

**MEETING OF THE
BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
April 10, 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 – March 2019
 - b. Disbursement Approval Report for the month of April 2019
 - c. Disbursement Ratification Report for the month of March 2019
 - d. GM Approved Disbursement Report for the month of March 2019
 - e. Water Use Efficiency Projects Cash Flow – March 31, 2019
 - f. Consolidated Summary of Cash and Investment – February 2019
 - g. OPEB and Pension Trust Fund monthly statement

2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period ending February 28, 2019

ACTION ITEMS

3. AMENDMENTS TO ADMINISTRATIVE CODE
4. FY 2019-20 THIRD DRAFT BUDGET
5. PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2019-20
6. PUBLIC HEARING AND ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 47 REGARDING COMPENSATION FOR DIRECTORS
7. DEVELOPMENT OF A HYDRAULIC MODEL FOR THE REGIONAL PIPELINE SYSTEM IN ORANGE COUNTY – INVESTIGATION PHASE

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

8. INDIVIDUAL CHARGES DISCLOSURE FOR THE PERIOD JAN-DEC 2018
9. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
10. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

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

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

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

WATER REVENUES

Date	From	Description	Amount
03/01/19	City of Huntington Beach	January 2019 Water deliveries	696,195.35
03/01/19	City of San Clemente	January 2019 Water deliveries	396,398.74
03/01/19	City of Brea	January 2019 Water deliveries	76,267.65
03/04/19	City of Newport Beach	January 2019 Water deliveries	427,931.95
03/04/19	City of La Palma	January 2019 Water deliveries	4,010.86
03/04/19	City of Garden Grove	January 2019 Water deliveries	28,549.33
03/06/19	Serrano Water District	January 2019 Water deliveries	203,020.92
03/06/19	Laguna Beach County Water District	January 2019 Water deliveries	52,729.03
03/08/19	South Coast Water District	January 2019 Water deliveries	398,146.18
03/08/19	El Toro Water District	January 2019 Water deliveries	290,186.76
03/08/19	City of Buena Park	January 2019 Water deliveries	290,194.44
03/11/19	City of Seal Beach	January 2019 Water deliveries	203,825.65
03/11/19	Santa Margarita Water District	January 2019 Water deliveries	1,207,930.13
03/11/19	Mesa Water	January 2019 Water deliveries	234,792.27
03/14/19	City of La Habra	January 2019 Water deliveries	4,446.66
03/14/19	City of San Juan Capistrano	January 2019 Water deliveries	207,029.80
03/14/19	City of Westminster	January 2019 Water deliveries	24,584.01
03/14/19	City of Orange	January 2019 Water deliveries	34,642.82
03/15/19	East Orange County Water District	January 2019 Water deliveries	239,756.14
03/15/19	Golden State Water Company	January 2019 Water deliveries	129,379.79
03/15/19	Yorba Linda Water District	January 2019 Water deliveries	39,048.17
03/15/19	Moulton Niguel Water District	January 2019 Water deliveries	1,572,726.71
03/15/19	Irvine Ranch Water District	January 2019 Water deliveries	348,325.22
03/25/19	City of Newport Beach	February 2019 Water deliveries	202,496.95
03/28/19	Trabuco Canyon Water District	February 2019 Water deliveries	32,195.37
03/29/19	City of Huntington Beach	February 2019 Water deliveries	436,845.35
03/29/19	City of San Clemente	February 2019 Water deliveries	319,283.79

TOTAL REVENUES **\$ 8,100,940.04**

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

MISCELLANEOUS REVENUES

Date	From	Description	Amount
03/04/19	Discovery Science Center	2/21/19 Water Policy dinner	70.00
03/04/19	Metropolitan Water District	2/21/19 Water Policy dinner	850.00
03/29/19	Paypal	ISDOC Registrations	665.07
03/15/19	Stan Sprague	March 2019 Retiree Health insurance	248.77
03/04/19	Pat Meszaros	Mar-Apr 2019 Retiree Health insurance	80.96
03/29/19	Keith Lyon	April 2019 Retiree Health insurance	288.99
03/06/19	US Bank	Credited incorrect account	110.92
03/12/19	ACWA JPIA	RPA Refund	18,374.20
03/29/19	US Bank	March 2019 interest income	18.24
03/04/19	Mesa Water	Dec 2018 - Jan 2019 Smartimer rebate program	284.01
03/19/19	Irvine Ranch Water District	January 2019 Smartimer rebate program	1,289.38
03/15/19	City of Fountain Valley	November 2018 Turf Removal rebate program	111.00
03/25/19	City of Newport Beach	January 2019 Turf Removal rebate program	162.00
03/28/19	Yorba Linda Water District	January 2019 Turf Removal rebate program	211.85
03/19/19	Irvine Ranch Water District	December 2018 Spray to Drip rebate program	75.63
03/18/19	Moulton Niguel Water District	January 2019 Smartimer and Turf Removal rebate program	13,733.46
03/15/19	City of Fountain Valley	January 2019 Turf Removal and Spray to Drip rebate program	222.00
03/19/19	Irvine Ranch Water District	January 2019 Turf Removal and Spray to Drip rebate program	13,109.80
03/04/19	Moulton Niguel Water District	December 2018 Smartimer, Rotating Nozzle and Turf Removal rebate program	28,122.21
03/15/19	City of San Clemente	December 2018 Smartimer and Turf Removal rebate program	274.28
03/15/19	El Toro Water District	January 2019 Smartimer, Rain Barrel and Turf removal rebate program	883.99
03/11/19	Moulton Niguel Water District	Dec 2018 - Jan 2019 So Cal Watersmart rebate program	9,600.00
03/15/19	City of San Clemente	Dec 2018 - Jan 2019 So Cal Watersmart rebate program	1,875.00
03/25/19	Laguna Beach County Water District	January 2019 So Cal Watersmart rebate program	30.00
03/06/19	Bureau of Reclamation	Oct 2018 - Mar 2019 Distribution Leak Detection Equipment Lending Library	6,090.00
03/12/19	City of Orange	Addition to the Choice School program FY 18-19	1,064.49
03/11/19	City of Santa Ana	Water Loss Control technical assistance - WSO, Inc.	4,200.00
03/15/19	City of Anaheim	Water Loss Control technical assistance - WSO, Inc.	2,830.33
03/25/19	City of Newport Beach	Water Loss Control technical assistance - WSO, Inc.	9,372.00
03/28/19	Yorba Linda Water District	Water Loss Control technical assistance - WSO, Inc.	11,872.00
TOTAL MISCELLANEOUS REVENUES			\$ 126,120.58
TOTAL REVENUES			\$ 8,227,060.62


 Robert J. Hunter, General Manager


 Hilary Chumpitazi, Treasurer

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Core Expenditures:		
	ACCO Engineered Systems	
1762289	3/8/19 Air-conditioning repair for server room	688.12
	*** Total ***	688.12
	Richard C. Ackerman	
1221	February 2019 Consulting on legal and regulatory matters	2,250.00
1225	March 2019 Consulting on legal and regulatory matters	1,500.00
	*** Total ***	3,750.00
	Aleshire & Wynder LLP	
50794	March 2019 Legal services	1,430.50
	*** Total ***	1,430.50
	Alta FoodCraft	
51904861	3/1/19 Coffee & tea supplies	239.31
51906365	3/29/19 Coffee & tea supplies	226.85
	*** Total ***	466.16
	Best Best and Krieger LLP	
845032	February 2019 State legislative advocacy services	7,955.07
55401-FEB19	February 2019 Legal services	22,303.37
	*** Total ***	30,258.44
	Blue Watchdog Conservation, Inc.	
1497	2/4/19-3/21/19 Instruction services for Orange County Qualified Water Efficiency Landscape training classes	4,181.57
	*** Total ***	4,181.57
	Boy Scouts of America	
030819	2019 Sponsorship for Soil and Water merit badge	5,000.00
	*** Total ***	5,000.00
	CDM Smith	
90070158	9/22/18-3/23/19 Engineering services for Orange County Water Reliability Investigation	16,640.00
	*** Total ***	16,640.00
	Commercial Door of Orange County, Inc.	
23703	Maintenance for MWDOC's east and west side entrance doors	716.21
	*** Total ***	716.21
	Dudek	
20191074	1/26/19-2/22/19 Planning level reliability for South County interconnection	11,930.00
	*** Total ***	11,930.00

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Hashtag Pinpoint Corporation	
1191	March 2019 Social Media consultation and services	7,917.00
	*** Total ***	7,917.00
	Independent Special Dist of OC	
I-01545281	100 Chinnet plates from Office Solutions for ISDOC meeting	(27.14)
032819-PAYPAL	2/28/19-3/28/19 PayPal receipts for 3/28/19 meeting	665.07
032819REG	3/28/19 ISDOC meeting registration for Director Thomas	17.00
	*** Total ***	654.93
	James C. Barker, P.C.	
105-0319	March 2019 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Lewis Consulting Group	
2019-119	March 2019 Consulting services	2,312.50
	*** Total ***	2,312.50
	Keith Lyon	
JAN-MAR2019	January-March 2019 Retiree medical premium	406.50
	*** Total ***	406.50
	Edward G. Means III	
MWDOC-1069	March 2019 Consulting on MET issues and guidance to Engineering staff	1,387.76
	*** Total ***	1,387.76
	NDS	
717345	3/15/19 Delivery charges for Board packets	172.01
717501	3/29/19 Delivery charges for Board packets	172.01
	*** Total ***	344.02
	Office Solutions	
I-01541748	3/13/19 Office supplies	101.30
I-01541842	Report covers for Government Affairs briefings	110.85
I-01542192	3/14/19 Office supplies	6.14
I-01544463	5,000 No. 10 envelopes and 2,500 Booklet envelopes	1,130.21
I-01545281	Chinnet plates for ISDOC	27.14
I-01547456	Laminating supplies	262.62
	*** Total ***	1,638.26
	OMB Electrical Engineers, Inc.	
78097	1/2/19-2/22/19 Electrical engineering services for MWDOC office electrical upgrade	2,300.00
	*** Total ***	2,300.00
	County of Orange	
PW190627	FY18-19 Coop agreement for South Orange County Watershed Management Area	7,272.73
	*** Total ***	7,272.73

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Orange County Fast Print, Inc.	
57634	Business card printed for Director Yoo Schneider	58.88
	*** Total ***	58.88
	Orange County Water District	
20076	February 2019 50% share of WACO expense	247.50
20085	February 2019 Postage, shared office & maintenance expense	8,156.94
	*** Total ***	8,404.44
	Patricia Kennedy Inc.	
10798	April 2019 Plant maintenance	214.00
	*** Total ***	214.00
	Raftelis	
11592	February 2019 Water budget evaluation for DWR grant	9,580.00
	*** Total ***	9,580.00
	Resilient Communications	
802294	Hardware for phone server upgrade	9,017.72
	*** Total ***	9,017.72
	Lester A. Rosenberg	
19-08	February 2019 Assistance with HVAC replacement for MWDOC server room and WEROC S. EOC	16,250.00
	*** Total ***	16,250.00
	So. Cal. Water Committee	
1231	7/1/18-6/30/19 Annual membership renewal	1,000.00
	*** Total ***	1,000.00
	Joey C. Soto	
MWDOC#010	February 2019 Grant research and acquisition assistance	2,999.70
	*** Total ***	2,999.70
	Staples Advantage	
8053299344	2/16/19 Office supplies	24.56
	*** Total ***	24.56
	Top Hat Productions	
94945	3/12/19 Lunch for Water Loss Control Workgroup meeting	394.85
	*** Total ***	394.85
	WageWorks, Inc.	
INV1305656	March 2019 Cafeteria plan administration	196.07
	*** Total ***	196.07

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Water Systems Optimization, Inc.</i>	
1525	March 2019 Water Loss Control program	6,493.30
	*** Total ***	6,493.30
	<i>Pauline D. Wennerstrom</i>	
APR-JUN2019	April-June 2019 Retiree medical premium	367.50
	*** Total ***	367.50
	<i>Total Core Expenditures</i>	162,295.72

Choice Expenditures:

	<i>Droplet Technologies</i>	
1094	2019 Annual license renewal for Turf Removal and Spray to Drip rebate application software	44,372.00
	*** Total ***	44,372.00
	<i>Enterprise Information Systems</i>	
MWDOC-22011	January-March 2019 Technical support for California Sprinkler Adjustment Notification System program	3,000.00
	*** Total ***	3,000.00
	<i>Office Solutions</i>	
I-01545681	Binders and dividers for Orange County Qualified Water Efficiency Landscape training classes	620.83
	*** Total ***	620.83
	<i>Orange County Water District</i>	
20085	February 2019 Postage for Water Use Efficiency rebate programs	82.87
	*** Total ***	82.87
	<i>Top Hat Productions</i>	
94937	3/6/19 Lunch for Water Use Efficiency Workgroup meeting	462.68
	*** Total ***	462.68
	<i>Total Choice Expenditures</i>	48,538.38

Other Funds Expenditures:

	<i>Athena EHS Consulting, LLC</i>	
1002	3/18/19-3/31/19 WEROC Program assistance	1,438.13
	*** Total ***	1,438.13

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

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Day Wireless Systems</i>	
481934	WEROC radio re-installed for Division of Drinking Water	898.21
	*** Total ***	898.21
	<i>Michael Baker International</i>	
1042312	2/4/19-3/3/19 OC Regional Water/Wastewater Multijurisdictional Hazardous Mitigation Plan Update	3,236.89
	*** Total ***	3,236.89
	<i>Water Systems Optimization, Inc.</i>	
1525	March 2019 Water Loss Control program	32,730.00
	*** Total ***	32,730.00
		<hr/> 38,303.23
	<i>Total Expenditures</i>	<hr/> 249,137.33 <hr/>

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
138754	3/7/19	SPECTB	Spectrum Business	
		0375210022019	March 2019 Telephone and internet expense	1,099.14
			***Total ***	1,099.14
138755	3/7/19	VERIZO	Verizon Wireless	
		9824822709	February 2019 4G Mobile broadband unlimited service	114.03
			***Total ***	114.03
138765	3/15/19	IRONMO	Iron Mountain	
		AMTL176	March 2019 Archived document storage fees	209.70
			***Total ***	209.70
138772	3/15/19	OFFICED	Office Depot, Inc.	
		280942759001/2065164001	2/28/19 Office supplies	215.71
			***Total ***	215.71
138776	3/15/19	SPECTB	Spectrum Business	
		0343564030119	March 2019 Telephone expense for 3 analog fax lines	108.13
			***Total ***	108.13
138779	3/15/19	USBANK	U.S. Bank	
		0403/4140/5443-FEB19	1/23/19-2/22/19 Cal Card charges	23,798.38
			***Total ***	23,798.38
			(See attached sheet for details)	
ACH003845	3/15/19	ACKEEX	Linda Ackerman	
		022819	February 2019 Business expense	81.20
			***Total ***	81.20
ACH003846	3/15/19	BERGJO	Joseph Berg	
		022819	February 2019 Business expense	45.40
			***Total ***	45.40
ACH003849	3/15/19	DAVISR	Rachel Davis	
		022819	February 2019 Business expense	171.19
			***Total ***	171.19
ACH003850	3/15/19	DICKEK	Larry Dick	
		022819	February 2019 Business expense	171.10
			***Total ***	171.10
ACH003851	3/15/19	FINNEG	Joan Finnegan	
		022819	February 2019 Business expense	95.15
			***Total ***	95.15

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003855	3/15/19	HOSTER 022819	Kevin Hostert February 2019 Business expense ***Total ***	 119.48 119.48
ACH003872	3/15/19	ROBERT 022819	Bryce Roberto February 2019 Business expense ***Total ***	 13.21 13.21
ACH003873	3/15/19	TAMARI 022819	Satoru Tamaribuchi February 2019 Business expense ***Total ***	 174.58 174.58
ACH003874	3/15/19	THOMAS 022819	Jeffery Thomas February 2019 Business expense ***Total ***	 400.96 400.96
ACH003876	3/15/19	WAITER 022819	Rachel Waite February 2019 Business expense ***Total ***	 162.61 162.61
138805	3/29/19	OFFICED 285707420001	Office Depot, Inc. 3/11/19 Office supplies ** *Total ***	 223.94 223.94
138807	3/29/19	STALVE 031319	Jeff Stalvey March 2019 Business expense ***Total ***	 61.67 61.67
ACH003878	3/29/19	BAEZHE 022819	Heather Baez February 2019 Business expense ***Total ***	 289.89 289.89
ACH003879	3/29/19	HALEY 022819	Melissa Baum Haley February 2019 Business expense ***Total ***	 450.18 450.18
ACH003880	3/29/19	BUSSLI 022819	Charles Busslinger February 2019 Business expense ***Total ***	 489.34 489.34
ACH003881	3/29/19	LINGAD 022819	Christopher S. Lingad February 2019 Business expense ***Total ***	 51.31 51.31
ACH003882	3/29/19	DELATO 022819	Harvey De La Torre February 2019 Business expense	 22.40
ACH003883	3/29/19	030819	March 2019 Business expense ***Total ***	 88.34 110.74

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH003885	3/29/19	HARRIS	Cathleen M. Harris	
		022819	February 2019 Business expense	149.80
			***Total ***	149.80
ACH003886	3/29/19	HUNTER	Robert J. Hunter	
		022819	February 2019 Business expense	147.50
			***Total ***	147.50
ACH003888	3/29/19	RICOHMA	Ricoh USA, Inc.	
		5056038849	December 2018-February 2019 Reproduction costs	1,450.55
			***Total ***	1,450.55
ACH003893	3/29/19	SCHNEI	Megan Yoo Schneider	
		022819	February 2019 Business expense	650.15
			***Total ***	650.15
ACH003896	3/29/19	WAITER	Rachel Waite	
		033119	March 2019 Business expense	69.32
			***Total ***	69.32
ACH003898	3/29/19	WILSON	Sarah C. Wilson	
		022819	February 2019 Business expense	89.76
			***Total ***	89.76
Total Core Disbursements				31,214.12

Choice Disbursements:

138779	3/15/19	USBANK	U.S. Bank	
		4140-FEB19	1/23/19-2/22/19 Cal Card charges	14.95
			***Total ***	14.95
			(See attached sheet for details)	
ACH003849	3/15/19	DAVISR	Rachel Davis	
		022819	February 2019 Business expense	66.71
			***Total ***	66.71
Total Choice Disbursements				81.66

Other Funds Disbursements:

138755	3/7/19	VERIZO	Verizon Wireless	
		9824822709	February 2019 4G Mobile broadband unlimited service	76.02
			***Total ***	76.02

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

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
138757	3/15/19	ATTUVEOC 1812-MAR19	AT&T February-March 2019 U-verse internet service for WEROC N. EOC ***Total ***	91.67 91.67
138759	3/15/19	ATTCALN 000012675877 000012675878	AT&T February 2019 WEROC N. & S. EOC telephone expense February 2019 WEROC N. EOC telephone expense ***Total ***	206.17 106.46 312.63
138773	3/15/19	OCWD 20012	Orange County Water District January 2019 Credit for Local Resources program ***Total ***	757,302.97 757,302.97
138779	3/15/19	USBANK 4140-FEB19A	U.S. Bank 1/23/19-2/22/19 Cal Card charges ***Total *** (See attached sheet for details)	1,898.90 1,898.90
138781	3/28/19	DRIPPR S2D2-C-MNT-9067-14275	Spray to Drip Program Nellie Gail Ranch HOA (Laguna Hills)	1,023.46
138782	3/28/19	S2D2-R-IRWD-26925-14285	T. Tackett	303.80
138783	3/28/19	S2D2-R-ETWD-27066-15283	I. Kamarullah	90.00
138784	3/28/19	S2D2-R-IRWD-30236-17303	J. Chou ***Total ***	191.80 1,609.06
138785	3/28/19	TURFRP TR11-C-GSWC-26538-26774	Turf Removal Program City of Placentia	71,333.55
138786	3/28/19	TR12-R-MNT-28080-28004	M. Haeussler	1,016.00
138787	3/28/19	TR12-R-ETWD-28133-28059	T. Muilenburg	2,832.00
138788	3/28/19	TR12-R-ETWD-27066-29071	I. Kamarullah	610.83
138789	3/28/19	TR12-R-IRWD-30236-30158	J. Chou	789.13
138790	3/28/19	TR12-R-MNT-30246-30170	E. Dale	1,312.00
138791	3/28/19	TR12-C-HB-34255-34178	Huntington Landmark ASSN (Huntington Beach)	11,604.00
138792	3/28/19	TR12-R-ETWD-34257-34181	A. Patil	450.20
138793	3/28/19	TR12-R-MESA-35297-35224	T. Durand	1,480.00
138794	3/28/19	TR12-R-MNT-35306-35232	L. Chartier	470.00
138795	3/28/19	TR12-R-MNT-35321-35246	S. Lee	682.00
138796	3/28/19	TR12-R-IRWD-35328-35254	M. Madden	737.00
138797	3/28/19	TR12-R-MNT-35335-35262	J. Maass	796.00
138798	3/28/19	TR12-R-IRWD-35357-35280	D. Miller	551.00
138799	3/28/19	TR12-R-IRWD-36358-35283	M. Kwon	827.00
138800	3/28/19	TR12-R-MNT-36365-35292	K. Hulka	4,834.00
138801	3/28/19	TR12-R-IRWD-35274-35204	D. Lam (Re-issue) ***Total ***	667.14 100,991.85
138806	3/29/19	SANTI1 JAN2019	Santiago Aqueduct Commission January 2019 SAC Pipeline Operation surcharge ***Total ***	2,634.79 2,634.79

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH003894	3/29/19	SANTAM	Santa Margarita Water District	
		JAN2019	January 2019 SCP Pipeline Operation surcharge	19,329.25
			***Total ***	19,329.25
EFT-190329	3/29/19	METWAT	Metropolitan Water District	
		9620	January 2019 Water deliveries	6,467,809.33
			***Total ***	6,467,809.33
Total Other Funds Disbursements				<u>7,352,056.47</u>
Total Disbursements				<u><u>7,383,352.25</u></u>



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: February 22, 2019
Payment Date: March 15, 2019

Date	Description	Amount
<u>Public Affairs</u>		
01/29/19	Meeting to film Public Service Announcement with Robert Wyland in Laguna Beach, CA on Jan. 29, 2019 - Parking fees	\$ 9.50
01/29/19	Meeting to film Public Service Announcement with Robert Wyland in Laguna Beach, CA on Jan. 29, 2019 - Lunch	73.52
01/31/19	2 Storm Glass Weather Predictors for Feb. 21, 2019 Water Policy Dinner speaker gifts	59.98
02/01/19	California Association of Public Information Officials EPIC Award entry in branding category for MWDOC branding	115.00
02/01/19	Ream of drawing paper for Poster Contest entries	18.78
02/04/19	California Association of Public Information Officials EPIC Award entry for Wyland National Mayor's Challenge	115.00
02/04/19	California Association of Public Information Officials EPIC Award entry in Community Event category for Girl Scout Patch program	115.00
02/04/19	Women in Leadership summit in Costa Mesa, CA on Feb. 7, 2019 - Registration for T. Baca	208.95
02/05/19	California Association of Public Information Officials EPIC Award entry in Communication Tools category for MWDOC Communication Plan	140.00
02/08/19	Supplies for Children's Water Festival event	6.59
02/11/19	Supplies for Children's Water Festival event	40.33
02/16/19	Lunch for meeting with designer regarding update of school program education materials	97.89
02/20/19	California Association of Public Information Officials annual membership renewal for D. Micalizzi	225.00
02/21/19	California Association of Public Information Officials EPIC Award entry in Social Media Best Use Overall category for MWDOC social media	140.00
Total		<u>\$ 1,365.54</u>

Cal Card Charges
Statement Date: February 22, 2019
Payment Date: March 15, 2019

Date	Description	Amount
<u>K. Seckel Card</u>		
1/22/2019	Federal Express delivery charges for CDM Smith on Jan. 18, 2019	\$ 19.55
1/22/2019	Lunch for OC MET Managers' meeting	171.32
1/24/2019	12/24/18-1/23/19 Web hosting service for MWDOC website	15.65
1/24/2019	2 Toner cartridges	133.97
1/28/2019	Toner cartridge and drum unit	46.86
1/28/2019	Legislative Activities in Sacramento, CA from Feb. 6-7, 2019 - Airfare for H. Baez	462.97
1/28/2019	Legislative Activities in Sacramento, CA on Feb. 1, 2019 - Airfare for H. Baez	462.97
1/28/2019	State Water Board Workgroup meeting in Sacramento, CA on Feb. 1, 2019 - Airfare for J. Berg	462.97
1/29/2019	Federal Express delivery charges for L. Rosenberg and J. Barker on Jan. 25, 2019	48.42
1/29/2019	Computer supplies	51.94
1/30/2019	State Water Resource Control Board hearing in Sacramento, CA on Feb. 20, 2018 - Partial airfare refund for J. Berg	(180.01)
1/30/2019	Department of Water Resources workshop in Sacramento, CA on May 16, 2018 - Partial airfare refund for J. Berg	(248.98)
1/31/2019	Lunch for OC Emergency Management Organization exercise	280.70
1/31/2019	Breakfast for OC Emergency Management Organization exercise	201.00
1/31/2019	Orange County Business Council Sacramento Advocacy trip in Sacramento, CA from Mar. 18-19, 2019 - Registration for H. Baez	950.00
1/31/2019	Orange County Business Council Sacramento Advocacy trip in Sacramento, CA from Mar. 18-19, 2019 - Airfare for H. Baez	357.96
2/2/2019	2/01/19-2/28/19 E-mail service for California Sprinkler Adjustment Notification system	14.95
2/4/2019	ACWA Legislative Symposium in Sacramento, CA on Mar. 6, 2019 - Registration for H. Baez	270.00
2/4/2019	ACWA Legislative Symposium in Sacramento, CA on Mar. 6, 2019 - Registration cancellation fee for M. Baum Haley	50.00
2/4/2019	Lunch for Management Staff meeting	104.57
2/4/2019	Legislative Activities in Sacramento, CA from Feb. 6-7, 2019 - Airfare for M. Baum Haley	529.96
2/5/2019	California Irrigation Institute Annual conference in Sacramento, CA from Feb. 3-5, 2019 - Accommodations for R. Waite	280.90
2/6/2019	Legislative Activities in Sacramento, CA from Feb. 6-7, 2019 - Transportation for H. Baez and M. Baum Haley	39.50
2/6/2019	Carpet cleaning for MWDOC office	800.00
2/7/2019	Legislative Activities in Sacramento, CA from Feb. 6-7, 2019 - Meal for H. Baez and M. Baum Haley	29.88
2/7/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Registration for D. Micalizzi	425.00
2/7/2019	5 Year domain registration for ocwatersmarthomes.com	75.85
2/8/2019	Minute book for MWDOC Board meetings	140.43
2/8/2019	American Water Works Association California Nevada Section Spring conference in Sacramento, CA from Mar. 26-28, 2019 - Airfare for K. Hubbard	173.96

Cal Card Charges
Statement Date: February 22, 2019
Payment Date: March 15, 2019

Date	Description	Amount
<u>K. Seckel Card</u> (Continued)		
2/8/2019	1 Waste toner container	\$ 37.15
2/11/2019	Food for Staff development meeting	32.50
2/11/2019	American Water Works Association California Nevada Section Spring conference in Sacramento, CA from Mar. 26-28, 2019 - Registration for K. Hubbard	550.00
2/11/2019	Food for WEROC Quarterly meeting	29.08
2/11/2019	UPS delivery charges for Board packets on Feb. 8, 2019	20.01
2/11/2019	Legislative Activities in Sacramento, CA from Feb. 22, 2019 - Airfare for H. Baez	406.96
2/12/2019	Federal Express delivery charges for Best Best & Krieger on Feb. 8, 2019	18.77
2/12/2019	8 Thomas Guides for WEROC	201.19
2/13/2019	California Public Utilities Commission hearing in Sacramento, CA on Feb. 19, 2019 - Airfare for K. Hubbard	462.97
2/13/2019	ACWA Legislative Symposium in Sacramento, CA on Mar. 6, 2019 - Airfare for H. Baez	529.96
2/14/2019	Lunch for Management Staff meeting	203.09
2/14/2019	American Water Works Association California Nevada Section Spring conference in Sacramento, CA from Mar. 25-28, 2019 - Registration for J. Berg	545.00
2/14/2019	Brother laser printer with toner cartridge	233.78
2/15/2019	California Association of Public Information Officials conference in Newport Beach, CA from Apr. 8-11, 2019 - Conference registration for T. Baca and EPIC Awards Gala reservation for D. Micalizzi	615.00
2/15/2019	California Association of Public Information Officials conference in Newport Beach, CA from Apr. 8-11, 2019 - Registration for S. Wilson	480.00
2/15/2019	California Water Efficiency Partnership Peer to Peer event in Anaheim, CA from May 15-16, 2019 - Registration for J. Berg, R. Davis, B. Fahl, S. Hedges and R. Waite	1,334.25
2/15/2019	Computer supplies	37.25
2/16/2019	Federal Express delivery charges for Best Best & Krieger on Feb. 12, 2019	16.49
2/16/2019	Sheraton Hotel in Sacramento charged for canceled room	303.24
2/18/2019	UPS delivery charges for Board packets on Feb. 8, 2019	46.29
2/19/2019	Plumbing service for clogged sewer line on Dec. 6, 2018	364.00
2/20/2019	Federal Express delivery charges for Black & Veatch and Hazen and Sawyer on Feb. 18, 2019	38.01
2/20/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for M. Baum Haley	725.00
2/20/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for H. De La Torre	725.00
2/20/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for D. Micalizzi	725.00
2/20/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for H. Baez	725.00

Cal Card Charges
Statement Date: February 22, 2019
Payment Date: March 15, 2019

Date	Description	Amount
<u>K. Seckel Card</u> (Continued)		
2/20/2019	California Special Districts Association Best Practices in Agenda Preparation & Taking Minutes webinar - Registration for T. Dubuque	\$ 49.00
2/20/2019	California Special Districts Association Best Practices in Agenda Preparation & Taking Minutes webinar - Registration for K. Davanaugh	49.00
2/21/2019	Lunch for Managers' meeting	562.99
Total		<u>\$ 16,238.27</u>

1 Refund from Sheraton Hotel received on 3/7/19

Cal Card Charges
Statement Date: February 22, 2019
Payment Date: March 15, 2019

Date	Description	Amount
<u>R. Hunter Card</u>		
1/23/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Registration for Director Thomas	\$ 425.00
1/23/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Registration cancellation fee for Director Yoo Schneider	50.00
1/25/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Accommodations deposit for Director Thomas	188.26
1/25/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Accommodations deposit for Director Tamaribuchi	188.26
1/25/2019	Urban Water Institute's Spring Water conference in Palm Springs, CA from Feb. 27-Mar. 1, 2019 - Accommodations deposit for D. Micalizzi	188.26
1/28/2019	City of Buena Park State of the City lunch meeting in Buena Park, CA on Feb. 6, 2109 - Registration for Director Barbre	30.00
1/29/2018	Association of California Cities Orange County Washington DC Federal Advocacy trip in Washington, DC from Jan. 27-29, 2019 - Accommodations for Director Tamaribuchi	526.48
1/31/2019	Association of California Cities Orange County Washington DC Federal Advocacy trip in Washington, DC from Jan. 27-30, 2019 - Accommodations for Director Barbre	1,704.89 1
1/31/2019	Orange County Business Council Advocacy trip in Sacramento, CA from Mar. 18-19, 2019 - Airfare for Director Yoo Schneider	151.96
2/5/2019	Legislative activities in Sacramento, CA on Feb. 26, 2019 - Airfare for Director Tamaribuchi	256.97
2/12/2019	ACWA DC conference in Washington, DC from Feb. 26-28, 2019 - Airfare for Director Yoo Schneider	785.40 2
2/13/2019	ACWA DC conference in Washington, DC from Feb. 26-28, 2019 - Registration for Director Yoo Schneider	715.00
2/13/2019	California Environmental Dialogue Plenary meeting in Sacramento, CA on Mar. 21, 2019 - Airfare for Directory Yoo Schneider	209.96
2/14/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for Director Yoo Schneider	725.00
2/20/2019	ACWA Spring conference in Monterey, CA from May 7-10, 2019 - Registration for R. Hunter	725.00
2/20/2019	ACWA DC conference in Washington, DC from Feb. 26, 2019 - Airfare for R. Hunter	368.41
2/20/2019	Legislative activities in Sacramento, CA on Feb. 26, 2019 - Airfare for R. Hunter	197.99
2/20/2019	ACWA DC conference in Washington, DC from Feb. 28, 2019 - Airfare for R. Hunter	609.00
2/21/2019	Lunch for MET Directors' meeting	62.58
Total		<u>\$ 8,108.42</u>

