

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

Jointly with the

ADMINISTRATION & FINANCE COMMITTEE

April 8, 2020, 8:30 a.m.

Due to the spread of COVID-19 and as authorized by the Governor's Executive Order, MWDOC will be holding all upcoming Board and Committee meetings by Zoom Webinar and will be available by either computer or telephone audio as follows:

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

**Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free**

Webinar ID: 882 866 5300#

A&F Committee:

Director Thomas, Chair
Director Finnegan
Director Dick

Staff: R. Hunter, K. Seckel, J. Berg,
H. De La Torre, K. Davanaugh, C. Harris,
H. Chumpitazi

Ex Officio Member: Director Tamaribuchi

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 2020
 - b. Disbursement Approval Report for the month of April 2020
 - c. Disbursement Ratification Report for the month of March 2020
 - d. GM Approved Disbursement Report for the month of March 2020
 - e. Water Use Efficiency Projects Cash Flow – March 31, 2020
 - f. Consolidated Summary of Cash and Investment – February 2020
 - g. OPEB and Pension Trust Fund monthly statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period ending February 29, 2020

DISCUSSION ITEM

3. DISCUSSION RE POSSIBLE AMENDMENTS TO ADMINISTRATIVE CODE AS RECOMMENDED BY DIRECTOR BARBRE

ACTION ITEM

4. AUTHORIZATION TO ASSUME THE CALIFORNIA WATER ENERGY EDUCATION ALLIANCE (WEEA)
5. THIRD DRAFT OF THE FY 2020-21 BUDGET
6. PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2020-21
7. ADOPTION OF MWDOC ORDINANCE TO ESTABLISH CLASSES OF WATER SERVICE AND TERMS AND CONDITIONS OF WATER SERVICE WITHIN THE DISTRICT
8. REVIEW INFORMATION REGARDING PUBLIC HEARING (SCHEDULED FOR APRIL 15, 2020) TO ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS
9. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) REGULAR SPECIAL DISTRICT MEMBER SEAT- ELECTION
10. S. 1932 (GARDNER/FEINSTEIN) – DROUGHT RESILIENCY AND WATER SUPPLY INFRASTRUCTURE ACT

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.)

11. INDIVIDUAL CHARGES DISCLOSURE FOR THE PERIOD JAN-DEC 2019
12. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
13. MONTHLY WATER USAGE DATA, TIER 2 PROJECTION, AND WATER SUPPLY INFORMATION

OTHER ITEMS

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

ADJOURNMENT

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

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

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
March 2020**

WATER REVENUES

Date	From	Description	Amount
03/02/20	City of La Palma	January 2020 Water deliveries	3,827.08
03/06/20	El Toro Water District	January 2020 Water deliveries	375,421.57
03/06/20	South Coast Water District	January 2020 Water deliveries	319,464.85
03/06/20	City of Huntington Beach	January 2020 Water deliveries	221,244.36
03/06/20	City of Brea	January 2020 Water deliveries	16,546.69
03/09/20	City of Seal Beach	January 2020 Water deliveries	8,285.85
03/09/20	Santa Margarita Water District	January 2020 Water deliveries	1,369,980.03
03/09/20	City of Buena Park	January 2020 Water deliveries	124,365.60
03/09/20	Mesa Water	January 2020 Water deliveries	20,713.56
03/11/20	City of Garden Grove	January 2020 Water deliveries	895,911.58
03/12/20	Laguna Beach County Water District	January 2020 Water deliveries	96,260.27
03/12/20	Yorba Linda Water District	January 2020 Water deliveries	42,421.42
03/12/20	City of Orange	January 2020 Water deliveries	36,892.50
03/13/20	Orange County Water District	January 2020 Water deliveries	1,032,849.69
03/13/20	East Orange County Water District	January 2020 Water deliveries	237,780.89
03/13/20	City of San Juan Capistrano	January 2020 Water deliveries	208,098.19
03/13/20	Moulton Niguel Water District	January 2020 Water deliveries	1,461,970.89
03/13/20	Golden State Water Company	January 2020 Water deliveries	321,900.26
03/16/20	City of Fountain Valley	January 2020 Water deliveries	12,260.96
03/26/20	City of La Habra	February 2020 Water deliveries	5,020.33
03/26/20	City of Westminster	February 2020 Water deliveries	44,210.99
03/27/20	City of Brea	February 2020 Water deliveries	16,546.69
03/30/20	City of Fountain Valley	February 2020 Water deliveries	12,260.96
03/30/20	City of Newport Beach	February 2020 Water deliveries	1,186,527.88
03/30/20	Trabuco Canyon Water District	February 2020 Water deliveries	141,709.24

TOTAL REVENUES \$ 8,212,472.33

**Municipal Water District of Orange County
REVENUE / CASH RECEIPT REPORT
March 2020**

MISCELLANEOUS REVENUES

Date	From	Description	Amount
03/09/20	Pat Meszaros	Mar-Apr 2020 Retiree Health insurance	78.66
03/20/20	Stan Sprague	April 2020 Retiree Health insurance	241.22
03/30/20	Keith Lyon	April 2020 Retiree Health insurance	302.78
03/02/20	US Bank	CAL Card rebate check	932.10
03/12/20	Robert McVicker	Reimbursement for apparel purchase	39.53
03/18/20	ACWA JPIA	Liability, Property and Workers' compensation programs refunds	23,857.74
03/31/20	US Bank	Monthly Interest	8.67
03/16/20	Irvine Ranch Water District	January 2020 Smartimer rebate program	68.00
03/20/20	Laguna Beach County Water District	January 2020 Smartimer rebate program	115.38
03/12/20	City of Buena Park	November 2019 Turf Removal rebate program	222.00
03/09/20	City of Fountain Valley	December 2019 Turf Removal rebate program	222.00
03/09/20	City of Fountain Valley	January 2020 Turf Removal rebate program	222.00
03/16/20	City of Orange	January 2020 Turf Removal and Spray to Drip rebate program	222.00
03/16/20	City of La Habra	January 2020 Turf Removal and Spray to Drip rebate program	444.00
03/13/20	El Toro Water District	January 2020 Smartimer and Turf Removal rebate program	2,841.99
03/02/20	Moulton Niguel Water District	December 2019 Smartimer, Rotating Nozzle and Turf Removal rebate program	32,513.22
03/16/20	Moulton Niguel Water District	January 2020 Smartimer, Rotating Nozzle and Turf Removal rebate program	9,758.97
03/06/20	El Toro Water District	January 2020 So Cal Watersmart rebate program	235.00
03/09/20	Moulton Niguel Water District	January 2020 So Cal Watersmart rebate program	6,600.00
03/05/20	Orange County Water District	May 2018-June 2019 SAWPA Drought Response program	778,936.68
03/06/20	City of Anaheim	Jul-Dec 2019 School billing	16,350.63
03/06/20	City of Fullerton	Jul-Dec 2019 School billing	3,860.31
03/02/20	City of Santa Ana	Water Loss Control technical assistance - WSO, Inc	13,472.00
03/20/20	City of Orange	Water Loss Control technical assistance - WSO, Inc	9,372.00
03/30/20	City of La Habra	Water Loss Control technical assistance - WSO, Inc	9,372.00
03/20/20	City of Orange	AWIA Phase 2 Risk and Resilience Assessment	83,855.00

TOTAL MISCELLANEOUS REVENUES **\$ 994,143.88**

TOTAL REVENUES **\$ 9,206,616.21**



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of April 2020**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	A-B Emblem	
IN-360	300 Patches for Girl Scout program	205.99
	*** Total ***	205.99
	Richard C. Ackerman	
1276	March 2020 Consulting on legal and regulatory matters	2,750.00
	*** Total ***	2,750.00
	Alliance for Water Efficiency	
6287	Contribution for participation in the Cooling Tower Study	20,000.00
	*** Total ***	20,000.00
	Alta FoodCraft	
52005374	3/12/20 Coffee & tea supplies	288.37
	*** Total ***	288.37
	Barker Leavitt, PLLC	
105-0320	March 2020 Federal legislative advocacy services	8,000.00
	*** Total ***	8,000.00
	Best Best and Krieger LLP	
55401-FEB20	February 2020 Legal services	20,768.69
871721	February 2020 State legislative advocacy services	8,000.00
	*** Total ***	28,768.69
	Black & Veatch	
1316625	1/4/20-3/6/20 Develop OC Distribution System Water Supply Integration Hydraulic Model Phase 1	4,445.00
	*** Total ***	4,445.00
	Blue Watchdog Conservation, Inc.	
1585	2/4/20-3/10/20 Instruction services OC Qualified Water Efficient Landscaper training program	2,747.71
	*** Total ***	2,747.71
	CSU Fullerton ASC	
AR170089	Historic population estimates by water service area and subareas for 2010-2019	1,406.79
	*** Total ***	1,406.79
	Dudek	
202001135	2/1/20-2/28/20 Planning level reliability for South County Interconnection	13,420.00
	*** Total ***	13,420.00
	GovConnection, Inc.	
57567008	Paper feed for Ricoh color printer	455.31
	*** Total ***	455.31

