,972
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	400	336	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	6,562	6,000
8810	Capital Acquisition			
	Total Expenditure	839,155	801,400	874,517

1 • Recovery from WUE Grants for some Salaries and Benefits:

2 • Marketing of WUE programs \$ 40,000
 • Residential Installation Verification Inspec \$ 35,000
 • CSANS Webhosting & Annual Maint \$ 14,400
 • Turf Rebate Processing Platform - Droplet \$ 39,072
 • Drip Rebate Processing Platform - Droplet \$ 6,000
 • E-Signature Rebate Processing \$ 7,500
\$ 141,972

**School Program
(choice)
63**

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
4215	Choice Revenue	287,741	287,741	629,159
4205	School Contracts	102,031	102,031	
4705	Prior Year Carry over	47,854	47,854	
	Choice billing over/under		(18,187)	
	Total Revenue	437,626	419,439	629,159

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2019 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2019-2020 PROPOSED BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	21,123	10,380	11,119
6105	Benefits - Admin	6,828	3,209	3,487
	Overhead Reimbursement	7,810	3,985	4,563
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	401,865	401,865	609,990
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	437,626	419,439	629,159

- 1 • Assemblies: FY19-20
Goal is 70,000 students
- Digital Program \$ 45,895
 - High Schools \$ 105,567
 - Elementary Schools \$ 270,496
 - Middle Schools 188,032
 - \$ 609,990

Water Loss Control
(choice)
70

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
4215	Choice Revenue			278,757
4705	Prior Year Carry over			
	Choice billing over/under		-	
	Total Revenue	-	-	278,757

Revenues and expenses do not include pass-through costs to agencies for outside services performed for Meter Accuracy Testing and Distribution System Flushing

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin		-	103,680
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin		-	42,814
	Overhead Reimbursement		-	32,250
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			2,000
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 & 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			
7332	Supplies - Water Loss Control			2,033
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			3,700
7580	Maintenance Expense			
7610	Automotive / Mileage			
7612	Vehicle Expense			13,160
7615	Toll Road Charges			1,500
7620	Insurance Expense			
7640	Utilities - Telephone			1,440
7650	Bank Fees			
7670	Miscellaneous Expenses			6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			70,180
	Total Expenditure	-	-	278,757

1 • Water Balance Validation Cert.

2 • Gloves, Hats, Uniforms, Uniform Cleaning, etc.

3 • 2 Workstations & 1 Laptop

4 • Vehicle Fuel & Oil
• GPS Vehicle Tracking
• Auto Insurance

5 • 2 Cell Phones

6 • See Exhibit H

**WEROC
25**

		FY 2018-2019 BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	191,380	191,380	228,978
4210	WEROC Contracts	191,380	191,380	228,978
4205				
4230	Reimbursements		1,062	
4240				
4410				
4805				
	Operational Revenue	382,760	383,822	457,956
	Operational Reserves to Capital	80,912	80,912	
	Capital Projects Carryover			150,219
	MWDOC Contribution to Capital Improvements	25,488	25,488	44,389
	TOTAL WEROC Revenue	489,160	490,222	652,564

1 • OCSD \$ 44,880
 • SOCWA \$ 17,402
 • OCWD \$ 114,490
 • 3 Cities -- \$17,402 ea \$ 52,206
 \$ 228,978

2 • Grants and sale of generator

3 • WEROC Reserves
 4 • See Exhibit H

		FY 2018-2019 PROPOSED BUDGET	FY 2018-2019 PROJECTED ACTUALS	FY 2019-2020 PROPOSED BUDGET
6010	Salaries & Wages - Admin	236,268	241,836	267,463
	Salaries & Benefits - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	65,137	65,203	82,520
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	1,150	1,150	1,150
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	30,000	30,000	30,000
7110	Conference - Employee	2,800	2,344	2,800
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	6,430	5,271	8,380
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	605	605	1,105
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office & Radio Supplies	1,000	1,000	1,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	1,230	1,000
7410	Computer & Peripherals Maint	5,060	5,060	5,060
7430	Software Purchase			
7440	Software Support	6,750	7,088	7,441
7510	Site Maintenance	900	670	900
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	2,000	2,000
7581	Maintenance - Radios	1,838	1,838	1,838
7582	Maintenance - EOC's	3,000	3,000	2,000
7610	Automotive / Mileage	1,700	860	1,000
7615	Toll Road Charges	115	213	213
7620	Insurance Expense			
7640	Utilities - Telephone	13,008	8,372	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,000	1,000
7671	Miscellaneous Training	3,000	3,000	3,000
8810	Capital Acquisition			
	Operations Expenditure	382,760	381,739	429,870
	Contribution to Operating Reserves			28,086
	Total Operations Budget	382,760	381,739	457,956
	Capital Expenditures	106,400	38,753	194,608
	TOTAL Expenditures	489,160	420,492	652,564

5 • See Exhibit E

6 • See Exhibit J

7 • See Exhibit D

8 • See Exhibit H

Exhibit D

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Proposed District Participation Costs
Fiscal Year 2019-2020**

	Budget FY 2018-2019	Projected FY 2018-2019 Actuals	Budget FY 2019-2020	Approval included in Budget Approval
Required Participation or Service				
LAFCO	\$ 27,000	\$ 27,356	\$ 28,000	√
Subtotal Cost Center 11	\$ 27,000	\$ 27,356	\$ 28,000	
Association of Calif. Water Agencies (ACWA)	\$ 18,000	\$ 19,255	\$ 19,736	√
Subtotal Cost Center 12	\$ 18,000	\$ 19,255	\$ 19,736	
South OC Watershed Management Area Dues	\$ 9,096	\$ 9,096	\$ 10,500	√
Subtotal Cost Center 35	\$ 9,096	\$ 9,096	\$ 10,500	
Subtotal - Required Participation or Service	\$ 54,096	\$ 55,707	\$ 58,236	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Director's)	\$ 40	\$ 70	\$ 72	√
Subtotal Cost Center 11	\$ 40	\$ 70	\$ 72	
Association of California Cities- Orange County (ACCOC)	\$ 5,100	\$ 5,150	\$ 5,279	√
American Water Works Association (AWWA)	\$ 1,675	\$ 1,678	\$ 1,720	√
Association of Metropolitan Water Agencies (AMWA)	\$ 18,900	\$ 19,453	\$ 19,940	√
CA Chamber of Commerce (HR California)	\$ 480	\$ 469	\$ 481	√
CALDESAL	\$ 5,100	\$ 5,000	\$ 5,125	√
California Association of Public Information Officers (CAPIO)	\$ 255	\$ 255	\$ 765	√
California Municipal Treasurers Association (CMTA)	\$ 160	\$ 160	\$ 160	√
California Municipal Utilities Association (CMUA)			\$ 8,000	New
California Society of Municipal Finance Officers (CSMFO)	\$ 130	\$ 130	\$ 130	√
CA Special Districts Assn. (CSDA)	\$ 6,980	\$ 7,252	\$ 7,433	√
Colorado River Water Users Assn. (CRWUA 3-staff)	\$ 65	\$ 65	\$ 65	√
Government Finance Officers Association (GFOA)	\$ 170	\$ 170	\$ 170	√
Indep. Special Districts of Or. Co. (ISDOC)	\$ 50	\$ 50	\$ 50	√
International Association of Business Communicators (IABC)			\$ 350	New
International Personnel Management Association	\$ 50	\$ 50	\$ 50	
National Water Resources Assn., Mun. Caucus	\$ 510	\$ 510	\$ 510	√
Orange County Business Council (OC Chamber)	\$ 5,100	\$ 5,000	\$ 5,125	√
Orange County Public Affairs Association	\$ 205	\$ 205	\$ 205	√
California Council for Environmental & Economic Balance	\$ 24,990	\$ 24,500	\$ 25,113	√
Orange County Water Association (OCWA)	\$ 105	\$ 105	\$ 105	√
Public Agency Risk Managers Association (PARMA)	\$ 105	\$ 105		
Public Relations Society of America/O.C.	\$ 305	\$ 710	\$ 728	√
Society of Human Resources Management (SHRM)	\$ 185	\$ 209	\$ 214	√
Southern California Personnel Management Assoc. (SCPMA)	\$ 55	\$ 55	\$ 55	√
South Orange County Economic Coalition	\$ 1,530	\$ 1,530	\$ 1,530	√
Southern California Water Committee	\$ 865	\$ 865	\$ 865	√
Urban Water Institute			\$ 1,250	New
Water Environment Federation			\$ 50	New
Water Education Foundation	\$ 590	\$ 590	\$ 590	√
Subtotal Cost Center 12	\$ 73,660	\$ 74,266	\$ 86,058	
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 1,625	\$ 1,835	\$ 1,835	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnvr Cncl)	12,241	12,166	12,775	√
Subtotal Cost Center 35	\$ 13,866	\$ 14,001	\$ 14,610	
Subtotal - Elective Participation	\$ 87,566	\$ 88,337	\$ 100,740	
International Association of Emergency Managers	\$ 380	\$ 380	\$ 380	√
California Emergency Services Association	\$ 225	\$ 225	\$ 225	√
California Utilities Emergency Association			\$ 500	New
WEROC Program Total	605	605	1,105	
GRAND TOTAL	\$ 142,267	\$ 144,649	\$ 160,081	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2019-2020