- 1 Director Barbre reimbursed MWDOC \$842.39
- 2 Returned flight canceled, \$423.26 available for future flight

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

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
138780	3/15/19	WESTIN 84SC7003645	The Westin South Coast Plaza Balance for 2/21/19 Water Policy Dinner event facility	10,382.51
			***Total ***	10,382.51
			Total Core Disbursements	<u>10,382.51</u>
Choice Disbursements:				
			Total Choice Disbursements	<u>-</u>
Other Funds Disbursements:				
			Total Other Funds Disbursements	<u>-</u>
			Total Disbursements	<u><u>10,382.51</u></u>



Robert J. Hunter, General Manager



Hilary Chumplitazi, 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 03/31/19

	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)	\$ (243,188.18)	\$ (197,876.62)	\$ (254,280.52)	\$ (254,280.52)	\$ (254,280.52)	
REVENUES:													
BUREC	4,605.00	111.00		102,395.93			162,953.35		6,090.00				\$ 276,155.28
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		333.00				2,927.34
City of Fullerton													-
City of Garden Grove	598.99			40.00									-
City of Huntington Beach	222.00												638.99
City of La Habra	3,244.99	9,442.99		1,683.99	3,312.00	1,245.00	3,694.36	222.00	2,149.28				444.00
City of San Clemente													24,772.61
City of San Juan Capistrano													-
City of Santa Ana													-
City of Tustin													-
City of Newport Beach	444.00	3,343.80	913.75	1,980.57	173.85	2,314.05	91.45	94.75	162.00				7,986.62
City of Orange	333.00	539.00	555.00	1,134.10	666.00	428.00	111.00	111.00					3,204.70
City of Westminster													2,204.00
County of Orange	32,990.80												-
Department of Water Resources													32,990.80
East Orange County Water District		774.00		2,544.00	4,063.10	290.00	104.00	1,928.80	883.99				-
El Toro Water District	8,271.11	47,878.73		11,080.04	98,495.70	108,960.16	11,960.75	31,806.10	14,474.81				10,587.89
Irvine Ranch Water District		15.00				30.00		45.00	30.00				332,947.40
Laguna Beach County Water District	66.82	197.98	170.00	140.00		356.00			284.01				120.00
Mesa Water District		191,093.43				27,066.04	14,020.41	204,584.98					1,214.81
Metropolitan Water District	38,341.68	7,726.23	10,281.98	10,872.48	21,400.00	32,011.70	53,277.39		51,455.67				436,764.86
Moulton Niguel Water District													225,367.13
Orange County Water District													-
Santa Margarita Water District		605.76		18.98	100.00								-
Trabuco Canyon Water District		284.07							211.85				724.74
Yorba Linda Water District													495.92
Miscellaneous Revenues													
Miscellaneous	2,228.14			1,587.30									-
Interest Revenue	91,568.53	262,233.99	13,297.02	134,144.44	128,321.65	172,720.95	246,434.71	238,792.63	76,074.61	-	-	-	3,815.44
Total Revenues													\$ 1,363,584.53
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				24,769.89				189,716.87
Mission RCD		20,060.11	18,627.78	13,404.64	2,770.71	2,324.45	2,121.45	2,121.45	5,774.85				65,083.99
Multi Family HET Direct			4,800.00		75,975.00	100,275.00	81,300.00	127,420.00					388,770.00
Pollard Water		44,516.38			3,045.00			3,045.00					50,606.38
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	1,060.00	1,609.06				16,409.58
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	58,814.62	100,324.71				1,066,679.92
Water Savings Incentive Program							15,000.00						15,000.00
Miscellaneous Expenses													
Interest Expense							67.77						67.77
Salary & Benefit			5,563.51	1,700.00	1,785.00	1,275.00	2,040.00	1,020.00					13,383.51
Total Expenditures	\$ 98,045.58	\$ 128,401.17	\$ 249,792.05	\$ 234,068.51	\$ 466,316.75	\$ 137,376.53	\$ 257,946.85	\$ 193,481.07	\$ 132,478.51	\$ -	\$ -	\$ -	\$ 1,897,897.02
Cash - Ending Balance	\$ 273,554.92	\$ 407,387.74	\$ 170,892.71	\$ 70,974.64	\$ (267,020.46)	\$ (231,676.04)	\$ (243,188.18)	\$ (197,876.62)	\$ (254,280.52)	\$ (254,280.52)	\$ (254,280.52)	\$ (254,280.52)	



Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
February 28, 2019

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	22.97%
Grant & Project Cash Flow	1,500,000	10.31%
Election Expense	608,000	4.18%
Building Repair	385,408	2.65%
OPEB	297,147	2.04%
Total Designated Reserves	6,132,465	42.15%
General Fund	7,267,207	49.97%
Water Fund	1,106,309	7.60%
Conservation Fund	(197,877)	(1.36%)
Desalination Feasibility Study Fund	(145,268)	(1.00%)
WEROC Fund	355,384	2.44%
Trustee Activities	29,074	0.20%
Total	\$14,547,294	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.87%	\$126,175	\$126,175
Short-term investment			
• LAIF	50.45%	\$7,338,895	\$7,338,895
• OCIP	27.36%	3,979,829	3,979,829
Long-term investment			
• Corporate Bond	7.92%	1,152,395	1,132,945
• Certificates of Deposit	13.40%	1,950,000	1,946,065
Total	100.00%	\$14,547,294	\$14,523,909

The average number of days to maturity/call as of February 28, 2019 equaled 168 and the average yield to maturity is 2.347%. During the month, the District's average daily balance was \$19,244,217.99. Funds were invested in Federal Agency Issues, Certificates of Deposit, Negotiable CD's, Miscellaneous Securities, the Local Agency Investment Funds (LAIF) and the Orange County Investment Pool (OCIP) during the month of February 2019.

The (\$23,385) difference between the book value and the market value on February 28, 2019 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 Chompitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY


Portfolio Management - Portfolio Summary

February 28, 2019

2/28/2019	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	1,946,065.00	1,950,000.00	13.52	823	2.504
Corporate Bond	1,150,000.00	1,132,944.50	1,152,395.14	7.98	696	2.290
Local Agency Investment Funds	7,338,895.52	7,338,895.52	7,338,895.52	50.90	1	2.383
Orange County Investment Pool	3,979,828.56	3,979,828.56	3,979,828.56	27.60	1	2.221
Total Investments	14,418,724.08	14,397,733.58	14,421,119.22	100.00	168	2.347
Cash						
Cash	126,175.08	126,175.08	126,175.08		1	0.00
Total Cash and Investments	14,544,899.16	14,523,908.66	14,547,294.30		168	2.347

Total Earnings	Month Ending February	Fiscal Year to Date
Current Year	34,527.75	380,544.76
Average Daily Balance	19,244,217.99	
Effective Rate of Return	2.347%	

We certify that this report reflects the cash and investments of the Municipal Water District of Orange County and is in conformity with the Government Code requirements and the District Investment Policy and Guidelines in effect at the time of investment. The Investment Program herein shown provides sufficient cash flow liquidity to meet the next six month's estimated expenditure. The source for the market values are from Union Bank. Per Resolution 2059 there are no compliance exceptions to report.


Robert J. Hunter, General Manager

Date

4-1-19


Hilary Chumtipitzi, Treasurer

Date

4/1/2019

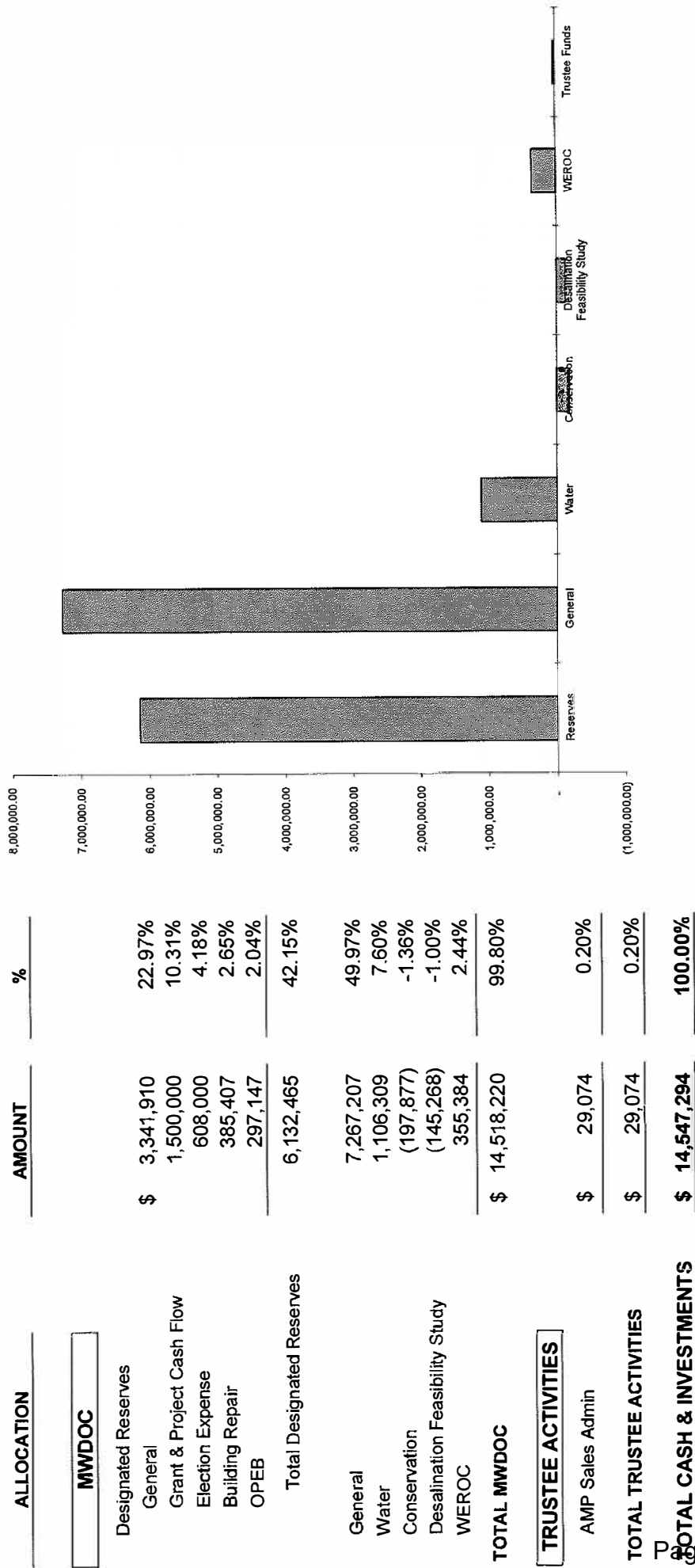
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
February 28, 2019

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	244,212.50	250,000.00	2.250	2.250	1,307	9/27/2022
Capital One Bank	14042E6C9	9/2/2015	250,000.00	249,650.00	250,000.00	1.950	1.950	187	9/3/2019
Comenity Capital	20033AU2	7/25/2017	200,000.00	196,520.00	200,000.00	2.000	2.000	869	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	252,705.00	250,000.00	3.300	3.300	1,608	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	253,210.00	250,000.00	3.350	3.350	1,622	8/8/2023
HSBC Bank	40434AK65	1/21/2016	250,000.00	250,932.50	250,000.00	3.250	2.534	143	1/21/2021
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	249,127.50	250,000.00	2.500	2.500	704	2/1/2021
Synchrony Bank	87164XBY1	7/25/2014	250,000.00	249,707.50	250,000.00	2.050	2.050	152	7/30/2019
Sub Total			1,950,000.00	1,946,065.00	1,950,000.00	2.596	2.504	823	
Corporate Bond									
JP Morgan Chase	46625HKA7	11/2/2015	500,000.00	497,345.00	500,418.98	2.250	2.152	298	1/23/2020
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	191,446.00	200,000.00	2.500	2.500	1,233	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	248,067.50	250,583.74	2.550	2.409	648	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	196,086.00	201,392.42	2.500	2.278	1,216	6/28/2022
Sub Total			1,150,000.00	1,132,944.50	1,152,395.14	2.402	2.290	696	
Total Investments			3,100,000.00	3,079,009.50	3,102,395.14	2.524	2.425	776	
Total Earnings									
Current Year		Month Ending February	5,862.50	Fiscal Year To Date	48,979.23				

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Short-Term Portfolio Details - Cash and Investments
February 28, 2019

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	7,338,895.52	7,338,895.52	7,338,895.52	2.383	2.383	1	N/A
Sub Total			7,338,895.52	7,338,895.52	7,338,895.52	2.383	2.383	1	
Orange County Investment Pool									
County of Orange LGIP	OCIP	6/29/2005	3,979,828.56	3,979,828.56	3,979,828.56	2.221	2.221	1	N/A
Sub Total			3,979,828.56	3,979,828.56	3,979,828.56	2.221	2.221	1	
Total Investments			11,318,724.08	11,318,724.08	11,318,724.08	2.326	2.326		
Cash									
Petty 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	125,675.08	125,675.08	125,675.08	0.000	0.000	1	N/A
Total Cash			126,175.08	126,175.08	126,175.08	0.000	0.000	1	
Total Cash and Investments			11,444,899.16	11,444,899.16	11,444,899.16	2.326	2.326	1	
Total Earnings									
Current Year		Month Ending February	28,665.25	Fiscal Year To Date	331,565.53				

**Municipal Water District of Orange County
Cash and Investments at February 28, 2019**



MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
2/1/2019 to 2/28/2019Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Beginning Balance as of 2/1/2019	Contributions	Earnings	Expenses	Distributions	Transfers	Ending Balance as of 2/28/2019
OPEB	\$2,088,214.55	\$0.00	\$34,038.28	\$435.04	\$0.00	\$0.00	\$2,121,817.79
PENSION	\$205,225.69	\$0.00	\$3,345.22	\$42.76	\$0.00	\$0.00	\$208,528.15
Totals	\$2,293,440.24	\$0.00	\$37,383.50	\$477.80	\$0.00	\$0.00	\$2,330,345.94

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	1.63%	2.80%	2.86%	8.68%	5.01%	-	10/26/2011
PENSION	1.63%	2.80%	-	-	-	-	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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2018 THRU FEBRUARY 28, 2019

**Municipal Water District of Orange County
Combined Balance Sheet
As of February 28, 2019**

<u>ASSETS</u>	Amount
Cash in Bank	126,175.08
Investments	14,421,119.22
Accounts Receivable	13,083,483.07
Accounts Receivable - Other	134,531.41
Accrued Interest Receivable	88,605.52
Prepays/Deposits	281,693.60
Leasehold Improvements	3,735,829.68
Furniture, Fixtures & Equipment	563,307.34
Less: Accum Depreciation	<u>(2,969,862.23)</u>
TOTAL ASSETS	<u><u>\$29,464,882.69</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	13,286,842.97
Accounts Payable - Other	404.76
Accrued Salaries and Benefits Payable	346,026.17
Other Liabilities	165,126.77
Unearned Revenue	<u>954,311.68</u>
Total Liabilities	<u>14,752,712.35</u>
 Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	<u>997,840.83</u>
Total Restricted Fund Balances	<u>997,840.83</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	<u>297,147.00</u>
Total Designated Reserves	<u>6,132,464.81</u>
General Fund	3,072,149.80
General Fund Capital	525,009.00
WEROC Capital	114,948.58
WEROC	<u>183,846.12</u>
Total Unrestricted Fund Balances	<u>10,028,418.31</u>
Excess Revenue over Expenditures	
Operating Fund	4,125,545.93
Other Funds	<u>(439,634.73)</u>
Total Fund Balance	<u>14,712,170.34</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>29,464,882.69</u></u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2018 thru February 2019

	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	0.00	499,012.00	499,012.00	100.00%	0.00	0.00
Water rate revenues	0.00	8,196,017.75	8,196,018.00	100.00%	0.00	0.25
Interest Revenue	33,157.55	365,505.66	390,000.00	93.72%	0.00	24,494.34
Subtotal	33,157.55	8,561,523.41	8,586,018.00	99.71%	0.00	24,494.59
Choice Programs	1,064.49	1,085,459.35	1,174,750.00	92.40%	0.00	89,290.65
Miscellaneous Income	656.35	3,866.42	3,000.00	128.88%	0.00	(866.42)
School Contracts	11,347.71	53,754.69	102,031.00	52.68%	0.00	48,276.31
Gain on Sale of Investments	0.00	3.61	0.00		0.00	(3.61)
Transfer-In From Reserve	0.00	0.00	5,276.00	0.00%	0.00	5,276.00
Subtotal	13,068.55	1,143,084.07	1,285,057.00	88.95%	0.00	141,972.93
TOTAL REVENUES	46,226.10	9,704,607.48	9,871,075.00	98.31%	0.00	166,467.52

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2018 thru February 2019

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	268,569.77	2,323,603.83	3,522,982.00	65.96%	0.00	1,199,378.17
Salaries & Wages - Grant Recovery	0.00	(3,837.94)	(6,300.00)	60.92%	0.00	(2,462.06)
Salaries & Wages - Recovery	(856.80)	(7,282.80)	0.00	0.00%	0.00	7,282.80
Director's Compensation	17,151.20	130,037.13	255,360.00	50.92%	0.00	125,322.87
MWD Representation	12,161.76	84,627.34	145,920.00	58.00%	0.00	61,292.66
Employee Benefits	85,554.62	712,900.15	1,108,564.00	64.31%	0.00	395,663.85
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	(163.20)	(1,387.20)	0.00	0.00%	0.00	1,387.20
Director's Benefits	8,378.00	60,567.73	94,767.00	63.91%	0.00	34,199.27
Health Insurance for Retirees	4,044.74	41,548.53	70,519.00	58.92%	0.00	28,970.47
Training Expense	306.95	6,730.23	25,000.00	26.92%	0.00	18,269.77
Tuition Reimbursement	0.00	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	395,147.04	3,556,487.71	5,433,812.00	65.45%	0.00	1,877,324.29
Engineering Expense	14,567.76	225,314.49	330,000.00	68.28%	139,111.91	(34,426.40)
Legal Expense	2,460.00	105,810.19	255,000.00	41.49%	149,189.81	0.00
Audit Expense	0.00	19,380.00	29,000.00	66.83%	0.00	9,620.00
Professional Services	88,750.15	593,453.18	1,430,758.00	41.48%	584,834.89	252,469.93
Professional Fees	105,777.91	943,957.86	2,044,758.00	46.16%	873,136.61	227,663.53
Conference-Staff	8,294.25	20,731.06	42,880.00	48.35%	0.00	22,148.94
Conference-Directors	2,695.00	10,976.81	24,930.00	44.03%	0.00	13,953.19
Travel & Accom.-Staff	5,879.48	32,127.12	99,600.00	32.26%	0.00	67,472.88
Travel & Accom.-Directors	3,201.64	19,517.13	51,750.00	37.71%	0.00	32,232.87
Travel & Conference	20,070.37	83,352.12	219,160.00	38.03%	0.00	135,807.88
Membership/Sponsorship	13,391.44	131,873.80	141,662.00	93.09%	0.00	9,788.20
CDR Support	0.00	35,283.21	47,044.00	75.00%	11,761.05	(0.26)
Dues & Memberships	13,391.44	167,157.01	188,706.00	88.58%	11,761.05	9,787.94
Business Expense	78.23	1,921.25	5,600.00	34.31%	0.00	3,678.75
Maintenance Office	9,609.02	66,484.00	132,796.00	50.06%	64,782.16	1,529.84
Building Repair & Maintenance	1,404.71	8,166.78	20,000.00	40.83%	13,874.06	(2,040.84)
Storage Rental & Equipment Lease	209.70	1,675.50	3,460.00	48.42%	784.50	1,000.00
Office Supplies	1,753.84	17,609.25	36,000.00	48.91%	1,878.42	16,512.33
Postage/Mail Delivery	861.85	6,610.07	9,000.00	73.45%	1,969.10	420.83
Subscriptions & Books	0.00	375.65	1,500.00	25.04%	0.00	1,124.35
Reproduction Expense	1,469.33	7,437.79	33,073.00	22.49%	1,651.66	23,983.55
Maintenance-Computers	329.00	3,131.54	8,000.00	39.14%	1,250.94	3,617.52
Software Purchase	0.00	30,946.90	45,861.00	67.48%	0.00	14,914.10
Software Support	1,559.11	28,799.96	51,934.00	55.45%	1,200.00	21,934.04
Computers and Equipment	0.00	9,041.24	11,850.00	76.30%	0.00	2,808.76
Automotive Expense	2,188.43	13,684.67	17,262.00	79.28%	0.00	3,577.33
Toll Road Charges	105.09	688.91	1,000.00	68.89%	0.00	311.09
Insurance Expense	8,787.18	72,377.91	138,500.00	52.26%	0.00	66,122.09
Utilities - Telephone	1,961.03	15,063.93	20,178.00	74.66%	559.29	4,554.78
Bank Fees	0.00	4,079.87	21,225.00	19.22%	0.00	17,145.13
Miscellaneous Expense	7,386.30	54,480.19	119,205.00	45.70%	84.89	64,639.92
MWDOC's Contrb. to WEROC	15,948.33	153,074.68	216,868.00	70.58%	0.00	63,793.32
Depreciation Expense	2,822.33	22,578.68	0.00	0.00%	0.00	(22,578.68)
Other Expenses	56,473.48	518,228.77	893,312.00	58.01%	88,035.02	287,048.21
Election Expense	196,135.57	196,135.57	304,000.00	64.52%	0.00	107,864.43
Building Expense	23,800.00	100,228.08	531,827.00	18.85%	150,857.33	280,741.59
Capital Acquisition	0.00	13,514.43	255,500.00	5.29%	20,037.72	221,947.85
TOTAL EXPENSES	810,795.81	5,579,061.55	9,871,075.00	56.52%	1,143,827.73	3,148,185.72
NET INCOME (LOSS)	(764,569.71)	4,125,545.93	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July 2018 thru February 2019

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	3,568,510.70	101,845,330.00	188,976,940.00	53.89%	87,131,610.00
Readiness to Serve Charge	839,273.57	7,098,110.02	10,902,178.00	65.11%	3,804,067.98
Capacity Charge CCF	299,996.67	2,527,478.34	3,854,976.00	65.56%	1,327,497.66
SCP/SAC Pipeline Surcharge	18,416.23	225,577.00	365,000.00	61.80%	139,423.00
Interest	1,842.81	13,938.30	13,000.00	107.22%	(938.30)
TOTAL WATER REVENUES	4,728,039.98	111,710,433.66	204,112,094.00	54.73%	92,401,660.34
<u>WATER PURCHASES</u>					
Water Sales	3,568,510.70	101,845,330.00	188,976,940.00	53.89%	87,131,610.00
Readiness to Serve Charge	839,273.57	7,098,110.02	10,902,178.00	65.11%	3,804,067.98
Capacity Charge CCF	299,996.67	2,527,478.34	3,854,976.00	65.56%	1,327,497.66
SCP/SAC Pipeline Surcharge	18,416.23	225,577.00	365,000.00	61.80%	139,423.00
TOTAL WATER PURCHASES	4,726,197.17	111,696,495.36	204,099,094.00	54.73%	92,402,598.64
EXCESS OF REVENUE OVER EXPENDITURES	1,842.81	13,938.30	13,000.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July 2018 thru February 2019

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	16,605.06	128,540.00	12.92%
Expenses	<u>18,354.34</u>	<u>128,540.00</u>	14.28%
Excess of Revenues over Expenditures	(1,749.28)	0.00	
Member Agency Administered Passthru			
Revenues	408,570.00	100,000.00	408.57%
Expenses	<u>408,570.00</u>	<u>100,000.00</u>	408.57%
Excess of Revenues over Expenditures	0.00	0.00	
ULFT Rebate Program			
Revenues	12,848.34	43,500.00	29.54%
Expenses	<u>12,848.34</u>	<u>43,500.00</u>	29.54%
Excess of Revenues over Expenditures	0.00	0.00	
HECW Rebate Program			
Revenues	167,117.54	425,000.00	39.32%
Expenses	<u>167,332.77</u>	<u>425,000.00</u>	39.37%
Excess of Revenues over Expenditures	(215.23)	0.00	
CII Rebate Program			
Revenues	110,097.21	462,500.00	23.80%
Expenses	<u>109,980.00</u>	<u>462,500.00</u>	23.78%
Excess of Revenues over Expenditures	117.21	0.00	
Turf Removal Program			
Revenues	471,608.69	1,345,000.00	35.06%
Expenses	<u>989,116.57</u>	<u>1,345,000.00</u>	73.54%
Excess of Revenues over Expenditures	(517,507.88)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	73,187.76	366,840.00	19.95%
Expenses	<u>99,959.96</u>	<u>366,840.00</u>	27.25%
Excess of Revenues over Expenditures	(26,772.20)	0.00	
Large Landscape Survey Program			
Revenues	1,499.36	64,000.00	2.34%
Expenses	<u>8,824.69</u>	<u>64,000.00</u>	13.79%
Excess of Revenues over Expenditures	(7,325.33)	0.00	
WSIP - Industrial Program			
Revenues	0.00	36,755.00	0.00%
Expenses	<u>15,000.00</u>	<u>36,755.00</u>	40.81%
Excess of Revenues over Expenditures	(15,000.00)	0.00	
WUE Projects			
Revenues	1,261,533.96	2,972,135.00	42.45%
Expenses	<u>1,829,986.67</u>	<u>2,972,135.00</u>	61.57%
Excess of Revenues over Expenditures	(568,452.71)	0.00	
WEROC			
Revenues	344,454.68	489,160.00	70.42%
Expenses	<u>236,978.94</u>	<u>489,160.00</u>	48.45%
Excess of Revenues over Expenditures	107,475.74	0.00	



ACTION ITEM
April 17, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: AMENDMENTS TO ADMINISTRATIVE CODE

STAFF RECOMMENDATION

That the Administration and Finance Committee recommend to the Board of Directors revisions to Section 2201 (Level of Expenses and Expense Reimbursement Rates), and adding Section 1406 (Incompatible Offices) to the Administrative Code.

COMMITTEE RECOMMENDATION

At a previous Administration and Finance Committee meeting, the Committee concurred with the change to Section 2201, however held discussion on the Incompatible Office addition. Committee requested staff confer with Legal Counsel to determine whether the incompatible office provision could or should extend to agencies outside of MWDOC's service area (e.g., other MET member agencies). Legal Counsel conducted additional analysis and is recommending the below revised language. The item was on the March 20, 2019 Board meeting agenda and at that time the Board agreed to discuss it further in Committee.

SUMMARY

Staff periodically reviews the Administrative Code for potential updates and Sections are submitted to the Board for suggested revisions. As a result, the following revisions/additions are recommended.

Section 2201 is located in Chapter 2, Business Expense and Credit Card Policy. Staff recommends the word "lodging" be added to Subsection c, as follows:

"§2201 LEVEL OF EXPENSES AND EXPENSE REIMBURSEMENT RATES

Expenditures for lodging, meals, and transportation should provide for reasonable comfort and convenience. It should be borne in mind, however, that public funds are

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

being spent and that only a reasonable level of expense is warranted. MWDOC shall not incur any costs for a spouse, or other accompanying person. The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for travel expenses are subject to the following limits:

- (a) Lodging shall be obtained at government group rates, when available. For conferences and organized educational activities, lodging costs shall not exceed the maximum group rate published by the sponsor of the conference or activity. If there is no government or group rate available, then lodging expenditures will be subject to the limitations of Section 2201 (c).
 - (b) Transportation costs and costs associated with transportation shall be reimbursed according to the requirements of Section 2203.
 - (c) Reimbursement to directors for meals, lodging, and other reasonable and necessary incidental expenses (excluding costs described in Section 2201 (a) or 2201 (b) above, shall not exceed \$700 per day.
 - (d) The maximum reimbursement amount in Section 2201(c) shall increase by 5% COLA each year on January 1, commencing January 1, 2016."
-

Following discussion with the Executive Committee, it was recommended that a Section be added to the Administrative Code related to Incompatible Offices. The purpose of adding this section is to make it clear that the office of MWDOC Director is incompatible with "public offices" of Member Agencies. Administrative Code Section 1500(A)(5) already states that the office of MWDOC MET Director is incompatible with "public offices" of Member Agencies and the proposed addition is consistent with such. Adding Section 1406 will make the incompatibility of offices very clear to the public so there is no confusion and will require MWDOC to take action to enforce any violations. Upon conferring with legal counsel, it is recommended the following Section be added to the Code.

§1406 INCOMPATIBLE OFFICES

Consistent with Government Code Section 1099, the public office of Member of the MWDOC Board of Directors is incompatible as a matter of law with the public offices of Director, City Council Member, Mayor, General Manager, or City Manager of a MWDOC Member Agency, or any other office in which that person serves as the principal executive of a MWDOC Member Agency. If a person is elected to the MWDOC Board of Directors and holds one of the incompatible offices described above, as provided in Government Code Section 1099, upon taking office as a MWDOC Director the person shall by law forfeit the previously held public office. If a person continues in the previous office after taking office as a MWDOC Director, MWDOC shall inform the Attorney General's office and take any appropriate legal steps to enforce Government Code Section 1099.

§1400 DIRECTORS' COMPENSATION

~~The amount of compensation to be received by Directors shall be pursuant to Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the Board may increase its compensation only to the maximum allowed for one year with no catch-up provision. Members of the Board shall be compensated in line with the most recently adopted Ordinance on Board compensation, in compliance with any compensation increase permitted by State law (Water Code § 20200 et seq.), as may be amended from time to time.~~ Members of the Board shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206 of this Code. The Compensation Vouchers shall be approved by the Board President. In the absence of the Board President, any member of the Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers.

So that they may devote as much time as is necessary or beneficial to the full performance of their roles, such compensation shall be paid for each day's attendance at meetings of the Board, its Committees, and other functions deemed necessary and approved or ratified by the Board. Attendance at all meetings/conferences require Board approval or ratification except those meetings outlined in Section 1403 (meetings that do not require prior Board approval or ratification). The maximum number of days for which a Director may receive compensation shall not exceed ten in any calendar month.

R724 - 7/23/75; R1242 - 10/24/84; Ord. 33 - 1/22/86; Ord. 38 - 3/7/90; Ord. 40 - 12/9/92; R1472 - 12/9/92; R1504 - 2/16/94; R1524 - 12/21/94; 11/15/95; R1552 - 1/17/96; R1572 - 12/18/96; Motion - 9/16/98; Motion - 6/16/99; Ord. 47- 4/18/01; Motion - 8/15/01; Motion - 9/19/01; Motion - 4/16/03; M-6/17/15; Ord. - 4/17/19

§1502 MET DIRECTORS' COMPENSATION

~~The amount of compensation to be received by MET Directors shall be pursuant identical to that set forth for MWDOC Board Members in to Section 1400 of this Code. Water Code Sections 71255, 71256, 20201, and 20202 and may be automatically increased annually (in January) pursuant to Ordinance No. 47 by the maximum allowed by statute (5%) (no Board action is necessary). To suspend any increase or to reduce compensation for a designated calendar year, a Board Resolution is required. When suspension or reduction expires, the MWDOC Board may increase the compensation only to the maximum allowed for one year with no catch-up provision.~~ MET Directors shall submit a Compensation Voucher complying with the submittal timelines described under Section 2206. The Compensation Vouchers shall be approved by the MWDOC Board President. In the absence of the MWDOC Board President, any member of the MWDOC Executive Committee or Administration & Finance Committee may approve the Compensation Vouchers. The maximum number of days for which a MET Director may receive compensation shall not exceed 10 in any calendar month in addition to any days for which the MET Director may be compensated as a MWDOC Director.