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of April 2020**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>Hashtag Pinpoint Corporation</i>	
1229	March 2020 Strategic digital communications consulting services	7,917.00
	*** Total ***	7,917.00
	<i>Herndon Solutions Group LLC</i>	
100007	February 2020 Services to assist with America's Water Infrastructure Act compliance	8,488.49
	*** Total ***	8,488.49
	<i>Karen's Detail Custom Frames, LLC</i>	
3132	Custom framing for Yorba Linda Water District General Manager A. Marcantonio resolution	136.56
	*** Total ***	136.56
	<i>L.A. Design Studio</i>	
5203	January-March 2020 MWDOC Website support and enhancement	1,000.00
	*** Total ***	1,000.00
	<i>Lawnscape Systems, Inc.</i>	
408711	3/26/20 Landscape maintenance for atrium	295.00
	*** Total ***	295.00
	<i>Lewis Consulting Group</i>	
2020-117	March 2020 Consulting services	3,125.00
	*** Total ***	3,125.00
	<i>Keith Lyon</i>	
JAN-MAR2020	January-March 2020 Retiree medical premium	433.80
	*** Total ***	433.80
	<i>Edward G. Means III</i>	
MWDOC-1081	March 2020 Consulting on MET issues and guidance to Engineering staff	1,250.00
	*** Total ***	1,250.00
	<i>Mega Maids Cleaning Service</i>	
11118	3/12/20 Extra cleaning services for COVID-19 prevention	220.00
11154	3/17/20-3/31/20 5 Extra cleaning services for COVID-19 prevention	575.00
	*** Total ***	795.00
	<i>Municipal Resource Group, LLC</i>	
03-20-89	February 2020 Services for Coaching and Leadership Development	1,125.00
	*** Total ***	1,125.00
	<i>NDS</i>	
721746	3/13/20 Delivery charges for Board packets	172.01
	*** Total ***	172.01

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of April 2020**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	Office Depot, Inc.	
454305395001	3/9/20 Office supplies	315.09
454351053001	3/9/20 Office supplies	185.48
454305081001	3/10/20 Office supplies	36.50
454310750001	3/10/20 Office supplies	52.59
451478198001	3/17/20 Office supplies	54.95
460174490001	3/17/20 Office supplies	270.93
	*** Total ***	915.54
	Office Solutions	
I-01732948	3/12/20 Office supplies	35.62
I-01736623	4 Boxes for collated tabs for Board packets	522.00
I-01737088	3/19/20 Office supplies	92.06
I-01738093	3/25/20 Office supplies	108.75
	*** Total ***	758.43
	Orange County Fast Print, Inc.	
58832	Business cards for MWDOC staff member	58.88
	*** Total ***	58.88
	Orange County Water District	
21430	February 2020 50% share of WACO expense	194.43
21449	February 2020 Postage, shared office and maintenance expense	8,295.56
	*** Total ***	8,489.99
	Patricia Kennedy Inc.	
32576	March 2020 Plant maintenance	214.00
32602	April 2020 Plant maintenance	214.00
	*** Total ***	428.00
	Judy Pfister	
JAN-MAR2020	January-March 2020 Retiree medical premium	427.80
	*** Total ***	427.80
	Roth Staffing Companies, LP	
13871787	3/9/20-3/15/20 Temporary administration staff	1,001.60
13873212	3/16/20-3/22/20 Temporary administration staff	1,002.59
	*** Total ***	2,004.19
	Joey C. Soto	
MWDOC#022	February 2020 Grant Research & Acquisition assistance	2,998.90
MWDOC#023	March 2020 Grant Research & Acquisition assistance	3,000.00
	*** Total ***	5,998.90
	Spectrum Business Centers	
209172	3/20/20-3/19/21 Annual maintenance renewal for Ricoh color copier	350.00
	*** Total ***	350.00

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of April 2020**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
	<i>WageWorks, Inc.</i>	
INV2011237	March 2020 Cafeteria plan administration	201.48
	*** Total ***	201.48
	<i>Water Systems Optimization, Inc.</i>	
1725	March 2020 Water Loss Control program	4,557.99
	*** Total ***	4,557.99
	<i>Pauline D. Wennerstrom</i>	
APR-JUN2020	April-June 2020 Retiree medical premium	382.80
	*** Total ***	382.80
	<i>Total Core Expenditures</i>	131,799.72

Choice Expenditures:

	<i>Above All Catering, Inc.</i>	
C35338	3/5/20 Lunch for Water Use Efficiency Workgroup meeting	431.74
	*** Total ***	431.74
	<i>Building Block Entertainment, Inc.</i>	
3406-2	February 2020 Elementary school program for grades K-2	5,950.00
3406-5	March 2020 Elementary school program for grades K-2	1,700.00
	*** Total ***	7,650.00
	<i>Discovery Science Center</i>	
1349	March 2020 Elementary School program for grades 3-6	8,012.62
1350	March 2020 Middle School program for grades 7-8	3,579.57
	*** Total ***	11,592.19
	<i>Orange County Water District</i>	
21449	February 2020 Postage for Water Use Efficiency rebate programs	18.62
	*** Total ***	18.62
	<i>US Bank Voyager Fleet Systems</i>	
869434993009	2/25/20-3/24/20 Fuel and wash for Water Loss Control Shared Services vehicle	314.94
	*** Total ***	314.94
	<i>Lane M. Matsuno (Westerly Meter Service Co.)</i>	
16468	March 2020 Meter Accuracy Testing for Newport Beach	600.00
	*** Total ***	600.00
	<i>Total Choice Expenditures</i>	20,607.49

**Municipal Water District of Orange County
Disbursement Approval Report
For the month of April 2020**

<i>Invoice#</i>	<i>Vendor / Description</i>	<i>Amount to Pay</i>
Other Funds Expenditures:		
	CSU Fullerton ASC	
AR170088	Updated and standardized WEROC infrastructure geospatial data	7,643.13
	*** Total ***	7,643.13
	Eagle Communications	
720575	Service call for WEROC N. EOC radio	280.49
	*** Total ***	280.49
	EcoTech Services, Inc.	
1675	March 2020 Services for Landscape Design and Maintenance program	1,075.00
1682	March 2020 Services for Pressure Regulating Valve Replacement program	5,340.00
	*** Total ***	6,415.00
	Herndon Solutions Group LLC	
100007	February 2020 Services to assist with America's Water Infrastructure Act compliance	138,694.05
	*** Total ***	138,694.05
	Large Plumbing	
25245	March 2020 Services for Pressure Regulating Valve Replacement program	4,425.00
	*** Total ***	4,425.00
	Mission RCD	
2831	March 2020 Field verifications for Water Use Efficiency rebate programs	9,236.43
	*** Total ***	9,236.43
	The Plant Nerd	
5925	February 2020 Services for Landscape Design and Maintenance program	13,450.00
		13,450.00
	Water Systems Optimization, Inc.	
1725	March 2020 Water Loss Control program	5,610.00
	*** Total ***	5,610.00
	Total Other Funds Expenditures	185,754.10
	Total Expenditures	338,161.31

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**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of March 2020**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Core Disbursements:				
139544	3/10/20	SPECTB 0375210030120	Spectrum Business March 2020 Telephone and internet expense ***Total ***	1,103.31 1,103.31
139546	3/10/20	VERIZO 9849038825	Verizon Wireless February 2020 4G Mobile broadband unlimited service ***Total ***	114.03 114.03
139552	3/13/20	CORTBU 7165965	Cort Business Services Corp. March 2020 Furniture lease for 5 temporary workstations ***Total ***	561.50 561.50
139563	3/13/20	SPECTB 0343564031020	Spectrum Business March 2020 Telephone expense for 3 analog fax lines ***Total ***	108.40 108.40
ACH004616	3/13/20	ACKEEX 022920	Linda Ackerman February 2020 Business expense ***Total ***	80.50 80.50
ACH004619	3/13/20	BARBRE 022920	Brett Barbre February 2020 Business expense ***Total ***	82.80 82.80
ACH004625	3/13/20	CHUMPI 022920	Hilary Chumpitazi February 2020 Business expense ***Total ***	113.86 113.86
ACH004627	3/13/20	DELATO 021220	Harvey De La Torre February 2020 Business expense ***Total ***	65.77 65.77
ACH004629	3/13/20	FINNEG 013120	Joan Finnegan January 2020 Business expense	125.50
ACH004630	3/13/20	022920	February 2020 Business expense ***Total ***	88.30 213.80
ACH004634	3/13/20	HALEY 022920	Melissa Baum Haley February 2020 Business expense ***Total ***	457.71 457.71
ACH004637	3/13/20	RICOHMA 5058975002	Ricoh USA, Inc. December 2019-February 2020 Reproduction costs ***Total ***	1,570.41 1,570.41