Conference / Meeting	Location/Date/Staff	Registration	Travel ⁽¹⁾	Approval included in	
				Budget	Approval
Association of California Water Agencies (ACWA)	- DC Conference (3 staff)	\$ 3,060	\$ 6,600		✓
	- Fall Conference, San Diego, December 3-6, 2019, (6 staff)	4,290	4,320		✓
	- Spring Conference, Central Coast, California , May 5-8, 2020, (6 staff)	4,290	6,000		✓
	- Region 10 (2 trips)	130	200		
	- Legislative Symposium (2 staff)	620	1,840		✓
Association of California Cities of OC (ACCOC)	- Sacramento (2 staff)	2,040	2,856		✓
Advocacy Trip	-Washington DC (1 staff)	1,224	3,264		✓
Assoc. of Metrop. Water Agencies (AMWA)	Misc. Conference, TBD (1 staff)	1,632	2,244		✓
	Executive Conference, Newport, Rhode Island, October 20-23, 2019 (1 staff)	920	1,600		
	Water Policy Conference , TBD (1 staff)	920	2,250		✓
American Water Works Association (AWWA)	Cal Nevada & National Conference, Fall Conference, San Diego, October 21-24, 2019 (3 staff)	1,500	3,000		✓
	Cal Nevada & National Spring Conference, Nevada, March 2020 (3 staff)	1,530	3,366		✓
	ACE Annual Conference , Orlando, FL, June 2020 (4 staff)	2,000	3,400		✓
	North American Water Loss, Nashville, TN, December 3-5, 2019, (2 staff)	1,200	2,600		✓
AWWA/Water Environment Federation- Utility Management Conference	TBD, (1 staff)	800	1,600	New	
Bond Buyers Conference	TBD, (1 staff)	200			✓
California Association of Public Information Officials (CAPIO)	Northern California, TBD, (2 staff)	600	150		✓
California Council for Environmental & Economic Balance (CCEEB)	Calif. Environmental Dialogue (CED), TBD (5 Trips)		5,000		✓
California Council for Environmental & Economic Balance	TBD (2 staff)	200	2,000		✓
Calif. Soc. of Mun. Finance Officers	Anaheim, January 28-31, 2020, (1 staff)	400	100		✓
Cal Desal Conference	TBD (1 staff)	260	500		✓
Colorado River Water Users Association (CRWUA)	Las Vegas - Fall, December 11-13, 2019 (4 staff)	1,940	3,500		✓
California Special Districts Association (CSDA)	Anaheim, September 25-28, 2019 (2 staff)	1,200	200		✓
Annual Conference	Legislative Days, Sacramento (2 staff)	410	1,230		✓
California Water Efficiency Partnership (CalWEP) Membership (formerly CUWCC)	Membership Meetings, 1=No. Cal & 2=So. Cal (3 trips)		800		✓
	Board Meetings, 2=No. Cal & 2=So. Cal (4 trips)		1,400		✓
	Peer to Peer, Santa Barbara, December 11, 2019 (5 staff)	1,300	3,575		✓
Department of Water Resources (DWR)/State Water Resources Control Board (SWRCB)	Urban Advisory Group Meetings, Sacramento (4 trips)		2,400		✓
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento (1 Staff)	900	1,200		✓
	DC (1 Staff)	900	2,000		✓
Legislative Advocacy	Sacramento, (24 trips)		14,400		✓
Technical Bay/Delta Advocacy	Sacramento, (24 trips)				
Urban Water Institute	Fall Conference, TBD (4 Staff)	2,200	3,200		✓
	Spring Conference, TBD(4 Staff)	2,200	3,200		✓
Washington Legislative Advocacy	(6 trips)		10,800		✓
Water Smart Innovations Conference	Las Vegas Nevada, October 2-4, 2019, (2 staff)	800	1,000		✓
Association of Women in Water, Energy and Environment	Napa Valley, November 13-15, 2019 (2 staff)	630	1,200		✓
Miscellaneous*		3,250	3,750		✓
General Fund Total **		\$ 43,546	\$ 106,745		
Conferences/Meetings/Trainings					
International Assoc. of Emergency Managers	Savannah, Georgia, (1 staff)	\$ 700	\$ 1,900		✓
AWWA Cal Nevada & National Conf.	Spring 2020, Nevada-(1 staff)	700	1,340		✓
California Emergency Services Association	Santa Rosa, (2 staff)	1,400	3,000		✓
Calif. State Training Institute	San Luis Obispo, (1Staff)	700	1,140		✓
FEMA Emergency Management Institute (EMI)	Emmitsburg Maryland, (1 Staff)	-	1,000		✓
Local Training Opportunities (examples OCWA, SCESA, etc.)	(3 Staff)	450			✓
WEROC Program Total		\$ 3,950	\$ 8,380		
PROPOSED GENERAL FUND BUDGET		\$ 43,546	\$ 106,745		

* 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 2019-2020

Conference	Registration	Travel ⁽¹⁾	Approval included in
			Budget Approval
ACCOC Advocacy Trip - Sacramento (2 Directors)	\$ 2,040	\$ 2,856	√
ACCOC Advocacy Trip - Washington DC (3 Directors)	\$ 3,672	\$ 9,792	√
ACWA DC Conference (2 Directors)	\$ 2,040	\$ 4,400	√
ACWA Fall Conference, San Diego (3 Directors)	\$ 2,145	\$ 2,160	√
ACWA Spring Conference, Central Coast (3 Directors)	\$ 2,145	\$ 3,000	√
ACWA Region 10 (2 Directors)	\$ 130	\$ 200	√
Bond Buyers Conference (2 Directors)	\$ 400	\$ -	√
CRWUA Fall Conf, Las Vegas (2 Directors)	\$ 970	\$ 1,750	√
CSDA Annual Conference, Anaheim (1 Director)	\$ 600	\$ 100	√
CSDA Legislative Day, Sacramento (1 Director)	\$ 205	\$ 615	√
California Council for Environmental & Economic Balance (5 Trips)		\$ 5,000	√
Calif. Council for Environ. & Econ. Balance Conf. TBD (1 Dir.)	\$ 100	\$ 1,000	√
Orange County Business Council (OCBC) Advocacy Trip-Sacramento (3 Directors)	\$ 2,700	\$ 3,600	√
Orange County Business Council (OCBC) Advocacy Trip-DC (2 Directors)	\$ 1,800	\$ 4,000	√
Sacramento Legislative Advocacy (8 Trips)		\$ 4,800	√
Washington DC Legislative Advocacy (6 trips)		\$ 10,800	√
Urban Water Institute Annual Conference, (3 Directors)	\$ 1,650	\$ 2,400	√
Urban Water Institute Spring Conference, (3 Directors)	\$ 1,650	\$ 2,400	√
Association of Women in Water, Energy and Environment, Napa Valley, (1Director)	\$ 315	\$ 600	√
Miscellaneous*	\$ 2,500	\$ 2,500	√
TOTAL**	\$ 25,062	\$ 61,973	
 PROPOSED GENERAL FUND BUDGET	 <u>\$ 25,062</u>	 <u>\$ 61,973</u>	

* 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 2019-2020

	<u>Proposed Budget</u>	<u>Approval included in Budget Approval</u>
Furniture and Fixtures- 19-8810:		
MWDOC Office Improvements (Generator/Audio-Visual Equipment/Workstations/Furnishings)	\$ 338,900	√
Prior Year Projects Carryover from FY2017 through FY2019	\$ (330,624)	√
Subtotal 8810 Improvements	\$ 8,276	
 Building Improvements- 19-8811:		
Eval / Design / Roof / HVAC/ Seismic / Construction / Electrical	\$ 1,291,557	√
Prior Year Projects Carryover from FY2017 through FY2019	(423,226)	√
Subtotal 8811 Improvements	868,331	
 New Realized Costs - Cost Center 19	 \$ 876,607	
 Water Loss Control- 70-8810:		
Two Pickup Trucks	\$ 60,000	√
Two Cab Guards	1,200	√
Two Corner Strobes	800	√
Two Traffic Directors	1,000	√
Two Tool Boxes	900	√
Two Pipe Locators	6,280	√
Total - Cost Center 70	\$ 70,180	
 WEROC - 25-8810 & 8811:		
SEOC Improvements	\$ 181,558	√
WEROC Office Improvements	13,050	√
WEROC Subtotal:	\$ 194,608	
Prior Year Projects Carryover	\$ (150,219)	√
* New Realized Costs - Cost Center 25	\$ 44,389	

* Proposed budget is for increased construction estimates on prior year approved projects.