Ord. 38 - 3/7/90; Ord 40 - 12/9/92; R1472 - 12/9/92; 11/15/95; R1552 - 1/17/96; R1572 - 12/18/96; R1596 - 12/17/97; Ord. 47- 4/18/01

ORDINANCE NO. XX

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMPENSATION OF DIRECTORS

WHEREAS, the Board of Directors has previously adopted Ordinance No. 47 governing the compensation to be paid to members of the Board of Directors of the Municipal Water District of Orange County, and to those members of the Board of Directors of the Metropolitan Water District of Southern California representing the Municipal Water District of Orange County (collectively referred to as the “MWDOC Board of Directors”) , in accordance with Chapter 2 of Division 10 of the Water Code of the State of California (Water Code § 20200 et seq.); and

WHEREAS, by law, the compensation to be paid to the MWDOC Board of Directors may be increased annually by ordinance, with an increase that may not exceed five percent (5%); and

WHEREAS, the MWDOC Board of Directors believe that the duties carried out by MWDOC’s officers and employees (collectively referred to as “MWDOC staff”) are critical to the high functioning of the agency, and that the MWDOC Board of Directors should not be entitled to any compensation increase that exceeds that of MWDOC staff in any given, budgetary year; and

WHEREAS, it is the intent of the MWDOC Board of Directors that any annual compensation increase to the MWDOC Board of Directors permitted under State law shall not exceed the compensation increase awarded to MWDOC staff for any given year, as described and adopted in MWDOC’s annual budget; and

WHEREAS, the MWDOC Board of Directors now desires to amend its policy regarding compensation of MWDOC Board of Directors.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Municipal Water District of Orange County as follows:

Section 1. That Ordinance No. 47 is hereby superseded and repealed effective upon the adoption of this Ordinance.

Section 2. The MWDOC Board of Directors shall receive a 5% compensation increase above its existing compensation on the effective date of this Ordinance, unless MWDOC staff receives less than a 5% increase as adopted in MWDOC’s annual budget, in which instance, the MWDOC Board of Directors shall receive the same increase, if any, that MWDOC staff receives.

Section 3. Any future MWDOC Board of Directors compensation increase will be enacted only by ordinance and following a public hearing.

Section 4. Severability. If any section, subsection, subdivision, sentence, clause, or phrase of this Ordinance, or any part thereof is for any reason held to be unconstitutional, such decisions shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The MWDOC Board of Directors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional.

Section 5. CEQA Exemption. The MWDOC Board of Directors finds that adoption of this Ordinance is exempt from the California Environmental Quality Act (“CEQA”) pursuant to Section 15358 (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly. Moreover, the MWDOC Board of Directors finds that this Ordinance is also exempt under CEQA pursuant to Guidelines Section 15061(b)(3) (there exists no possibility that the activity will have a significant adverse effect on the environment) because this Ordinance will not cause a change in any of the physical conditions within the area affected by the Ordinance.

Section 6. Effective Date. Any MWDOC Board of Directors compensation increase contemplated by this Ordinance will take effect January 1, 2020.

Said Ordinance was adopted, on roll call, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

I hereby certify that the foregoing is a true and correct copy of Ordinance No. XX adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on _____, 2019.

MARIBETH GOLDSBY, Secretary
Municipal Water District of Orange County



DISCUSSION ITEM

April 10, 2019

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

FROM: Robert Hunter, General Manager

Staff Contact: Hilary Chumpitazi

SUBJECT: FY 2019-20 Third Draft Budget

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the third draft of MWDOC's budget for FY 2019-20. This meeting is the last opportunity for comments before the budget goes to the Board of Directors on April 17, 2019 for final approval.

Pertinent aspects of the third draft budget include:

1. The third 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 \$130,236 to \$629,248.
2. The third draft has a budget total of \$260,065,952 (revenue) and a consolidated general fund budget of \$10,883,612 (revenue).
3. The total revenue amount for the Core budget is \$9,101,178, an increase of \$512,160 or 6.0% over the current year's budget. \$190,000 (37%) of this increase is derived from increased interest revenue.
4. The proposed third draft budget includes a planned reserves draw of \$191,093. Reserves will be essentially 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.

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

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.
9. Building improvement expenses increase substantially by \$304,004 (57.2%) to a net of \$835,831 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 \$537,988 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 this year's projected 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 third 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 and water use efficiency.
- 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;
- D. There are six 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 (IABC)
 - d. Urban Water Institute (UWI)
 - e. California Utilities Emergency Association
 - f. National Endangered Species Act Reform Coalition (NESCRC)

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

There have been few changes from the second to the third draft budget. The proposed Choice expenses and revenues have not changed. Proposed Core expenses have decreased by \$28,762 and Core revenues have decreased by \$1,106.

Changes include:

- The estimate for staff Travel (Exhibit E) has decreased by \$12,920 while Registrations has increased by \$661 for a net decrease of \$12,259. The largest component of this adjustment was the reduction for travel to Sacramento for the additional FTE in the MET Issues & Water Policy Department (technical advocacy). Additional costs were reduced by the correction of the two ACC-OC advocacy trips to Sacramento.
- The estimate for Board Travel (Exhibit F) has decreased by \$12,748 while Registrations has increased by \$2,363 for a net decrease of \$10,385. The largest component of this adjustment was the correction of hotel costs that were also included in the registration fees.
- Exhibit G was corrected for the Travel and Registration adjustments with the largest change to the ACC-OC costs.
- Updated information reduced the expenses in the Employee Benefits category by \$3,318.
- The Groundwater Customer Charge was reduced by \$999 as a result of the expense reductions.
- The planned draw on reserves decreased by \$24,964 to \$191,093, only \$4,326 more than the target draw down.

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 produce an increase of \$697,976 (8.1%).

- The largest Y-T-Y Core expense increase (\$722,305) 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 (\$304,004) 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 with the new option of a Middle 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 a 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. The first and second draft budgets were presented at the February 13 and March 13 A&F Committee meetings. This current document is the third draft budget. 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 \$186,731 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 \$186,731 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 third draft budget has a draw on reserves of \$191,093; very slightly in excess of the \$186,731 draw down target. The additional reserves draw of \$4,362 is well within the error level of the budget projections and actual performance.

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.

Employee-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 for their position. 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 $1.85 \times \text{CPI}$ 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 $1.85 \times \text{CPI}$ formula to the 3.8% CPI yields a compensation pool of 7.03%, which was rounded to 7.0% for the third draft budget. This is in-line with the comparative information we have at this point.

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.

The first draft budget was presented at the February 13, 2019 A&F Committee meeting and discussed at the MWDOC Member Agency Managers Meeting on February 21, 2019. A budget presentation was made to the Santa Margarita Water District Board of Directors on March 6, 2019.

The second draft budget was presented at the March 13, 2019 A&F Committee meeting and a presentation was made to the Mesa Water Board of Directors on March 14, 2019. The second draft was also discussed at the March 21st Member Agency Managers meeting.

The third draft budget was one of the presentations for the Elected Officials Forum on April 4, 2019.

Comment letters have been received by three Member Agencies: Irvine Ranch Water District, Orange County Water District and Moulton Niguel Water District. Their comments, and many from the Member Agency Manager meetings, have focused on four issues:

- WUE Policy Staff Addition (0.5 FTE)
 - The consensus opinion was that this 0.5 FTE was more appropriate as a Choice expense rather than its current treatment as a Core expense. MWDOC staff's rational for the Core status is that it is a policy position and not an operation position.
- MET Cost Center Staff Addition (1.0 FTE)
 - The consensus opinion was that there was not a reasonable justification for this position to focus on the technical aspects of the Bay-Delta and that the duties for this additional staff position were not defined well enough to approve.
- Travel Expense
 - OCWD stated that the draft budget includes more than \$250,000 in travel expenses that MWDOC should scrutinize the travel budget before final adoption. The MWDOC Board has devoted considerable attention to the travel and registration budgets for both staff (Exhibit E) and directors (Exhibit F). The combined travel is \$162,050 and the combined registration fees are \$72,747.
- OCWD Groundwater Charge Increase
 - OCWD stated in their comment letter that they "have serious concerns regarding the validity and appropriateness of any rate formula that results in a 26% increase" and they requested that MWDOC reconsider how the groundwater charge is calculated before final adoption of the rate. MWDOC agrees that a 26% increase is substantial. However, we also observe that OCWD's water purchase increased by 142%. The

current rate structure was developed as part of a 2016 rate study in which OCWD was an active participant. MWDOC firmly believes that not only is the rate structure valid but that it is equitable.

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

MWDOC was formed in 1951 to serve the majority of Orange County as its MET member agency representative and make imported water available within Orange County. In 2019, this remains the MWDOC's primary purpose. Although this purpose has taken various forms and has evolved over the decades, the emphasis continues to be MET representation and advocacy on behalf of the retail water districts, to provide water reliability, and to provide value to the residents and ratepayers in Orange County.

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)

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.

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 one 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 leads the District on MET issues & policy as well as water supply and demand program coordination and analysis. Over the years, this department has also become the primary clearinghouse on local, regional, state, and federal water policy issues. It ensures all key policy issues are analyzed and thoroughly evaluated for our member agencies, the MWDOC Board of Directors, and the MWDOC-MET Delegation.

As it relates to MET issues, the Department represents and advocate for Orange County on local resource projects and programs, water costs and rates, regional storage, water supply reliability management, demand management programs, water use efficiency program and water policy implementation.

The Department also provides analysis and advocacy for Orange County on water policy issues that extend beyond the scope of MET. Broader water policy issues such as the State-wide water conservation regulations (such as the “stress-test”), improved Bay-Delta conveyance, additional regional storage, and effective Colorado River demand management measures are just some of the policy issues we cover.

With a Department comprised of four FTE, our routine functions include:

- Support for the MWDOC-MET Delegation in promoting Orange County objectives
- To act as the District’s liaison for MET information and water policy issues
- Collaborate with MET staff on the development and management of programs and policies
- Collaborate with other fellow MET member agencies on MET water policy issues
- Support and advocate on behalf of our member agencies for issues such as Local Resources Program (LRP) applications and certifications, shutdown coordination, and MET water use programs (e.g., Coastal Pumping and Transfer Program)
- Coordinate and monitor water supply management projects and programs such as replenishment deliveries (e.g., Conjunctive Use Program (CUP) and In-lieu programs) and MET & MWDOC’s Water Supply Allocation Plan for times of drought
- Develop countywide water supply and demand projections
- Develop Water Reliability Studies and Reports (e.g., Urban Water Management Plan and water shortage contingency “Stress-Tests”)
- Assess and calculate MWDOC’s annual water rates and charges (e.g., Readiness to Serve, Capacity Charge, and Groundwater Service Charge)

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 rules and regulations, and public outreach efforts. For example, Bay-Delta issues continue to grow in its complexity and importance as the WaterFix is being debated from a twin tunnel to a single tunnel project, and this requires coordination and interaction with all of the departments at MWDOC to understand and promote the benefits of an improved Bay-Delta conveyance system.

The Department also provides critical involvement with WEROC in relation to MET and MWDOC member agency's emergency planning and operations. All staff members in the Department plays an essential role in the emergency operation center (EOC) to aid the County during a disaster.

Beyond the regular functions and support listed above, there are particular issues and/or key initiatives that call for attention this coming year. They include the following:

- Continue to work closely with MET on supporting and advocating the design and construction of the California WaterFix and EcoRestore
- Continue to monitor the activities of the Colorado River and the implementation of Drought Management initiatives among the Lower Basin States (i.e., Lower Basin Drought Contingency Plan)
- Be actively involved in developing the upcoming MET Biennial Budget and proposed Rates and Charges for FY 2020/21 and FY2021/22
- Be an active participate in the progression of the Carson Regional Recycled Water Program and its policy as well as cost impacts to Orange County and Southern California.
- Through the utilization of the Orange County Reliability Study, be engaged in the development of MET's 2020 Integrated Water Resources Plan (IRP); and any policy implementation and water management directions that may come out of this process.
- Protect MWDOC and local agency interests in MET via continued participation in the series of San Diego County Water Authority (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).
- Continue to explore the cost-benefits for dry-year storage opportunities for Orange County
- Promote 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.
- Address the following issues OCWD has asked MWDOC to work on at MET: (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 CUP storage agreement; and
(4) obtain MET's approval to pump potable water into MET pipeline facilities.

Staffing to the department will increase by one FTE in order to address the increased work load across all these issues and interactions with regulators, Member Agencies, community leaders and MWDOC internal staff.

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.

Staffing to the department is proposed to increase by one-half FTE core position in order to address the increased policy requirements for multiple WUE issues.

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 currently 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.

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 preparedness efforts, and a resource during emergencies to ensure representation 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 8 most common languages in Orange County. Significant work continues on advocacy for the water and wastewater sector, especially 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 for 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 as well. 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, as well as 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, community 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 and a Girl Scouts Patch program to further reach Orange County youth with water resources, conservation, and careers messaging.

The MWDOC's Public Affairs team 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. The MWDOC Public Affairs team also produces special events such as the annual OC Water

Summit and MWDOC Water Policy Dinners, and is responsible for the MWDOC/Metropolitan 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. Additionally, with newly elected Governor Gavin Newsom declaring in his inaugural State of the State Address with every intention of driving a tax on drinking water, the MWDOC Board has united with partners such as ACWA and EMWD to advocate for alternative solutions to fund and provide safe drinking water to areas in the state that suffer from noncompliant water systems. The new Governor also stated that he was going to pursue a scaled down version of the California WaterFix, favoring one tunnel, which presents a new layer of uncertainty about the fate of the project and the project specifications should it move forward. With an established voice and growing audiences, MWDOC's Strategic Communications Program & Plan offers the following initiatives for FY2019-20:

- 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. Additionally, MWDOC will create outreach materials supporting SB 669 (Caballero) - Safe Drinking Water Trust and SB 414 (Caballero), The Small System Water Authority Act of 2019. These materials will be presented through a MWDOC Media/Tool Kit, allowing Member Agencies to insert their names and logos and use in their various forms of outreach.
- Working closely with Engineering and the Metropolitan Program Departments, Public Affairs will develop messaging that will continue to focus on the WaterFix and EcoRestore and provide consistent messaging about the need to finish the State Water Project with the full twin-tunnel WaterFix. In the event that the administration is reluctant to consider two tunnels, messaging and outreach will be adjusted to articulate the need for a single tunnel to be a minimum of 6,000 CFS.
- Underscore the agency's role as the primary resource and water reliability 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 public outreach through the MWDOC 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 valuable resources are extremely well received by Member Agencies and assist them in providing messaging to their customers while ensuring continuity in messaging for the region.
- As part of its multi-faceted public education effort, MWDOC sponsors the Boy Scout's Soil & Water Conservation Merit Badge and offers the MWDOC 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)

The MWDOC Governmental Affairs Department works within the local, state and national levels in cooperation with our Member Agencies, local and regional partners (e.g., the cities of Anaheim, Fullerton, and Santa Ana; 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.

The Governmental Affairs Department engages local, state, and federal advocates to track, monitor and assist in education outreach of MWDOC's legislative priorities. The Department will focus efforts on the following issues in concurrence with the 2019 Legislative Priorities recently adopted by the MWDOC Board. Key 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 projects continue 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
- Advocate for cost effective reliability and local resources projects that benefit Orange County

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.

Locally, during FY2019-20 there will be a particular focus 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.

In addition, the MWDOC Grant Assistance Program continues to be an asset for MWDOC and the MWDOC member agencies, providing helpful information and tools to obtain funding for various programs and infrastructure.

Key Initiatives to Help Achieve Legislative Priorities in Fiscal Year 2019-20

- Outreach and education to newly elected legislators, returning legislators, staff and new/returning members of key policy committees.
 - In Washington D.C., this will include outreach and education on MWDOC issues to the four newly elected members and staff of Orange County's congressional delegation.
 - In Sacramento, MWDOC has new representation in the 74th Assembly District and 34th Senate District. MWDOC staff along with our federal and state advocates, will engage with both the Sacramento and the local district offices.
 - Working with the new administration may take many forms, including: utilizing the existing relationships of our lobbyists and developing new ones, participating in administration briefings in Sacramento, and scheduling meet and greet meetings with new administrative appointees.
 - At the county level, the same efforts listed above will be coordinated with members of the MWDOC Board and the newly elected Supervisors.
 - In addition to new members in Orange County, there will also be changes in committee membership at both the federal and state level that will require attention, with water policy committees being the most significant.
- Actively engage on all issues, legislative and regulatory, that will affect the California WaterFix and EcoRestore project.
 - Over the past three years, significant outreach and education has been done by the MWDOC Board, staff and MWDOC's federal advocate, Jim Barker, to Orange County's congressional delegation on the importance of the WaterFix project to our region. These efforts will continue with the newly elected members of the Orange County delegation, key committee staff, and others.
 - On the state side, BB&K and MWDOC staff have worked successfully to elevate MWDOC's overall reputation as an opinion leader on water policy. Governor Newsom, during his State of the State speech in February, made it clear that he does not support two tunnels, which makes advocacy on Bay/Delta issues even more critical. MWDOC has been heavily involved with helping to advance the WaterFix project and the need will be even greater moving forward.
 - Action items include expanding MWDOC's WaterFix focus to include more engagement with state agencies including, but not limited to, the State Water Resources Control Board (SWRCB) and the Delta Stewardship Council. Efforts at the State Capitol will continue with the Newsom Administration, members of the Orange County delegation, and member of key policy committees. Additionally, we plan to be included in a broader range of issues

such as State Water Project governance and the San Joaquin River regulatory process.

- Actively engage in the safe and affordable drinking water program(s) working proposals (i.e., the “water tax”, non-compliant water systems, and the Low Income Rate Assistance program).
 - MWDOC has been a key figure in the lobbying efforts in relating to “water-tax” opposition. Action items include district and Sacramento office meetings with members of Orange County’s delegation, key members of policy committees, and continuing to work with other stakeholders, and comprehensive education and outreach.
 - Further action items center on non-compliant water systems and the Board’s direction to develop new information on the scope of the issue. Staff will continue to pursue an alliance with the California Urban Water Agencies and the California Municipal Utilities Association, to assist in the generation of supportive materials for a viable and long-term solution to improve drinking water quality in areas of the state with chronically non-compliant water systems that lack safe water supplies.
 - The Low Income Rate Assistance Program (LIRA) for low-income residents statewide was largely shelved in 2018 by the administration in an attempt to keep attention on the tax on water, in all of its various incarnations. Having now missed statutory deadlines for the SWRCB to issue a written report to the Legislature on what LIRA program for water should entail, efforts could be renewed. Fortunately, the MWDOC staff is already an ongoing participant in the regulatory process. Action items for FY2019-20 may include briefing and rallying legislators should SWRCB pursue ineffective policies for advancing a LIRA program and building coalitions to oppose or support specific proposal by agency staff.
- Advocate for Cost Effective Local Resource Projects.
 - For the past few months in Washington D.C., there has been serious discussions about the return of congressional “earmarks” – a line-item appropriation for specific projects. While it has become clear in recent weeks that earmarks are unlikely to return this year, we will continue to monitor closely as it could be beneficial to the development of local projects, such as storage and desalination projects in Orange County.
 - In FY2018-19 we saw the first funds allocated from the 2014 water bond (Prop 1) by the Water Commission for the Temperance Flat and Sites reservoirs, and for desalination; but since then little actual progress has been made on either front. However, with funds finally starting to move, FY2019-20 may be seen as a year of opportunity where we can advocate for funding for key Orange County projects.

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 is currently out for bid. 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 2019-20 the proposed Groundwater Customer Charge is \$630,247.

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 \$237,841,537.

Attachments:

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



Annual Budget for Fiscal Year 2019-20

Third Draft

MWDOC's mission is:

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

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

	FY 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)	1,136,667	165,951	156,939	(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)	44,207	5,702	1,327	
Conference Expense - Directors	24,930	23,530	(1,400)	28,540	5,010	3,610	
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	160,019	15,975	18,357	
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)	109,425	16,575	9,825
Travel & Accommodations - Directors	51,750	50,275	(1,475)	52,625	2,350	875
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)	366,900	199,400	111,400
Capital Acquisition Carryover		88,000	88,000	(330,624)	(418,624)	(330,624)
NORMAL OPERATING EXPENSES	\$ 7,758,468	\$ 7,602,855	\$ (155,613)	\$ 8,456,440	\$ 853,585	\$ 697,972
MWDOC's Building Expense	\$ 531,827	\$ 390,986	\$ (140,841)	\$ 1,259,057	\$ 868,071	\$ 727,230
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)	\$ 9,292,271	\$ 869,589	\$ 697,976

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	-	629,248	130,236	130,236
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	\$ 9,101,178	\$ 349,160	\$ 512,160

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (5,277)	\$ 329,336	\$ 334,613	\$ (191,093)	\$ (520,429)	\$ (185,816)

- (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+\$91,864 (Net Contribution to election reserves, after a \$196,136 election expense, already included)) \$186,731 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)	1,301,208	223,406	192,644
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)	44,207	5,702	1,327
Conference Expense - Directors	24,930	23,530	(1,400)	28,540	5,010	3,610
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	160,019	15,975	18,357
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)	109,425	16,575	9,825
Travel & Accommodations - Directors	51,750	50,275	(1,475)	52,625	2,350	875
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)	437,080	269,580	181,580
Capital Acquisition Carryover		88,000	88,000	(330,624)	(418,624)	(330,624)
NORMAL OPERATING EXPENSES	\$ 9,035,249	\$ 8,823,694	\$ (211,555)	\$ 10,238,874	\$ 1,415,180	\$ 1,203,625
MWDOC's Building Expense	\$ 531,827	\$ 390,986	\$ (140,841)	\$ 1,259,057	\$ 868,071	\$ 727,230
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)	\$ 11,074,705	\$ 1,431,184	\$ 1,203,629

(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	-	629,248	130,236	130,236
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	\$ 10,883,612	\$ 910,754	\$ 1,017,813

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ (5,277)	\$ 329,336	\$ 334,613	\$ (191,093)	\$ (520,429)	\$ (185,816)

(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+\$91,864 (Net Contribution to election reserves, after a \$196,136 election expense, already included)) \$186,731 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

(1)

(1) Decrease in LRP incentives is due to the OCWD Ground Water Replenishment System (GWRS) reaching its total incentive limit of \$86,273,000 by the end of FY18-19

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	\$ 1,209,117
12	Administrative - General	3.45	3.54	616,618	623,741	707,616
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	1,171,979
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	\$ 8,456,440
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	\$ 10,238,874
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	\$ 6,330	\$ 6,558	\$ 6,800	\$ 6,940	\$ 7,043
OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	5,835	6,136	6,033	6,261	6,503	6,643	6,746
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	629	642	655	668	681	695
Subtotal	8,196	8,518	8,611	8,741	8,797	8,904	9,015
Other Revenues:							
Choice Revenues	1,221	1,782	1,818	1,854	1,892	1,929	1,968
Interest Earnings	553	580	586	602	620	635	648
Misc./Reimbursements	3	3	3	3	3	3	3
Subtotal	1,777	2,365	2,407	2,459	2,514	2,567	2,619
Total Revenues	9,973	10,884	11,018	11,201	11,312	11,471	11,634
Expenses							
Core Expenses	7,347	8,420	8,589	8,760	8,936	9,114	9,297
Choice Expenses	1,221	1,782	1,818	1,854	1,892	1,929	1,968
Capital Acquisitions (not including building)	256	36	20	20	20	20	20
Total Expenses w/o Building & Election	8,824	10,239	10,427	10,635	10,847	11,064	11,284
Revenue Over Expenses w/o Building & Election	1,149	645	592	566	465	407	349
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	656	50	10	10	10	10
Annual Building Expense	532	836	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	\$ 5,016	\$ 5,554	\$ 5,492	\$ 5,850	\$ 5,629	\$ 6,067
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	6,330	6,558	6,800	6,940	7,043
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	17,980	18,233	18,500	18,665	18,793
Interest rate	3.26%	3.30%	3.35%	3.40%	3.45%
Interest Revenue Projections:					
Interest Income - General	586	602	620	635	648
Total Interest Revenue Projections	586	602	620	635	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	1,136,667
	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	44,207
7115	Conference - Directors	24,930	23,530	28,540
7150	Travel & Accommodations - Employee	99,600	92,850	109,425
7155	Travel & Accommodations - Director	51,750	50,275	52,625
7210	Membership / Sponsorship	141,662	144,044	160,019
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	366,900
	Total Expenditure	7,541,599	7,297,987	8,513,697

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	1,259,057
Building Expense Carryover		140,841	(423,226)
	8,594,295	8,422,682	9,292,271

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	1,301,208
	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	44,207
7115	Conference - Directors	24,930	23,530	28,540
7150	Travel & Accommodations - Employee	99,600	92,850	109,425
7155	Travel & Accommodations - Director	51,750	50,275	52,625
7210	Membership / Sponsorship	141,662	144,044	160,019
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	437,080
	Total Expenditure	8,818,381	8,518,826	10,296,131

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	1,259,057
Building Expense Carryover	-	140,841	(423,226)
	9,871,076	9,643,521	11,074,705

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	28,540	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	51,750	50,275	52,625	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	1,209,117	

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>1,209,117</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	44,207
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	99,600	92,850	109,425
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	91,660	93,521	106,837
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	707,616

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	161,812	
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	366,900	6
	Total Expenditure	1,283,116	1,110,428	1,502,603	
	Capital Acquisition Carryover (8810)		88,000	(330,624)	8
	MWDOC's Building Expense (8811)	531,827	390,986	1,259,057	7
	Building Expense Carryover		140,841	(423,226)	8
		1,814,943	1,730,255	2,007,810	

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>
	<u>\$265,000</u>
2 • CalWEP Dues	\$ 12,775
• South O.C. Watershed Mngmt Area Dues	\$ 10,500
• OC CLCA	<u>\$ 1,835</u>
	<u>\$ 25,110</u>

* 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 Council for Environmental & Economic Balance (CCEEB)	\$ 24,990	\$ 24,500	\$ 25,113	√
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	\$ 108	√
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 (IPMA)	\$ 50	\$ 50	\$ 50	
National Endangered Species Act Reform Coalition (NESARC)			\$ 1,000	New
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 (OCPAA)	\$ 205	\$ 205	\$ 205	√
Orange County Water Association (OCWA)	\$ 105	\$ 105	\$ 105	√
Public Agency Risk Managers Association (PARMA)	\$ 105	\$ 105	\$ -	
Public Relations Society of America/O.C. (PRSA)	\$ 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 (SOCEC)	\$ 1,530	\$ 1,530	\$ 1,530	√
Southern California Water Committee (SCWC)	\$ 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	\$ 87,101	
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 1,625	\$ 1,835	\$ 1,835	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnsv Cncl)	\$ 12,241	\$ 12,166	\$ 12,775	√
Subtotal Cost Center 35	\$ 13,866	\$ 14,001	\$ 14,610	
Subtotal - Elective Participation	\$ 87,566	\$ 88,337	\$ 101,783	
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 - General Fund	\$ 141,662	\$ 144,044	\$ 160,019	

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)					
Advocacy Trip	-Sacramento (2 staff)	1,400	1,200	✓	
	-Washington DC (1 staff)	1,275	900	✓	
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)	TBD (2 staff)	200	2,000	✓	
	Calif. Environmental Dialogue (CED), TBD (5 Trips)		5,000	✓	
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)					
Annual Conference	Anaheim, September 25-28, 2019 (2 staff)	1,200	200	✓	
	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)	1,250	600	✓	
	DC (1 Staff)	1,800	900	✓	
Legislative Advocacy	Sacramento, (24 trips)		14,400	✓	
Technical Advocacy	Sacramento, (12 trips)		7,200	New	
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 Environment Federation's Technical Exhibition & Conference	September 21-25, 2019, Chicago Illinois, (1staff)	630	2,400	New	
Water Smart Innovations Conference	Las Vegas Nevada, October 2-4, 2019, (2 staff)	800	1,000	✓	
Miscellaneous*		3,250	3,750	✓	
General Fund Total **		\$ 44,207	\$ 109,425		
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	New	
Local Training Opportunities (examples OCWA, SCESA, etc.)	(3 Staff)	450		✓	
WEROC Program Total		\$ 3,950	\$ 8,380		
PROPOSED GENERAL FUND BUDGET		\$ 44,207	\$ 109,425		

* 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 ⁽¹⁾
Fiscal Year 2019-2020**

Conference	Location/Date/Directors	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference (2 Directors)	\$ 2,040	\$ 4,400	√
	Fall Conference, San Diego, December 3-6, 2019, (3 Directors)	\$ 2,145	\$ 2,160	√
	Spring Conference, Central Coast (3 Directors)	\$ 2,145	\$ 3,000	√
	Region 10 (2 Directors)	\$ 130	\$ 200	√
Association of California Cities of OC (ACCOC)	Sacramento (2 Directors)	\$ 1,400	\$ 1,200	
	Washington DC (3 Directors)	\$ 3,825	\$ 2,700	√
American Water Works Association/Water Environment Federation (AWWA/WEF)	Utility Management Conference, TBD (1 Director)	\$ 800	\$ 1,600	New
Bond Buyers	Conference, (2 Directors)	\$ 400	\$ -	√
Colorado River Water Users Association(CRWUA)	Las Vegas, December 11-13, 2019 (2 Directors)	\$ 970	\$ 1,750	√
California Special Districts Association (CSDA)	Annual Conference, Anaheim, September 25-28, 2019, (1 Director)	\$ 600	\$ 100	√
	Legislative Days, Sacramento (1 Director)	\$ 205	\$ 615	√
California Council for Environmental & Economic Balance (CCEEB)	Conference, TBD (1 Director)	\$ 100	\$ 1,000	√
	California Environmental Dialogue (5 Trips)		\$ 5,000	√
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento, (3 Directors)	\$ 3,750	\$ 1,800	√
	Advocacy Trip-DC (2 Directors)	\$ 3,600	\$ 1,800	√
Sacramento Legislative Advocacy	(8 Trips)		\$ 4,800	√
Urban Water Institute	Fall Conference, (3 Directors)	\$ 1,650	\$ 2,400	√
	Spring Conference, (3 Directors)	\$ 1,650	\$ 2,400	√
Washington DC Legislative Advocacy	(6 trips)		\$ 10,800	√
Water Environment Federation	Technical Exhibition & Conference, September 21-25, 2019, Chicago Illinois, (1 Director)	\$ 630	\$ 2,400	New
Miscellaneous*		\$ 2,500	\$ 2,500	√
TOTAL **		\$ 28,540	\$ 52,625	
PROPOSED GENERAL FUND BUDGET		\$ 28,540	\$ 52,625	

* 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 G

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Proposed Total Membership that Includes Registration & Travel Costs⁽¹⁾ Fiscal Year 2019-2020