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of March 2020**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
ACH004643	3/13/20	LINGAD 012220	Christopher S. Lingad January 2020 Business expense ***Total ***	 39.85 39.85
ACH004644	3/13/20	MCVICK 022920	Robert McVicker February 2020 Business expense ***Total ***	 158.74 158.74
ACH004645	3/13/20	MULDOO 022520	Traci L. Muldoon February 2020 Business expense ***Total ***	 15.37 15.37
ACH004649	3/13/20	ROBERT 022920	Bryce Roberto February 2020 Business expense ***Total ***	 27.72 27.72
ACH004652	3/13/20	SCHNEI 022920	Megan Yoo Schneider February 2020 Business expense ***Total ***	 427.99 427.99
ACH004656	3/13/20	WAITER 022920	Rachel Waite February 2020 Business expense ***Total ***	 98.93 98.93
139601	3/31/20	SCHUNK 031220	Janine Schunk March 2020 Business expense ***Total ***	 90.21 90.21
139605	3/31/20	USBANK 0403/0208/7659-FEB20	U.S. Bank 1/23/20-2/24/20 Cal Card charges ***Total *** (See attached sheet for details)	 17,753.25 17,753.25
ACH004657	3/31/20	BAEZHE 022920	Heather Baez February 2020 Business expense ***Total ***	 94.60 94.60
ACH004660	3/31/20	DELATO 022920	Harvey De La Torre February 2020 Business expense	 35.59
ACH004661	3/31/20	031020	March 2020 Business expense ***Total ***	 359.97 395.56
ACH004662	3/31/20	DICKEX 022920	Larry Dick February 2020 Business expense ***Total ***	 139.18 139.18

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of March 2020**

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
ACH004665	3/31/20	HARRIS 030420	Cathleen M. Harris March 2020 Business expense ***Total ***	 156.68 156.68
ACH004666	3/31/20	HUNTER 022720	Robert J. Hunter February 2020 Business expense ***Total ***	 158.78 158.78
ACH004675	3/31/20	SECKEL 013120A	Karl Seckel January 2020 Business expense	230.74
ACH004676	3/31/20	022920	February 2020 Business expense ***Total ***	194.67 425.41
ACH004678	3/31/20	TAMARI 022920	Satoru Tamaribuchi February 2020 Business expense ***Total ***	 273.60 273.60
Total Core Disbursements				24,727.96
Choice Disbursements:				
139553	3/13/20	HOMED1 8072-FEB20	Home Depot Credit Services Supplies for Water Loss Control Shared Services ***Total ***	 31.98 31.98
ACH004626	3/13/20	DAVISR 022920	Rachel Davis February 2020 Business expense ***Total ***	 83.96 83.96
139603	3/31/20	THORSE 033120	Jason Thorsell March 2020 Business expense ***Total ***	 43.93 43.93
139605	3/31/20	USBANK 7659-FEB20	U.S. Bank 1/23/20-2/24/20 Cal Card charges ***Total *** (See attached sheet for details)	 353.63 353.63
ACH004659	3/31/20	BERGJO 022920	Joseph Berg February 2020 Business expense ***Total ***	 173.69 173.69
Total Choice Disbursements				687.19

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of March 2020**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
Other Funds Disbursements:				
139545	3/10/20	DRIPPR	Spray to Drip Program	
		S2D3-C-SOCO-38756-17402B	Montage Laguna Beach (Re-issue)	1,385.80
			***Total ***	1,385.80
139546	3/10/20	VERIZO	Verizon Wireless	
		9849038825	February 2020 4G Mobile broadband unlimited services	76.02
			***Total ***	76.02
139548	3/13/20	ATTUVEOC	AT&T	
		1812-MAR20	March 2020 U-verse internet service for WEROC N.EOC	53.50
			***Total ***	53.50
139549	3/13/20	ATTCALN	AT&T	
		0000147383906	February 2020 Telephone expense for WEROC N. and S. EOC	318.79
		0000147383907	February 2020 Telephone expense for WEROC N. EOC	109.42
			***Total ***	428.21
ACH004653	3/13/20	SCHWENE	Leslie Schwene	
		022920	February 2020 Business expense	46.65
			***Total ***	46.65
		DRIPPR	Spray to Drip Program	
139564	3/27/20	S2D2-C-MNT-29216-15296	Siena HOA (Laguna Niguel)	250.80
139565	3/27/20	S2D2-C-TUST-38553-17368	Cadigan Pinewood LLC (Tustin)	384.00
139566	3/27/20	S2D3-C-IRWD-38843-17405	Imuraya USA Inc. (Irvine)	1,477.74
139567	3/27/20	S2D3-R-MESA-38868-17417	K. Ahn	292.68
139568	3/27/20	S2D3-R-MESA-39095-17520	A. Nair	251.63
			***Total ***	2,656.85
		TURFRP	Turf Removal Program	
139569	3/27/20	TR13-R-MNT-21121-26491	S. Randell	639.00
139570	3/27/20	TR12-C-ETWD-38627-37533	Third Laguna Hills Mutual (Laguna Hills)	55,812.00
139571	3/27/20	TR12-R-TC-38673-37576	N. Nguyen	10,270.07
139572	3/27/20	TR13-R-SB-38742-37644	A. Gandara	1,350.00
139573	3/27/20	TR13-R-SM-38830-37734	J. Herzog	5,226.00
139574	3/27/20	TR13-R-MNT-38864-37765	R. Hankins	3,126.00
139575	3/27/20	TR13-R-MNT-38873-37776	S. Davies	1,992.00
139576	3/27/20	TR13-R-YLWD-38931-37823	V. Arista	1,691.50
139577	3/27/20	TR13-R-MESA-39095-37971	A. Nair	3,438.00
139578	3/27/20	TR13-R-TUST-39096-37973	H. Streichenberger	1,695.00
139579	3/27/20	TR13-R-MNT-39190-38058	M. Smith	2,238.00
139580	3/27/20	TR13-R-MNT-39195-38065	S. Wilson	1,995.00
139581	3/27/20	TR13-R-MNT-39207-38078	P. Szyman	1,401.00
139582	3/27/20	TR13-R-MNT-39226-38095	S. Keramati	609.00

**Municipal Water District of Orange County
Disbursement Ratification Report
For the month of March 2020**

Check #	Date	Vendor # Invoice/CM #	Name / Description	Net Amount
139583	3/27/20	TR13-R-MNT-39227-38096	S. Cienfuegos	810.00
139584	3/27/20	TR13-R-MESA-39229-38098	J. Bunnell	1,071.00
139585	3/27/20	TR13-R-MNT-39236-38106	L. French	2,223.00
139586	3/27/20	TR13-R-SC-39254-38118	T. Duggan	1,155.00
139587	3/27/20	TR13-R-MESA-39258-38124	C. Collins	1,500.00
139588	3/27/20	TR13-R-MNT-39284-38149	D. Denison	3,351.00
139589	3/27/20	TR13-R-MNT-39345-38179	T. Esau	1,971.00
139590	3/27/20	TR13-R-MNT-39382-38227	J. Cardmon	2,265.00
139591	3/27/20	TR13-R-LH-38747-37651-ADJ	R. Rojas	1,176.00
139592	3/27/20	TR13-R-MESA-38868-37769	K. Ahn	2,262.00
			***Total ***	109,266.57
WIRE-200330	3/30/20	METWAT RM 9971	Metropolitan Water District	
			January 2020 Water deliveries	7,806,028.36
			***Total ***	7,806,028.36
139597	3/31/20	HARRISD 022920	Daniel Harrison	
			February 2020 Business expense	161.82
			***Total ***	161.82
139600	3/31/20	SANTI1 JAN2020	Santiago Aqueduct Commission	
			January 2020 SAC Pipeline Operation surcharge	3,042.60
			***Total ***	3,042.60
139601	3/31/20	SCHUNK 031220	Janine Schunk	
			March 2020 Business expense	9.20
			***Total ***	9.20
ACH004677	3/31/20	SANTAM JAN2020	Santa Margarita Water District	
			January 2020 SCP Pipeline Operation surcharge	21,673.57
			***Total ***	21,673.57
Total Other Funds Disbursements				7,944,829.15
Total Disbursements				7,970,244.30


Robert J. Hunter, General Manager


Hilary Chumpitazi, Treasurer

Cal Card Charges
Statement Date: February 24, 2020
Payment Date: March 31, 2020

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>Public Affairs Card</u>		
1/22/2020	2 Folding hand carts	\$ 94.74
1/24/2020	Summit lunch meeting	58.10
1/24/2020	Appetizers for 11/10/19 MET Inspection trip	77.75
1/27/2020	Snacks for OC Water Summit meeting	23.58
1/28/2020	1/28/20-4/27/20 Subscription for Wordtracker search engine optimization software	81.00
2/9/2020	Storm glass weather station for 2/12/20 Water Policy Dinner speaker gift	44.48
2/12/2020	Poster contest paper for teachers	32.84
2/12/2020	Speaker questions and answer materials for 2/12/20 Water Policy Dinner	16.15
2/12/2020	Balloons for 2/12/20 Water Policy Dinner	13.02
2/19/2020	Food for 2/20/20 Public Affairs workshop	68.92
2/20/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Meal for Director Thomas, D. Micalizzi and 2 guests	125.19
	Total	\$ 635.77