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 18-19	Budget FY 19-20	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Hydrolic/Water Quality Modeling	155,000	325,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	25,000	45,000	√
	(To be determined)	MET and Reliability Planning	150,000	65,000	
Total Engineering Expenses			330,000	435,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	200,000	182,500	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	25,000	12,500	√
	Best, Best & Krieger	Labor Counsel Services	30,000	5,000	√
Total Legal Expenses			255,000	200,000	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	29,000	29,240	√
Training					
Administration (13)	TBD/Cal State University Fullerton	Staff Development/Technical Training/Leadership Training	25,000	30,000	√
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,500	4,500	√
	Wage Works	Cafeteria Plan Administration	2,223	2,312	√
	Gladwell Services	Records Management Consulting	6,000	2,500	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	90,000	96,000	√
	James C. Barker	Federal Legislative Advocate	96,000	96,000	√
	Lewis Consulting	County Issues Consulting	42,000	42,000	√
	Soto Services	Grant Research and Acquisition Assistance	36,000	36,000	√
	Ackerman	Legal and Regulatory	36,000	36,000	√
	(To be determined)	Miscellaneous	8,000	8,000	
Public Affairs (32)	Stetson Engineers	Consumer Confidence Report (CCR) Technical Water Quality Advisor	38,698	40,633	√
	So Cal Water Coalition	So Cal Water Coalition Outreach	30,000	30,000	√
	(To be determined)	Collateral materials update and resolutions/proclamations	3,000	4,500	
	(To be determined)	Event Registration Fees	3,000	4,500	
	Hashtag Pinpoint	Strategic Digital Outreach Contract	100,000	95,000	√
	(To be determined)	PAW Meeting Materials	1,500		
	(To be determined)	Client Agency Workshops for PAW	4,000	6,500	
	(To be determined)	Wyland Mayors Challenge		10,000	
	PSAV	Special Events AV Support	5,000	15,000	√
	(To be determined)	Advertising	20,000	20,000	
WUE - Core (35)	(To be determined)	Core High School Program	64,000		
	(To be determined)	Scouts Program		15,000	
	(To be determined)	General WUE Research	75,000	75,000	
	Blue Watchdog Conservation, Inc	Landscape Education and Outreach Program	50,000	5,000	√
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	50,000	55,000	√
	Water Systems Optimization	WLC Business Plan Implementation	-	30,000	√
Finance & IT (41 & 45)	(To be determined)	WLC Shared Services Equipment	50,000	-	
	SAWPA	Aerial Imagery and Landscape Measurement Project		200,000	√
	U.S. Bank	Custodial Bank fees	3,000	6,500	√
	(To be determined)	Business Continuity Consultant		40,000	
	Davis Farr	Financial Consulting	40,000	40,000	√
	(To be determined)	OPEB Actuarial	5,000	4,500	√
Total Professional Fees			862,921	1,020,445	

WEROC

Department	Consultant	Service	Budget FY 18-19	Budget FY 19-20	* Approval included in Budget Approval
Professional Fees					
WEROC	(To be determined)	Consultant for Security Act Implementation	30,000	30,000	
Total Professional Fees			30,000	30,000	

* 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 18-19	Budget FY 19-20	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water Balance Validation Certification		2,000	
Water Use Efficiency (62)	Various Printers	Printing of marketing materials for all WUE programs	40,000	40,000	√
	Enterprise Information Systems	CSANS Webhosting & Annual Maintenance	29,400	14,400	√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	45,072	√
	Droplet	E-Signature Rebate Processing	16,500	7,500	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	35,000	35,000	√
School Program (63)	Discovery Science Center	Assemblies (Elementary School)	257,615	270,496	√
	ITO	Assemblies (High School)	100,540	105,567	√
	(To be determined)	Assemblies (Middle School)		188,032	
	ITO	Digital Program	43,710	45,895	√
Total Professional Fees			567,837	751,962	

* 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 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	-		2,972,135	216,868	28,397	3,191,912	(216,868)	3,191,912
Outside Fundings				191,380		191,380		191,380
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	1,430,758		2,972,135	30,000		4,432,893		4,432,893
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	140,430			7,000		147,430		147,430
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
MWDOC Sinking Fund Expense (generator & radios)								
Capital Acquisition	255,500			106,400		361,900		361,900
All Other Expenses	1,813,884	-	-	152,413		1,966,297		1,966,297
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.

Municipal Water District of Orange County
Fiscal Year 2019-2020 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		\$ 251,878,259				\$ 251,878,259		\$ 251,878,259
Local Resource Program Incentives		(5,465,263)				(5,465,263)		(5,465,263)
Retail Meter Charge	7,888,930					7,888,930		7,888,930
Ground Water Customer Charge	631,705					631,705		631,705
Water Increment Charge	-					-		-
Interest Revenue	580,000	20,000				600,000		600,000
MVDOC's Contribution	-		2,370,147	273,367	-	273,367	(273,367)	-
Outside Fundings	-			228,978	-	259,125		259,125
Carryover Funds	-			150,219	-	150,219		150,219
Choice Revenue	1,782,434					1,782,434		1,782,434
Miscellaneous Income	3,000					3,000		3,000
Total Revenues	10,886,068	246,432,996	2,370,147	652,564	-	260,341,775	(273,367)	260,068,408
Expenses:								
Water Purchases		246,412,996				246,412,996		246,412,996
Salaries & Wages	4,208,645			267,463	-	4,476,108		4,476,108
less S & W Reimb. DSC or Recov from Grants	(5,500)				-	(5,500)		(5,500)
Employee Benefits	1,511,526			82,520	-	1,594,046		1,594,046
Engineering Expense	435,000				-	435,000		435,000
Professional Fees	1,672,407		2,370,147	30,000		4,072,554		4,072,554
Contribution to Election Reserve	-					-		-
Legal Expense - General	200,000			-	-	200,000		200,000
Maintenance Expense	158,527			4,738	-	163,265		163,265
Insurance Expense	140,000			-	-	140,000		140,000
Membership / Sponsorship	158,976			1,105	-	160,081		160,081
Director Compensation	268,133					268,133		268,133
MVDOC Contribution to WEROC Operations	228,978					228,978	(228,978)	-
MVDOC Contribution to WEROC Capital Improv	44,389					44,389	(44,389)	-
Others:								
MWD Representation	153,218					153,218		153,218
Director Benefits	93,947					93,947		93,947
Health Insurance Coverage for Retirees	70,287					70,287		70,287
Audit Expense	29,240					29,240		29,240
Automotive & Toll Road Expenses	34,860			1,213		36,073		36,073
Conference Expense - Staff	43,546			2,800		46,346		46,346
Conference Expense - Directors	25,062					25,062		25,062
CDR Participation	50,156					50,156		50,156
Business Expense	5,200					5,200		5,200
Miscellaneous Expense	109,300			6,000		115,300		115,300
Postage / Mail Delivery	9,400					9,400		9,400
Rents & Leases	3,616					3,616		3,616
Outside Printing, Subscription & Books	62,500			1,000		63,500		63,500
Office Supplies	38,033			1,000		39,033		39,033
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	93,634			7,441		101,075		101,075
Computers and Equipment	49,450					49,450		49,450
Telecommunications Expense	25,773			10,000		35,773		35,773
Temporary Help Expense	5,000					5,000		5,000
Training Expense	32,000			1,150		33,150		33,150
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	106,745			8,380		115,125		115,125
Travel & Accommodations - Directors	61,973					61,973		61,973
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MVDOC Building Expense	868,331					868,331		868,331
Contribution to Operating Reserves	-			28,086		28,086		28,086
Capital Acquisition	78,456			194,608		273,064		273,064
All Other Expenses	2,062,727			266,738		2,329,465		2,329,465
Total Expenses	11,084,009	246,412,996	2,370,147	652,564	-	260,519,716	(273,367)	260,246,348
EFFECT ON RESERVES / FUND BALANCE	\$ (197,941)	\$ 20,000	(2)	\$ -	\$ -	\$ (177,941)	\$ -	\$ (177,940)

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



INFORMATION ITEM

February 13, 2019

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

FROM: Executive Committee

Staff Contact: M. Goldsby

SUBJECT: CHANGE TO ELECTED OFFICIALS FORUM FORMAT (ANNUAL)

EXECUTIVE COMMITTEE RECOMMENDATION

The Executive Committee recommends continuing to hold the Elected Officials Forum on an annual basis rather than semi-annual. It was recommended the District continue with the April meeting; as a result the November meeting was removed from the District calendar.