Conference / Meeting	Membership	Registration	Travel	Total
American Water Works Association (AWWA)	\$ 1,720	\$ 7,830	\$ 15,566	\$ 25,116
Association of California Cities- Orange County (ACCOC)	5,279	7,900	6,000	19,179
Association of Calif. Water Agencies (ACWA)	19,736	18,850	28,720	67,306
Association of Metropolitan Water Agencies (AMWA)	19,940	3,472	6,094	29,506
California Association of Public Information Officers (CAPIO)	765	600	150	1,515
California Council for Environmental & Economic Balance	25,113	300	13,000	38,413
CALDESAL	5,125	260	500	5,885
California Society of Municipal Finance Officers (CSMFO)	130	400	100	630
California Special Districts Assn. (CSDA)	7,433	2,415	2,145	11,993
California Water Efficiency Partnership	12,775	1,300	5,775	19,850
Colorado River Water Users Assn. (CRWUA)	180	2,910	5,250	8,340
Orange County Business Council (OC Chamber)	5,125	10,400	5,100	20,625
Urban Water Institute	1,250	7,700	11,200	20,150
Water Environment Federation	50	1,260	4,800	6,110
Grand Total for Memberships with Conferences/Travel:	\$ 104,621	\$ 65,597	\$ 104,400	\$ 274,618

(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)	\$ 366,900	√
Prior Year Projects Carryover from FY2017 through FY2019	<u>\$ (330,624)</u>	√
Subtotal 8810 Improvements	\$ 36,276	
 Building Improvements- 19-8811:		
Eval / Design / Roof / HVAC/ Seismic / Construction / Electrical	\$ 1,259,057	√
Prior Year Projects Carryover from FY2017 through FY2019	<u>(423,226)</u>	√
Subtotal 8811 Improvements	835,831	
 New Realized Costs - Cost Center 19	 <u>\$ 872,107</u>	
 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	<u>6,280</u>	√
Total - Cost Center 70	\$ 70,180	
 WEROC - 25-8810 & 8811:		
SEOC Improvements	\$ 181,558	√
WEROC Office Improvements	<u>13,050</u>	√
WEROC Subtotal:	\$ 194,608	
Prior Year Projects Carryover	<u>\$ (150,219)</u>	√
* New Realized Costs - Cost Center 25	<u>\$ 44,389</u>	

* 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	√
Finance & IT (41 & 45)	Water Systems Optimization	WLC Business Plan Implementation	-	30,000	√
	(To be determined)	WLC Shared Services Equipment	50,000	-	
	SAWPA	Aerial Imagery and Landscape Measurement Project		100,000	√
Finance & IT (41 & 45)	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	920,445	

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	
Professional Fees					
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						
MWDOC's Contribution	-		2,972,135	216,868	28,397	403,000	(216,868)	403,000
Outside Fundings	-			191,380		3,191,912		3,191,912
Carryover Funds	1,276,781			-		1,276,781		1,276,781
Choice Revenue	3,000					3,000		3,000
Miscellaneous Income								
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	3,522,963			236,268	-	3,759,231		3,759,231
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			30,000		4,432,893		4,432,893
Contribution to Election Reserve	304,000		2,972,135			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	629,248					629,248		629,248
Water Increment Charge	-					-		-
Interest Revenue	580,000	20,000				600,000		600,000
MVDOC's Contribution	-			273,367		273,367	(273,367)	-
Outside Fundings	-		2,370,147	228,978	-	2,599,125		2,599,125
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	10,883,612	246,432,996	2,370,147	652,564	-	260,339,319	(273,367)	260,065,952
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	1,508,208			82,520		1,590,728		1,590,728
Engineering Expense	435,000					435,000		435,000
Professional Fees	1,672,407			30,000		4,072,554		4,072,554
Contribution to Election Reserve	-		2,370,147			-		-
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	160,019			1,105		161,124		161,124
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	44,207			2,800		47,007		47,007
Conference Expense - Directors	28,540					28,540		28,540
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	109,425			8,380		117,805		117,805
Travel & Accommodations - Directors	52,625					52,625		52,625
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MVDOC Building Expense	835,831					835,831		835,831
Contribution to Operating Reserves				28,086		28,086		28,086
Capital Acquisition	106,456			194,608		301,064		301,064
All Other Expenses	2,055,698			266,738		2,322,436		2,322,436
Total Expenses	11,074,705	246,412,996	2,370,147	652,564	-	260,510,412	(273,367)	260,237,044
EFFECT ON RESERVES / FUND BALANCE	\$ (191,093)	\$ 20,000	(2)	\$ -	\$ -	\$ (171,093)	\$ -	\$ (171,092)

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



ACTION ITEM

April 17, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Harvey De La Torre

SUBJECT: **Proposed MWDOC Water Rate Resolution for Fiscal Year 2019-20**

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. Increase the MWDOC Retail Meter Charge from \$12.25 to \$12.40 per meter, and the Groundwater Customer Charge from \$499,012 to \$629,248, effective July 1, 2019; and
2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2019 and January 1, 2020 as identified in the Water Rate Resolution for Fiscal Year 2019-20.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

MWDOC adopts a water rate resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A (Clean Version) is the proposed MWDOC Water Rate Resolution for Fiscal Year 2019-20. In order to show the proposed changes compared to last year's version, Attachment B is in a redline form for your review. The most significant changes are within the choice service programs with some programs being modified or added.

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

Below is a summary of the proposed Rates and Charges for FY2019-20:

Proposed Rates	Proposed Rates July 1, 2019	Proposed Rates January 1, 2020
MWDOC Retail Meter Charge	\$12.40/meter	\$12.40/meter
MWDOC Groundwater Customer Charge*	\$629,248	\$629,248
System Access Rate	\$326.00	\$346.00
System Power Rate	\$127.00	\$136.00
Water Stewardship Rate	\$69.00	\$65.00
MWDOC Melded Supply Rate	\$209.00	\$208.00
Treatment Surcharge	\$319.00	\$323.00
Treated Full Service Rate	\$1,050.00/AF	\$1,078.00/AF
Untreated Full Service Rate	\$731.00/AF	\$755.00/AF

[*] This is an annual charge to OCWD

Attachment A – CLEAN VERSION of Proposed MWDOC Water Rate Resolution for Fiscal Year 2019-20

Attachment B – REDLINE VERSION of Proposed MWDOC Water Rate Resolution for Fiscal Year 2019-20

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rate Component	July 1 through December 31, 2019	Beginning January 1, 2020
Untreated Full Service	\$731.00	\$755.00
Treated Full Service	\$1,050.00	\$1,078.00
Unbundled Rate By Component:		
System Access Rate	\$326.00	\$346.00
System Power Rate	\$127.00	\$136.00
Water Stewardship Rate	\$69.00	\$65.00
MWDOC Melded Supply Rate*	\$209.00	\$208.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
Subtotal Untreated Full Service:	\$731.00	\$755.00
Treatment Surcharge	\$319.00	\$323.00
Total Treated Full Service:	\$1,050.00	\$1,078.00

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

(b) **Drought Allocation Surcharge**

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

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

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

Metropolitan has notified MWDOC that for fiscal year 2019-20 Metropolitan estimates that the amount of Metropolitan's Readiness-to-Serve ("RTS") Charge applicable to MWDOC,

which exceeds the standby charges collected in MWDOC's service area ("Net RTS") is \$10,824,900 . The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to each MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net Metropolitan RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year 2019-20 charges, the four-year average shall be based on fiscal years 2014-15 through 2017-18). The Net Metropolitan RTS Charge to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year 2019-20 MWDOC RTS Charge

For fiscal year 2019-20, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$10,824,900. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each member agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year 2019-20 is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS

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

SECTION 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year 2020, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$3,892,240. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being imposed (i.e., for calendar year 2020 charges, the highest peak day flow shall be based on May 1 through September 30, 2016, 2017 and 2018). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the 2020 Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

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

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be \$12.40. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 5. **MWDOC GROUNDWATER CUSTOMER CHARGE**

The annual charge to be imposed on Orange County Water District (OCWD) for Core services provided by MWDOC for fiscal year 2019-20 shall be \$629,248. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year 2019-20 general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on OCWD's most recent 10-year historical full service water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 2019-20

The Choice services to the member agencies shall be provided and charged for as follows for Fiscal Year 2019-20:

- (a) Water Use Efficiency Program – The cost of MWDOC’s Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year 2018. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) The MWDOC Elementary School Program provides comprehensive water education for Orange County elementary school students in Grades 1-6. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC Elementary School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.
- (c) The MWDOC Middle School Program provides comprehensive water education for Orange County middle school students in Grades 7-8. Through this program, each participating agency may set a target number of presentations in their service area. The MWDOC Middle School Program

charges each participating agency at a cost per presentation based on the actual number of presentations at schools to which the program is provided.

- (d) The MWDOC High School Program provides comprehensive water education for Orange County high school students in Grades 9-12. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.
- (e) Blank
- (f) The Water Loss Control Program provides professional services with Water Systems Optimization, Inc. for water loss control technical assistance to retail agencies in Orange County, as well as technical services with McCall's Meters, Inc. and with Westerly Meter Service Company to provide meter accuracy testing services. The costs for the program varies per agency according to the level of professional and technical service selected by each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.

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

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

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

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

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

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

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

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

SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)

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

SECTION 9. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, 2019 or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 10. BILLING AND PAYMENT.

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

for other charges as follows:

- (a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;
- (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 53 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

SECTION 11. EXEMPTION FROM CEQA.

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

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

SECTION 12. **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 2019-20 budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

SECTION 13. **SUPERSEDES PRIOR RESOLUTIONS.**

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

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

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

SECTION 15. **IMPLEMENTATION.**

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

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

Said Resolution No. was adopted on April 17, 2019 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

RESOLUTION NO. ~~2070~~
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING WATER RATES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 1. RATES FOR CLASSES OF WATER SERVICE.

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

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

Rate Component	July 1 through December 31, <u>20182019</u>	Beginning January 1, <u>20192020</u>
Untreated Full Service	\$695 <u>731</u> .00	\$734 <u>755</u> .00
Treated Full Service	\$4,045 <u>1,050</u> .00	\$4,050 <u>1,078</u> .00
Unbundled Rate By Component:		
System Access Rate	\$299 <u>326</u> .00	\$326 <u>346</u> .00
System Power Rate	\$132 <u>127</u> .00	\$127 <u>136</u> .00
Water Stewardship Rate	\$55 <u>69</u> .00	\$69 <u>65</u> .00
MWDOC Melded Supply Rate*	\$209.00	\$209 <u>208</u> .00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
Subtotal Untreated Full Service:	\$695 <u>731</u> .00	\$734 <u>755</u> .00
Treatment Surcharge	\$320 <u>319</u> .00	\$319 <u>323</u> .00
Total Treated Full Service:	\$4,045 <u>1,050</u> .00	\$4,050 <u>1,078</u> .00

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

(b) **Drought Allocation Surcharge**

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

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year ~~2018-19~~2019-20 Metropolitan estimates that the amount of Metropolitan's Readiness-to-Serve ("RTS") Charge applicable to MWDOC, which exceeds the standby charges collected in MWDOC's service area ("Net

RTS”) is \$~~10,455,204~~10,824,900 . The Net RTS Charge will be allocated among the MWDOC member agencies, as provided herein and invoiced as a fixed charge to each MWDOC member agency. Metropolitan will bill MWDOC for the Net RTS Charge on a monthly installment basis. The MWDOC Net RTS Charge will be invoiced to each MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Net Metropolitan RTS Charge to the MWDOC member agencies uses the most recently completed four-year rolling average of fiscal year full service purchases of water ending one year prior to the year of the charge being imposed (i.e., for fiscal year ~~2018-19~~2019-20 charges, the four-year average shall be based on fiscal years ~~2013-14~~2014-15 through ~~2016-17~~2017-18). The Net Metropolitan RTS Charge to MWDOC shall be apportioned to the MWDOC member agencies based on the four-year average of full service sales, which would include wheeled and transferred water.

(c) Fiscal Year ~~2018-19~~2019-20 MWDOC RTS Charge

For fiscal year ~~2018-19~~2019-20, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$~~10,455,204~~10,824,900. The amount of the Net RTS Charge to be apportioned to each of the MWDOC member agencies is set forth in **Exhibit A**, attached hereto and by this reference incorporated herein made an operative part hereof.

(d) Adjustment of RTS Charge

Metropolitan determines its Net RTS Charge to each member agency based on the estimated revenue derived from the Metropolitan Standby Charge within each member agency (less delinquencies and administrative costs). The projected Net Standby Charge revenue for MWDOC in fiscal year ~~2018-19~~2019-20 is set forth in **Exhibit A**. Once the actual Net Standby Charge revenue is known, Metropolitan may adjust the amount of the Net RTS Charge for the prior year through an additional charge or credit. Any adjustment necessary

to reconcile the estimated Net RTS Charge with the actual Net RTS Charge will be charged or credited to each MWDOC member agency in the next regularly scheduled water billing following the preparation of the reconciliation report by Metropolitan.

SECTION 3. MWDOC CAPACITY CHARGE

(a) Amount due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for calendar year ~~2019~~2020, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$~~3,753,900~~3,892,240. The Metropolitan Capacity Charge will be allocated among the MWDOC member agencies as provided herein and invoiced as a fixed charge to each member agency. Metropolitan will bill MWDOC for the Capacity Charge on a monthly installment basis. The MWDOC Capacity Charge will be invoiced to the MWDOC member agencies on a monthly basis.

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

The MWDOC method of apportioning the Capacity Charge to the MWDOC member agencies uses each member agency's highest peak day flow for delivery of full service water, which includes wheeled and transferred water, during the period of May 1 through September 30 of each year for the three-year period ending one year prior to the year of the charge being imposed (i.e., for calendar year ~~2019-2020~~ charges, the highest peak day flow shall be based on May 1 through September 30, ~~2015-2016~~, ~~2016-2017~~ and ~~2017-2018~~). The peak day flow for each MWDOC member agency is used to apportion the Capacity Charge based upon the ratio of each agency's highest peak day flow to the sum of all member agencies' highest peak day flows. The amount of the ~~2019-2020~~ Capacity Charge apportioned to each member agency is set forth in **Exhibit B**, attached hereto and by this reference incorporated herein and made an operative part hereof.

SECTION 4. MWDOC'S RETAIL METER CHARGE.

The annual charge to be imposed by MWDOC on each member agency for each retail water meter served by a MWDOC member agency which is in service as of January 1 of each year ("MWDOC's Retail Meter Charge") shall be ~~\$42-25~~12.40. MWDOC's Retail Meter Charge shall be collected in accordance with Section 10 of this Resolution. Annually, or at such time as determined to be necessary, MWDOC will request supporting documentation from each member agency to verify the number of retail meters within their service area, and such documentation shall be signed by a representative of the member agency. MWDOC is also authorized to conduct random on-site visits with the member agencies to verify the data on the number of retail meters.

SECTION 5. MWDOC GROUNDWATER CUSTOMER CHARGE

The annual charge to be imposed on Orange County Water District (OCWD) for Core services provided by MWDOC for fiscal year ~~2018-19~~2019-20 shall be ~~\$499,012~~630,247~~629,248~~. MWDOC's Groundwater Customer Charge to be imposed on OCWD shall be collected in accordance with Section 10 of this Resolution.

The Groundwater Customer Charge is calculated based on OCWD's portion of MWDOC's Cost Centers #21 (Planning and Resource Development) and #23 (MET Issues and Special Projects), plus one-twenty-sixth of the remaining MWDOC cost centers of MWDOC's fiscal year ~~2018-19~~2019-20 general fund core budget, but not including the WEROC cost item. OCWD's portion of Cost Centers #21 and #23 is based on OCWD's most recent 10-year historical full service water purchases as a percentage of the sum of the MWDOC member agencies' 10-year historical water purchases.

SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES ~~2018-19~~2019-20

The Choice services to the member agencies shall be provided and charged for as follows for ~~2018-19~~ Fiscal Year 2019-20:

- (a) Water Use Efficiency Program – The cost of MWDOC's Water Use Efficiency Program shall be allocated to those agencies electing to participate in the program. The costs shall be apportioned to the participants in proportion to the benefits received from Metropolitan and/or any other outside sources of funding in calendar year ~~2017~~2018. There may be other costs allocated over and above these costs for participation in certain water use efficiency program efforts in various parts of Orange County that are separate from this basic program. Anything beyond the basic program will be implemented separately by agreement or memorandum of understanding with each participating ~~member~~ agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.
- (b) ~~The Elementary School Education Program will provide grade-specific water education programs for students in Grade 1 through Grade 6 in private and public schools located in Orange County. Each participating member agency may set a target number of students for which the School Education program ("basic program") be made available in their service area. The basic program will be charged based on the actual number of students to which the program is provided, at a cost of \$4.11 per student. The School Education Program in fiscal year 2018-19~~2019-20 offers other additional services to the member agencies that may be provided pursuant to a contract entered into with MWDOC and under a separate fee structure. The MWDOC Elementary School Program provides comprehensive water education for Orange County

elementary school students in Grades 1-6. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC Elementary School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.

- (c) The High School Education Program will provide for a grade-specific water education program for students in Grade 9 through Grade 12 in private and public schools within Orange County. The High School program is charged based on the number of High Schools participating in the program. For Fiscal Year 2018-19 2019-20, the participation rate is \$4,371 per High School. The MWDOC Middle School Program provides comprehensive water education for Orange County middle school students in Grades 7-8. Through this program, each participating agency may set a target number of presentations in their service area. The MWDOC Middle School Program charges each participating agency at a cost per presentation based on the actual number of presentations at schools to which the program is provided.

- ~~(e)~~(d) BlankThe MWDOC High School Program provides comprehensive water education for Orange County high school students in Grades 9-12. Through this program, each participating agency may set a target number of students to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per student based on the actual number of students to which the program is provided.

- ~~(f)~~(e) Blank

- ~~(d)~~(f) The Water Loss Control Program provides professional services with Water Systems Optimization, Inc. for water loss control technical assistance to retail

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agencies in Orange County, as well as technical services with McCall's Meters, Inc. and with Westerly Meter Service Company to provide meter accuracy testing services. The costs for the program varies per agency according to the level of professional and technical service selected by each participating agency. The costs to be charged shall reflect any carry-over or deficit funds from the preceding fiscal year.

The details on these Choice options and charges to ~~the member~~[each agency](#) are included in Section 10 and are set forth in **Exhibit C**, attached hereto and by this reference incorporated herein and made an operative part hereof .

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

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

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

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

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

SECTION 8. MWDOC WATER SUPPLY ALLOCATION PLAN (WSAP)

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

SECTION 9. EFFECTIVE DATE.

The rates set forth in this Resolution shall become effective as of July 1, ~~2018-2019~~ or thereafter as specified and shall remain in effect until changed by subsequent Resolution of the Board of Directors.

SECTION 10. BILLING AND PAYMENT.

Billing Schedule. MWDOC member agencies shall be billed for water delivered and for other charges as follows:

- (a) MWDOC's cost of acquisition of the water shall be billed in the month following delivery of the water;
- (b) MWDOC's Retail Meter Charge shall be billed once annually on or after July 1st of each year, for each retail water service meter within each member agency's service area;
- (c) the MWDOC Readiness-to-Serve Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit A**, the MWDOC Capacity Charge shall be billed in monthly installments on the water billing in accordance with **Exhibit B**; and
- (d) the MWDOC Choice services shall be billed once annually on or after July 1st of each year or as otherwise during the fiscal year in accordance with **Exhibit C** and/or as may be adjusted during the fiscal year in discussions with and as agreed to by the Choice Program participants.
- (e) The fixed annual Groundwater Customer Charge to OCWD, as set forth in MWDOC's Water Rate Ordinance No. 53 and referred to in Section 5 hereof, shall be billed to OCWD annually at the beginning of the fiscal year on July 1. All such billings shall be due on receipt by the member agency and shall be delinquent if payment is not received by MWDOC by

the 15th day of the month following the mailing of the billing or within 30 days of mailing of such billing, whichever date is later.

SECTION 11. EXEMPTION FROM CEQA.

The Board of Directors finds that the adoption of the rates and charges as set forth in this Resolution are exempt from the California Environmental Quality Act under Section 21080(b)(8) of the Public Resources Code in that the water rates established herein are for the purpose of meeting operating expenses of MWDOC, including employee wages and fringe benefits, purchasing or leasing of supplies, equipment and materials, meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas.

SECTION 12. REASONABLE COST.

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year ~~2018-19~~[2019-20](#) budget, and that said rates do not exceed the reasonable cost of providing water service and other services and regulatory functions for which they are charged.

SECTION 13. SUPERSEDES PRIOR RESOLUTIONS.

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

SECTION 14. RATES SUBJECT TO ORDINANCE.

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

SECTION 15. IMPLEMENTATION.

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

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

Said Resolution No. ~~2070~~ was adopted on April 17, 2019 ~~April 18, 2018~~ by the following roll call vote:

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

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2019-20

DRAFT

as of 4/3/2019

Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2019/20 = \$	17,975,393
Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2019/20 = \$	(7,150,493)
Net MWD RTS Charge = \$	10,824,900

Agency	2019					AF Share (%)	Net RTS	Monthly Charge July - December	Monthly Charge January - June
	2020								
	2014-15	2015-16	2016-17	2017-18	4-Yr Ave				
Brea	3,285	1,553	1,160	1,889	1,972	0.94%	\$ 101,294	\$ 7,850	\$ 9,033
Buena Park	2,782	716	3,229	3,251	2,494	1.18%	\$ 128,133	\$ 9,930	\$ 11,426
East Orange County Water District	3,164	1,726	1,372	1,131	1,848	0.88%	\$ 94,943	\$ 7,358	\$ 8,466
El Toro Water District	8,631	6,967	6,639	7,783	7,505	3.56%	\$ 385,534	\$ 29,877	\$ 34,379
Fountain Valley	2,618	1,985	2,112	2,112	2,207	1.05%	\$ 113,367	\$ 8,785	\$ 10,109
Garden Grove	5,928	3,301	6,135	6,286	5,412	2.57%	\$ 278,040	\$ 21,547	\$ 24,793
Golden State Water Company	5,863	3,395	5,664	5,823	5,186	2.46%	\$ 266,422	\$ 20,646	\$ 23,757
Huntington Beach	7,692	6,060	6,084	6,914	6,687	3.17%	\$ 343,537	\$ 26,622	\$ 30,634
Irvine Ranch Water District	16,680	11,732	18,595	15,345	15,588	7.40%	\$ 800,765	\$ 62,055	\$ 71,406
La Habra	232	10	76	114	108	0.05%	\$ 5,547	\$ 430	\$ 495
La Palma	539	491	651	1	420	0.20%	\$ 21,590	\$ 1,673	\$ 1,925
Laguna Beach County Water District	3,641	3,310	1,663	1,636	2,562	1.22%	\$ 131,632	\$ 10,201	\$ 11,738
Mesa Water District	0	202	0	47	62	0.03%	\$ 3,203	\$ 248	\$ 286
Moulton Niguel Water District	26,792	23,429	22,866	25,630	24,679	11.71%	\$ 1,267,788	\$ 98,247	\$ 113,051
Newport Beach	4,338	3,167	3,317	3,679	3,625	1.72%	\$ 186,224	\$ 14,431	\$ 16,606
Orange	6,516	4,103	5,786	5,139	5,386	2.56%	\$ 276,681	\$ 21,441	\$ 24,672
Orange County Water District	65,759	54,661	42,879	121,688	71,247	33.81%	\$ 3,659,980	\$ 283,629	\$ 326,367
San Clemente	8,917	6,512	6,543	7,016	7,247	3.44%	\$ 372,285	\$ 28,850	\$ 33,197
San Juan Capistrano	5,166	4,998	5,556	5,080	5,200	2.47%	\$ 267,134	\$ 20,701	\$ 23,821
Santa Margarita Water District	26,725	21,892	21,847	23,432	23,474	11.14%	\$ 1,205,870	\$ 93,449	\$ 107,530
Seal Beach	787	1,033	1,000	847	917	0.44%	\$ 47,089	\$ 3,649	\$ 4,199
Serrano Water District	4,682	216	2,199	1,300	2,099	1.00%	\$ 107,823	\$ 8,356	\$ 9,615
South Coast Water District	5,714	4,910	4,907	4,865	5,099	2.42%	\$ 261,939	\$ 20,299	\$ 23,358
Trabuco Canyon Water District	2,968	2,198	2,000	2,941	2,527	1.20%	\$ 129,804	\$ 10,059	\$ 11,575
Westminster	2,356	459	2,602	2,803	2,055	0.98%	\$ 105,559	\$ 8,180	\$ 9,413
Yorba Linda Water District	5,595	3,375	5,370	6,117	5,114	2.43%	\$ 262,717	\$ 20,359	\$ 23,427
Sum of MWDOC Agencies	227,369	172,400	180,249	262,868	210,722	100%	\$ 10,824,900	\$ 838,873	\$ 965,277

EXHIBIT B
DRAFT Capacity Charge for MWDOC Member Agencies for CY 2020

DRAFT 4/3/19

	2016	2017	2018	Peak
MWDOC's Peak to MWD (cfs)	401.1	418.6	442.3	442.3
Date	7/12/16	7/7/17	8/7/2018	8/7/18

Metropolitan Capacity Charge to MWDOC for CY 2020 **\$ 3,892,240***

Agency	Capacity Charge Eligible Flows (CFS)			CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2016	2017	2018			
City of Brea	6.8	11.4	12.9	2.32%	\$ 90,169	\$ 7,514
City of Buena Park	4.0	7.7	4.7	1.39%	\$ 53,915	4,493
East Orange County Water District	12.8	9.0	10.8	2.30%	\$ 89,547	7,462
El Toro Water District	16.3	16.8	18.3	3.28%	\$ 127,567	10,631
City of Fountain Valley	3.3	3.7	2.8	0.66%	\$ 25,821	2,152
City of Garden Grove	13.0	13.6	17.0	3.05%	\$ 118,848	9,904
Golden State Water Company	12.9	11.3	12.9	2.32%	\$ 90,169	7,514
City of Huntington Beach	28.4	17.5	24.7	5.09%	\$ 198,162	16,513
Irvine Ranch Water District	43.5	36.2	51.7	9.27%	\$ 360,997	30,083
City of La Habra	1.7	7.3	7.8	1.40%	\$ 54,309	4,526
City of La Palma	2.9	1.2	0.0	0.52%	\$ 20,235	1,686
Laguna Beach County Water District	7.6	5.4	4.9	1.36%	\$ 53,124	4,427
Mesa Water District	0.0	0.0	0.0	0.00%	\$ -	-
Moulton Niguel Water District	48.0	48.9	49.5	8.89%	\$ 346,212	28,851
City of Newport Beach	8.9	11.6	10.8	2.08%	\$ 81,119	6,760
Orange County Water District	135.9	143.0	146.4	26.28%	\$ 1,022,979	85,248
City of Orange	17.8	15.8	20.4	3.67%	\$ 142,763	11,897
City of San Clemente	21.9	19.9	21.5	3.93%	\$ 153,137	12,761
City of San Juan Capistrano	14.3	14.2	15.1	2.71%	\$ 105,515	8,793
Santa Margarita Water District	62.3	52.2	54.0	11.18%	\$ 435,052	36,254
City of Seal Beach	5.5	5.9	5.3	1.06%	\$ 41,280	3,440
Serrano Water District	2.0	0.0	3.0	0.54%	\$ 20,963	1,747
South Coast Water District	8.1	7.5	7.9	1.45%	\$ 56,469	4,706
Trabuco Canyon Water District	6.1	8.1	6.3	1.46%	\$ 56,731	4,728
City of Westminster	4.7	4.6	4.8	0.86%	\$ 33,378	2,781
Yorba Linda Water District	12.7	16.3	15.9	2.92%	\$ 113,777	9,481
Total			557.0	100%	\$ 3,892,240	\$ 324,353
MWDOC Capacity Charge Per CFS:					\$ 6,988	

* Based on MWDOC's aggregate peak flow of 442.3 cfs on 8/7/2018 charge at MET's 2020 rate of \$8,800 per cfs

Exhibit C

MWDOC Member Agency Choice Services Program Summary

Cost Allocations by Agencies for FY 2019-20

DRAFT
As of 4/03/2019

Retail Agency	Water Use Efficiency [1]	School Education (Elementary)[2]	School Education (Middle School)[2]	School Education (High School)[2]	Water Loss Control Program [3]	Total Choice Allocation
Brea	\$ 9,823					\$ 9,823
Buena Park	\$ 5,885				Pending	\$ 5,885
East Orange County WD	\$ 171					\$ 171
El Toro WD	\$ 24,053				Pending	\$ 24,053
Fountain Valley	\$ 26,110					\$ 26,110
Garden Grove	\$ 3,517				Pending	\$ 3,517
Golden State Water Company	\$ 16,374					\$ 16,374
Huntington Beach	\$ 49,442				Pending	\$ 49,442
Irvine Ranch WD	\$ 253,825					\$ 253,825
La Habra	\$ 2,214				Pending	\$ 2,214
La Palma	\$ 363					\$ 363
Laguna Beach County WD	\$ 1,257				Pending	\$ 1,257
Mesa Water	\$ 49,504					\$ 49,504
Moulton Niguel WD	\$ 158,346				Pending	\$ 158,346
Newport Beach	\$ 14,131					\$ 14,131
Orange	\$ 35,421				Pending	\$ 35,421
Orange County WD	\$ -					\$ -
San Clemente	\$ 28,228				Pending	\$ 28,228
San Juan Capistrano	\$ 21,709					\$ 21,709
Santa Margarita WD	\$ 109,717				Pending	\$ 109,717
Seal Beach	\$ 2,576					\$ 2,576
Serrano WD	\$ 1,550				Pending	\$ 1,550
South Coast WD	\$ 18,416					\$ 18,416
Trabuco Canyon WD	\$ 2,631				Pending	\$ 2,631
Tustin	\$ 12,047					\$ 12,047
Westminster	\$ 4,640				Pending	\$ 4,640
Yorba Linda WD	\$ 21,287					\$ 21,287
Anaheim	\$ 800				Pending	\$ 800
Fullerton	\$ 351					\$ 351
Santa Ana	\$ 128				Pending	\$ 128
Orange County Total	\$ 874,517	\$ -	\$ -	\$ -	\$ -	\$ 874,517

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

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY 2019-20

[2] Costs dependent upon selection of vendor and each agency's level of service

[3] For FY 2019-20 the Water Loss Control Program includes Technical Assistance Phases IV & V and the new Water Loss Control Shared Services. Agency costs will vary based on the selection of technical & professional services. The final cost by agency are not expected to be determined until Fall 2019.



ACTION ITEM
April 17, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager

**SUBJECT: PUBLIC HEARING AND ADOPT ORDINANCE SUPERSEDING AND
REPEALING MWDOC ORDINANCE NO. 47 REGARDING
COMPENSATION FOR DIRECTORS**

STAFF RECOMMENDATION

It is recommended that the Board of Directors (1) open the public hearing (as noticed) on the Proposed Ordinance No. 54 to receive input from the public; (2) consider said input on the Ordinance; (3) adopt Ordinance No. 54, in the general form presented, with amendments if necessary; and (4) authorize amendments to Administrative Code as presented.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The MWDOC Board directed staff to work with legal counsel to revise Ordinance No. 47 so that any increases in Director Compensation be limited to the amount set for staff in the annual budget, but not more than the amount allowable under California State law.

Directors' (and MET Directors') compensation is established by Ordinance pursuant to Water Code Section 20200 *et seq.*, and requires a Public Hearing in order to amend the existing procedure set forth in Ordinance No. 47.

In the event the Board adopts Ordinance No. 54 as outlined, it will be necessary to revise the Administrative Code accordingly. Attached are red-lined revisions for review.

Pursuant to the legal requirements, the notices of the public hearing were published in the *OC Register* on April 1 and April 8.