Cal Card Charges
Statement Date: February 24, 2020
Payment Date: March 31, 2020

Date	Description	Amount
<u>K. Seckel Card</u>		
1/10/2020	Food for Staff Development meeting	\$ 30.49
1/22/2020	American Water Works Association California-Nevada Section Water Loss workshop in Escondido, CA on Jan. 21, 2020 - Accommodations for J. Thorsell	137.75
1/22/2020	American Water Works Association California-Nevada Section Water Loss workshop in Escondido, CA on Jan. 21, 2020 - Accommodations for R. Davis	137.75
1/22/2020	Computer supplies	21.72
1/22/2020	Software to print and file 2019 IRS 1099 forms	184.00
1/23/2020	Society for Human Resource Management annual membership renewal for C. Harris	209.00
1/23/2020	Association of California Cities - Orange County Sacramento Advocacy trip in Sacramento, CA from Jan. 26-28, 2020 - Accommodations deposit refund for Director Barbre cancellation	(590.80)
1/24/2020	12/24/19-1/23/20 Web hosting service for MWDOC website	15.65
1/27/2020	Computer supplies	288.99
1/27/2020	CalChamber online supervisor course - Registration for V. Osborn	35.19
1/27/2020	ACWA Water Management meeting in Sacramento, CA from Feb. 10-11, 2020 - Airfare for Director Tamaribuchi	593.98
1/27/2020	California Environmental Dialogue Plenary meeting in Sacramento, CA on Feb. 4, 2020 - Airfare for Director Tamaribuchi	593.98
1/28/2020	Lunch for MET Directors' meeting	195.00
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for K. Seckel	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for Director Tamaribuchi	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for D. Micalizzi	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for Director Thomas	725.00 1
1/28/2020	The Toll Roads deposit for Water Loss Control Shared Services vehicles	100.00
1/28/2020	California Municipal Utilities Association Annual Capital Day in Sacramento, CA from Jan. 26-27, 2020 - Accommodations balance for H. Baez	16.88
1/28/2020	Department of Water Resources Water Conservation Landscape Area Measurement Project Technical workgroup in Sacramento, CA on Feb. 12, 2020 - Airfare for R. Waite	293.96
1/30/2020	ACWA Legislative symposium in Sacramento, CA on Mar. 12, 2020 - Registration for H. Baez	232.00
1/30/2020	American Water Works Association California-Nevada Section Water Loss workshop in Escondido, CA on Jan. 21, 2020 - Partial registration refund for J. Thorsell	(100.00)
1/31/2020	Brown and Caldwell Waterjobs posting for Water Resources Analyst position	200.00
2/1/2020	Flowers for MWDOC staff member	84.01
2/2/2020	2 Pairs of workpants and 1 Weather Watch trouser for Water Loss Control Shared Services employee	140.94

Cal Card Charges
Statement Date: February 24, 2020
Payment Date: March 31, 2020

Date	Description	Amount
K. Seckel Card (Continued)		
2/3/2020	Department of Water Resources Education Committee meeting in Santa Barbara, CA from Feb. 2-4, 2020 - Accommodations for T. Baca and S. Wilson	\$ 420.80
2/3/2020	California Environmental Dialogue Plenary meeting in Sacramento, CA on Feb. 5, 2020 - Airfare for M. Baum Haley	274.98
2/4/2020	Flowers for MWDOC staff member	97.25
2/5/2020	Computer supplies	65.24
2/5/2020	ACWA Water Management meeting in Sacramento, CA from Feb. 10-11, 2020 - Accommodations for Director Tamaribuchi	177.77
2/6/2020	Apple iPad Air	495.41
2/6/2020	California Environmental Dialogue Plenary meeting in Sacramento, CA on Feb. 5, 2020 - Accommodations for M. Baum Haley	322.78
2/6/2020	California Water Environment Association Annual conference in Reno, NV from Oct. 27-30, 2020 - Accommodations deposit for Director Yoo Schneider	151.42
2/6/2020	California Society of Municipal Finance Officers annual membership renewal for H. Chumpitazi	110.00
2/6/2020	CalDesal conference in Santa Barbara, CA from Feb. 6-7, 2020 - Accommodations for C. Busslinger	226.76
2/7/2020	Printer stand for Finance department	179.43
2/14/2020	Toaster for MWDOC breakroom	75.03
2/14/2020	Food for Staff Development meeting	30.49
2/14/2020	Snacks for Qualified Water Efficient Landscaper training classes and office supplies from Costco	271.52
2/17/2020	UPS Delivery charges for Board packet on Feb. 13, 2020	10.58
2/18/2020	Orange County Water Association Industry Insight presentation in Irvine, CA on Feb. 19, 2020 - Registration for Director Yoo Schneider	45.00
2/18/2020	Lunch for Water Sales Projection meeting	80.47
2/19/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Meal for M. Baum Haley and guest	51.70
2/19/2020	Department of Water Resources Water Supply and Demand Assessment workshop in Sacramento, CA on Mar. 9, 2020 - Meal for H. De La Torre	16.00
2/19/2020	Department of Water Resources Water Supply and Demand Assessment workshop in Sacramento, CA on Mar. 9, 2020 - Airfare for H. De La Torre	186.96
2/20/2020	Flowers for MWDOC staff member	59.25
2/20/2020	Lunch for Administration staff meeting	105.43
2/20/2020	Supplies for Water Loss Control Shared Services	46.64
2/20/2020	Department of Water Resources Urban Water Management Plan Guidebook Development meeting in Sacramento, CA on Mar. 10, 2020 - Meal for H. De La Torre	16.00
2/21/2020	Flowers for MWDOC director	85.10
2/21/2020	Orange County Business Council One Voice Two Capitols trip in Washington, DC from Mar. 16-17, 2020 - Registration for Director Yoo Schneider	1,785.00 2
2/21/2020	ACWA DC conference in Washington, DC from Feb. 24-27, 2020 - Accommodations for R. Hunter	1,138.01
2/21/2020	ACWA DC conference in Washington, DC from Feb. 25-27, 2020 - Accommodations for Director Yoo Schneider	758.67

Cal Card Charges
Statement Date: February 24, 2020
Payment Date: March 31, 2020

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>K. Seckel Card</u> (Continued)		
2/21/2020	ACWA DC conference in Washington, DC from Feb. 24-27, 2020 - Accommodations for M. Baum Haley	\$ 1,138.01
2/21/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Accommodations balance for Director McVicker	65.58
2/21/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Accommodations balance for M. Baum Haley	36.00
2/21/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Accommodations balance for D. Micalizzi	72.74
Total		<u>\$ 14,316.51</u>

- 1 The ACWA Spring conference registrations will be canceled, refunds to be requested
- 2 OCBC event has been canceled, refund to be requested

Cal Card Charges
Statement Date: February 24, 2020
Payment Date: March 31, 2020

<u>Date</u>	<u>Description</u>	<u>Amount</u>
<u>R. Hunter Card</u>		
1/23/20-2/24/20	Meals for R. Hunter's meetings	\$ 166.31
1/17/2020	Association of California Cities - Orange County Sacramento Advocacy trip in Sacramento, CA from Jan. 26-28, 2020 - Accommodations deposit refunded for Director Barbre cancellation	(590.80)
1/22/2020	Westin Hotel room rental, food and parking balance for off-site Special Board meeting on Jan. 18, 2020	232.31
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for Director McVicker	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for H. Baez	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for M. Baum Haley	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for H. De La Torre	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for R. Hunter	725.00 1
1/28/2020	ACWA Spring conference in Monterey, CA from Jul. 28-30, 2020 - Registration for Director Yoo Schneider	725.00 1
2/5/2020	Department of Water Resources Delta Conveyance Project meeting in Los Angeles, CA on Feb. 5, 2020 - Parking for R. Hunter	20.00
2/7/2020	Urban Water Institute Spring Water conference in Palm Springs, CA from Feb. 19-21, 2020 - Accommodations refund for R. Hunter cancellation	(388.22)
2/19/2020	ACWA DC conference in Washington, DC from Feb. 24-27, 2020 - Registration refund for H. Baez cancellation	(635.00)
Total		\$ 3,154.60

1 The ACWA Spring conference registrations will be canceled, refunds to be requested

Municipal Water District of Orange County
GM Approved Disbursement Report ⁽¹⁾
For the month of March 2020