SUMMARY

Typically the MWDOC hosts two Elected Officials Forums each year (one in spring and one in fall).

The Executive Committee recommended that the Board continue to host the spring meeting, but discontinue the fall meeting. As a result, the fall meeting date has been removed from the District calendar.

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



INFORMATION ITEM

February 13, 2019

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

FROM: **Robert Hunter, General Manager** Staff Contact: Hilary Chumpitazi

SUBJECT: **Change of Investment Broker Firm**

STAFF RECOMMENDATION

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

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

The District's primary investment broker, Michael Swan, has changed investment firms. He was formerly with Mutual Securities in San Diego and has moved to Great Pacific Securities (GPS) in Costa Mesa. GPS was founded in 1990 and is an investment banking and financial services firm with a fully integrated sales, trading and origination platform. GPS clients include State and Local governments and they have successfully executed over \$500 billion of trading volume and have a sound capital structure with over \$9 million in net capital.

The District will maintain its relationship with Michael Swan and change investment firms.

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

Municipal Water District of Orange County
Legal and Professional Services Open Purchase Orders
as of December 31, 2018

Department	Consultant	Purpose	Approval Method	PO #	Date Opened	PO Amount including prior year increases	PO Increase/ Decrease	Expensed This Fiscal Year	Total Expensed	Remaining Amount	% Complete
Engineering Expenses											
Planning & Operation, MET	CDM Smith	OC Water Reliability Investigation	Board Approval 10/15/14, 8/19/15, 11/18/15, 7/17/16, 3/15/17	PO002031 PO002314 PO002748	2/18/15	221,240.00	292,420.00	37,740.00	513,636.60	23.40	100%
	Dudek	South OC Emergency Supply Study	Board Approval 4/18/18 & GM Approval	PO003454	4/24/18	244,250.00	14,330.00	123,506.50	150,021.50	108,558.50	58%
	Issues & Special Projects	Means Consulting, LLC	Consulting on MET issues	Budget Approval	PO003621	7/1/18	25,000.00		11,473.48	11,473.48	13,526.52
Raffelis Financial Consultants		Budget Based Tiered Rates grant assistance	Board Approval 8/16/17	PO003262	10/20/17	41,721.00		21,720.00	34,979.83	6,741.17	84%
Legal Expenses											
Administration	Aleshire & Wynder LLP Best Best & Krieger LLP Best Best & Krieger LLP	Legal council services	Budget Approval	PO003567	7/1/18	25,000.00		6,864.78	6,864.78	18,135.22	27%
		Legal council services	Board Approval 8/16/17	PO003566	7/1/18	200,000.00		76,576.47	76,576.47	123,423.53	38%
		Legal council services-Personnel issues	Board Approval 8/16/17	PO003566	7/1/18	30,000.00		1,024.00	1,024.00	28,976.00	3%
Building Expense											
Overhead	Bangl Creative Inc.	Design, fabrication & installation of highway displays	Board Approval 5/17/17	PO003102	6/1/17	31,937.00	1,230.00		16,230.00	16,937.00	49%
	IDS Group IDS Group IDS Group	MWDOC Office seismic retrofit	Board Approval 10/18/17 & GM Approval	PO003284	10/27/17	15,300.00	481.49		12,214.49	3,567.00	77%
		Office space planning	Board Approval 11/15/17 & GM Approval	PO003377	3/7/18	29,236.00	18,650.00	12,094.00	24,212.00	23,674.00	51%
		Seismic design & project support for MWDOC & WEROC S. EOC	Board Approval 9/19/18 & GM Approval	PO003739	12/1/18	144,120.00				144,120.00	0%
Professional Expenses											
Administration	Disinger Associates Gladwell Governmental Services, Inc. WagetWorks	Pension plan administration	Budget Approval	PO003568	7/1/18	4,500.00				4,500.00	0%
		Records management consulting	Budget Approval	PO003569	7/1/18	6,000.00				6,000.00	0%
		Cafeteria plan administrative	Budget Approval	PO003563	7/1/18	2,223.00		1,111.50	1,111.50	1,111.50	50%
Governmental Affairs	Richard Ackerman Solo Resources (Joey C. Solo)	Legal consulting on water policy issues	Board Approval 7/11/18	PO003618	7/1/18	36,000.00		8,950.00	8,950.00	27,050.00	25%
		Grant reporting, evaluation & coordination	Board Approval 3/21/18	PO003537	7/10/18	36,000.00		17,995.80	17,995.80	18,004.20	50%
Water Use Efficiency	Blue Watchdog Conservation, Inc. McCall's Meter Sales & Service	Instructors for QWEL training program	Board Approval 3/21/18	PO003448	4/2/18	40,000.00		2,627.70	5,255.40	34,744.60	13%
		Meter accuracy testing	Board Approval 9/21/16	PO003070	5/25/17	15,585.00	10,585.00	1,645.00	6,815.00	19,355.00	26%
	Mission Resource Conservation District	Field verifications for rebate programs	Board Approval 6/21/17	PO003194	8/22/17	430,800.00	19,200.00	55,220.33	227,570.97	222,429.03	51%
		Water Loss Control workgroup and technical assistance	Board Approval 10/21/15	PO002526	3/9/16	1,253,280.00	88,000.00	137,381.03	928,482.72	412,797.28	69%
	Water Systems Optimization, Inc. Water Systems Optimization, Inc. Westerly Meter Service Company	Water Loss Control Shared Services Plan	Board Approval 2/21/18	PO003440	5/7/18	50,000.00		31,850.00	36,390.00	13,610.00	73%
		Water Loss Audit Validation Research	Board Approval 4/18/18	PO003487	6/13/18	57,200.00		40,000.00	48,000.00	9,200.00	84%
		Meter accuracy testing	Board Approval 9/21/16	PO003071	5/25/17	13,300.00	18,041.00	2,705.00	23,550.00	7,791.00	75%
Desalination Programs	Geoscience Support Services, Inc.	Doheny Ocean Desal decommissioning	Board Approval 4/20/16	PO002749	8/17/16	169,856.80	(31,829.94)		133,026.86	5,000.00	96%
Public Affairs	Discovery Science Center Orange County Dept. of Education	Grades 1-6 School program	Board Approval 4/18/18	PO003607	8/21/18	251,705.16		66,800.58	66,800.58	184,904.58	27%
		High School Education program	Board Approval 4/18/18	PO003606	7/1/18	151,420.00				151,420.00	0%
Finance / IT	Davis Farr LLP L.A. Design Studio	Financial consulting services	Board Approval 5/17/17	PO003594	7/1/18	40,000.00	(15,000.00)	4,024.50	4,024.50	20,975.50	16%
		Annual support for MWDOC website	Budget Approval	PO003548	7/1/18	2,400.00	1,000.00	2,200.00	2,200.00	1,200.00	65%
	Public Financial Management, Inc.	Assistance with financial management policies	GM Approval 10/1/16	PO003154	6/1/17	20,000.00			6,075.00	13,925.00	30%
Professional Expenses											
WEROC											
WEROC	IDS Group	S. EOC Seismic retrofit	Board Approval 10/18/17	PO003284	10/27/17	11,100.00	510.00		7,310.00	4,300.00	63%
		OC Regional Water/Wastewater	Board Approval 6/21/17	PO003244	9/1/17	101,355.12		25,378.57	90,809.25	10,545.87	90%
		Multijurisdictional Hazard Mitigation Plan update	Board Approval 6/21/17	PO003556	6/5/18	62,020.00		350.00	59,870.00	2,150.00	97%
	County of Orange	Programming for WEROC radios									
		Totals				3,762,549.08	417,617.55	689,239.24	2,521,470.73	1,658,695.90	60%