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



ACTION ITEM

April 17, 2019

TO: Board of Directors

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

Robert J. Hunter, General Manager
Staff Contacts: Charles Busslinger/Karl Seckel

SUBJECT: Development of a Hydraulic Model for the Regional Pipeline System in Orange County – Investigation Phase

STAFF RECOMMENDATION

Staff recommends the Board of Directors authorize the General Manager to enter into a professional services agreement with Black & Veatch Corporation to complete an Investigation Phase of work and provide recommendations for development of a Hydraulic Model for the regional pipeline system in Orange County, at a cost not to exceed \$83,420.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

Multiple water supply projects are currently under consideration in Orange County and supplies from several of these may end up being commingled and conveyed in existing pipelines. Projects include brackish and ocean desalination, percolation of treated recycled water, and capture of stormwater for subsequent treatment and pumping. Direct Potable Reuse is on the horizon and demands are substantially lower than when the imported pipelines were planned and constructed. Without proper planning; the possible integration of multiple treated water sources into the OC water distribution system, or simply the reduction in demands, could result in unintended water quality consequences. MWDOC believes these issues should be studied prior to them being implemented.

Budgeted (Y/N): Y	Budgeted amount: \$225,000	Core <u>X</u>	Choice <u> </u>
Action item amount: \$75,837 + 10% contingency = \$83,420		Line item: Cost Center 21	
Fiscal Impact (explain if unbudgeted): The budget amount developed by staff appears high compared to the proposals for this effort, however, staff limited some of the elements of the Investigative Phase and will push them into the next effort.			

MWDOC staff began a process to identify key issues and develop strategic pathways toward solutions for successful integration of these future supply sources. This process was initiated with an invitation for Statements of Qualifications (SOQ) on April 27, 2018 to water quality consultant firms with expertise in; water distribution design and hydraulic modeling, water distribution operations, desalination design and operations, water quality modeling, resolution of distribution system water quality issues, with particular emphasis on the firms' knowledge of MET design and operations standards. Four firms responded to the SOQ (Black & Veatch, Carollo, Hazen & Sawyer, and Stantec).

So far in this process, MWDOC has completed a full-day Workshop; based on the Workshop, the Board authorized the completion of two white papers to further our knowledge base. The white papers are currently in development. This current item, along with information from the white papers, would define the project scope and include recommendations for development of a hydraulic model in a subsequent phase.

MWDOC staff issued a Request for Proposals (RFP) on March 5, 2019 seeking professional services to help us begin the process of developing an OC Distribution System Water Supply Integration Hydraulic Model. MWDOC requested proposals from the two highest rated consultants with demonstrated requisite expertise from the April 2018 SOQ list. To allow sufficient time for consultants to provide a detailed proposal, the proposals were not due until March 29, 2019.

The award of a contract to a consulting firm to provide assistance to MWDOC staff would typically go to the MWDOC P&O Committee. To keep the project on a tighter schedule, staff has suggested the recommended action for the April 2019 A&F Committee and then to the full Board.

MWDOC staff and Means Consulting have reviewed and evaluated the proposals and are providing its recommendations to the A&F Committee for review and discussion in time for Board consideration on April 17, 2019.

DETAILED REPORT

In April 2018, MWDOC invited a number of firms to submit an SOQ in a variety of areas. Staff has been using these consultants on an on-going basis since that time. On August 31, 2018 MWDOC held a Water System Operations and Integration Workshop where input was developed from water quality consultants Black & Veatch, Hazen & Sawyer, and Means Consulting; along with input from staff from Metropolitan, OCWD, and multiple OC retail agencies.

The collaborative discussions identified a number of potential issues that could arise within the OC water system resulting from the simultaneous introduction of multiple sources of water. Potential issues include:

- The impact of potentially low volumes (flows) of imported water deliveries in portions of pipelines at certain times of the year leading to low chloramine residuals and water quality deterioration (e.g. nitrification). Chloramine loss due to reactions with low levels of bromide in seawater permeate could exacerbate this issue.
- Mixing of desalinated seawater with other sources of water of varying quality including:

- MET water blend of Colorado River and State Water Project water
- Groundwater from the OCWD basin
- The above water sources flowing south in the Joint Transmission Main (JTM) and blending with desalinated Doheny source water flowing north in the same pipeline.
- Agencies receiving water blends which may be further blended with local water supplies from their systems. The pH, alkalinity, Total Organic Carbon (TOC), bromide, chloramine residual, and other water quality characteristics may vary among these water sources daily, monthly and seasonally. Planning needs to account for the water quality and operational considerations. Our goal is to understand the breadth and depth of these issues prior to any of these projects going on-line.
- Understanding and developing approaches for avoiding consequences to home plumbing systems
- Working out an acceptable resolution with MET for the water quality issues associated with a pump-in to the EOCF#2 pipeline
- Potential impacts on MET Diemer Plant operations, especially under conditions of unexpected outages of local supply systems. Also the potential for stranding of assets
- Control of hydraulic transients (pressure surges) during loss of power to protect the MET, regional and local pipelines and other facilities from damage

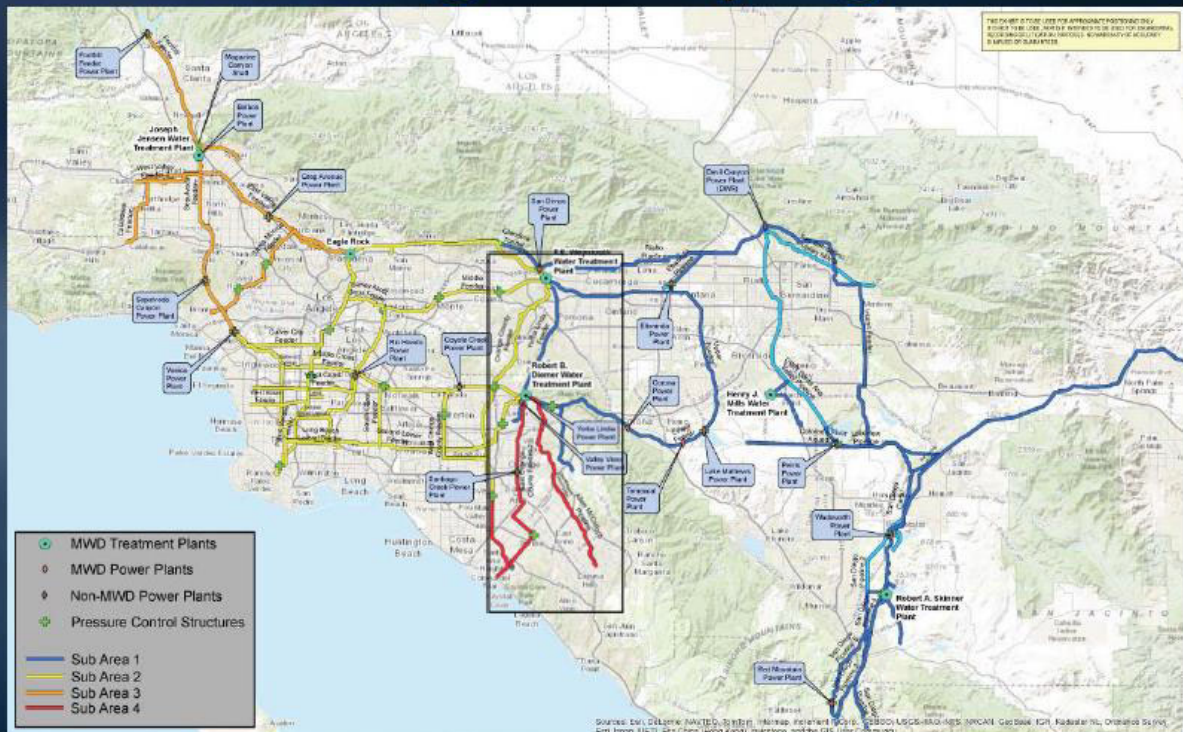
The outcome of the workshop was the identification of a number of potential follow-up items and recommendations:

1. Develop White Papers to cover the following topics:
 - Doheny desalinated water integration,
 - Poseidon Huntington Beach desalinated water integration, and
 - Local water (groundwater and/or desalinated water) integration into the East OC Feeder #2 pipeline.

This work is in progress through consultants Black & Veatch and Hazen & Sawyer.

2. Leverage the existing MET hydraulic model and add portions of the non-MET OC distribution system to the existing MET model to better understand the implications of different operating strategies. Also incorporate water quality module(s) into the OC hydraulic model for analysis of water constituents, water age, and chloramine residual. Staff is recommending to proceed with this process and has broken the work into the following components:
 - Scoping and recommendations for a hydraulic model (the topic of this item)
 - Development, delivery and testing of the model (subsequent work)

MWD – Orange County Region



MWDOC staff has met with and held discussions with MET regarding the potential use of the existing MET hydraulic model and supporting information to save time and effort in the development of a model for Orange County. MET's internal requirements are quite different from ours, but a lot of the information they developed; pipe sizes, locations, lengths, and spatial data would be useful. MWDOC is awaiting word from MET on the process for sharing their technical information. MWDOC needs to add-on to the MET model to capture the regional pipelines in Orange County that lead from the MET pipelines. The current vision of the OC Hydraulic Model is that it will stop at the service connections from the distribution pipelines and will not extend into the retail systems of our agencies. However, the model will help our agencies better understand the quality of the water they can expect under the different situations that are modeled. One other area where the OC Hydraulic Model will be useful is for planning of how to move water around during the AMP Prestressed Concrete Cylinder Pipe (PCCP) lining construction contracts to be awarded by MET in the next 5 to 10 years. MET has awarded an engineering services contract to Brown & Caldwell for the AMP work and use of the model in 2019 and 2020 would be useful.

Future efforts would include:

1. Develop critical control points/plans for managing distribution operations year-round.
2. Evaluate the water quality benefits of using storage tanks for hydraulic and transient management approaches.

3. Develop a water quality blending model that could be used to aid ongoing operations.
4. Analyze the economic impacts of local water introduction on existing MET operations (i.e. Diemer operations).

The white papers, approved by the Board on November 21, 2018, are currently in progress and draft reports are anticipated over the next month. These white papers will help define the water quality issues of concern and will further identify uses for the hydraulic and water quality model.

Hydraulic and Water Quality Modeling

The modeling effort is broken into an Investigation Phase and an Implementation Phase (future work). The completion of the Investigation Phase includes defining scopes of work required for successful model implementation and recommendations on software selection. Key aspects of the Investigative Phase include meetings with our agencies and MET water quality staff. MWDOC's intent is to move quickly into the Implementation Phase once the scopes of work and likely costs are defined.

INVESTIGATION PHASE

1. Review existing available OC distribution system information and ranges of future supply and demand flow scenarios from MET/MWDOC; then identify and document gaps necessary for development of the hydraulic model.
2. Identify stakeholder hydraulic modeling needs and MET requirements to successfully model the integration of "other sources of water" from local water projects into the OC distribution system while maintaining high quality water. The Consultant shall assist with prioritizing the identified hydraulic and water quality needs.
3. Develop a software specification that incorporates the identified hydraulic and water quality modeling needs into model requirements.
4. Conduct a software review and identify software products that match the software specification.
5. Prioritize software products based upon model requirements and recommend a 'best fit' for MWDOC's future uses.
6. Define scopes of work and associated cost estimates for purchasing and implementing the modeling software taking a 'modular' approach that provides for an initial startup (base model) with future expansion pathways to address identified needs while accommodating both budgetary and scheduling constraints. Each plan shall contain a matrix showing the required 'modules' necessary to address identified needs within the model for each of the four regional projects identified. The matrix will be used as an aid to benefit-cost discussions for short term and long term budgeting and scheduling decisions. The Consultant shall provide a recommended implementation plan and alternatives considered including key considerations for MWDOC decision-making. The plan alternatives shall be documented in the OC Hydraulic Model Investigation Report.

IMPLEMENTATION PHASE (Future Work)

7. Implement the MWDOC selected implementation plan alternative by building the conveyance network model and calibrating model data to provide a sufficiently accurate and stable representation of the system hydraulics to meet requirements.

Proposal Evaluation

On March 5, 2019 MWDOC staff issued a Request for Proposals (RFP) for professional services for an OC Distribution System Water Supply Integration Hydraulic Model to pre-selected firms with demonstrated requisite expertise from the April 2018 SOQ list (Carollo, and Black & Veatch). Proposals were received from Black & Veatch and Carollo on March 29, 2019. MWDOC staff and Means Consulting have reviewed the proposals and are bringing its recommendations to the A&F Committee for review and discussion in time for Board consideration of authorization to proceed with development of the project scope and recommendations on April 17, 2019.

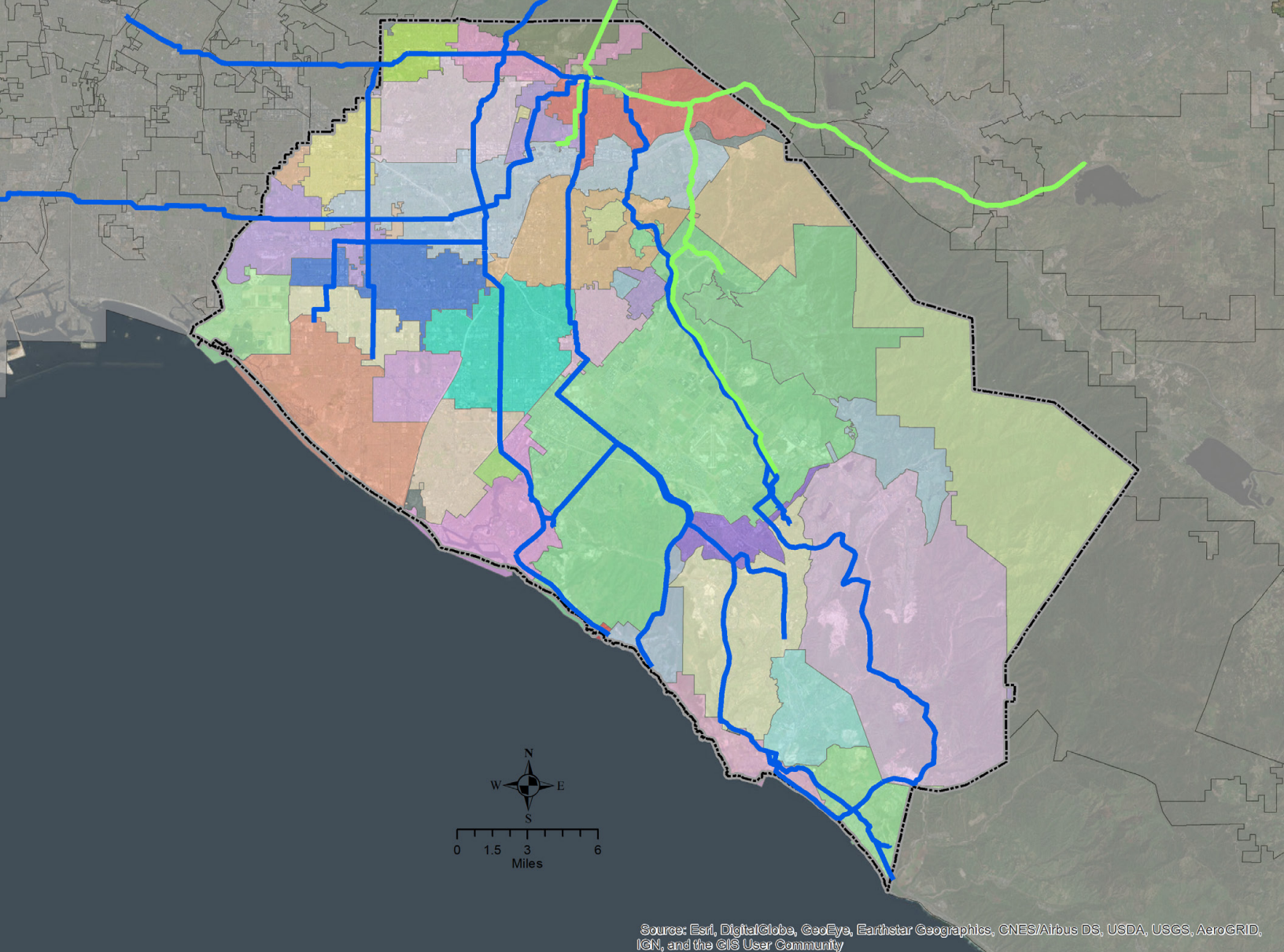
Both proposals demonstrated that the respondents were well qualified and had a high level of understanding of the project. The Black & Veatch proposal went beyond the RFP requirements, and included information on their approach for both the Investigation Phase and the subsequent Implementation Phase. The B&V proposal also cited their previous work on the Tampa Bay Water model (integrated many supplies into a conveyance system), and identified many similarities to the OC model needs. The Black & Veatch proposal provided a more in-depth view with respect to the project. The Black & Veatch proposal also had a lower fee estimate. Staff therefore recommends that the professional services agreement be awarded to Black & Veatch.

Schedule for the Model Development

OC Hydraulic Model Investigation Phase

<u>Activity</u>	<u>Date</u>
Release of RFP to Pre-qualified Firms	February 27, 2019
Proposal Due Date	March 29, 2019
Contract Award (Board)	April 17, 2019
Meetings & Stakeholder Workshop	May - June 2019
Draft OC Hydraulic Model Investigation Report	August 2019
Final OC Hydraulic Model Investigation Report	September 2019

Attachment: Black & Veatch Proposal



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

PROFESSIONAL SERVICES FOR OC DISTRIBUTION SYSTEM WATER SUPPLY INTEGRATION HYDRAULIC MODEL PHASE 1 - MODEL INVESTIGATION

MARCH 29, 2019



BLACK & VEATCH

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Cover Letter

March 29, 2019

Mr. Charles Busslinger
Principal Engineer
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

RE: Professional Services for OC Distribution System Water Supply Integration Hydraulic Model Phase 1 - Model Investigation

Dear Mr. Busslinger:

Several exciting new local water supply projects are being developed in Orange County that, if successful, will greatly improve the reliability of our water supply by reducing dependence on ever more expensive and risky imported supplies. One way Municipal Water District of Orange County (MWDOC) is facilitating these projects is by engaging Metropolitan Water District of Southern California (Metropolitan) and MWDOC's Member Agencies in a process to determine the best strategies for integrating these new local supplies into the regional water supply system. Black & Veatch has been supporting MWDOC in this effort for some time.

Black & Veatch's efforts have included development of conceptual strategies for introducing water from the proposed Huntington Beach Desalination Plant into the East Orange County Feeder No. 2 (EOCF2), wherein we assessed which Member Agencies can feasibly receive and utilize the water, and identified what new and existing facilities would be used to convey the new supplies.

In 2018, we supported MWDOC's dialogue with Metropolitan and MWDOC's Member Agencies by jointly developing a Workshop to discuss the issues associated with introducing new water supplies into existing systems. That Workshop was not only about Huntington Beach, but also brought in the Doheny Beach Desalination Plant and potential groundwater pumpback schemes that could be implemented in the Orange County Groundwater Basin. Out of that Workshop, we are currently applying our expertise to prepare a White Paper that will serve to more fully describe the key considerations, and define a recommended path forward to address these issues and any additional concerns raised by stakeholders.

A key recommendation from the Workshop was to develop a hydraulic model to support the variety of technical analyses that will be needed. During the Workshop, Black & Veatch's modeling of the Tampa Bay Water regional system was highlighted as an example of a representative approach, similar to what will be needed in Orange County.

Phase 1 of model development, the subject of your request for proposals (RFP), centers on setting the foundation for the program of subsequent modeling, analyses, and stakeholder engagement activities. **Phase 1 seeks to:**

- **Identify the most appropriate modeling software platform for the analysis.** The ultimate model software needs to provide the analytical tools needed to address the technical issues associated with introducing new water supplies into an existing system without need to change platforms in the future. It should provide flexibility to be adapted to different system evaluation needs and stakeholder requests over time. And ideally, it will be possible to phase in investment in model development over time, allowing MWDOC to manage the cost of modeling and analyses and in some instances, assign those costs to the specific new water supply projects under consideration.

- **In conjunction with the aforementioned White Papers, define the totality of modeling and analyses that will be needed to support successfully moving the new water supply projects forward.** Understanding the totality of modeling and analyses needed will support model software selection as well as development of a work plan for modelling and analysis implementation.
- **Engage Metropolitan, new local water supply project proponents, and MWDOC's Member Agency stakeholders to gain their input and support for model software selection and work plan development.** This engagement will help assure that the selection will meet everyone's needs over time – a key goal is to assure that modeling and technical analyses provide the level of rigor needed to gain stakeholder acceptance of the results. It may also prove fruitful to identify other value-added uses for the model that could be of benefit to MWDOC and its Member Agencies above and beyond its core purpose.
- **Achieve MWDOC Board of Directors approval to invest in Phase 2 and subsequent Phases .** The deliverable from Phase 1 will document how the right model platform was selected to address the analytical needs for new water supply integration planning and implementation; demonstrate that model software selection and the modeling/analyses Work Plan reflect input and support from Metropolitan and MWDOC's Member Agencies; and establish the programmatic cost and schedule for the effort—all the key elements your Board will need to approve additional investment.

Black & Veatch is your ideal partner to develop the OC Distribution System Water Supply Integration Hydraulic Model, both for Phase 1 and beyond.

- **New Water Supply Integration Expertise.** Black & Veatch brings unparalleled expertise in integration of new water supplies into existing systems, which is one of the reasons we were selected by MWDOC to assist with the Workshop with Metropolitan and MWDOC's Member Agencies, and are currently developing the White Paper on next steps. We will apply global experience from projects like Tampa Bay Water to assure that the selected model cost-effectively provides the robust technical results needed by MWDOC, Metropolitan, and MWDOC's Member Agencies to support moving new local water supply projects forward.
- **Water System Modeling Expertise.** Black & Veatch's Planning and Asset Management practice has supported new water supply integration projects globally, and brings experience with all of the common modeling software platforms at MWDOC's disposal. Combined with our keen knowledge of what we will need the models to do to satisfy your, Metropolitan's and your Member Agencies' concerns, we will efficiently and effectively bring you up to speed on what's available in the marketplace and determine what platform will provide the best fit for new water supply integration needs.
- **Knowledge of Orange County Distribution System and Proposed Projects.** Our professionals' involvement in concept development for new OC water supply projects dates back to **Jonathan Loveland's** work on Huntington Beach while he was with Poseidon and **Matt Thomas'** work on the Doheny conceptual design while at Boyle Engineering. Black & Veatch's more recent efforts include assessment of the EOCF2. In sum, we are already high on the learning curve about how these projects could integrate into the existing OC Distribution System, what Member Agencies can be served, and what impacts will need to be addressed to implement the projects. Our knowledge will improve effective communication during stakeholder engagement, and will make us more efficient in model development and calibration.

- **Relationships with Metropolitan and MWD OC Member Agencies.** Black & Veatch brings a strong working relationship with Metropolitan's hydraulic modeling team, with whom we are currently working on projects to assess impacts of improvements to the Second Lower Feeder and Rialto Pipeline. Our relationships will facilitate obtaining and sharing information about the facilities and operations in Orange County, and development of a calibrated model. We also bring experience in water system modeling and planning for a significant number of MWD OC's Member Agencies, facilitating our understanding of their models and how their information may be utilized in conjunction with your OC Distribution System model.

In total, Black & Veatch brings the combination of new water supply integration expertise (particularly for desalination projects), background knowledge about your projects, and Metropolitan and Member Agency relationships that will contribute to successfully moving your projects forward.

It has been our pleasure to have assisted MWD OC so far in its efforts to develop new, reliable local water supplies for Orange County. The ability to leverage existing conveyance infrastructure to implement these projects allows them to provide greater capacity, making them more cost-effective and enhancing stakeholder support and the regional reliability benefit they provide. Having a robust model will be a game-changer in making that vision a reality.

If you have any questions about the details of our proposal, please feel free to contact me at (949) 788-4250 or thomasml@bv.com. Thank you for the opportunity.

Yours truly,



Matt Thomas, P.E.
Project Manager

Understanding & Approach

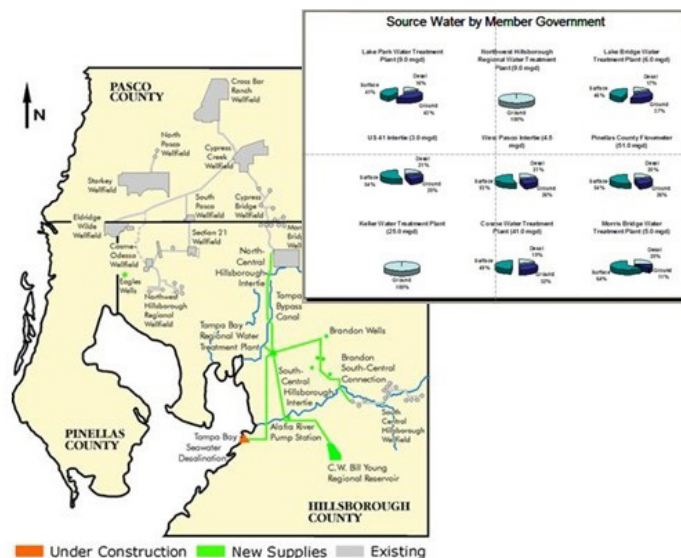
Understanding and Approach

PROJECT UNDERSTANDING

In our cover letter, we described the deep technical expertise, project experience, and project understanding that Black & Veatch will provide to make not just model development a success, but will also help MWDOC be successful in supporting implementation of new local water supplies for Orange County.

Also as highlighted in our cover letter, this Phase 1 effort needs to:

- Select a modeling platform that is adaptable to project and stakeholder needs over time, provides robust modeling tools to address the technical needs associated with new water supply integration, and be cost-effective and allow MWDOC to manage how and when modeling effort is implemented.
- Provide a work plan that defines the totality of modeling and analyses needed so level of effort and costs are well understood going in.
- Reflect input and needs of Metropolitan, MWDOC, and MWDOC's Member Agencies, and ultimately provide a work plan and budget that those entities support.



Tampa Bay Water: Black & Veatch's experience building Tampa Bay Water's hydraulic model and using it to evaluate water quality supplied to its retail agency systems will help ensure a successful project for MWDOC.

In this section of our proposal, we describe our general approach to model selection and work plan development to achieve these goals.

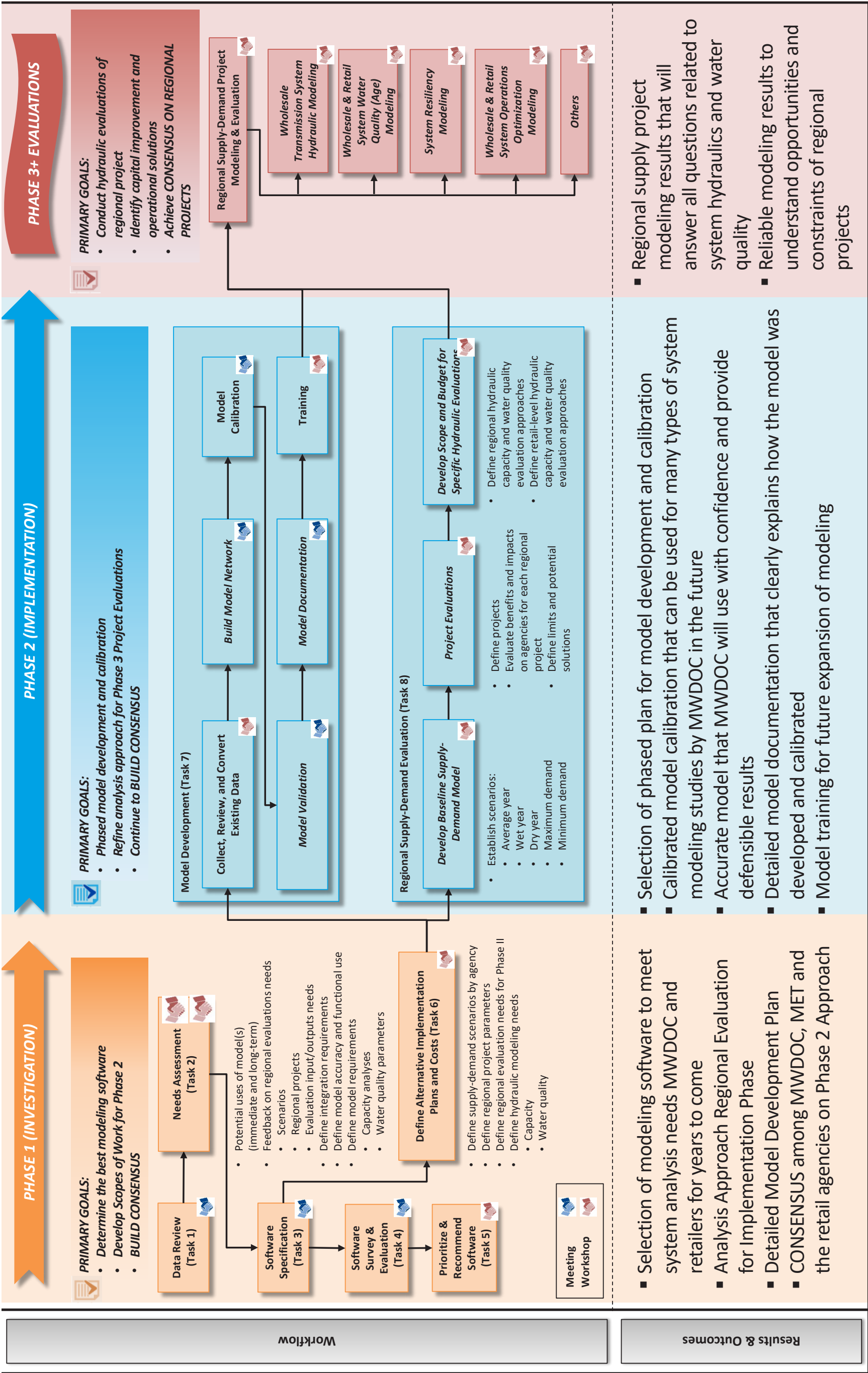
INTRODUCTION

We have met with MWDOC and other key stakeholders about this project and carefully reviewed the RFP. While the scope of the RFP is focused on services to be provided during the Phase 1 Investigation, it is important to understand the long-term objectives for the hydraulic model to be developed and have a vision for how the model will be developed and applied by MWDOC in the future. The figure on the following page provides a summary of our vision of the work plan for Phases 1, 2, and beyond including the key results and outcomes to be expected for each phase.

The success of Phase 1 will dictate the potential for success for Phase 2. We fully understand the importance of selecting the best modeling software for this project as it will need to address MWDOC needs as well as the needs of the retail systems for years to come. We also understand the importance of understanding the needs of all Stakeholders, including Metropolitan and the retail agencies. Our approach for Phase 1 will focus on identifying and addressing Stakeholder needs in order to build support among the stakeholders.

Following the work plan figure, we have detailed our technical approach for the project. Our technical approach focuses on the Phase 1 tasks requested in the RFP but also addresses the potential Phase 2 tasks at a higher level.

Following the technical approach, we have included a formal Scope of Services for the tasks requested in the RFP based on our proposed technical approach. The proposed project Schedule and Budget provided in those sections of our proposal are based on our approach and the Scope of Services.



TECHNICAL APPROACH

Task 1: Data Review

Data collection and review will inform the model selection process as well as support start the Phase 2 work by:

- Assessing existing data available to build the model and analyze future supply projects to the regional system.
- Determining data gaps to establish work effort needed to fill those gaps.
- Assessing compatibility of MWDOC model with existing system models.
- Capturing data and organizing it for future use.

Black & Veatch believes that identifying, collecting, and documenting the right data at the beginning of the project is essential for being able to help identify the most appropriate modeling software platform and especially in developing an implementation plan and cost estimates for Phase 2. The project team will work with MWDOC staff to collect available system data including current and future water demand data from Metropolitan and retail agencies, current and future supply data from Metropolitan and local sources, and water quality data. The team will also collect available geographic information system (GIS) data. Where possible, information will also be collected for the different facilities across the different distribution systems that are necessary to build a robust regional hydraulic model that will include regional pipelines, distribution pipelines, reservoirs, pump stations, treatment plants, pressure control facilities, valve vaults, etc.