<i>Check #</i>	<i>Date</i>	<i>Vendor # Invoice/CM #</i>	<i>Name / Description</i>	<i>Net Amount</i>
Core Disbursements:				
ACH004648	3/13/20	PATRIC 15016	Patricia Kennedy Inc. February 2020 Plant maintenance	214.00
			***Total ***	214.00
ACH004673	3/31/20	ULTIMS 13863344	Roth Staffing Companies, LP 2/24/20-3/1/20 Temporary administration staff	999.95
			***Total ***	999.95
ACH004674	3/31/20	ULTIMS 13866672	Roth Staffing Companies, LP 3/2/20-3/8/20 Temporary administration staff	1,001.60
			***Total ***	1,001.60
			Total Core Disbursements	2,215.55
Choice Disbursements:				
			Total Choice Disbursements	-
Other Funds Disbursements:				
			Total Other Funds Disbursements	-
			Total Disbursements	2,215.55



Robert J. Hunter, General Manager



Hilary Chumpitazi, Treasurer

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

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**Municipal Water District of Orange County
WATER USE EFFICIENCY PROJECTS**

Cash Flow as of 3/31/20

	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	TOTALS
Cash - Beginning Balance	\$ (592,088.86)	\$ (564,751.37)	\$ (605,357.98)	\$ (568,531.76)	\$ (703,896.86)	\$ (726,406.19)	\$ (823,747.11)	\$ (803,141.09)	\$ (918,685.32)	\$ (218,529.10)	\$ (218,529.10)	\$ (218,529.10)	
REVENUES:													
BUREC			49,393.62										\$ 49,393.62
City of Brea													333.00
City of Buena Park	111.00	150.00			291.00			333.00		222.00			774.00
City of Fountain Valley	111.00		114.00			333.00			444.00				1,002.00
City of Fullerton													-
City of Garden Grove													-
City of Huntington Beach													-
City of La Habra		222.00			222.00	222.00	444.00	111.00	444.00				1,665.00
City of San Clemente	515.00	444.99	455.00	553.73	791.30	838.96	750.00	500.00					4,849.00
City of San Juan Capistrano													-
City of Santa Ana													-
City of Tustin													-
City of Newport Beach		333.00	111.00			333.00	222.00			222.00			1,332.00
City of Orange							111.00						333.00
City of Westminster				111.00									-
County of Orange													-
Department of Water Resources		30,204.36						21,732.80					51,937.16
East Orange County Water District													-
El Toro Water District	2,614.00	1,924.00	924.00	384.19		635.00	865.00	1,025.00	3,076.99				11,448.18
Irvine Ranch Water District	6,632.11	18,446.65	6,790.00	11,748.75	3,111.37	2,445.07	14,176.63	2,365.95	68.00				66,784.53
Laguna Beach County Water District					308.00	65.00	3,119.20	92.55	115.38				3,700.13
Mesa Water District		306.45	207.24	166.48	196.00		210.00						1,088.17
Metropolitan Water District	17,249.94	878.64	115,504.83		100,463.03	124,715.69	34,804.87	48,087.10	48,872.19				441,704.10
Moulton Niguel Water District	36,055.78	25,127.90	13,476.61	62,561.25	22,124.86	33,014.96	25,893.00	3,200.00	778,936.68				270,326.55
Orange County Water District													778,936.68
Santa Margarita Water District													-
Tabuco Canyon Water District	537.90	273.96		675.00	377.99								1,864.85
Yorba Linda Water District			111.00			111.00							222.00
Miscellaneous Revenues													-
Miscellaneous													-
Interest Revenue													-
Total Revenues	63,826.73	78,311.95	187,087.30	76,200.40	127,887.55	162,713.70	80,928.70	77,558.40	832,401.24	-	-	-	\$ 1,886,915.97
EXPENDITURES:													
Budget Based Tiered Rates, Ratfells													9,580.00
Ecotech					9,580.00			3,425.00					3,425.00
IRWD				19,500.00			1,980.00						1,980.00
GardenSoft Corp													19,500.00
Golden State Water Company													-
City of Huntington Beach													-
Laguna Beach CWD													-
Large Plumbing					2,395.00	4,060.00			1,660.00				10,135.00
Metropolitan Water District				21,663.40					2,597.15				24,260.55
Mission RCD	6,476.15	8,985.40		810.35	8,664.23	6,766.30		14,788.22	12,538.65				59,029.30
Multi Family HET Direct			110,600.00		81,000.00	38,300.00	6,500.00						236,400.00
Plant Nerd						11,640.00		19,440.00					31,080.00
Recycled Water On Site Retrofit program													-
South Coast Water District		1,031.68											-
Spray to Drip program			324.60	220.40	1,045.71	20.00	356.80	133.72	4,042.65				7,155.56
SMWD													20.00
TerraWorks Studio													4,150.00
Turf Removal	25,029.55	101,394.48	38,571.48	159,467.56	46,351.94	188,702.32	35,028.68	147,256.69	109,266.57				851,069.27
Water Savings Incentive Program		5,382.00											5,382.00
Water Systems Optimization				5,218.62		20,761.00		3,614.00					29,593.62
Miscellaneous Expenses													
Miscellaneous	1,720.00												1,720.00
Interest Expense	2,413.74			3,495.17			3,872.20						9,781.11
Salary & Benefit	850.00	2,125.00	765.00	1,190.00	1,360.00	1,445.00	425.00	935.00					9,095.00
Total Expenditures	36,489.44	118,918.56	150,261.08	211,565.50	150,396.88	280,054.62	60,322.68	193,102.63	132,245.02	-	-	-	\$ 1,313,356.41
Cash - Ending Balance	\$ (564,751.37)	\$ (605,357.98)	\$ (668,531.76)	\$ (703,896.86)	\$ (726,406.19)	\$ (823,747.11)	\$ (803,141.09)	\$ (918,685.32)	\$ (218,529.10)	\$ (218,529.10)	\$ (218,529.10)	\$ (218,529.10)	

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Municipal Water District of Orange County
Consolidated Summary of Cash and Investment
 February 29, 2020

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

Sat Tamaribuchi
President

Joan C. Finnegan
Vice President

Brett R. Barbre
Director

Larry D. Dick
Director

Bob McVicker, P.E., D.WRE
Director

Megan Yoo Schneider, P.E.
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	\$3,830,240	22.41%
Grant & Project Cash Flow	1,500,000	8.78%
Election Expense	696,000	4.07%
Building Repair	444,186	2.60%
OPEB	297,147	1.74%
Total Designated Reserves	6,767,573	39.60%
General Fund	7,443,773	43.56%
Water Fund	2,039,799	11.93%
Conservation Fund	(918,685)	(5.38%)
WEROC Fund	1,728,969	10.12%
Trustee Activities	29,768	0.17%
Total	\$17,091,197	100.00%

The funds are invested as follows:

Term of Investment	% of Portfolio	Book Value	Market Value
Cash	0.61%	\$105,088	\$105,088
Short-term investment			
• LAIF	52.58%	\$8,985,520	\$8,985,520
• OCIP	28.67%	4,899,599	4,899,599
Long-term investment			
• Corporate Bond	6.73%	1,150,990	1,159,904
• Certificates of Deposit	11.41%	1,950,000	2,001,919
Total	100.00%	\$17,091,197	\$17,152,030

The average number of days to maturity/call as of February 29, 2020 equaled 140 and the average yield to maturity is 2.016%. During the month, the District's average daily balance was \$29,718,937.87. 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 2020.

The \$60,833 difference between the book value and the market value on February 29, 2020 represents the exchange difference if all investments had been liquidated on that date. Since it is the District's practice to "buy and hold" investments until maturity, the market values are a point of reference, not an indication of actual loss or gain. There are no current plans or cash flow requirements identified in the near future that would require the sale of these securities prior to maturity.

Robert J. Hunter
General Manager

Hilary Chumpitazi
Treasurer



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY


Portfolio Management - Portfolio Summary


February 29, 2020

2/29/2020	Par Value	Market Value	Book Value	% of Portfolio	Days to Mat/Call	YTM @ Cost
Negotiable Certificate Of Deposit	1,950,000.00	2,001,919.50	1,950,000.00	11.48	969	2.519
Corporate Bond	1,150,000.00	1,159,904.00	1,150,990.66	6.77	410	2.341
Local Agency Investment Funds	8,985,519.96	8,985,519.96	8,985,519.96	52.90	1	1.904
Orange County Investment Pool	4,899,598.70	4,899,598.70	4,899,598.70	28.85	1	1.944
Total Investments	16,985,118.66	17,046,942.16	16,986,109.32	100.00	140	2.016
Cash						
Cash	105,088.09	105,088.09	105,088.09		1	0.00
Total Cash and Investments	17,090,206.75	17,152,030.25	17,091,197.41		140	2.016

Total Earnings	Month Ending February	Fiscal Year to Date
Current Year	40,602.26	365,412.09
Average Daily Balance	29,718,937.87	
Effective Rate of Return	2.016%	