**Municipal Water District of Orange County
Director's Activity Report
Reporting Period from 07/01/18 to 12/31/18**

Activity Description		MWDOC Directors							MET Director's				Director's		
		Thomas	Barbre	Dick	Finnegan	Yoo Schneider	Osborne	Tamaribuchi	Subtotal	Barbre	Ackerman	McKenney	Dick	Subtotal	Total
Per Diem															
MWDOC Committee & Board mtg		8,910	9,504	7,722	10,098	6,831	594	10,395	54,054	-	1,188	2,970	891	5,049	59,103
MET Committee & Board mtg		-	-	-	-	-	-	-	-	3,564	5,940	6,237	5,049	20,790	20,790
Meetings with Member Agencies		297	1,485	594	891	3,861	-	1,188	8,316	-	-	-	-	-	8,316
Other Misc meetings & activities		8,613	6,831	3,564	1,782	7,128	297	5,049	33,264	11,880	9,504	8,316	7,128	36,828	70,092
Benefits		12,549	9,334	9,208	941	9,351	154	981	42,518	378	412	434	320	1,544	44,062
Subtotal-Per Diem		30,369	27,154	21,088	13,712	27,171	1,045	17,613	138,152	15,822	17,044	17,957	13,388	64,211	202,363
Travel, Conferences & Misc. ⁽¹⁾															
ACWA		1,585	-	-	-	644	-	1,258	3,487	-	-	50	-	50	3,537
Association of CA Cities - OC		-	457	-	-	-	-	-	457	-	-	-	-	-	457
CCEEB		-	-	-	-	703	-	2,078	2,781	-	-	-	-	-	2,781
CRWUA		1,532	795	-	-	-	-	-	2,327	-	-	-	-	-	2,327
Washington DC Legislative Trips		622	2,772	-	-	-	-	-	3,394	-	-	-	-	-	3,394
ISDOC		17	17	17	17	-	-	-	68	-	-	-	-	-	68
OCWA		-	190	-	-	-	-	-	190	-	-	-	-	-	190
Urban Water Institute		1,055	-	101	-	935	-	1,240	3,331	-	101	-	-	101	3,432
So Cal Water Committee		-	-	-	-	-	-	300	300	-	-	-	-	-	300
Other Travel Expenses		-	191	-	-	3,421	-	80	3,692	-	-	-	-	-	3,692
Mileage		961	1,175	585	282	1,872	-	730	5,605	-	366	-	-	366	5,971
Toll Charges		-	-	-	-	206	-	-	206	-	-	-	-	-	206
Telephone/Fax/Cable		-	-	-	327	-	-	-	327	-	-	-	-	-	327
Subtotal-Travel, Conferences & Misc.		5,772	5,597	703	626	7,781	-	5,686	26,165	-	467	50	-	517	26,682
Total		36,141	32,751	21,791	14,338	34,952	1,045	23,299	164,317	15,822	17,511	18,007	13,388	64,728	229,045

(1) Includes conference registration, travel, lodging, meals, transportation, mileage and other miscellaneous related costs; does not include Per Diem.

Municipal Water District of Orange County
Semi-Annual Comparison for Overtime Hours Worked
for the six-month periods ending December 2018 and 2017

Employee	7/1/18 - 12/31/18		7/1/17 - 12/31/17	
	Hours Worked	Dollar Equivalent ⁽¹⁾	Hours Worked	Dollar Equivalent ⁽¹⁾
Conway, Matthew	0.00		18.50	
Dinh, Patrick	0.00		12.50	
Dubuque, Tina	24.25		0.00	
Fahl, Beth	18.50		0.00	
Francisco, Pari	3.00		0.00	
Frazier, Leah	0.00		0.75	
Goldsby, Maribeth	0.00		7.00	
Hernandez, Christina	3.50		3.75	
Muldoon, Traci	58.50		0.00	
Roberto, Bryce	72.00		28.00	
Snow, Mary	4.50		0.00	
Soto, Francisco	4.50		4.50	
Waite, Rachel	20.00		5.50	
Wilson, Sarah	41.50		0.00	
TOTAL	250.25	\$12,688	80.50	\$ 4,477

(1) Dollar equivalent calculated at 1.5 x hourly rate

(2) Overtime hours at straight time



INFORMATION ITEM

February 13, 2019

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

FROM: Robert Hunter, General Manager

Staff Contact: Cathleen Harris,
Administrative Services Manager

SUBJECT: ANNUAL AUTO ALLOWANCE REPORT

STAFF RECOMMENDATION

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

DETAILED REPORT

In accordance with the District's Auto Allowance Policy, the General Manager shall submit an annual report to the Administration and Finance Committee listing employees that receive an auto allowance and any exceptions to the provisions of the policy. The following positions are currently receiving monthly auto allowances in the amount of \$500:

Title
Director of Water Use Efficiency
Director of Public Affairs
Associate General Manager
Governmental Affairs Manager
WEROC Programs Manager
Assistant General Manager

The General Manager receives a monthly car allowance in the amount of \$750.

Budgeted (Y/N): Y	Budgeted amount: \$45,000	Core X	Choice __
Action item amount:	Line item:		
Fiscal Impact (explain if unbudgeted):			



INFORMATION ITEM

February 13, 2019

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

FROM: **Robert Hunter, General Manager**

SUBJECT: **Annual Review of Coastal Municipal Water District Issues**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Review and discuss; staff recommends no changes at this time.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

DETAILED REPORT

Below is the excerpt from the Administrative Code relative to outstanding issues involving MWDOC's consolidation with Coastal Municipal Water District. Staff has reviewed the sections and does not recommend any changes at this time (the last substantive change was made to this Section in 2011 and has been reviewed each year since; minor changes were made during the Administrative Review process in 2015).

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

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE**

MWDOC/COASTAL CONSOLIDATION ISSUES	§12000-12002
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§12000 INTRODUCTION

MWDOC and Coastal MWD consolidated effective January 17, 2001. Many factors and issues were evaluated in bringing the two agencies together. MWDOC has documented several of the issues in the event they become important for future consideration. The Administration & Finance Committee shall review these issues on an annual basis until such time as the Administration & Finance Committee determines a review is no longer necessary.

§12001 Standby Charge Levied in MWDOC and Coastal Service Areas

This is an issue has to do with the level of Standby Charge being levied in the MWDOC service area of \$10.09 per acre or per parcel less than an acre and a similar but higher charge of \$11.60 in the Coastal service area. The Standby Charge levied by MET is higher in the Coastal service area because at the time the Standby Charge was established by MET (1993), it was partially based on the dependence on imported water to the member agency service area. Since the Coastal service area had proportionally fewer groundwater resources than the MWDOC service area, the charge was higher. Amounts raised by MET through the Standby Charge are forwarded to each participating MET member agency (including MWDOC and Coastal) as credits against the amount owing under MET's Readiness-to Serve Charge. The higher charge in the Coastal service area generates about \$120,000 per year more than if the charge was reduced to \$10.09 to match the MWDOC service area standby charge.

During the consolidation transition period (from 1998-2000), MET engaged in continued discussions regarding restructuring of its rates and charges, and the continued levy of a MET Readiness-to-Serve Charge was often in doubt. Consequently, no action was taken by Coastal or MWDOC to request that MET equalize the two charges. The only reason for retaining this item is to be aware of the different levels of the Standby Charge in the event MET ever changes its rate structure.

§12002 MET Capacity Provided in the EOCF#2 for the Coastal Service Area

The East Orange County Feeder Number 2 (EOCF#2) is a 25-mile long treated water transmission main, constructed in 1962 by MET, Anaheim, Santa Ana, MWDOC and Coastal. The purpose of the pipeline was to increase the treated water capacity to southeastern Orange County and to replace capacity to Anaheim, Santa Ana and Coastal that had been used in the Orange County Feeder by the growing MWDOC service area. It should be remembered that upon the formation of the MWDOC service

area in 1951 the Anaheim and Santa Ana city service areas from MET had been frozen and the growing portions of these cities beyond the boundaries as they existed in 1951 was included as part of the MWDOC service area. That has since been changed.