The collected data and information will be inventoried in a **System Information Database (SID)** and gaps will be identified. For example, if an agency does not have updated future demand information, this would be identified as a gap. If water quality data is not available at sufficient locations at regular intervals to support necessary future water quality evaluations, a gap would be identified. The GIS data, which is extremely important for building a model, will be checked for connectivity accuracy and the pipeline attribute data (i.e. diameter, material and install year) will be verified for completeness. Any missing data or feature in the GIS will also be identified.

These gaps will be communicated to MWDOC to verify if further information or data is readily available to fill these gaps. Any new or updated data will also be added to the SID. The remaining gaps where data is not readily available will be documented and possible solutions for these gaps will be recommended in the work plan. These recommendations along with the gaps will be documented in a technical memorandum. The memo will also include hourly and budgetary estimates for analyzing this data and filling the gaps before the model development begins.

System Information Database

DATA NEED	Date Received	Questions/ Follow Up
Attribute Data & Models		
<input type="checkbox"/> GIS gdb or shapefiles of Water/Wastewater Infrastructure		
<input type="checkbox"/> Updated Water Model		
<input type="checkbox"/> As-builts Records (if deemed appropriate)		
Planning Data		
<input type="checkbox"/> Parcel Data (GIS Coverage)		
<input type="checkbox"/> Existing Land Uses		City/County
<input type="checkbox"/> Planned Land Uses		City/County
<input type="checkbox"/> Adopted Land Uses/Zoning Data		City/County
<input type="checkbox"/> Population Forecasts		SANDAG
<input type="checkbox"/> Pressure zone shapefiles		
<input type="checkbox"/> HGL schematic		
Demand / Flow and SCADA Data		
<input type="checkbox"/> Demand Summaries 2000-2015		Monthly billing data
<input type="checkbox"/> Supply Summaries - Daily (2010-2015)		
<input type="checkbox"/> Supply Summaries - Monthly (2000-2015)		
<input type="checkbox"/> SCADA Data - Screenshot of system layout		
<input type="checkbox"/> SCADA Data - Water Max Day		Need to identify Max Day
<input type="checkbox"/> Valve Settings		
<input type="checkbox"/> Peak Flow Summary and Pump Stats (Max Day)		
<input type="checkbox"/> SCADA Data - for Model Calibration		
<input type="checkbox"/> SCADA Data - Reservoir/Supply Connections		
Prior Studies & Agreements		
<input type="checkbox"/> 2000 Water Master Plan (Digital files)		
<input type="checkbox"/> 2010 UWMP		
<input type="checkbox"/> 2015 UWMP		
<input type="checkbox"/> North County Regional RW Study		

Black & Veatch's SID and data tracking procedures will help quickly identify data needs and ensure critical system information is secured for the project, not only during Phase 1, but also during Phase 2 and beyond. It will be a valuable reference for MWDOC in the future.

Task 2: Needs Assessment

The needs assessment step will identify critical features required in the model as well as providing direction on future evaluation needs. Key outcomes of this task are:

- Engagement with Metropolitan, MWDOC, and member agencies to solicit their input on specific hydraulic and water quality assessment needs.
- Providing a workshop for facilitation of discussion on needs and setting a template for regional participation for the future phases of work.
- Identifying the key benefits and impacts to Metropolitan and the member agencies to be evaluated using the hydraulic model in assessing each of the future regional supply concepts.

The success of this task will be driven by seeking input from the project stakeholders, including MWDOC, Metropolitan, and the retail agencies. The regional hydraulic model must satisfy the most pressing needs for each stakeholder. To do this, each stakeholder must be heard and their needs accounted for in the model development process.

First, the Black & Veatch team will work with MWDOC staff to confirm their specific needs and uses of the future hydraulic model. The team will then work with MWDOC to develop a short and simple questionnaire that will be used to confirm or collect needed information and status of the hydraulic model of each retail agency. The questionnaire will include questions on model software, last calibration date, current uses of the model, future expectations from the model, reporting requirements etc. **This information from the agencies will be analyzed and organized with MWDOC's needs to draft the initial consensus needs for development of the regional hydraulic model. This will help facilitate the discussion of the first stakeholder meeting.**

At the stakeholder workshop, each of the identified needs from the RFP (see summary table below) will be confirmed and discussed with the attendees. Input from attendees will be solicited to determine data needs and availability for each item as well as input on priority of the modeling needs for each agency. A similar meeting with Metropolitan and MWDOC will also be held to discuss the assessment needs. The prioritized list and will be updated based on input from Metropolitan. The consensus goals will then be reviewed with MWDOC and prioritized based on the input from Metropolitan and stakeholders as well as the objectives for the future Implementation Plan objectives. These final consensus goals will then be used to assess and evaluate potential hydraulic model software and analysis approaches.



Black & Veatch will draw upon our extensive past familiarity of MWDOC's system and needs and our relationships with project stakeholders to help facilitate stakeholder interactions and build consensus.

Model requirements for analyzing pressurized flow conditions. Included in this task is an assessment of the need for modeling cascading flow regimes (not a full pipe condition) in the Santiago Lateral pipeline and recommendations for how this should be handled.	The model needs to simulate different demand conditions which most modeling software handle well. Also, different flow regimes (pressurized vs open channel flow) should be modeled accurately. Certain software like InfoWater handles such scenario better than others.
Intended immediate and potential future uses of the model (planning level analysis and/or engineering level analysis) and the type of hydraulic model engine required (i.e. steady-state flow or fully dynamic flow).	For planning level analysis and some engineering analysis like low pressure identification, steady state simulations of extreme condition can be sufficient. For other detailed analysis like Water age, Water Quality and operational analysis will require dynamic simulations.
The required level of model accuracy and functional use (i.e. short term and long term). The extent of the OC distribution system that needs to be modeled to provide engineering and water quality analyses including; multiple service connections, pressure control facilities, treatment facilities, and storage reservoirs. Define boundary conditions that must be established.	Capital planning for the long term can be simulated with fewer inputs to allow room for larger uncertainty. The short-term operational or water quality analysis will require the inclusion of all facilities in the regional (and local) system with controls assigned.
Integration requirements for importing data from Metropolitan's existing model/pipe network database.	Black & Veatch has experience with Mike Urban and its capabilities. The team will request a copy of the model to identify the exact process to import and check compatibility with other software
Expansion capabilities and ultimate goals of the OC distribution system model.	The ultimate goals of the hydraulic model will be confirmed with MWDOC and the retail agencies to finalize the needs. The software platforms will be evaluated to accommodate these goals and its capability for easy (or automated) expansion or upgrade will be confirmed. For example, WaterGEMS' Model Builder tool and InfoWater's GIS exchange make expansion and update of the model fairly standard and easy
Ease of use and requirements for communicating modeling results (GIS compatibility, reporting format flexibility, etc)	Certain modeling platforms have better reporting capabilities than others. For example, InfoWater works within ArcGIS environment making it easy to make maps from model results. Others like Mike Urban requires the results to be exported into GIS feature classes before making map. The finalized needs will include the ease of use and all the communication requirements of MWDOC and the retail agencies.
"What-if" scenario analysis including supply sources coming on and offline, pipe shut-downs, demand changes (existing and future system), water supply reliability analyses, impacts to Metropolitan system, etc.	Scenario management with the modeling environment will be important for managing all "What-If" analyses. This will be an will be a major criterion for model platform selection.
The ability to track model history including when the network was changed, the previous model runs, input changes etc.	Certain software like Infoworks have in-built capabilities to track model changes better than others. Other require the users with maintain a separate model update log. The relative importance of this need will be accessed before development of modeling software specification.
Types of water quality constituents that the model should accommodate and whether these need to be integrated into the hydraulic model or if supplemental spreadsheet-based models are sufficient.	EPANET based software can model water quality constituents like chlorine or chloramine relatively easily using out of the box capability or extensions like MSX. The need for such extensions or sufficiency of spreadsheet models will be evaluated for its relative importance during the needs workshop before developing the software specifications.
Define a basis of calibration for the model.	The level of calibration will depend on the use of the model. A calibration basis will be developed based on the immediate need and future needs in a phased manner

Task 3: Develop Software Specification

Software specifications will be identified based on the Needs Assessment in Task 2.

The needs and goals developed in Task 2 will be prioritized and a level of effort to implement each will be developed. The draft level of effort and cost estimates will be based on using commercially available software and contingencies applied to cover for differences in implementation between different software platforms.

The complete list of software specifications will be prepared based on the needs and goals which will balance functionality and cost. The prevalence of each software platform in Southern California will also be considered by assessing local agency's current platforms as well as above par local customer service will also be added to the specifications of the software.

The software specification list and estimated level of effort will be discussed and reviewed with MWDOC to confirm all future modeling needs are being considered. A key aspect will be assuring the selected model meets the analytical needs identified in the White Papers currently under development. **This will help ensure that MWDOC's hydraulic model development investment can be fully leveraged for years to come.**

Task 4: Market Survey and Evaluation of Hydraulic Program Capabilities

Identification of potential software platforms is important to ensure that all options are considered toward selecting a flexible, cost-effective software that will provide the variety of robust analytical tools needed to address the water quality and hydraulic technical challenges associated with new supply integration.

The Black & Veatch team has experience with all widely used hydraulic modeling platforms in the United States. The table below lists most of the available water hydraulic modeling software platforms in the US. All of these software packages are capable of both steady-state and "dynamic" hydraulic modeling as well as some degree of water quality modeling. Details of modeling capability differences will be provided during this Task. The evaluation of software options and final selection will depend on these detailed differences as well as other factors (i.e. prevalence, integration capabilities, user-friendliness, cost, etc.). The table below provides some of Black & Veatch's preliminary insights on these other factors. The project team will develop a comprehensive exhibit of the major industry standard platforms and match them to the specifications developed in Task 3. If needed, the team along with MWDOC staff will communicate with specific vendors to get additional information or clarifications.

Based on this secondary survey augmented by as-needed primary research directly from the software vendors, a shortlist of the software that meet MWDOC's specifications will be developed. This short list will be presented to MWDOC staff in a meeting, along with the pros and cons of each software, to elicit discussion and individual comments on each software on the shortlist.

SOFTWARE	BLACK & VEATCH INSIGHT
Aqueductos	<ul style="list-style-type: none"> ■ Standalone interface Only ■ Used by utilities in Mexico and South America
EPANET	<ul style="list-style-type: none"> ■ Has a very rudimentary interface with very limited scenario management capabilities
HydrauliCAD	<ul style="list-style-type: none"> ■ Used by very few utilities in the US
InfoWater	<ul style="list-style-type: none"> ■ Used by many utilities in the western United States and by many of MWDOC's retail agencies ■ Has effectively replaced Innovyze's H2ONet and H2OMap products due to its superior GIS integration capabilities
Infoworks ICM	<ul style="list-style-type: none"> ■ Commercial software built by Innovyze (previously Wallingford) based on proprietary engine ■ Has a standalone interface ONLY with good results plotting capabilities plotting and scenario management with track changes ■ Used by many utilities across the US for collection system modeling
Infoworks WS	<ul style="list-style-type: none"> ■ Commercial software built by Innovyze (previously Wallingford) based on proprietary engine ■ Has a standalone interface ONLY with good results plotting capabilities plotting and scenario management with track changes ■ Used by many utilities across the UK and some utilities in the US
KYPipe	<ul style="list-style-type: none"> ■ Lower cost commercial software built by two researchers based on a proprietary solution engine ■ Used by very few utilities in the US
MIKE Urban	<ul style="list-style-type: none"> ■ Commercial software built by DHI based on a proprietary solution engine
Synergi Water	<ul style="list-style-type: none"> ■ Commercial software built by DNV-GL (previously Advantica and Stoner) based on a proprietary solution engine ■ Used by very few utilities in the US like City of San Diego and some utilities across the UK.
WaterGEMS	<ul style="list-style-type: none"> ■ Has a good standalone as well as an ArcMap based GIS or AutoCAD based interface with good results plotting capabilities and scenario management. ■ Used by many utilities in the eastern United States and International markets ■ A superior product to Bentley's WaterCAD product due to its GIS integration capabilities
WaterSys	<ul style="list-style-type: none"> ■ Used by a few utilities in Canada

Task 5: Prioritize Software Products and Provide Recommended 'Best Fit'

The selected software will need to meet a wide variety of analytical purposes to address the technical concerns associated with new supply integration, as well as needs identified by stakeholders.

In this task, Black & Veatch will work with MWDOC staff to arrive at a recommended "best fit" software platform for the hydraulic model. To assist with this, the team will use our **Black & Veatch spreadsheet-based decision support tool**.

The tool will incorporate the needs and goals identified in Task 2, along with functions for each software on the short list and user preferences from MWDOC staff with specific weights assigned to each. Initial weights will be decided in consultation with MWDOC staff. The draft analysis in the tool will be done and presented at a workshop. At the workshop the various inputs like user preferences will be confirmed. Changes to the weights will simulated in the workshop to see its effect on the "best-fit" recommendation. A recommendation will be made to MWDOC at the end of the workshop.

Software Selection Decision Support Tool										
Short Listed Software	Needs								Total	
	#1	#2	#3	#4	#5	#6	#7	#8		
Software 1	1	2	5	5	5	3	4	2	27	
Software 2	4	2	5	5	3	2	4	4	29	
Software 3	1	4	5	4	3	2	1	4	24	
Enter a score of 1 through 5 with 5 being the best software fit for the need										
Short Listed Software	Needs								Total	
	#1	#2	#3	#4	#5	#6	#7	#8		
Software 1	0.1	0.4	0.5	1.5	0.25	0.15	0.4	0.2	3.50	
Software 2	0.4	0.4	0.5	1.5	0.15	0.1	0.4	0.4	3.85	
Software 3	0.1	0.8	0.5	1.2	0.15	0.1	0.1	0.4	3.35	

Needs	Weights
#1	10%
#2	20%
#3	10%
#4	30%
#5	5%
#6	5%
#7	10%
#8	10%
Total	100%

Black & Veatch's decision support tool will help facilitate and streamline the scoring process to find the "best-fit" software

Task 6: Develop Up to Three Alternative Implementation Plans and Associated Cost Estimates

Under this task, an efficient and clear implementation plan for developing a hydraulic model and conducting future system analysis will be identified by:

- Incorporating the needs and goals developed under the Task 2 Needs Assessment.
- Considering model capabilities and limitations.
- Incorporating a modular and phased approach.

Black & Veatch's process incorporates a "modular and phased" approach to meet MWDOC's short-term goals while maintaining the capability to expand to meet long-term modeling and evaluation objectives. The alternative plans will be based on the software platform that was selected by MWDOC following Task 5. The Black & Veatch team will develop up to three DRAFT modular implementations plans for the model development that could consider:

- Priority of needs and goals developed from Task 2 Needs Assessment.
- Need and timing requirements to individually evaluate each of the four regional water supply projects (Poseidon Desal, OCWD Groundwater Pump-In, OCWD West Orange County Wellfield Pump-In, and Doheny Desal).
- Data availability and ability to fill data gaps .
- Regional vs. local modeling necessities.
- Complexity in development .

The plans also will address developing a steady state model versus a dynamic EPS model (or if done in stages), all-pipes versus a skeletonized model versus regional model, model for hydraulic capacity evaluations versus a model to simulate water quality, etc. Also, if appropriate, a multi-tool approach may also be identified for consideration. A multi-tool approach could include the use of Microsoft Excel, Power BI, Gold Sim, or other software that could be utilized to assess “big-picture” supply/demands scenarios in a more efficient approach and help to refine the future water supply project options and identify necessary capital improvement needs that would then be validated and further refined via use of the model in evaluating in more detail system hydraulics and water qualities.

Each plan will consider the implementation of the 4 regional projects and their timelines. Each DRAFT alternative will be presented in a workshop with MWDOC staff using a flow chart along with cost estimates for each module. Pros and Cons will be provided for each implementation to facilitate discussion and help identify the best option for MWDOC’s needs.

Optional Task: Consensus between MWDOC and its member agencies is critical for future phases of this project. As an optional task, Black & Veatch proposes to present the final implementation plan to the retail member agencies. This will help get all the stakeholders on the same page and set the project up for success in Phase 2 and beyond.

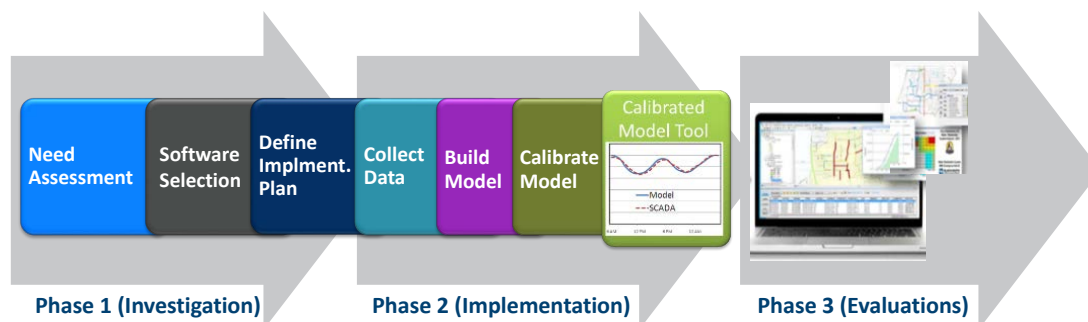
PHASE 2

While the scope, budget, and schedule requested in the RFP is limited to Phase 1, we have provided a general description of how we will approach Phase 2 assuming we are selected to assist MWDOC with Phase 1. This approach will be updated and refined following the completion of Phase 1.

Task 7: Implement MWDOC Selected Implementation Plan

A smooth and efficient implementation of the selected model development plan will be the focus of this task. Black & Veatch will work with MWDOC staff to select the best implementation based on your needs and timeline from the three plans identified in Task 6. This selection will be heavily influenced by MWDOC’s short-term needs (analyze integration of new water supplies and potential impacts on water quality) and long-term vision (develop a fully capable model to analyze hydraulics, transients, operations, water quality, etc.). Our implementation team includes the same staff from our Phase 1 investigation team, so we will have been intimately involved in the selection of the modeling platform and the implementation plan, making the model development seamless.

Model Development Plan



The Phase 2 Implementation efforts will be staged to follow the data collection and implementation plan development under Phase 1 and provide the necessary model and evaluation tools to evaluate regional supply options under Phase 3.

7.1. Collect, Review, Validate, and Convert Existing Data

Task 1 will have provided the Black & Veatch team with intimate knowledge of the data available to build MWDOC's model. This information, combined with our extensive knowledge of the proposed new local water supply projects in OC and key system integration issues, will make this task straightforward. The team will follow rigorous documentation and processes to inventory data (using the System Information Database (SID) from Task 1) and will confirm the gaps identified in Task 1. The team will also confirm the assumptions made to complete Task 1 and will also confirm the recommendations made to fill data gaps. This data collections and review task will include the pipe information, facilities (pumps, reservoirs, pressure control facilities, retail agency connections, treatment plants, etc), demand data, and GIS data review.

All the facility information will be summarized in tables for easy reference during model build.

Name	Model ID	From Zone	To Zone	Elevation (ft)
La Brea Regulating Station	RES9014	579	477	477
Overland Regulating Station	RES9006	865	477	455

Regulating Station Name	Model IDs	From Zone	To Zone	Setting (psi)
Grand & Venice	V_4406298	477	205	54
	V_4406299			54
	V_4406300			54
Jefferson & Sep	V_3019690	477	205	82
	V_3019684			82
	V_3019675			82
Palm & Stewart	V_4393923	477	205	48
	V_4393926			48
	V_4393933			48
Regulating Station #1	V_2279152	477	205	71
	V_2279148			71
	V_2279136			71

Diameter (in)	Length (ft)	%
2 - < 6	8,511	2%
6 - < 8	114,335	29%
8 - < 12	65,145	17%
12 - < 16	12,825	3%
16 - < 24	81,668	21%
24 - < 36	2,448	1%
>= 36	101,443	24%

Reservoir Name	Capacity (MG)	Footprint Dimensions (ft)	Base Elevation (ft-MSL)	Overflow Level (ft)	Fill Pressure (psi)
Reservoir 1	9.5	Rectangular (varies with depth)	75.25	42.5	65
Reservoir 2	18.7	Circular (diameter = 297.5)	45.7	36	75
Total Capacity	28.2				

R	Manufacturer	Model	Type (power source)	Capacity (gpm)	TDH (ft)	Speed (rpm)	Manufacturer	Model	Size (hp)
1	Johnston Pumps	SL-200	Vertical Turbine (gas)	2,500	130	1,200	Waukesha Engines	F1197G	137
1	Johnston Pumps	SL-100	Vertical Turbine (gas)	2,500	47	1,200	Waukesha Engines	F1197G	137
1	Worthington Pumps	NIA	NIA (electric)	1,000	NIA	1,200	U.S. Electric Motors	364VP	40
2	NIA	NIA	NIA (gas)	4,200	NIA	NIA	Waukesha Engines	F2895G	369
2	NIA	NIA	NIA (gas)	4,200	NIA	NIA	Waukesha Engines	F2895G	369

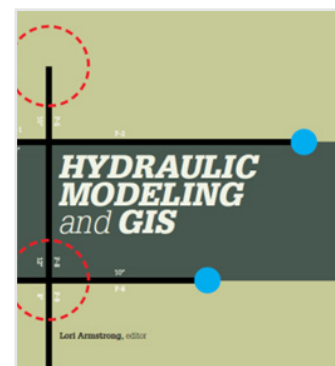
Existing system data will be summarized in simple tables to identify gaps and as easy reference during model build.

7.2. Build Model Network

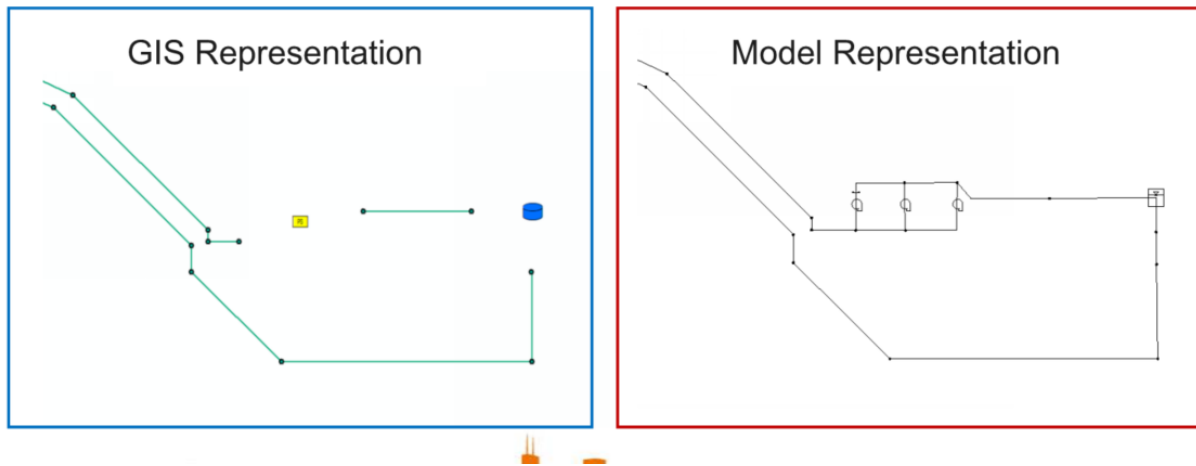
Based on the review from Task 1 and Task 7.1, the Black & Veatch team will build a geometric GIS network for MWDOC's system. This will include all the necessary pipes, pumps, pressure control facilities, Metropolitan connections, treatment plants, etc. Creation of a well-connected and complete GIS network will simplify and standardize the model build process for MWDOC. This will also help with maintenance and future update of the model. The team will also work with MWDOC to confirm if they would like the GIS to be in ESRI's Local Government Information Model.

Facility information facilities (pumps, reservoirs, pressure control facilities, retail agency connections, treatment plants, etc) will be manually added into the model using the tables generated in Task 7.1 and as-builts, as appropriate.

Demands collected from WINS and other sources will be geocoded to create a GIS layer that can be updated easily as new data is generated. The demands will be analyzed to looks at historical patterns and calculated peak factors for maximum day, peak hour and minimum day. Maximum and Minimum month peaking factor also be calculated, if needed. At the end of this task, the model will under steady state (not calibrated).



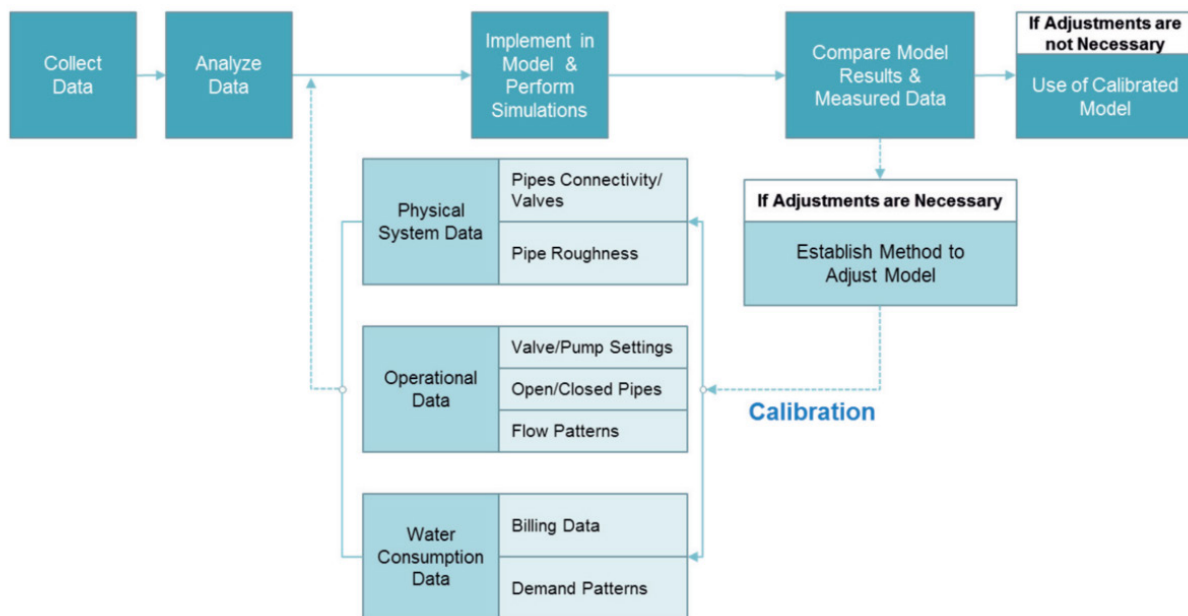
Brian Lendt and Ed Koval were primary authors of Hydraulic Modeling and GIS, an Esri reference guide. Our team has extensive experience in building models from and integrating with our clients' GIS database systems.



Accurate representation of the facilities in the model is essential for more advanced analysis using the hydraulic model. And GIS does not have that level of detail as would be found in As-Built.

7.3. Model Calibration

The initial step in model calibration is to identify specific calibration points across the system. The calibration parameters at these locations will be discussed with MWDOC staff and a plan will be created to capture any missing information.



Black & Veatch has proven methodology to calibrate water distribution models implemented across multiple utility of various sizes.

The first phase of calibration will focus on hydraulic calibration for EPS scenarios. The demands conditions for this calibration will be discussed and confirmed with MWDOC. At a minimum, calibration will be done for maximum day and minimum day demand conditions. After the first phase, the model will be ready for hydraulic (including source trace) and water age analysis. The results of water age analysis will set the stage for Phase 2 of calibration, which will entail water quality calibration. The need and process of water quality calibration will be discussed with MWDOC. Ideas like single species (chlorine) or multi species (chloramines) modeling will be discussed. Based on MWDOC's requirements and level of efforts needed to collect water quality data, Phase 2 calibration will be planned. The process for hydraulic and water quality calibration will be documented in a calibration plan and submitted to MWDOC for final approval.

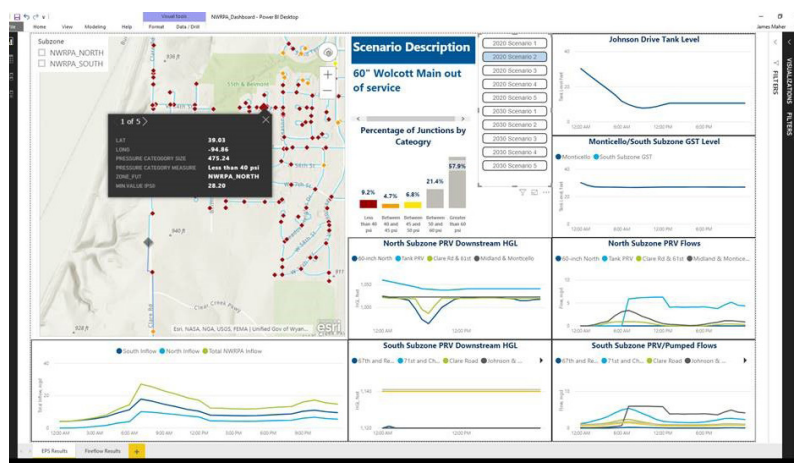
The calibration results will be presented to MWDOC in a workshop and any discrepancy in the measured versus modeled data will be discussed. At the end of this task, MWDOC will have excellent confidence to use their hydraulic model to make planning, operation or water quality planning.

7.4. Model Validation

The calibrated model under maximum and minimum demand conditions will be validated under other demand conditions like average demands. The process and tolerance for validation will be similar to the calibration criteria.

Future Model Runs

Additionally, separate scenarios will be setup for each of the four supply projects. The set up will also have the flexibility to use or test multiple projects in one scenario. Different future demand sets will be created so that the new supply sources can be tested under different demand conditions. Results from each scenario (pressure, velocity, water, etc) will presented in Power BI dashboard for easy viewing and decision making.



A Power BI dash helps visualize and compare various critical parameters in the system under different scenarios and help with planning for different supply sources.

7.5. Model Documentation

As the previous tasks are completed, the process of model build will be documented in report. Wherever possible, videos will be created to show the process of model build including data import, data cleanup etc. The model calibration and results viewing will also be documented succinctly and using short videos.

7.6. Training

In addition to the videos, the team will provide MWDOC staff with in-person training including model building, scenario analysis, new service connection analysis and source trace runs.

Task 8: Regional Supply-Demand Evaluation

Prior to conducting detailed hydraulic capacity and water quality evaluations, it will be critical to define the short- and long-term regional water demand needs and how that will balance with the local, regional, and imported water demand supplies. The balance of supply and demand will be significant in defining the benefits and potential impacts of new regional supply projects at both the regional and local levels. Each retail agency operates their system specific to their demands needs, their local supply availability, supply costs/benefits, and system capacities. In addition, these parameters can vary based on season (e.g. summer vs. winter demand) as well as resource availability or restrictions (e.g. groundwater levels/pumping rights during wet vs. drought periods). Future water conservation is likely to play a role in the demand/supply balance as well for many agencies. Under this task, these agency specific scenarios will need to be defined for both the short- and long-term conditions and then aggregated to evaluate the effects on the regional demand/supply balance. Different scenarios (e.g. wet vs. drought condition) will need to be considered to evaluate how the future regional supply projects will benefit (or impact) the regional distribution system or even local systems. These scenarios and initial evaluations will then provide input to the more specific modeling efforts that will be used to further identify capital improvement needs, water quality challenges/improvement needs, and possibly operational adjustment to the system and/or agency supply strategies.

Scope of Services

Scope of Services for Investigation: Phase 1

The Scope of Services requested in the RFP have been replicated below and also enhanced to reflect Black & Veatch's technical approach and identify key deliverables and meetings.