Coastal MWD purchased 10.0 cfs of capacity in the EOCF#2 as it was constructed. This capacity has since been assigned to the retail agencies within Coastal (July 2000). In addition, MET provided 84 cfs of oversizing capacity in the facility to meet the additional needs of Coastal and the original city areas of Anaheim, Fullerton and Santa Ana. MET's 84 cfs of capacity provided was designated to the following areas:

Agency	cfs
Anaheim	6
Santa Ana	15
Coastal	63
Met Total	84

In MET Resolution 6635, adopted January 12, 1965, it was noted that:

"the capacities allocated to MET in the several reaches of the East Orange County Feeder No. 2 shall be used for delivery of water to said older member cities to meet their requirements for services to areas which were within their boundaries on November 26, 1951, the date of the annexation of Orange County Municipal Water District to MET and to the Coastal Municipal Water District as it was constituted on January 1, 1955, until such time as like delivery of water can be made to them in whole or in part through other facilities, provided, that until such conveyance capacity is needed for delivery to such older members for such purpose and always subject to the policy declared herein as to such older members, it may be used by MET for the sale and delivery of water in accordance with the provisions of the Metropolitan Water District Act. . . . "

The exact meaning of this section in today's context given that MET has provided capacity in the Allen McColloch Pipeline and South County Pipeline facilities to serve both MWDOC and Coastal, has not been fully analyzed or debated with MET. Rather, the purpose of this section is to raise the issue and provide that the consolidation of MWDOC and Coastal shall not in any manner erode or diminish any rights that the retail agencies within the Coastal service area may have or be able to assert with respect to any or all of the 63 cfs of capacity in the EOCF#2 provided by MET.

M-5/2005; M-2/16/11; M-6/17/15

Administration Activities Report
January 4, 2019 to February 8, 2019

Activity	Summary
Administration/Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none"> • Scheduled meetings for Rob Hunter and other various meetings of the Board members. • Assisted Rob/Karl with various write ups and follow-up for the Committees and Board. • Continue to send the Water Supply Reports to the member agencies. • Continued training of new administrative staff. • Processed and reviewed agreements for appropriate board approval and insurance requirements. • Review Insurance documents for all District Agreements • Coordinate FTP sites with IT. • Prepare documentation and distribute Form 700s • Coordinate Form 460/470 filings with the Board and Registrar of Voters • Continue review of Administrative Code for requirements and potential changes • Prepared and posted Form 806 • Assisted Government Affairs Manager with preparation of correspondence and travel. • Made travel arrangements for DC trip, CRWUA, Plenary Meeting, OCBC Advocacy Trip – Sacramento, Legislative Advocacy trips, Legislative Symposium, ACWA – DC, Urban Water Institute Spring Conference – Palm Springs, WUE Training - Sacramento, Desal Conference – Palm Springs. • Booked travel for WACO speaker. • Created an Annual Conference Calendar • Combined final Reliability report • Renewed WEROC CESA Membership • Began webinar CSDA Best Practices for Agenda Prep & Recording minutes under the Brown Act.
MWDOC/OCWD Joint Administration	No new information to report.
Health Benefits	
Records Management	<ul style="list-style-type: none"> • Review and reorganization of electronic documents in Laserfiche system continues. • Staff met with personnel from South Coast Water District to show them our Laserfiche/records management system. They are beginning the process at their district and had questions about how to best proceed. • Staff met with a representative from Corodata, a records management firm, to determine whether it would make sense to move the remaining boxes stored at Iron Mountain to Corodata in order to save on monthly storage costs. Staff will continue to evaluate.

Records Management (continued)	<ul style="list-style-type: none"> Staff has scheduled April 8 and 9 for our annual records management audit. Department drives will be reviewed with staff, as well as the shared drive. Recommendations will be made for improved efficiencies as necessary. Diane Gladwell will be here to facilitate the audit and make recommended adjustments.
Recruitment /Departures	<ul style="list-style-type: none"> All positions are currently filled.
Other	
Projects and Activities	<ul style="list-style-type: none"> Coordination efforts continue with IDS Consultants, Engineering and WEROC staff regarding building improvements, seismic retrofits, electrical upgrades, IT Server Air Conditioning unit. Staff is evaluating improvements to the District's Performance Evaluation process. Personnel Manual updates are underway. Implementation and training continues through February for Neogov's job posting subscription which will enable MWDOC to improve visibility for job postings as well as provide improved tracking and screening of applicants. Staff is working on Budget preparation for 2019/20. Staff evaluated and obtained a proposal from OCWD's landscape company for maintenance of the District's Atrium area. Based on the proposal, staff concluded that the District will continue with the existing landscape company. January 11th, staff met with National IPA which has now partnered with OMNIA Partners, a cooperative purchasing organization available to public agencies to assist with reducing procurement costs by leveraging group volume. Staff evaluated office supplies and performed a comparison. As a result, there are some items that can be obtained at a lower cost through the purchasing program and will be utilized by the District. Staff is now a member of National IPA and will continue to evaluate the services offered to seek reduced costs where it makes sense and is more efficient. Staff researched industry business practices regarding Merit increases and Cost of Living Adjustments. On January 30th, staff participated in the WEROC Exercise. A representative from Social Security will meet with staff on February 28th to review the Government Pension Offset and Windfall Elimination Provision. An American Red Cross CPR, First Aid and AED training class is in the process of being scheduled for renewing certification and will be held in March. Annual renewal of the District's Workers' Compensation insurance plan is under review for the July 1st renewal policy

**INFORMATION ITEM**

February 13, 2019

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

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 2018-19.

Description	% of Completion	Estimated Completion date	Status
<u>Finance</u>			
Further Implementation of WUE Landscape Programs Databases and Web Site.	On-going	On-going	In Progress
2019 W-9 collection for water rebates. Currently holding 0 rebate checks awaiting W-9 forms.	On-going	On-going	In Progress
Pulled 83 W-9's to respond to an IRS penalty notice for 2016 1099 filings. Legal counsel responded. Waiting for IRS to reply, which they extended.	90%	03-30-19	In Progress
Government Compensation in California Report 2018	0%	03-30-19	Not Started
State Controller Report preparation FY2017-18	100%	01-31-19	Completed
Preparation of documents for FY2019-20 budget process.	70%	05-31-19	In Progress
RFP for Actuarial Services. We have been with Demsey Filliger for 5 years.	0%	05-31-19	Not Started
Mailed 430 1099-MISC forms for rebates and AP vendors for 2018 on 01/25/19. Uploaded all files to IRS on 01/29/19.	100%	01/29/19	Completed

Description	% of Completion	Estimated Completion date	Status
<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade Conference room 101 with Interactive board	0%	06-30-19	Not Started
Upgrade VOIP telephone phone system (Hardware and software)	30%	03-31-19	In Progress

Description	% of Completion	Estimated Completion date	Status
<u>FY 2018-19 Completed Special Tasks</u>			
<u>Finance</u>			
Annual audit with Vazquez & Co. Interim audit week of July 9 th ; final audit week of September 17 th	100%	11-14-18	Completed
Prepare for year end, post closing entries and prepare annual financials. Awaiting audit presentation.	100%	10-24-18	Completed
State Tax filing for Water Facilities FY17-18	100%	09-30-18	Completed
<u>Information Technology</u>			
Upgrade Exchange Server to Enterprise Version	100%	09-30-18	Completed
Purchase and upgrade 5 desktop computers, 3 laptops and an iPad for Staff	100%	09-30-18	Completed
Purchase and upgrade Virtual Hyper-V Host Server (Hardware and Software)	100%	12-31-18	Completed



INFORMATION ITEM

February 13, 2019

TO: **Administration & Finance Committee**
(Directors Thomas, Osborne, 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 December.**
- OC Water Usage, Monthly, Comparison to Previous Years Water usage in **December 2018 was below average compared to the last 5 years.** We are continuing to see slight increases in overall water usage compared to the previous three Fiscal Years. It has been 22 months since all mandatory water restrictions were lifted by the California State Water Resources Control Board.
- Historical OC Water Consumption Orange County M & I water consumption is projected to be **551,000 AF in FY 2018-19** (this includes ~15 TAF of agricultural usage and non-retail water agency usage). This is about **11,000 AF more than FY 2017-18** and is about **31,000 AF more than FY 2016-17**. Water usage per person is projected to be slightly higher in **FY 2018-19 for Orange County at 152 gallons per day** (This includes recycled water). Although OC population has increased 20% over the past two decades, water usage has not increased, on average. A long-

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

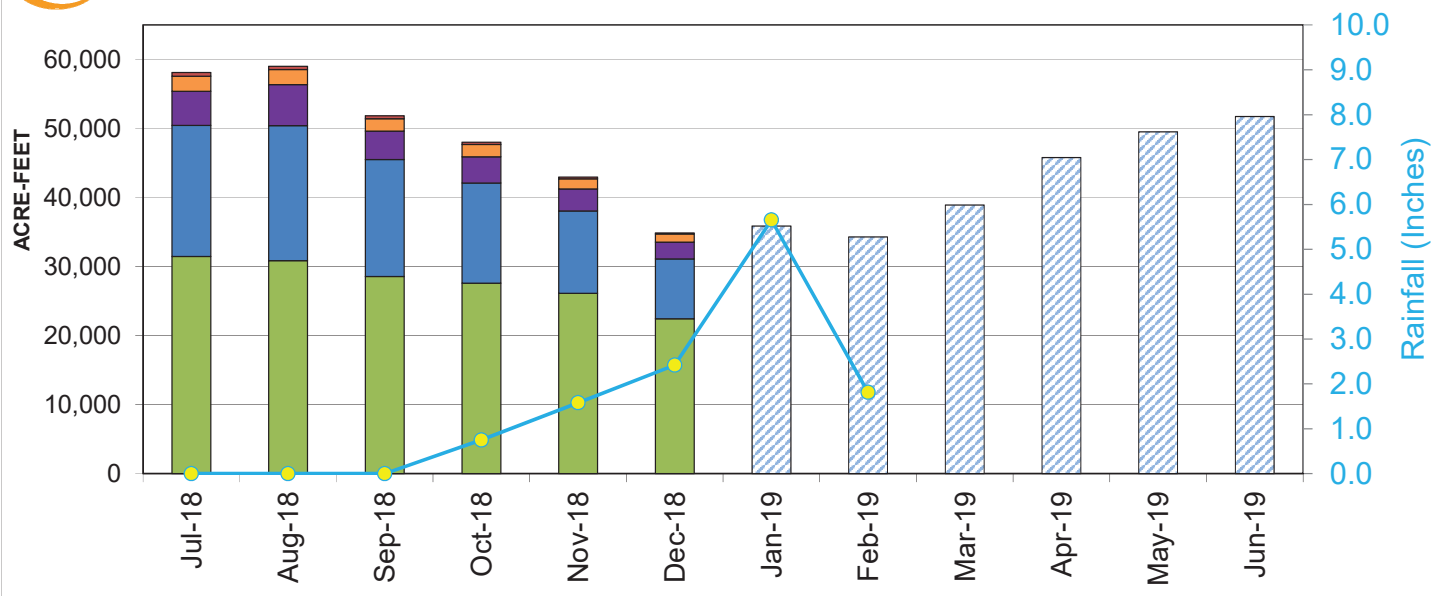
term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. ***O.C. Water Usage for the last three Fiscal Years is the lowest since the 1982-83 Fiscal Year*** (FY 1982-83 was the third wettest year on record).

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 February*** was above average for this period. Water year to date rainfall in Orange County is ***11.90 inches***, which is ***164% of normal***.
- Northern California accumulated precipitation through ***early February*** was ***108% of normal for this period***. Water Year 2018 was 82% of normal while water year 2017 was 187% of normal. The ***Northern California snowpack*** was ***112% of normal*** as of February 5th. ***As of late January, 23.66%*** of California is experiencing ***moderate to severe drought conditions*** while 76.07% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was increased to 15% in early January 2019.
- Colorado River Basin accumulated precipitation through ***early February*** was ***104% of normal*** for this period. The ***Upper Colorado Basin snowpack*** was ***106% of normal*** as of February 4th. ***Lake Mead and Lake Powell*** combined have about ***57% of their average storage volume*** for this time of year and are at ***40.0% 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 December, Lake Mead levels were ***10.85' above the "trigger" limit***. The USBR predicts that the start of 2019 will not hit the "trigger" level but there is ***a 57% chance that the trigger level will be hit in 2020 and a 68% chance in 2021***.



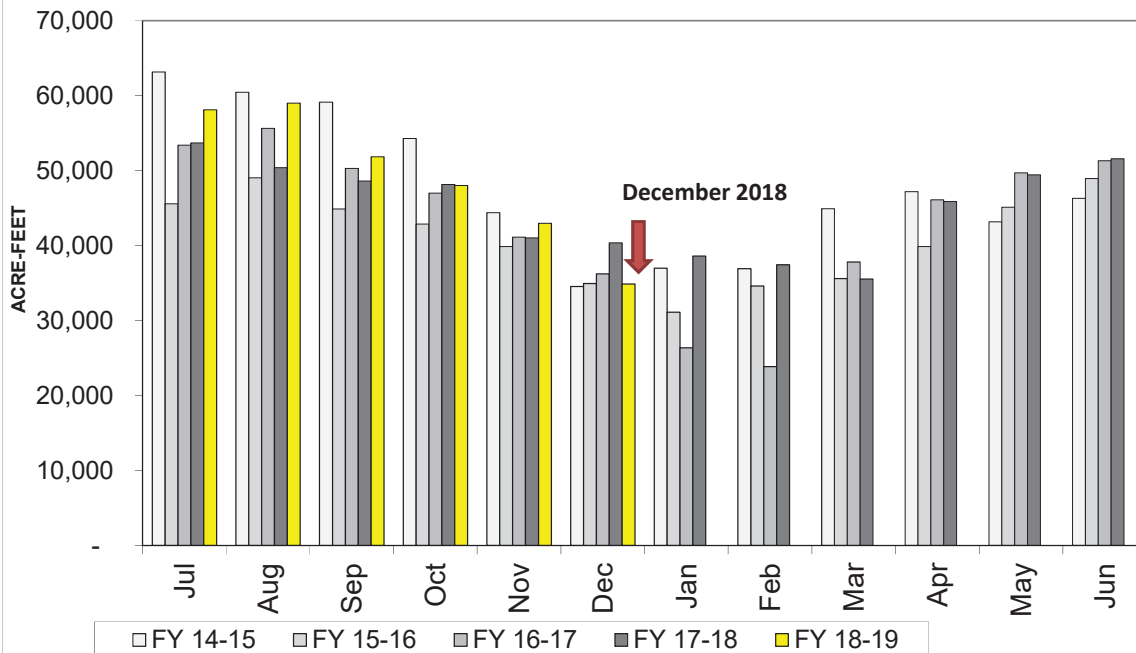
Fig. 1 OC Water Usage, Monthly by Supply with projection to end of fiscal year



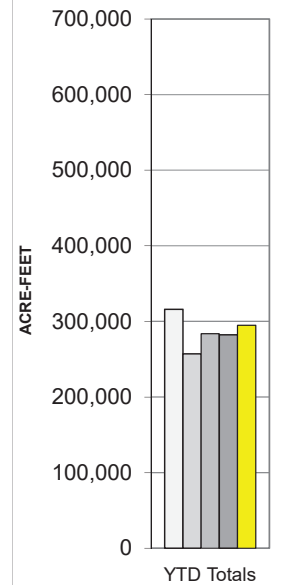
- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '17-18 is 75%.
- [3] MWD OC's estimate of monthly demand is based on the projected FY 15-16 "Retail" water demand and historical monthly demand patterns.
- [4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