The completion of the Investigation Phase 1 includes defining scopes of work required for successful model implementation. MWDOC's intent is to move quickly into the Implementation Phase 2 once the scopes of work and likely costs are defined. In general, the overall modeling effort includes:

INVESTIGATION PHASE (GENERAL)

1. Review existing available OC distribution system information and ranges of future supply and demand flow scenarios from Metropolitan/MWDOC; then identify and document gaps necessary for development of the hydraulic model.
2. Identify stakeholder hydraulic modeling needs and Metropolitan requirements to successfully model the integration of "other sources of water" from local water projects into the OC distribution system while maintaining high quality water. The Consultant shall assist with prioritizing the identified hydraulic and water quality needs.
3. Develop a software specification that incorporates the identified hydraulic and water quality modeling needs into model requirements.
4. Conduct a software review and identify software products that match the software specification.
5. Prioritize software products based upon model requirements and recommend a 'best fit' for MWDOC's future uses.
6. Define scopes of work and associated cost estimates for purchasing and implementing the modeling software taking a 'modular' approach that provides for an initial startup (base model) with future expansion pathways to address identified needs while accommodating both budgetary and scheduling constraints. Each plan shall contain a matrix showing the required 'modules' necessary to address identified needs within the model for each of the four regional projects identified. The matrix will be used as an aid to benefit-cost discussions for short term and long-term budgeting and scheduling decisions. The Consultant shall provide a recommended implementation plan and alternatives considered including key considerations for MWDOC decision-making. The plan alternatives shall be documented in the OC Hydraulic Model Investigation Report.

INVESTIGATION PHASE (DETAIL)

Task 1: Data Review

Black & Veatch will collect and review existing available water quality data and OC distribution system information from Metropolitan and MWDOC, including Metropolitan and retail agency water quality reports, Metropolitan turnout demands, pipeline flows, potential local water supply sources, and likely future supply and demand flows by agency and by pipeline.

Black & Veatch will develop and maintain a System Information Database (SID) spreadsheet indicating the item(s) requested, a person responsible to collect the information, prioritizing data needs, when it is needed by, and when it was provided to Black & Veatch.

Black & Veatch will identify and document gaps necessary for development of a hydraulic model. A preliminary assessment of the level of effort (both work hours and estimated cost) necessary for data validation and conversion of data for successful model implementation will also be included.

Project Management activities including monthly progress reports, project schedule updates, arranging meeting and workshops, and Quality Assurance/Quality Control (QA/QC) Reviews are included in this task. Black & Veatch shall prepare an agenda in advance of all meetings and workshops and will submit meeting summaries for review following each meeting and workshop. Sign-in sheets, presentation materials, and topic specific handouts will also be prepared by Black & Veatch and provided for MWDOC's review in advance of all meetings and workshops. Black & Veatch shall coordinate and attend a Project Kick-off meeting with MWDOC personnel that will include Black & Veatch's Project Manager and other key staff. Topics to be covered at this meeting include a review of project goals and objectives, roles and responsibilities of the Project Team, coordination of project schedules potential dates for project meetings and workshops, and near-term workplan activities.

Deliverables and Meetings:

- As part of the project Kick-Off Meeting, Black & Veatch will review the System Information Database (SID) with MWDOC and the data collection approach process
- SID spreadsheet (updated regularly)
- Draft and Final Technical Memorandum documenting the collected data, data gaps, assessment for validation and conversion of data, and any additional data collection/processing recommendations.

Task 2: Needs Assessment

Consultant shall conduct a needs assessment for development of a hydraulic model that meets Orange County specific needs and Metropolitan requirements for hydraulic capacity, water quality, and water age evaluations. The task shall include facilitation of up to two stakeholder workshops (MWDOC, its retail agencies, and Metropolitan) to capture stakeholder needs that shall then be summarized in a Technical Memorandum and included in the final report. Specific items to be addressed in the needs assessment include, but are not limited to:

- Model requirements for analyzing pressurized flow conditions. Included in this task is an assessment of the need for modeling cascading flow regimes (not a full pipe condition) in the Santiago Lateral pipeline and recommendations for how this should be handled.
- Intended immediate and potential future uses of the model (planning level analysis and/or engineering level analysis) and the type of hydraulic model engine required (i.e. steady-state flow or fully dynamic flow).
- The required level of model accuracy and functional use (i.e. short term and long term). The extent of the OC distribution system that needs to be modeled to provide engineering and water quality analyses including; multiple service connections, pressure control facilities, treatment facilities, and storage reservoirs. Define boundary conditions that must be established.
- Integration requirements for importing data from Metropolitan's existing model/pipe network database.
- Expansion capabilities and ultimate goals of the OC distribution system model.
- Ease of use and requirements for communicating modeling results (GIS compatibility, reporting format flexibility, etc...)
- "What-if" scenario analysis including supply sources coming on and offline, pipe shut-downs, demand changes (existing and future system), water supply reliability analyses, impacts to Metropolitan system, etc.
- The ability to track model history including when the network was changed, previous model runs, input changes etc.
- Types of water quality constituents that the model should accommodate and whether these need to be integrated into the hydraulic model or if supplemental spreadsheet-based models are sufficient.
- Define a basis of calibration for the model.

Deliverables and Meetings:

- Stakeholder workshops (up to 2) with MWDOC and retail agencies to introduce project and discuss stakeholder needs
- Up to 2 follow up meetings with Metropolitan discuss data needs and Metropolitan requirements
- Draft and Final Technical Memorandum summarizing result of Needs Assessment

Task 3: Develop Software Specification

Identified needs shall be prioritized and assigned preliminary level of effort (i.e. work hours) and cost estimates for implementation to determine relative benefits vs costs for reconciliation with budgetary and scheduling constraints. Based upon the needs assessment conducted with agencies, Metropolitan requirements, and supplemental discussions with MWDOC, develop a detailed specification that indicates the core software functions required to provide sufficient accuracy and functionality to meet identified needs. The specification shall include feature prioritization for final assessment of cost vs. functionality. Functional categories include, but are not limited to; hydraulics, scenario management, capital improvement needs identification and management, model features, graphics, and reporting flexibility to communicate model result, boundary inputs, user interface, data management, software architecture, support and maintenance, and vendor services.

Deliverables and Meetings:

- Meeting with MWDOC to discuss software specification
- Draft and Final Technical Memorandum summarizing Software Specification, including functional categories and estimated costs

Task 4: Market Survey and Evaluation of Hydraulic Program Capabilities

Survey the major industry-standard software packages used for hydraulic modeling. Develop and document a 'short-list' of software packages based upon their ability to meet the software specifications and depth of user base in Southern California. Also indicate any significant limitations that remove particular packages from further consideration.

Deliverables and Meetings:

- Exhibit summarizing the survey of industry standard software and their functional capabilities and prevalence of use in Southern California
- A short-list of software options and their ability to meet (along with any limitations) of software specifications as well as list of options that should be removed from further consideration
- Meeting with MWDOC to review market survey and evaluation results

Task 5: Prioritize Software Products and Provide Recommended 'Best Fit'

- Evaluate short-listed software packages through a functional evaluation and user evaluation rating process with weighting of evaluation scores as appropriate. Then make a recommendation(s) for 'Best Fit' selection.

Deliverables and Meetings:

- Model evaluation Scoring Matrix
- Workshop with MWDOC staff to review evaluation results and recommendations

Task 6: Develop Up to Three Alternative Implementation Plans and Associated Cost Estimates

Develop up to three alternative plans with cost estimates for implementing a hydraulic model for the recommended modeling software package(s) identified from the functional evaluation. Use a modular approach to the implementation plan to address the prioritized needs in the software specification. If appropriate, a multi-tool approach may also be identified for consideration and included as part of implementation plan alternatives. The cost estimates for each model implementation plan alternative shall include estimated hourly work and estimated cost breakdowns as well as estimated schedules. Each alternative plan shall contain a matrix showing the four regional projects on one axis and the various 'modules' (with estimated costs and work hours) necessary to address identified needs of each project on the other axis. These matrices will be used to aid benefit cost discussions for short and long-term budgeting and scheduling decisions. Include a 'least cost' estimate to get a minimal model up and running that can have additional modules added at a later date.

Deliverables and Meetings:

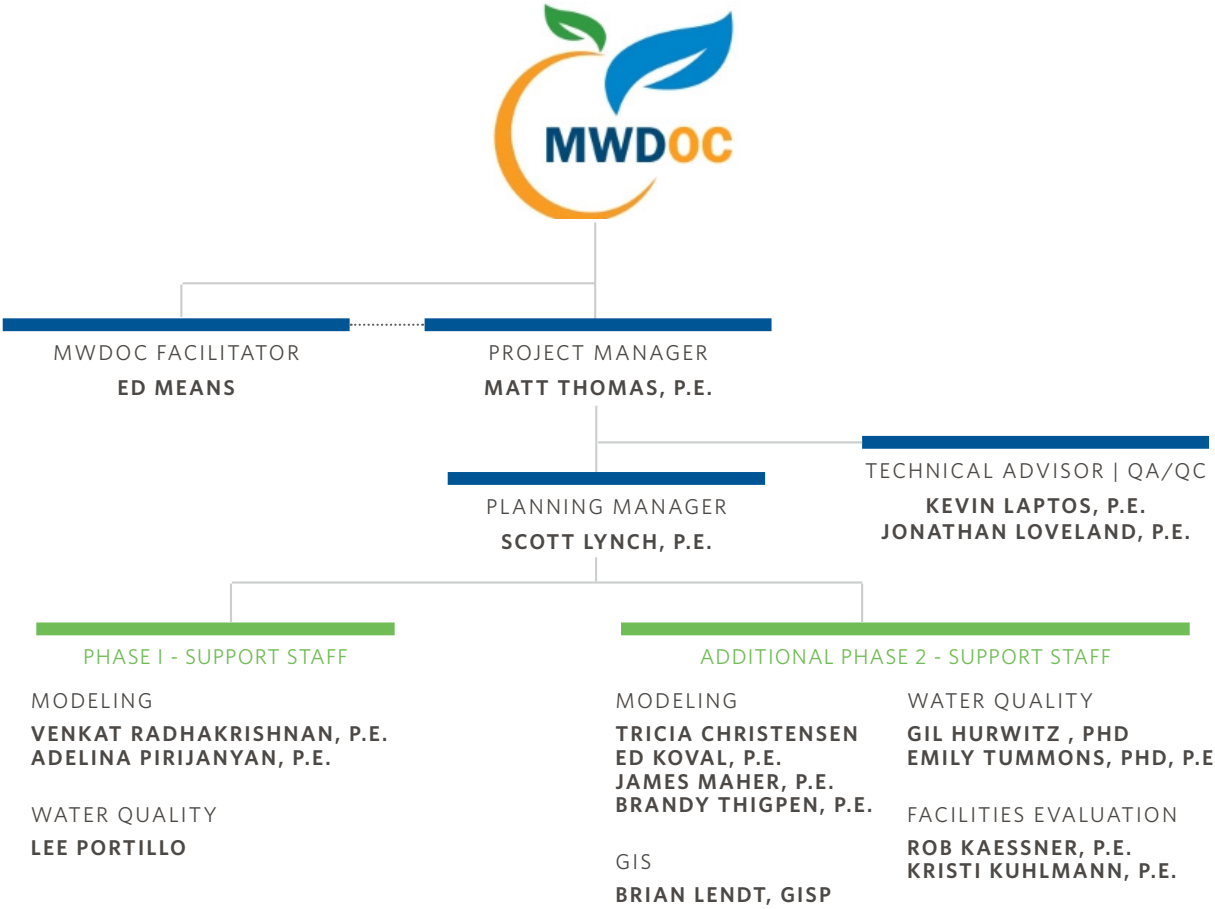
- Alternative Implementation Plans (up to 3), including estimated costs and schedules
- Workshop with MWDOC to review
- Draft and Final Report summarizing the Recommended Implementation Plan and model selection process.
Previous deliverables will be included as appendix to this final Report

Optional Task: Present recommended Implementation Plan for Phase 2 and 3 to Metropolitan and retail member agencies

Team

Team

This section provides an overview of our core team and organization. For Phase I, we provide brief biographies describing the background of our key team members and their roles on the following pages. In the appendix are the resumes of our additional technical resources that will come in Phase 2. In addition to these experts, we have a global workforce 10,000 strong, and we have been a strong California presence for over 30 years.



Matt Thomas, P.E., DBIA Project Manager | 25% Availability



Matt brings over 27 years of experience in planning and design of major water conveyance infrastructure in southern California. **Matt will serve as Project Manager for the model development, supported by a deep team of water system modeling and new water supply integration experts.** He and his teammates bring tremendous background knowledge about the proposed new local water supply projects and the concepts for how they will be integrated into the regional distribution network, making model implementation and calibration efficient. **Matt will also bring strong communication skills and current working relationships with Metropolitan and MWD OC Member Agencies to support engaging them in the model selection and development process to build their support.**

EDUCATION
BS, Civil Engineering, California
Polytechnic State University

YEARS OF EXPERIENCE
27

PROFESSIONAL REGISTRATION
■ PE, CA, #C52858

Scott Lynch, P.E.

Planning Manager | 40% Availability



Scott serves as a planning leader in the West with a career emphasis on infrastructure systems and integrated planning. His experience has focused in master planning, modeling, economic evaluations, and engineering analysis of water, reuse, and wastewater systems. His planning expertise includes reconnaissance-level regional studies, including complex and integrated projects requiring a coordinated approach in assessing a variety of technical and institutional issues. **Scott will support Matt in the facilitation efforts and to help lead the team in developing a comprehensive plan to address the regional needs for the current and future phases of the program.**

EDUCATION

MS, Civil Engineering, University of California - Berkeley
BS, Civil Engineering, University of California - Berkeley

YEARS OF EXPERIENCE

26

PROFESSIONAL REGISTRATION

■ PE, CA, #C53419

Kevin Laptos, P.E.

Technical Advisor (QA/QC) | 25% Availability



Kevin serves as Black & Veatch's National Practice Leader for Distribution System Modeling and Planning. He has 29 years of professional experience in engineering practice and management involving the planning, design, construction, operation, and rehabilitation of water and wastewater systems. His experience includes technical advisory roles for Tampa Bay Water, FL for hydraulic and transient modeling of their water transmission system. **As a Technical Advisor for the project, he will help ensure appropriate technical resources are available to the project and QC procedures are implemented to provide high quality deliverables to MWDOC.**

EDUCATION

MS, Civil Engineering - Hydrosystems, Virginia Tech
BS, Civil Engineering, Virginia Tech

YEARS OF EXPERIENCE

29

PROFESSIONAL REGISTRATION

■ PE, NC, #35367
■ PE, PA, #PE045490E

Jonathan Loveland, P.E.

Technical Advisor | 25% Availability



Jon is an expert in advanced surface and colloid chemistry with experience solving challenging process and treatment problems. Jon is currently participating in White Paper development and brings past experience on desalinated water supply integration, in particular from his experience working for Poseidon Resources on the Carlsbad and Huntington Beach projects. **He will apply his experience by serving as a technical advisor to assure the model selection and development addresses the technical challenges of new supply integration, particularly for desalinated water quality issues.**

EDUCATION

MS, Civil/Environmental Engineering, University of Colorado - Boulder
BS, Civil Engineering, Worcester Polytechnic Institute

YEARS OF EXPERIENCE

19

PROFESSIONAL REGISTRATION

■ PE, CO, #73659

Venkat Radhakrishnan, P.E.

Modeling | 50% Availability



Venkat is a hydraulic modeling professional with extensive local and international experience in developing and analyzing water distribution system models, including many Southern California clients like LADWP, City of Newport Beach, City of Laguna Beach, and Mesa Water District. For your project, Venkat will be lead hydraulic modeler in all phases of the project. **He will be intimately involved in Phase 1 to help determine the model needs and find the “best-fit” software for the District. He will work with other modelers in the team and Project Manager, Matt Thomas to make sure that all technical aspects of the projects are as per the District’s requirements.**

EDUCATION

MS, Mechanical Engineering, Arizona State University
BS, Mechanical Engineering, Mumbai University

YEARS OF EXPERIENCE

10

PROFESSIONAL REGISTRATION

■ PE, AZ, #51584

Adelina Pirijanyan, P.E.

Modeling | 70% Availability



Adelina is skilled in hydraulic modeling and environmental data management, including data collection, input, quality assurance/quality control, verification, validation, and analysis. Adelina has prepared numerous hydraulic models that aided agencies in effectively planning, managing, and operating their facilities. To support modeling development, she leads hydraulic modeling/analyses, model calibration, design, planning, and report preparation efforts. She has considerable training and experience using the latest water distribution and sewer modeling products. Her expertise includes applying geographic information systems (GIS) technologies and hydraulic modeling for potable/non-potable systems that capture, review, manage, analyze, and display data that is essential to facilitate decision making. **Adelina’s role on this project includes model building, calibration and system analysis.**

EDUCATION

BS, Civil Engineering, University of California - Irvine

YEARS OF EXPERIENCE

16

PROFESSIONAL REGISTRATION

■ PE, CA, #73785

Lee Portillo

Water Quality | 30% Availability



Lee is a membrane and process specialist who works for the Water Technology Group within Black & Veatch. Lee has domain expertise in low pressure filtration and desalination membranes across a wide range of source water, including seawater desalination and produced water. Lee also brings tremendous expertise in water quality chemistry from prior employment with desalination process equipment suppliers. **He will assist the team in evaluating the available modeling platforms to assure they can be used satisfactorily to analyze water quality interactions and behaviors to address the issues associated with new supply integration.**

EDUCATION

BS, Mechanical Engineering, Texas Christian University

YEARS OF EXPERIENCE

15

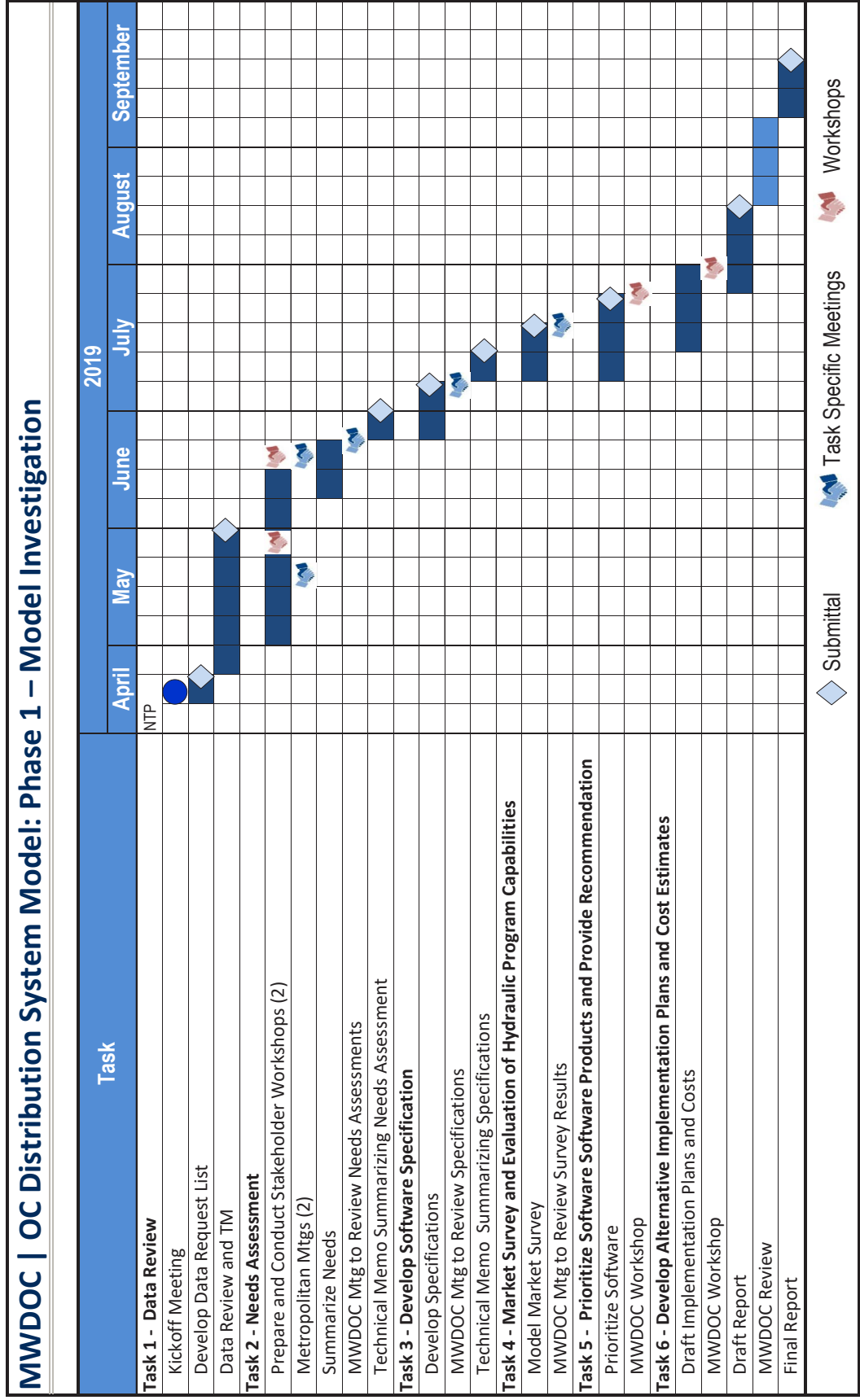
PROFESSIONAL REGISTRATION

■ N.A.

Schedule

Schedule

Black & Veatch's proposed schedule is based on the requested project timeline in the RFP. We are fully prepared to execute the Phase 1 services within this schedule assuming the various stakeholder meeting and workshop dates can be set in a timely manner. These frequent meetings and workshops will also provide opportunities for project management (status) update reports. This approach results in an efficient delivery of the project by keeping the project team on schedule and allow for continuous feedback and input from MWDOC.



Budget | Conflict of Interest | Contract

Budget

Presented below is our budget estimate, which reflects our approach and proposed scope of work for completing your project in a thorough manner. With Black & Veatch, you will get a flexible partner who will adjust any element of our approach and scope of work to assure expectations are met within the project schedule. We recognize that every project has budget limitations, and therefore, we are very flexible in working with you to adjust the approach, scope of work, and deliverables to meet your planning process and budgetary needs. Our proposal also includes an optional task for an additional stakeholder meeting to present to the final recommended implementation plan as we proposed in our approach.

Fee Estimate

Task No.	Task Name/Description	Director/Officer/Project Manager 4	Director/Officer/Project Manager 4	Engineer 7	Engineer 6	Engineer 5	Engineer 4	Engineer 3	Clerical	Total Project Hours	Direct Expenses	Total
		\$305	\$305	\$243	\$226	\$210	\$177	\$154	\$105		10%	
TASK 1 - Data Review Subtotal		12	-	2	4	2	12	12	10	54	\$ 80	\$ 10,580
TASK 2 - Needs Assessment Subtotal		20	12	8	22	-	-	16	-	78	\$ 400	\$ 19,580
TASK 3 - Develop Software Specification Subtotal		6	4	6	4	14	-	12	-	46	\$ 80	\$ 10,288
TASK 4 - Market Survey and Evaluation of Hydraulic Program Capabilities Subtotal		3	-	4	3	-	-	16	-	26	\$ 80	\$ 5,117
TASK 5 - Prioritize Software Software Products and Provide Recommended 'Best Fit' Subtotal		4	-	4	4	4	-	12	-	28	\$ 80	\$ 5,872
TASK 6 - Develop Up to Three Alternative Implementation Plans and Associated Cost Estimates		13	-	13	15	-	14	30	6	91	\$ 80	\$ 18,330
TOTAL		58	16	37	52	20	26	98	16	323	\$ 800	\$ 69,767
OPTIONAL TASK 6 - Stakeholder Workshop Subtotal		6	2	2	6	-	6	4	-	26	\$ 100	\$ 6,070
TOTAL WITH OPTIONAL TASKS		64	18	39	58	20	32	102	16	349	\$ 900	\$ 75,837

Conflict of Interest

Black & Veatch has been a successful company for more than 100 years. We carefully consider each project we undertake to ensure there is no conflict of interest. We are confident that MWDOC's proposed project poses no known or potential conflicts with other agencies or projects.

Contract

During our 30 years in California, Black & Veatch has negotiated contracts with some of the State's most prestigious agencies. We anticipate no difficulties in the negotiation of a contract with MWDOC. If possible, we ask that the following revision to the Insurance Requirements section of Standard Consulting Agreement be considered:

- *Article VI.B requires that the Professional Liability policy includes a provision that requires the insurer to provide 30 days notice of cancelation to the District. Similarly Article VI. C states that CGL, auto, worker's compensation and employer's liability will contain similar clauses. Our insurance policies do not contain this provision. We request that this language be struck or modified to state that Black & Veatch will endeavor to provide thirty days notice of any cancellation.*

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/18 - 12/31/18

INURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
M. Yoo Schneider	Director	Water Environment Federation	Water Environment Federation Conference New Orleans, LA - 9/29/18-10/2/18	Registration	\$ 575.00
		The Ritz-Carlton	Water Environment Federation Conference New Orleans, LA - 9/29/18	Accommodations	\$ 255.44
		The Ritz-Carlton	Water Environment Federation Conference New Orleans, LA - 9/30/18	Accommodations	\$ 255.44
		The Ritz-Carlton	Water Environment Federation Conference New Orleans, LA - 10/1/18	Accommodations	\$ 255.44
		The Ritz-Carlton	Water Environment Federation Conference New Orleans, LA - 10/2/18	Accommodations	\$ 255.44
		The Ritz-Carlton	H2O Women Conference Santa Barbara, CA - 10/31/18	Accommodations	\$ 373.32
		The Ritz-Carlton	H2O Women Conference Santa Barbara, CA - 11/1/18	Accommodations	\$ 373.32
		The Ritz-Carlton	H2O Women Conference Santa Barbara, CA - 11/2/18	Accommodations	\$ 373.32
				M. Yoo Schneider Total:	\$ 2,716.72
J. Thomas	Director	Caesars Palace	Colorado River Water Users Association conference Las Vegas, CA - 12/13/18	Accommodations	\$ 174.61
				J. Thomas Total:	\$ 174.61
H. Baez	Governmental Affairs Manager	Association of California Water Agencies	ACWA 2018 Legislative Symposium Sacramento, CA - 3/14/18	Registration-H. Baez	\$ 265.00
		Association of California Water Agencies	ACWA 2018 Legislative Symposium Sacramento, CA - 3/14/18	Registration-M. Baum Haley	\$ 265.00
				H. Baez Total:	\$ 530.00

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/18 - 12/31/18

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
J. Berg	Director of Water Use Efficiency	Southwest Airlines	CalWEP Board meeting	Airfare	\$ 173.98
			Santa Ana, CA to San Francisco, CA - 2/7/18		
		Southwest Airlines	CalWEP Board meeting	Airfare	\$ 229.98
			Oakland, CA to Santa Ana, CA - 2/7/18		
		South Point Hotel	Water Smart Innovations conference	Accommodations	\$ 101.70
C. Busslinger	Principal Engineer	C. Busslinger	Las Vegas, NV - 10/3/18		
			Water Smart Innovations conference	Accommodations	\$ 101.70
			Las Vegas, NV - 10/4/18		
				J. Berg Total:	\$ 607.36
C. Busslinger	Principal Engineer	C. Busslinger	Cal Desal conference	Transportation	\$ 137.38
			Orange, CA to Monterey, CA - 1/31/18		
		Casa Munras Garden Hotel	Cal Desal conference	Accommodations	\$ 141.74
			Monterey, CA - 1/31/18		
		Casa Munras Garden Hotel	Cal Desal conference	Accommodations	\$ 141.74
M. Conway	Water Use Efficiency Coordinator	C. Busslinger	Monterey, CA - 2/1/18		
			Cal Desal conference	Transportation	\$ 137.38
			Monterey, CA to Orange, CA - 2/2/18		
				C. Busslinger Total:	\$ 558.24
M. Conway	Water Use Efficiency Coordinator	Southwest	CalWEP Peer to Peer Conference	Airfare Change	\$ 107.00
			Oakland, CA to Ontario, CA - 5/31/18		
				M. Conway Total:	\$ 107.00
K. Hubbard	WEROC Programs Manager	Hampton Inn	Butte County Fire Disaster Response	Accommodations	\$ 289.65
			Sacramento, CA - 12/4/18		
				K. Hubbard Total:	\$ 289.65

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/18 - 12/31/18

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
C. Lingad	Water Resource Analyst	Cal State University of Fullerton	Masters of Science program- Water Treatment & Design course Fullerton, CA - 8/25/18-12/14/18	Tuition	\$ 2,856.28
				C. Lingad Total: \$ 2,856.28	
B. Roberto	Public Affairs Coordinator	Kelly Paper	MWDOC In-house print jobs	Production Color Guide	\$ 167.01
				B. Roberto Total: \$ 167.01	
M. Snow	Accountant	Sam's Club	MWDOC Atrium storage	Extra Large Deck Box	\$ 163.10
				M. Snow Total: \$ 163.10	
R. Waite	Water Use Efficiency Analyst	South Point Hotel	Water Smart Innovations conference Las Vegas, NV - 10/3/18	Accommodations	\$ 101.70
				Accommodations	\$ 101.70
		South Point Hotel	Water Smart Innovations conference Las Vegas, NV - 10/4/18	R. Waite Total: \$ 203.40	
				Grand Total \$ 8,373.37	

**Administration Activities Report
March 8, 2019 to April 4, 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. • Training of 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. • Reviewed and filed the Form 700s with the County Clerk • Continue review of Administrative Code for requirements and potential changes; consulted with Legal Counsel • Coordinated logistics for the Elected Officials Forum; coordinated invitation letters • Prepared and submitted Form 802 • Responded to one Public Records Act Request • Assisted Legal Counsel in the preparation of Ordinance; submitted Ordinance to OC Register for publication • Submitted the Water Rates Resolution to member agencies (per Admin Code) • Made travel arrangements for AWWA CA NV Spring Conference, Water Policy Conference in DC, CWEA Annual Conference and AWWA ACE. • Assisted with coordination of ISDOC Meeting and ACCOC Meeting being held at MWDOC. • Preparation of Meeting minutes, Agendas, Board and Committee Packets and GM Report. • Assisted with preparation of support/oppose letters to councilmembers • Created requisitions and reconciled travel expenses.
Records Management	<ul style="list-style-type: none"> • Diane Gladwell will be at the District on April 8 and 9 to facilitate the annual records management audit and will meet with each department to review files from each

	departments' electronic drives. Recommendations will be made for improved efficiencies as necessary.
Recruitment /Departures	<ul style="list-style-type: none"> Staff is evaluating current WEROC positions and job descriptions in preparation for recruitment efforts. Staff is currently utilizing the services of a consultant to assist with WEROC services during the transition.
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. Personnel Manual updates will be presented in July. Staff is working on Budget preparation for 2019/20. A CPR, First Aid and AED training class is in the process of being scheduled for renewing certification and will be held near the end of April. Mandatory training will be held on April 29 and May 2nd for all staff on The Respectful Workplace and Harassment Avoidance and will be presented by Joseph Ortiz from BBK. The Workers Compensation insurance policy was updated and will renew through SDRMA on 7/1/2019. The property insurance renewal was updated and will renew through JPIA on 7/1/2019. Human Resources is coordinating staff workshops to be presented by Cal State University of Fullerton Leadership Development Program. Topics to be presented are currently being reviewed. Staff participated in a Webinar hosted by the International Public Management Association on Trends and Best Practices in Compensation. All MWDOC Staff Meeting was held on March 28th. The Neogov system implementation (Recruitment Tool) has been completed and is now live. The posting of information and job descriptions on the District's website is an on-going process. All future job announcements and postings will be available through the site. A coordination of benefits informational meeting will be presented by JPIA on May 2nd for employees who are eligible for retiree health benefits with the next 2+/- years.

**INFORMATION ITEM**

April 10, 2019

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

FROM: Robert J. Hunter, General Manager

Staff Contact: Jeff Stalvey

SUBJECT: Finance and IT Pending Items Report

SUMMARY

The following list details the status of special projects that are in-progress or to be completed during FY 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 1 rebate check awaiting W-9 form.	On-going	On-going	In Progress
Government Compensation in California Report 2018	90%	04-30-19	In Progress
Preparation of documents for FY2019-20 budget process.	90%	05-31-19	In Progress
RFP for Actuarial Services. We have been with Demsey Filliger for 5 years.	0%	05-31-19	Not Started
File and pay sales tax for items purchased with no sales tax being charged in 2018.	75%	04-15-19	In Progress

Description	% of Completion	Estimated Completion date	Status
<u>Information Technology</u>			
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade Conference room 101 with Interactive board	0%	06-30-19	Not Started
Upgrade VOIP telephone phone system (Hardware and software)	80%	04-31-19	In Progress

Description	% of Completion	Estimated Completion date	Status
<u>FY 2018-19 Completed Special Tasks</u>			
<u>Finance</u>			
State Controller Report preparation FY2017-18	100%	01-31-19	Completed
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
Pulled 83 W-9's to respond to an IRS penalty notice for 2016 1099 filings. Legal counsel responded. IRS waived the penalty.	100%	02-28-19	Completed
<u>Information Technology</u>			
Purchase and upgrade Virtual Hyper-V Host Server (Hardware and Software)	100%	12-31-18	Completed



INFORMATION ITEM

April 10, 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 MWD OC, and selected water supply information.

- OC Water Usage, Monthly by Supply **OCWD Groundwater was the main supply in February.**
- OC Water Usage, Monthly, Comparison to Previous Years Water usage in **January 2019 was below average compared to the last 5 years.** We are continuing to see slight decreases in overall water usage compared to FY 2017-18. It has been 24 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 **540,000 AF in FY 2018-19** (this includes ~15 TAF of agricultural usage and non-retail water agency usage). This is about **1,000 AF less than FY 2017-18** and is about **22,000 AF more than FY 2016-17**. Water usage per person is projected to be slightly higher in **FY 2018-19 for Orange County at 149 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):			

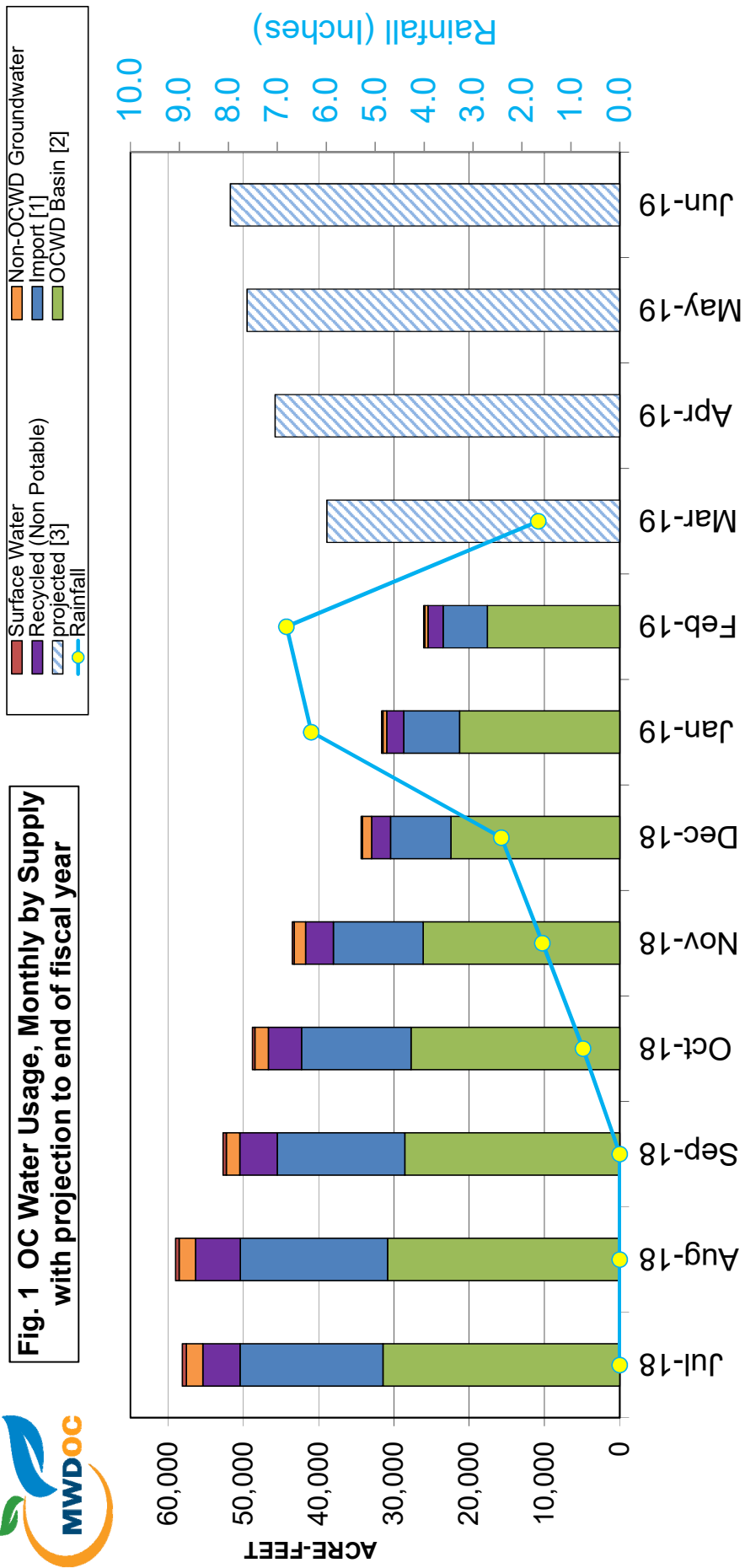
term decrease in per-capita water usage is attributed mostly to Water Use Efficiency (water conservation) efforts. ***O.C. Water Usage for the last three Fiscal Years is the lowest since the 1982-83 Fiscal Year*** (FY 1982-83 was the third wettest year on record).

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 ***late March*** was above average for this period. Water year to date rainfall in Orange County is ***19.60 inches***, which is ***170% of normal***.
- Northern California accumulated precipitation through ***late March*** was ***137% 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 ***162% of normal*** as of March 28th. ***As of late March, 0.00%*** of California is experiencing ***moderate drought conditions*** while 6.58% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was increased to 70% in March 2019.
- Colorado River Basin accumulated precipitation through ***early March*** was ***127% of normal*** for this period. The ***Upper Colorado Basin snowpack*** was ***130% of normal*** as of March 31st. ***Lake Mead and Lake Powell*** combined have about ***58% of their average storage volume*** for this time of year and are at ***39.7% of their total capacity***. If Lake Mead's ***level falls below a "trigger" limit 1,075 ft. at the end of a calendar year***, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of late March, Lake Mead levels were ***15.24' above the "trigger" limit***. The USBR predicts that the start of 2019 will not hit the "trigger" level but there is ***a 69% chance that the trigger level will be hit in 2020 and a 82% chance in 2021 (As of April 1st 2019)***.



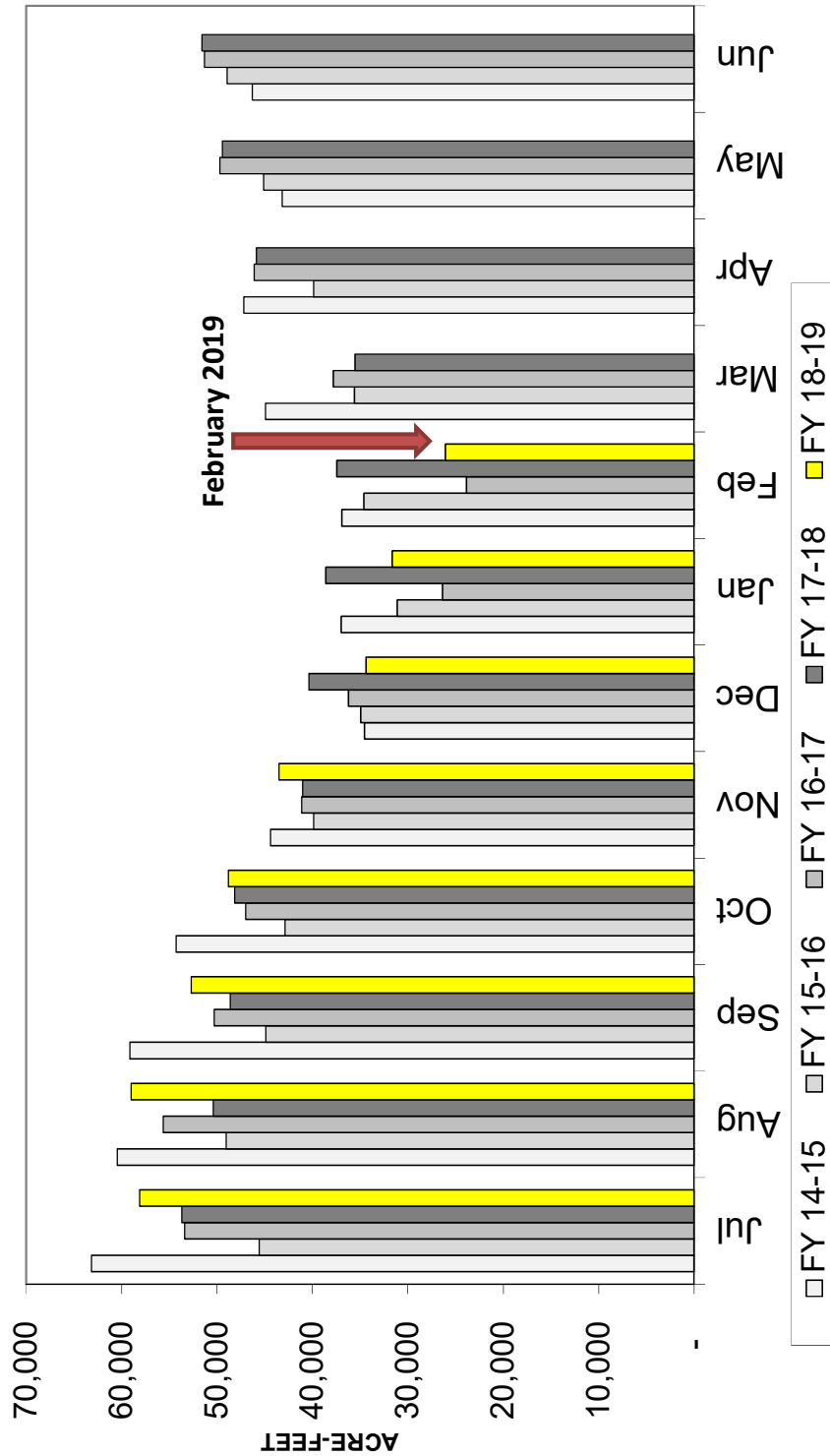
**Fig. 1 OC Water Usage, Monthly by Supply
with projection to end of fiscal year**



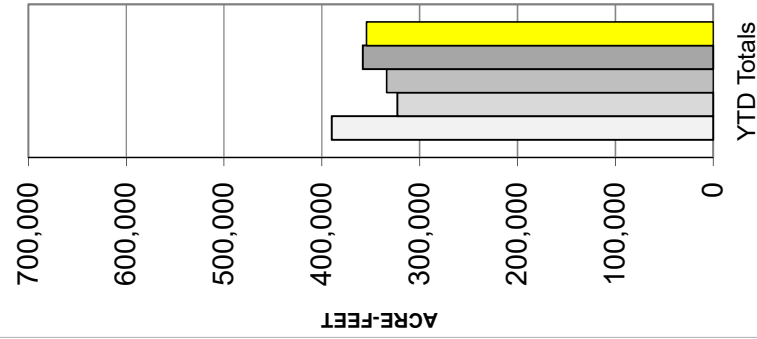
- [1] Imported water for consumptive use. Includes "In-Lieu" deliveries and CUP water extraction. Excludes "Direct Replenishment" deliveries of spreading water, "Barrier Replenishment" deliveries, and deliveries into Irvine Lake.
- [2] GW for consumptive use only. Excludes In-Lieu water deliveries and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

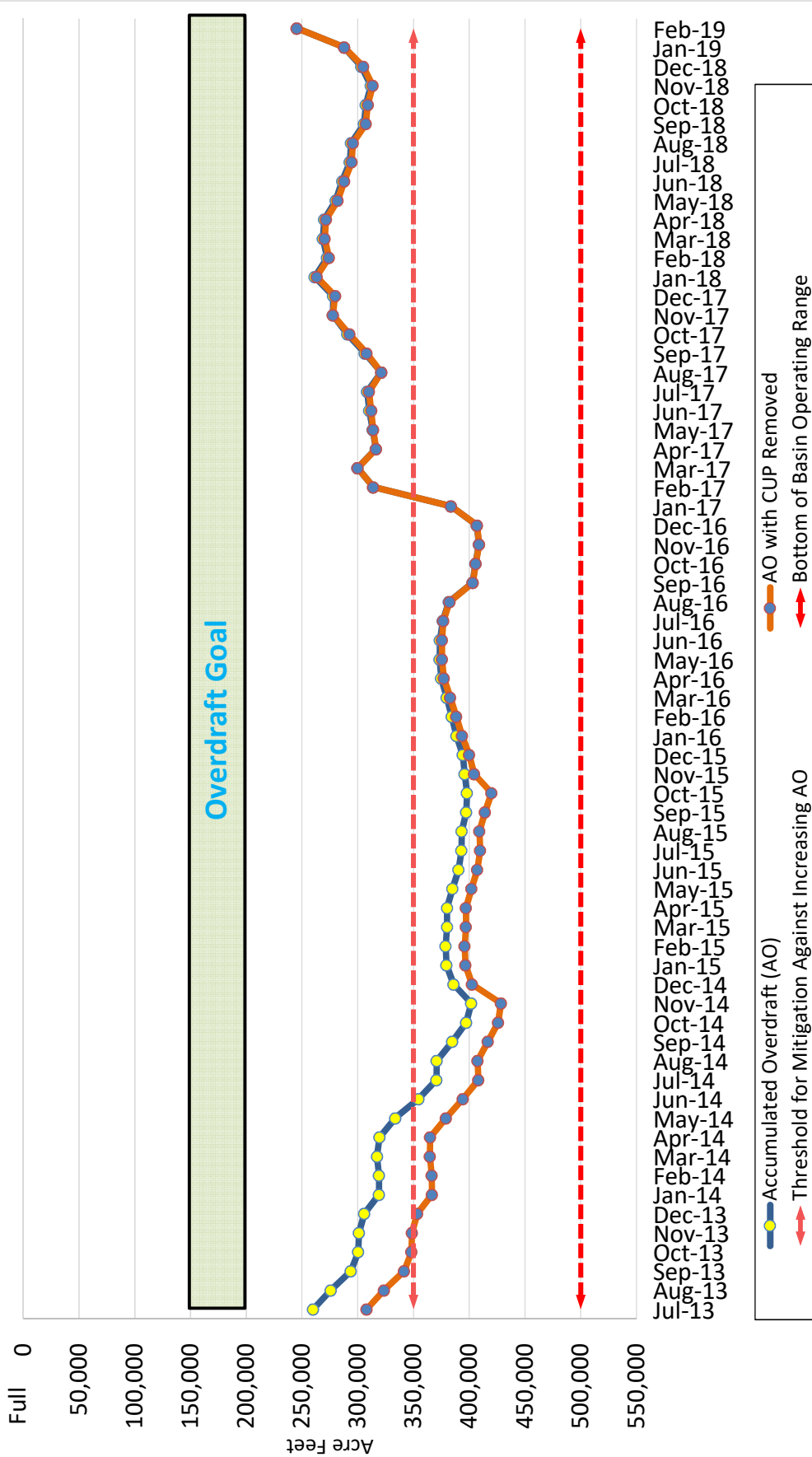


Partial Year Subtotals



[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.

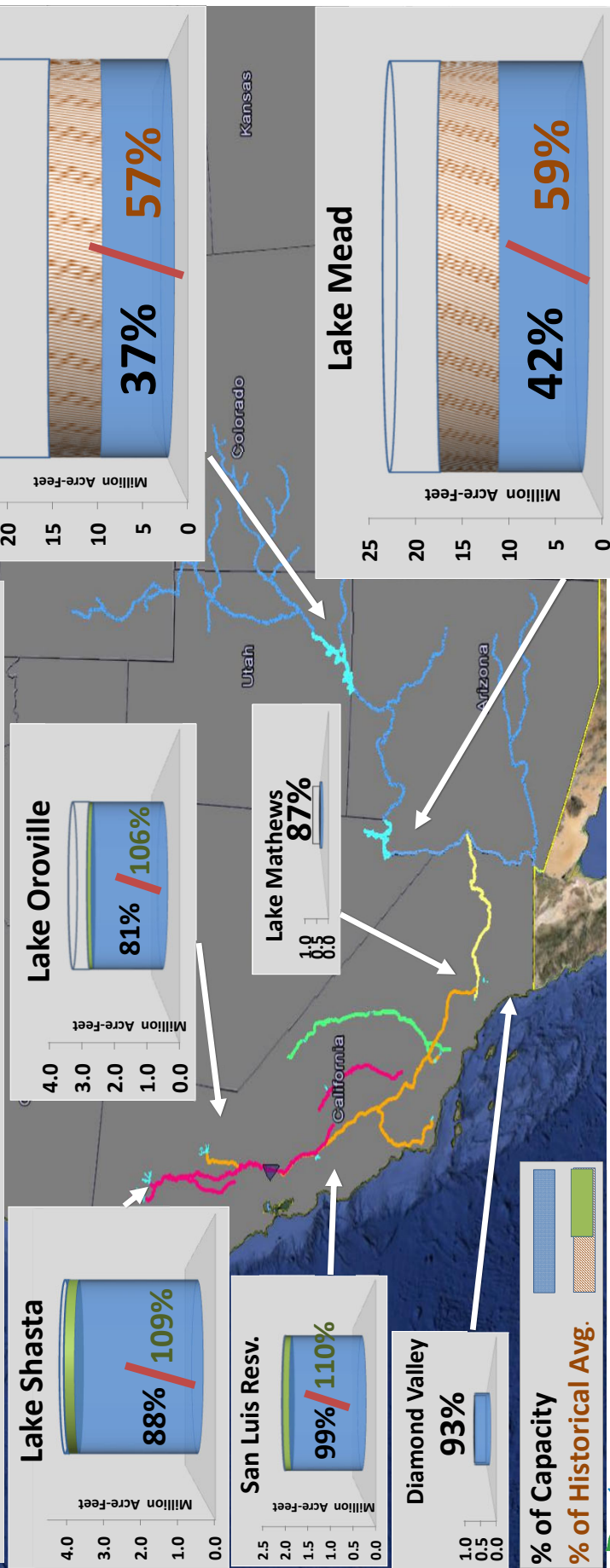
Accumulated Overdraft of the OCWD Groundwater Basin as of February 2019



	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
AO (AF)	292,869	294,090	305,572	307,374	311,765	303,249	287,800	245,452				
AO w/CUP removed (AF)	294,572	295,790	307,271	309,072	313,460	304,943	287,800	245,452				



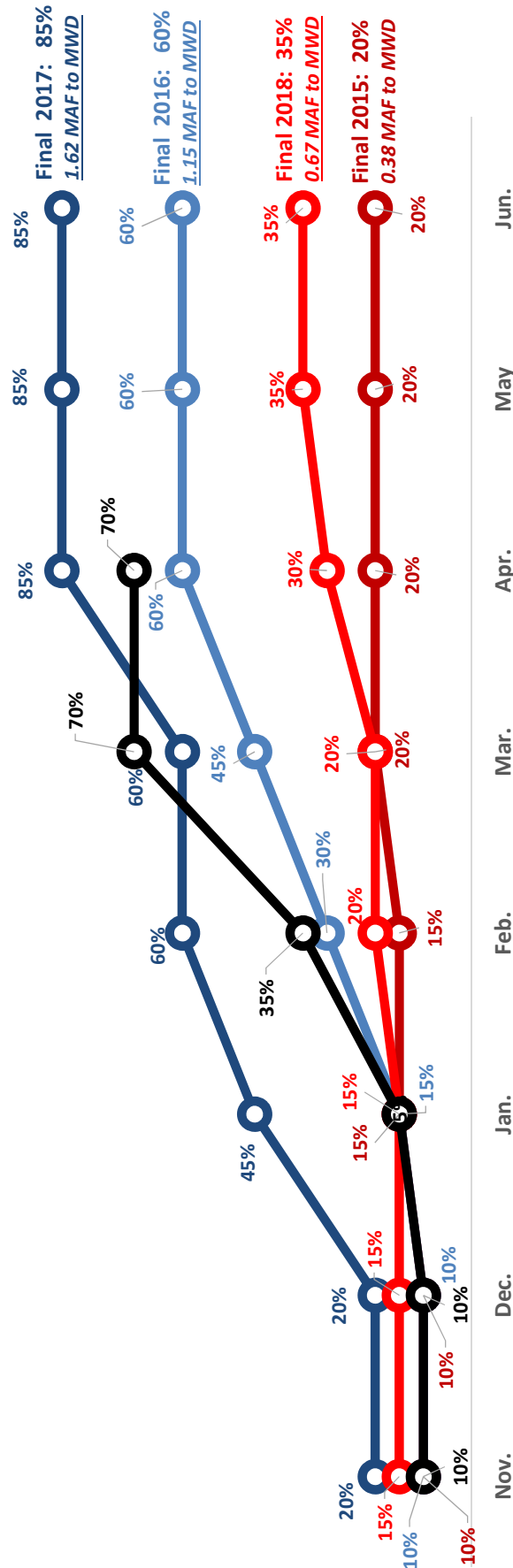
State Water Project, Colorado River, and MWD Reservoir Storage as of March 31, 2019



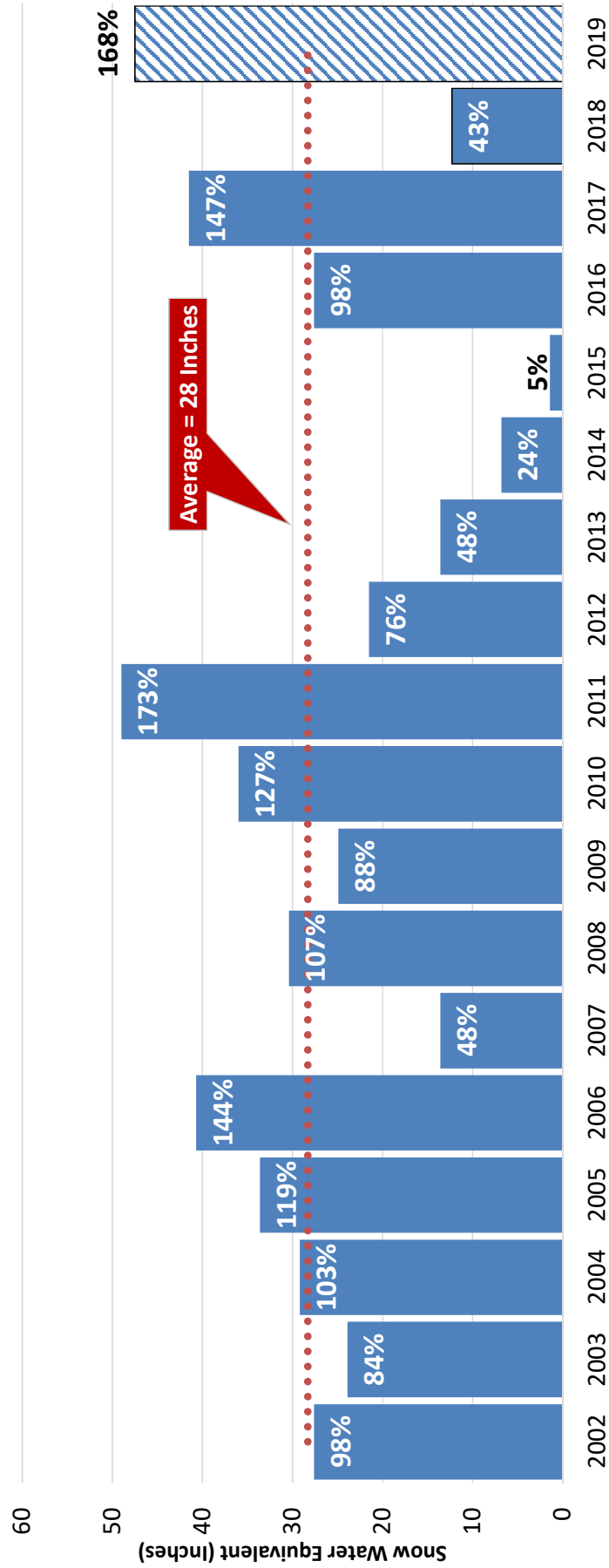
SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS

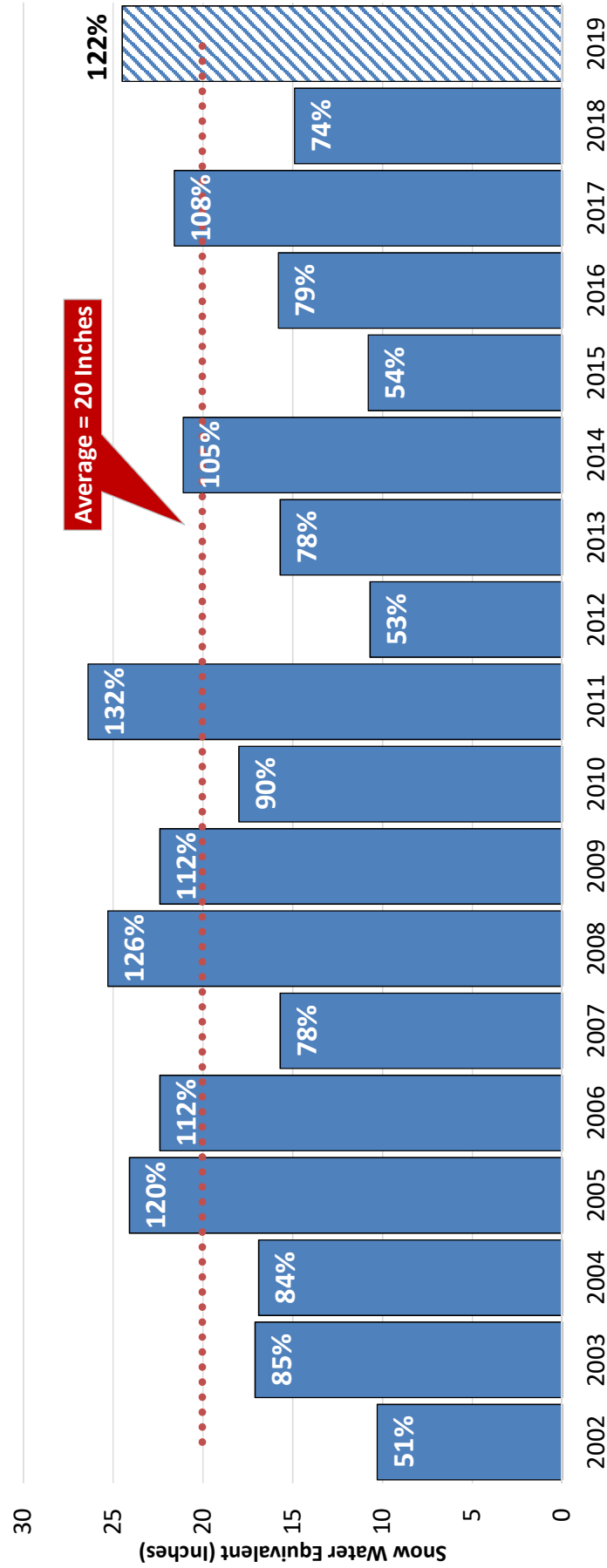
Final 2019: ???



Historical Northern California April 1st Peak Snow Water Equivalent



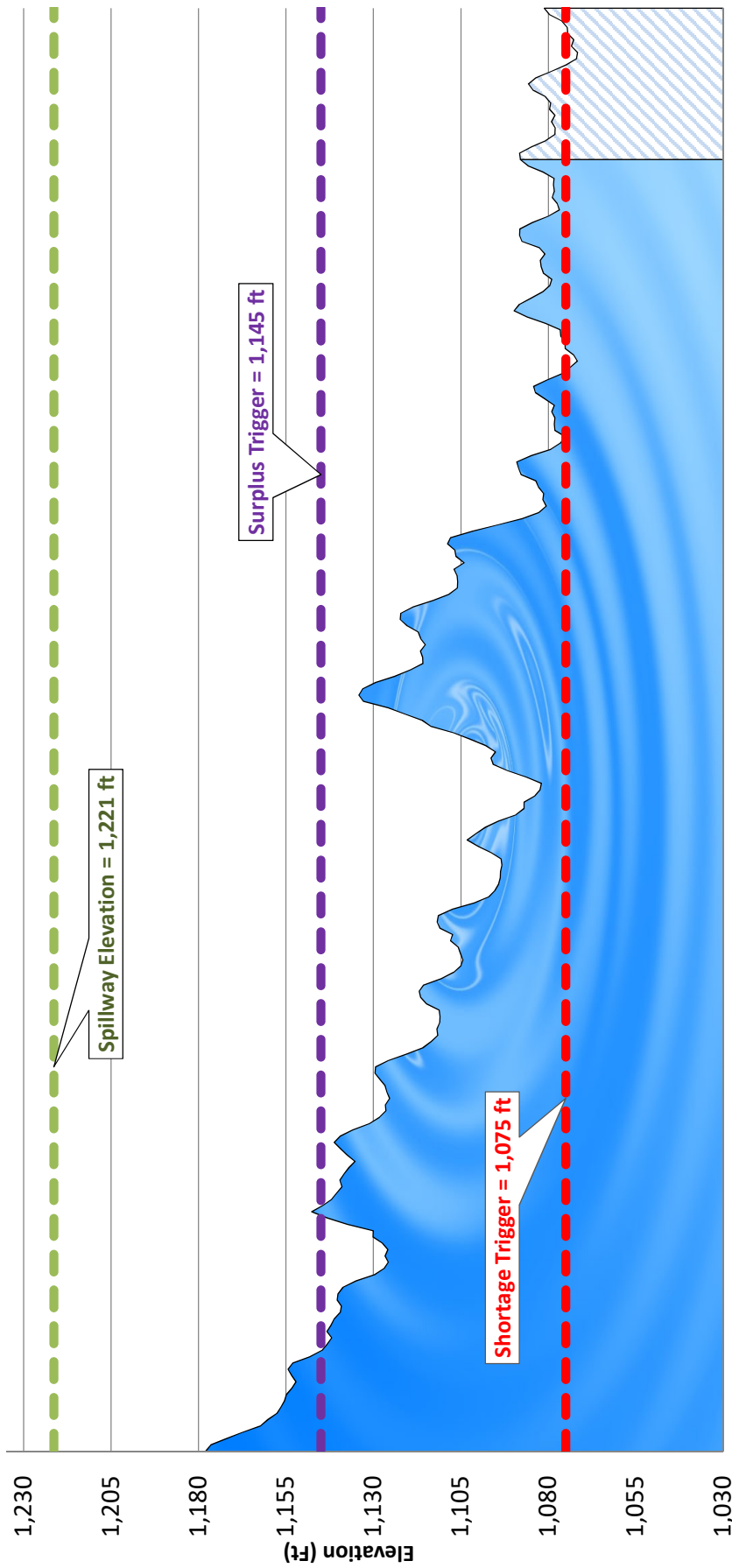
Historical Colorado Basin April 15th Peak Snow Water Equivalent





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

☒ Historical ☐ Projected





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

■ Historical □ Projected