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

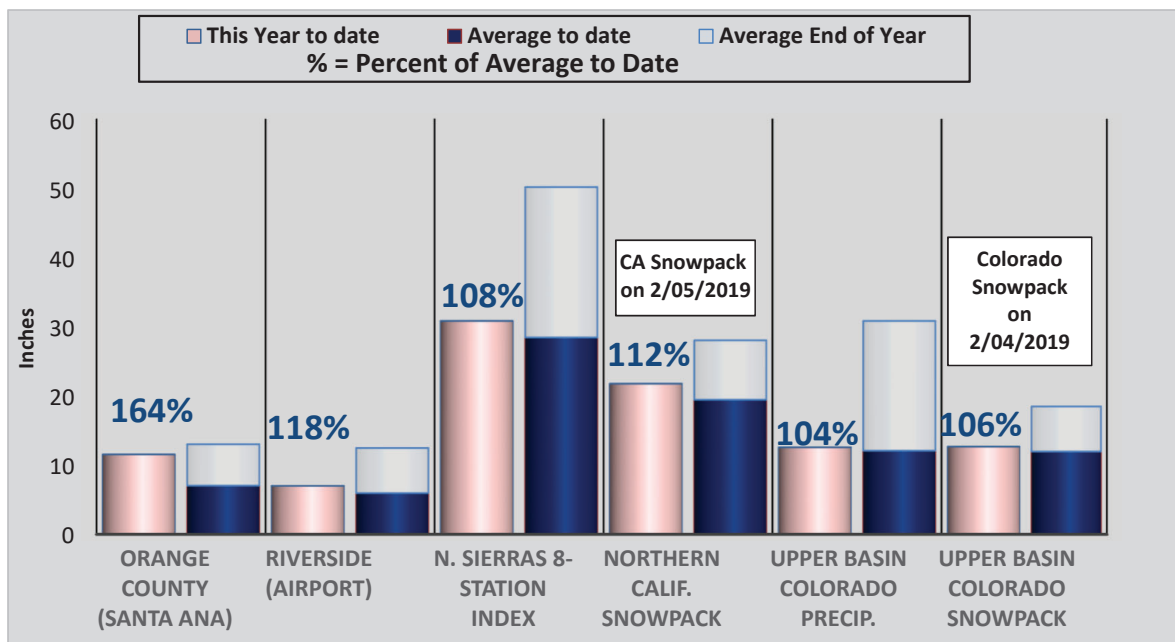


Partial Year Subtotals



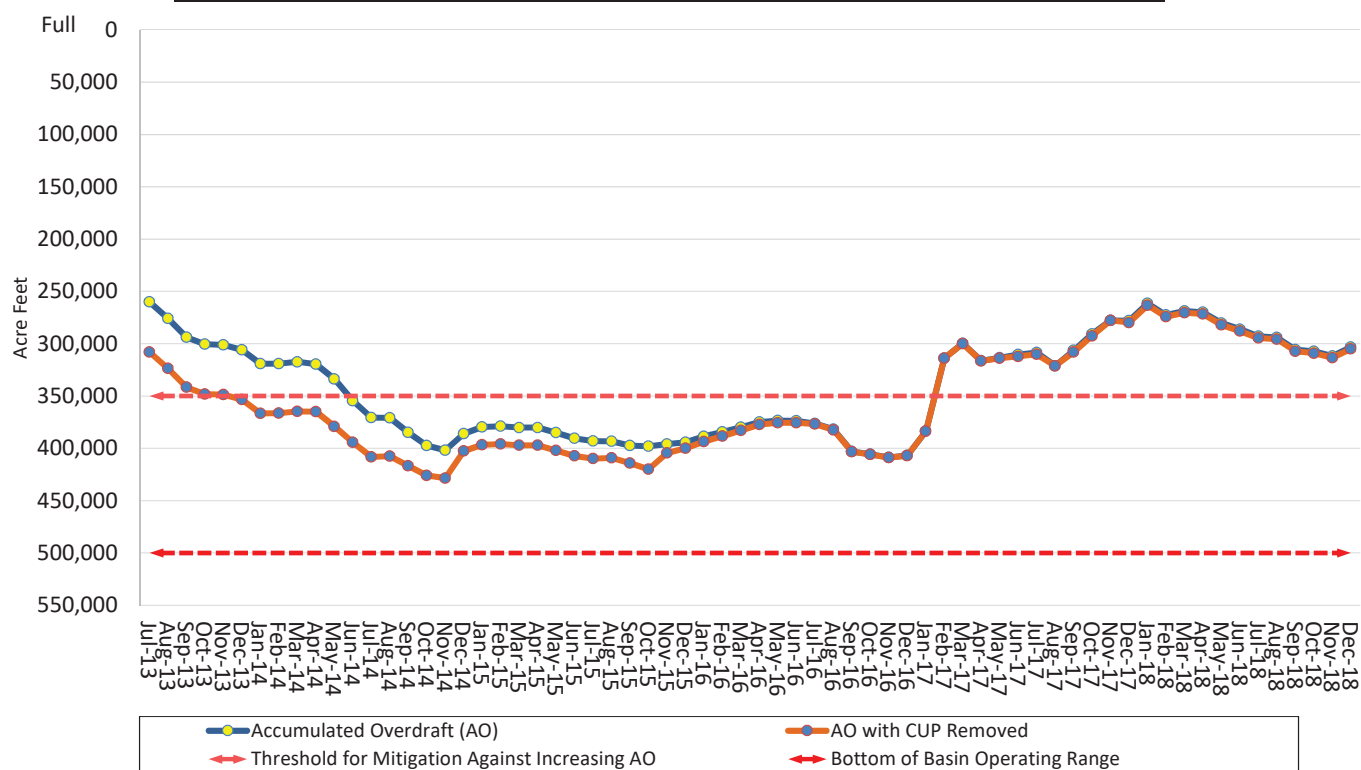
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRS production) Recent months numbers include some estimation.

Accumulated Precipitation for the Oct.-Sep. water year, through Early February 2019



* 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.

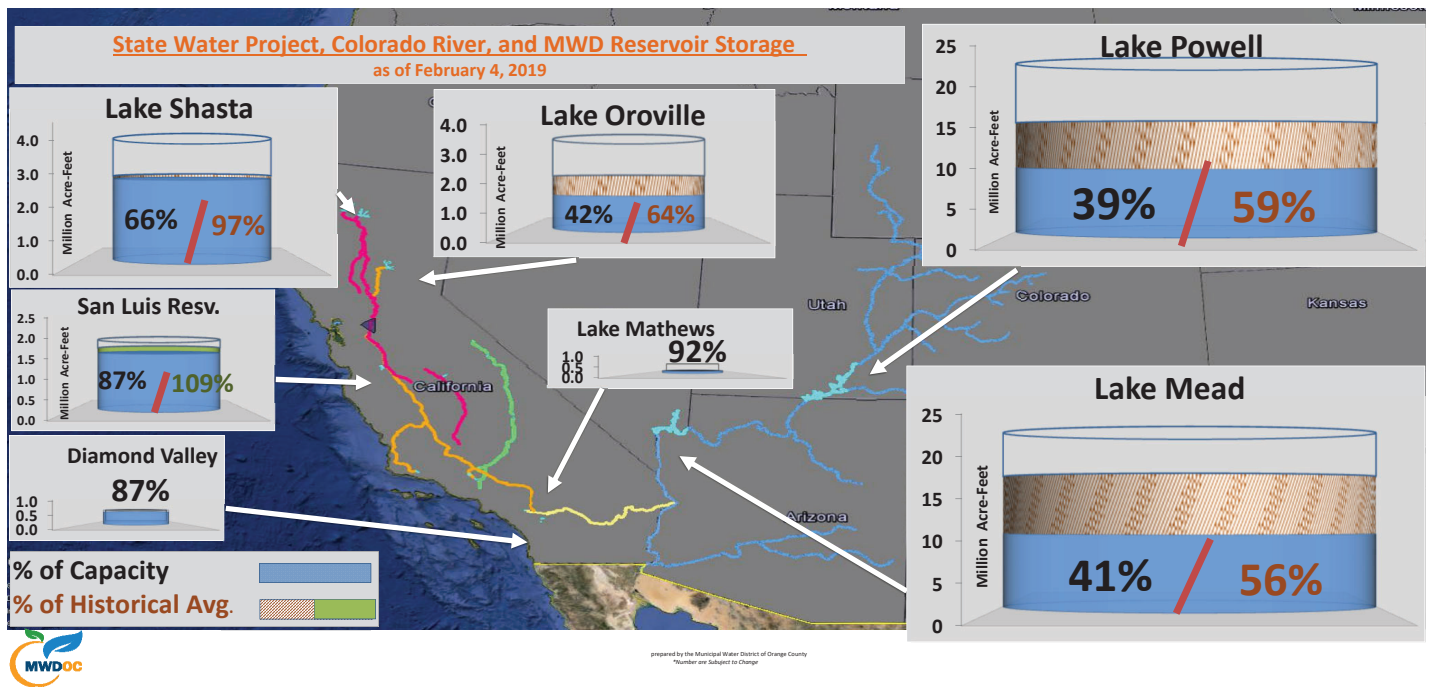
Accumulated Overdraft of the OCWD Groundwater Basin as of December 2018



	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	268,752	269,889	280,329	286,163
AO w/CUP removed (AF)	310,216	321,131	308,007	292,522	277,691	279,776	263,237	274,188	270,463	271,601	282,041	287,869
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
AO (AF)	292,869	294,090	305,572	307,374	311,765	303,249						
AO w/CUP removed (AF)	294,572	295,790	307,271	309,072	313,460	304,943						



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



SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS