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 4-2-2020


Hilary Chumbitazi, Treasurer
Date 04/02/2020

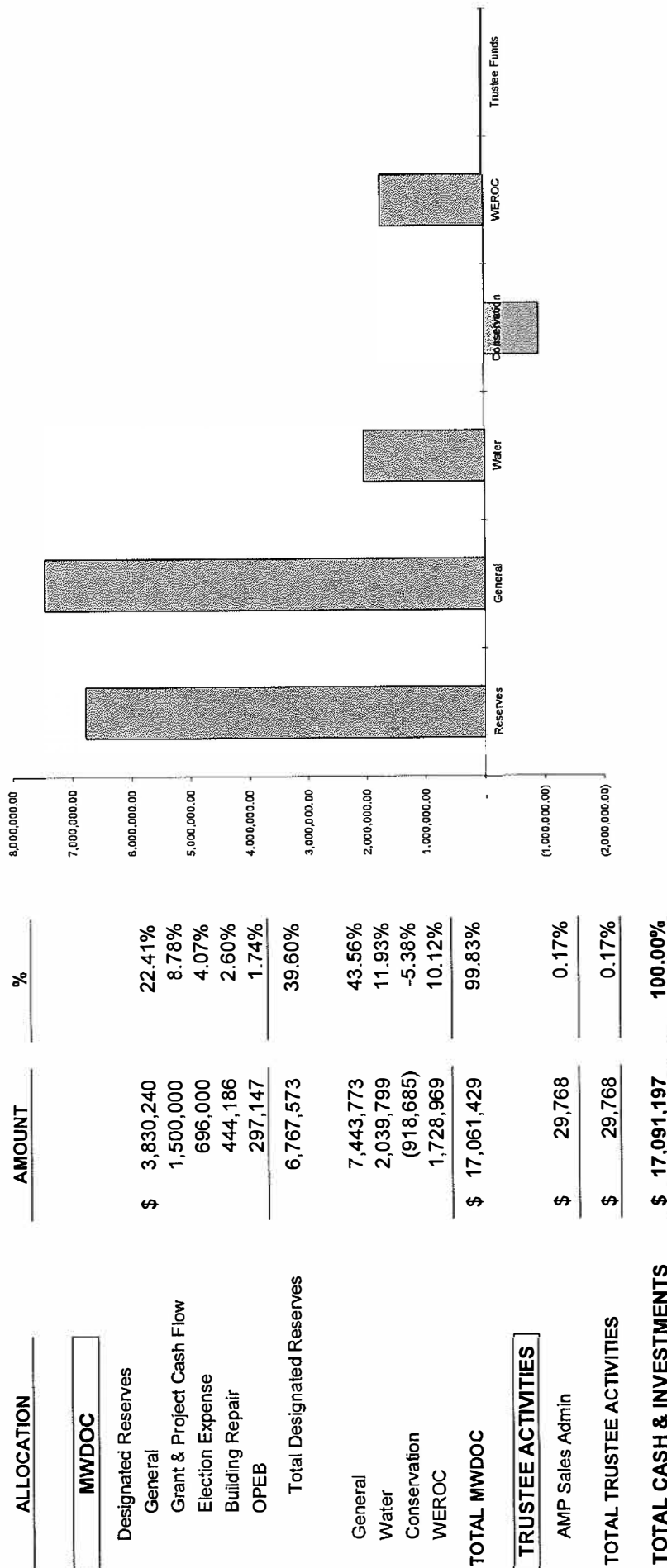
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Portfolio Management
Long-Term Portfolio Details - Investments
February 29, 2020

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	254,712.50	250,000.00	2.250	2.250	941	9/27/2022
Capital One Bank	14042TBO9	8/7/2019	250,000.00	256,745.00	250,000.00	2.250	2.250	1,621	8/7/2024
Capital One NA	14042RMJ7	7/24/2019	250,000.00	256,192.50	250,000.00	2.200	2.200	1,607	7/24/2024
Citibank	17294XUN4	7/31/2019	250,000.00	250,922.50	250,000.00	2.200	2.200	153	7/31/2024
Comenity Capital	20033ALUX2	7/25/2017	200,000.00	201,502.00	200,000.00	2.000	2.000	503	7/16/2021
Discover Bank	254673RV0	7/25/2018	250,000.00	264,432.50	250,000.00	3.300	3.300	1,242	7/25/2023
Goldman Sachs Bank	38148PT98	8/8/2018	250,000.00	264,997.50	250,000.00	3.350	3.350	1,256	8/8/2023
Morgan Stanley Bank	61747MJ36	2/1/2018	250,000.00	252,415.00	250,000.00	2.500	2.500	338	2/1/2021
Sub Total			1,950,000.00	2,001,919.50	1,950,000.00	2.519	2.519	969	
Corporate Bond									
JP Morgan Chase	48130JUSU0	12/23/2019	500,000.00	501,070.00	499,763.30	2.100	2.268	115	6/23/2023
National Rural Util Coop	63743FE51	7/27/2017	200,000.00	201,274.00	200,000.00	2.500	2.500	867	7/15/2022
Wells Fargo	94974BGR5	1/13/2016	250,000.00	251,730.00	250,254.04	2.550	2.409	282	12/7/2020
Westpac Banking Corp	961214DQ3	7/25/2017	200,000.00	205,830.00	200,973.32	2.500	2.278	850	6/28/2022
Sub Total			1,150,000.00	1,159,904.00	1,150,990.66	2.337	2.341	410	
Total Investments			3,100,000.00	3,161,823.50	3,100,990.66	2.452	2.453	762	
Total Earnings									
			Month Ending February	Fiscal Year To Date					
Current Year			5,940.44	52,474.69					

Portfolio Management

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									
LAI F LGIP	L AIF	6/30/2010	8,985,519.96	8,985,519.96	8,985,519.96	1.904	1.904	1	N/A
Sub Total			8,985,519.96	8,985,519.96	8,985,519.96	1.904	1.904	1	
Orange County Investment Pool									
County of Orange LGIP	O CIP	6/29/2005	4,899,598.70	4,899,598.70	4,899,598.70	1.944	1.944	1	N/A
Sub Total			4,899,598.70	4,899,598.70	4,899,598.70	1.944	1.944	1	
Total Investments			13,885,118.66	13,885,118.66	13,885,118.66	1.918	1.918		
Cash									
Petty Cash Cash	CASH	7/1/2010	500.00	500.00	500.00	0.000	0.000	1	N/A
US Bank Cash	CASHUSBANK	7/25/2018	104,588.09	104,588.09	104,588.09	0.000	0.000	1	N/A
Total Cash			105,088.09	105,088.09	105,088.09	0.000	0.000	1	
Total Cash and Investments			13,990,206.75	13,990,206.75	13,990,206.75	1.918	1.918	1	
Total Earnings									
Current Year			Month Ending February	Fiscal Year To Date					
			34,661.82	312,937.40					

**Municipal Water District of Orange County
Cash and Investments at February 29, 2020**



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MUNICIPAL WATER DIST OF ORANGE COUNTY
PARS Post-Employment Benefits Trust**Account Report for the Period**
2/1/2020 to 2/29/2020Rob Hunter
General Manager
Municipal Water Dist of Orange County
18700 Ward Street
Fountain Valley, CA 92708**Account Summary**

Source	Balance as of 2/1/2020	Contributions	Earnings	Expenses	Distributions	Transfers	Balance as of 2/29/2020
OPEB	\$2,333,906.72	\$0.00	-\$76,207.64	\$1,805.21	\$0.00	\$0.00	\$2,255,893.87
PENSION	\$447,607.11	\$0.00	-\$14,615.44	\$346.21	\$0.00	\$0.00	\$432,645.46
Totals	\$2,781,513.83	\$0.00	-\$90,823.08	\$2,151.42	\$0.00	\$0.00	\$2,688,539.33

Investment Selection

Source	
OPEB	Moderate HighMark PLUS
PENSION	Moderate HighMark PLUS

Investment Objective

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

Investment Return

Source	1-Month	3-Months	1-Year	Annualized Return			Plan's Inception Date
				3-Years	5-Years	10-Years	
OPEB	-3.27%	-1.33%	6.76%	6.35%	5.21%	-	10/26/2011
PENSION	-3.27%	-1.33%	6.83%	-	-	-	7/31/2018

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

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

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

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

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
COMBINED FINANCIAL STATEMENTS
AND
BUDGET COMPARATIVE
JULY 1, 2019 THRU FEBRUARY 29, 2020

**Municipal Water District of Orange County
Combined Balance Sheet
As of February 29, 2020**

<u>ASSETS</u>	Amount
Cash in Bank	105,088.09
Investments	16,884,652.97
Accounts Receivable	19,392,111.92
Accounts Receivable - Other	189,998.59
Accrued Interest Receivable	188,167.35
Prepays/Deposits	317,923.25
Leasehold Improvements	3,833,004.08
Furniture, Fixtures & Equipment	573,533.87
Less: Accum Depreciation	<u>(3,145,918.71)</u>
TOTAL ASSETS	<u><u>\$38,338,561.41</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	
Accounts Payable	19,126,272.29
Accounts Payable - Other	1,089.65
Accrued Salaries and Benefits Payable	363,296.97
Other Liabilities	1,828,156.49
Unearned Revenue	<u>799,950.80</u>
Total Liabilities	<u><u>22,118,766.20</u></u>
 Fund Balances	
Restricted Fund Balances	
Water Fund - T2C	<u>1,020,889.07</u>
Total Restricted Fund Balances	<u>1,020,889.07</u>
Designated Reserves	
General Operations	3,830,240.00
Grant & Project Cash Flow	1,500,000.00
Election Expense	696,000.00
Building Repair	444,186.00
OPEB	<u>297,147.00</u>
Total Designated Reserves	<u>6,767,573.00</u>
General Fund	3,478,748.06
General Fund Capital	682,542.68
WEROC Capital	115,298.58
WEROC	<u>225,385.05</u>
Total Unrestricted Fund Balances	<u>11,269,547.37</u>
Excess Revenue over Expenditures	
Operating Fund	3,902,464.50
Other Funds	<u>26,894.27</u>
Total Fund Balance	<u>16,219,795.21</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>38,338,561.41</u></u>

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2019 thru February 2020

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>REVENUES</u>						
Retail Connection Charge	0.00	7,888,929.60	7,888,930.00	100.00%	0.00	0.40
Ground Water Customer Charge	0.00	598,248.00	598,248.00	100.00%	0.00	0.00
Water rate revenues	0.00	8,487,177.60	8,487,178.00	100.00%	0.00	0.40
Interest Revenue	40,308.64	360,303.06	580,000.00	62.12%	0.00	219,696.94
Subtotal	40,308.64	8,847,480.66	9,067,178.00	97.58%	0.00	219,697.34
Choice Programs	9,278.00	1,235,018.89	1,472,622.00	83.87%	0.00	237,603.11
MWD Revenue - Shared Services	0.00	9,243.50	0.00	0.00%	0.00	(9,243.50)
Miscellaneous Income	0.00	11,725.09	3,000.00	390.84%	0.00	(8,725.09)
Revenue Other	0.00	1,775.44	0.00	0.00%	0.00	(1,775.44)
School Contracts	8,863.40	42,311.09	118,213.00	35.79%	0.00	75,901.91
Delinquent Payment Penalty	0.00	2,449.36	0.00	0.00%	0.00	(2,449.36)
Transfer-In From Reserve	0.00	0.00	(42,870.00)	0.00%	0.00	(42,870.00)
Subtotal	18,141.40	1,302,523.37	1,550,965.00	83.98%	0.00	248,441.63
TOTAL REVENUES	58,450.04	10,150,004.03	10,618,143.00	95.59%	0.00	468,138.97

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
General Fund
From July 2019 thru February 2020

	Month to Date	Year to Date	Annual Budget	% Used	Encumbrance	Budget Remaining
<u>EXPENSES</u>						
Salaries & Wages	284,670.40	2,512,822.70	4,052,038.00	62.01%	0.00	1,539,215.31
Salaries & Wages - Grant Recovery	0.00	0.00	(5,500.00)	0.00%	0.00	(5,500.00)
Salaries & Wages - Recovery	(204.12)	(7,639.80)	0.00	0.00%	0.00	7,639.80
Director's Compensation	18,990.94	156,044.48	268,132.00	58.20%	0.00	112,087.52
MWD Representation	11,787.48	87,237.09	153,218.00	56.94%	0.00	65,980.91
Employee Benefits	95,074.86	784,578.51	1,261,651.00	62.19%	0.00	477,072.49
CalPers Unfunded Liability Contribution	0.00	207,000.00	207,000.00	100.00%	0.00	0.00
Employee Benefits - Recovery	(38.88)	(1,455.20)	0.00	0.00%	0.00	1,455.20
Director's Benefits	12,934.12	89,038.04	93,947.00	94.77%	0.00	4,908.96
Health Insurance for Retirees	4,146.02	40,827.28	70,287.00	58.09%	0.00	29,459.72
Training Expense	1,880.19	24,541.76	32,000.00	76.69%	10,484.45	(3,026.21)
Tuition Reimbursement	0.00	2,552.62	5,000.00	51.05%	0.00	2,447.38
Temporary Help Expense	3,979.70	19,061.20	5,000.00	381.22%	5,088.60	(19,149.80)
Personnel Expenses	433,220.71	3,914,608.68	6,142,773.00	63.73%	15,573.05	2,212,591.28
Engineering Expense	17,789.25	186,848.52	435,000.00	42.95%	143,523.99	104,627.49
Legal Expense	21,151.69	186,931.87	200,000.00	93.47%	71,968.13	(58,900.00)
Audit Expense	0.00	19,767.00	29,240.00	67.60%	0.00	9,473.00
Professional Services	67,020.35	619,011.69	1,487,330.00	41.62%	618,429.50	249,888.81
Professional Fees	105,961.29	1,012,559.08	2,151,570.00	47.06%	833,921.62	305,089.30
Conference-Staff	(503.00)	19,573.00	40,535.00	48.29%	0.00	20,962.00
Conference-Directors	1,830.00	10,685.00	28,440.00	37.57%	0.00	17,755.00
Travel & Accom.-Staff	4,871.35	39,996.86	89,131.00	44.87%	0.00	49,134.14
Travel & Accom.-Directors	2,483.18	21,709.29	46,625.00	46.56%	0.00	24,915.71
Travel & Conference	8,681.53	91,964.15	204,731.00	44.92%	0.00	112,766.85
Membership/Sponsorship	10,775.46	138,985.01	114,966.00	120.89%	0.00	(24,019.01)
CDR Support	0.00	37,616.85	50,156.00	75.00%	12,538.95	0.20
Dues & Memberships	10,775.46	176,601.86	165,122.00	106.95%	12,538.95	(24,018.81)
Business Expense	685.94	2,413.12	5,200.00	46.41%	0.00	2,786.88
Maintenance Office	8,392.36	64,775.59	138,527.00	46.76%	70,839.37	2,912.04
Building Repair & Maintenance	1,000.11	7,377.62	20,000.00	36.89%	2,622.38	10,000.00
Storage Rental & Equipment Lease	0.00	3,907.11	3,616.00	108.05%	0.00	(291.11)
Office Supplies	3,748.00	23,206.01	36,000.00	64.46%	1,367.64	11,426.35
Supplies - Water Loss Control	477.85	5,464.17	2,033.00	268.77%	0.00	(3,431.17)
Postage/Mail Delivery	513.67	5,964.64	9,400.00	63.45%	1,062.18	2,373.18
Subscriptions & Books	0.00	380.60	1,500.00	25.37%	0.00	1,119.40
Reproduction Expense	1,603.25	28,029.66	61,000.00	45.95%	1,752.96	31,217.38
Maintenance-Computers	871.36	3,286.84	8,000.00	41.09%	1,948.40	2,764.76
Software Purchase	0.00	18,166.81	34,500.00	52.66%	0.00	16,333.19
Software Support	1,750.02	32,620.03	59,134.00	55.16%	1,200.00	25,313.97
Computers and Equipment	5,643.40	28,621.80	49,450.00	57.88%	0.00	20,828.20
Automotive Expense	1,355.76	14,257.79	19,300.00	73.87%	0.00	5,042.21
Vehicle Expense	353.93	2,418.74	13,160.00	18.38%	0.00	10,741.26
Toll Road Charges	215.26	938.59	2,400.00	39.11%	0.00	1,461.41
Insurance Expense	10,943.10	84,647.27	140,000.00	60.46%	0.00	55,352.73
Utilities - Telephone	2,070.87	16,143.77	25,773.00	62.64%	458.76	9,170.47
Bank Fees	0.00	88.33	1,200.00	7.36%	0.00	1,111.67
Miscellaneous Expense	4,043.94	57,359.16	108,100.00	53.06%	0.00	50,740.84
MWDOC's Contrb. to WEROC	19,081.50	152,652.00	273,367.00	55.84%	0.00	120,715.00
Depreciation Expense	3,043.95	19,091.56	0.00	0.00%	0.00	(19,091.56)
Other Expenses	65,794.27	571,811.21	1,011,660.00	56.52%	81,251.69	358,597.10
Building Expense	561.50	394,332.21	835,831.00	47.18%	127,656.50	313,842.29
Capital Acquisition	0.00	85,662.34	106,456.00	80.47%	0.00	20,793.66
TOTAL EXPENSES	624,994.76	6,247,539.53	10,618,143.00	58.84%	1,070,941.81	3,299,661.67
NET INCOME (LOSS)	(566,544.72)	3,902,464.50	0.00			

Municipal Water District of Orange County
Revenues and Expenditures Budget Comparative Report
Water Fund
From July 2019 thru February 2020

	Month to Date	Year to Date	Annual Budget	% Used	Budget Remaining
<u>WATER REVENUES</u>					
Water Sales	9,341,277.40	101,760,068.80	232,376,274.00	43.79%	130,616,205.20
Readiness to Serve Charge	965,277.18	6,963,791.16	10,071,282.00	69.15%	3,107,490.84
Capacity Charge CCF	324,353.33	2,448,686.68	3,615,440.00	67.73%	1,166,753.32
SCP/SAC Pipeline Surcharge	22,808.42	230,573.21	350,000.00	65.88%	119,426.79
Interest	1,382.27	14,509.51	20,000.00	72.55%	5,490.49
TOTAL WATER REVENUES	10,655,098.60	111,417,629.36	246,432,996.00	45.21%	135,015,366.64
<u>WATER PURCHASES</u>					
Water Sales	9,341,277.40	101,760,068.80	232,376,274.00	43.79%	130,616,205.20
Readiness to Serve Charge	965,277.18	6,963,791.16	10,071,282.00	69.15%	3,107,490.84
Capacity Charge CCF	324,353.33	2,448,686.68	3,615,440.00	67.73%	1,166,753.32
SCP/SAC Pipeline Surcharge	22,808.42	230,573.21	350,000.00	65.88%	119,426.79
TOTAL WATER PURCHASES	10,653,716.33	111,403,119.85	246,412,996.00	45.21%	135,009,876.15
EXCESS OF REVENUE OVER EXPENDITURES	1,382.27	14,509.51	20,000.00		

Municipal Water District of Orange County
WUE Revenues and Expenditures (Actuals vs Budget)
From July 2019 thru February 2020

	Year to Date Actual	Annual Budget	% Used
Spray To Drip Conversion			
Revenues	5,319.31	110,562.00	4.81%
Expenses	<u>15,081.01</u>	<u>110,562.00</u>	13.64%
Excess of Revenues over Expenditures	(9,761.70)	0.00	
Member Agency Administered Passthru			
Revenues	255,900.00	616,000.00	41.54%
Expenses	<u>236,400.00</u>	<u>616,000.00</u>	38.38%
Excess of Revenues over Expenditures	19,500.00	0.00	
ULFT Rebate Program			
Revenues	4,198.01	27,500.00	15.27%
Expenses	<u>4,133.51</u>	<u>27,500.00</u>	15.03%
Excess of Revenues over Expenditures	64.50	0.00	
HECW Rebate Program			
Revenues	62,029.10	300,000.00	20.68%
Expenses	<u>61,814.98</u>	<u>300,000.00</u>	20.60%
Excess of Revenues over Expenditures	214.12	0.00	
CII Rebate Program			
Revenues	0.00	305,000.00	0.00%
Expenses	<u>(270.00)</u>	<u>305,000.00</u>	-0.09%
Excess of Revenues over Expenditures	270.00	0.00	
Turf Removal Program			
Revenues	724,627.06	835,776.00	86.70%
Expenses	<u>760,930.86</u>	<u>835,776.00</u>	91.04%
Excess of Revenues over Expenditures	(36,303.80)	0.00	
Comprehensive Landscape (CLWUE)			
Revenues	29,892.99	110,558.00	27.04%
Expenses	<u>78,465.49</u>	<u>116,450.00</u>	67.38%
Excess of Revenues over Expenditures	(48,572.50)	(5,892.00)	
Recycled Water Program			
Revenues	0.00	19,750.00	0.00%
Expenses	<u>0.00</u>	<u>19,750.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WSIP - Industrial Program			
Revenues	0.00	45,000.00	0.00%
Expenses	<u>0.00</u>	<u>45,000.00</u>	0.00%
Excess of Revenues over Expenditures	0.00	0.00	
WUE Projects			
Revenues	1,081,966.47	2,370,146.00	45.65%
Expenses	<u>1,156,555.85</u>	<u>2,376,038.00</u>	48.68%
Excess of Revenues over Expenditures	(74,589.38)	(5,892.00)	
WEROC			
Revenues	381,630.00	652,564.00	58.48%
Expenses	<u>250,644.35</u>	<u>624,478.00</u>	40.14%
Excess of Revenues over Expenditures	130,985.65	28,086.00	



DISCUSSION ITEM

April 8, 2020

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

FROM: Robert Hunter, General Manager

**SUBJECT: DISCUSSION RE POSSIBLE AMENDMENTS TO ADMINISTRATIVE CODE
AS RECOMMENDED BY DIRECTOR BARBRE**

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee: Review and discuss the information presented by Director Barbre.

COMMITTEE RECOMMENDATION

To be determined.

DETAILED REPORT

Director Barbre requested the attached language be included in the Administrative Code. It is presented to the Committee for discussion.

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

MWDOC ADMINISTRATIVE CODE AMENDMENTS

AMENDMENT ONE

§ 1500(A)(4) is added to read:

4. MWDOC MWD Director

When a MWDOC MWD Director leaves the MWDOC Board, they shall forfeit their position as an MWD Director.

AMENDMENT TWO

§ 1307(a)(8) is deleted.

~~8) remove or prohibit an item that has passed through a Committee from being presented to the full Board (only with the concurrence of the Committee Chair);~~

AMENDMENT THREE

§ 1307(a)(9) is amended to read:

~~98~~) Board retains to itself, sole authority to accept and convey, on behalf of MWDOC, real property or real property rights, and water and capacity rights.



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Tiffany Baca

SUBJECT: Authorization to Assume the California Water Energy Education Alliance (WEEA)

STAFF RECOMMENDATION

Staff recommends the Public Affairs and Legislation Committee: Authorize assuming leadership of the Water Energy Education Alliance (WEEA) (option 1).

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

In 2018, the Water Energy Education Alliance (WEEA or Alliance) was formed under the approval and guidance of the California Environmental Education Foundation (CEEF). WEEA's mission has been to initiate and strengthen career pathways and partnerships between southern California school districts and the water/energy sectors.

Although momentum has been steadily growing, and sponsorships from water districts across southern California have more than tripled in just over a year, the passage of [Assembly Bill 5](#) (Gonzales) has crippled the Alliance. Effective December 31, 2019, contracted services for expertise, administration, and oversight of WEEA have been cancelled. Committed to fulfilling their first-year obligations to sponsors and participants, the WEEA leadership team has agreed to *volunteer* their services through the end of March 2020.

With over a year of foundational work completed by WEEA, potential sponsorships already secured, and the ever-present threat of a "Silver Tsunami," now is the opportune time to

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

establish a water (and energy) education coalition. With support from primary funders - CEEF, Ten Strands, The Metropolitan Water District of Southern California (Metropolitan), and the Los Angeles Department of Water and Power (LADWP) – the Municipal Water District of Orange County (MWDOC) was approached by the WEEA leadership team to take over organizational responsibilities of WEEA. By assuming this role, MWDOC can bypass painfully slow first steps, call on the expertise and connections already made through the Alliance, and build on the momentum spurred by WEEA to develop water and energy Career Technical Education programs (CTE) for Orange County and all of southern California.

DETAILED REPORT

Background

What is a CTE? (from California Department of Education)

“A program of study that involves a multiyear sequence of courses that integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers.”

In 2018, CEEF approved the formation of WEEA, an alliance between business and education professionals committed to strengthening career pathways in the water/energy sectors. The Alliance, led by a highly credentialed and experienced leadership team, held its first Leadership Roundtable in November 2018. Since that time, the Alliance has grown into a robust community of engaged members, encouraged to share resources and develop cohort partnerships that will ultimately achieve a unified goal: to establish water and energy CTEs in high schools.

To date, WEEA has hosted four (4) Leadership Roundtable meetings, inviting over 40 southern California water, energy, and education-based organizations to participate. Since WEEA's inception in late 2018, seven (7) sponsorships have been secured from water districts including MWDOC, Metropolitan, and two (2) MWDOC member agencies (Irvine Ranch Water District and Moulton Niguel Water District), and Roundtable attendance numbers have grown to 40 active participants. Through these Roundtable meetings, WEEA has served as a catalyst for attendees to learn from each other, and to forge partnerships that uncover the academic needs and requirements of school districts, as well as the fundamental workforce needs of the water/energy sectors.

While WEEA has spent the past year building the foundation for participants to achieve CTEs, the passage of AB-5 has drastically impaired the Alliance's ability to continue functioning under its current structure.

The Impact of Gonzalez, Assembly Bill 5 (AB-5) on WEEA

WEEA was formed under the approval and guidance of CEEF, a 501 (c) (3) non-profit foundation established nearly two (2) decades ago at the recommendation of the State Superintendent's Environmental Education Task Force Steering Committee. Since 2018, a three-member leadership team has provided contracted services to WEEA. However, effective January 1, 2020, AB-5 redefines the standard for determining independent contractor (IC) status, *“... for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission,*

a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor..." ([Presentation by Shook, Hardy and Bacon](#) - Orange County Business Council's Workforce Development meeting). Employee benefits that now must be extended to former ICs as "employees" include health care, disability, and life insurance, as well as retirement plans and paid leave. For many businesses – especially non-profits – the expense is more than they can sustain. This is the case with CEEF and WEEA.

Benefits of WEEA

Over the past several years, water and energy industry professionals have grown familiar with the term "Silver Tsunami." According to an article published just this week in the OC Register (March 9, 2020), "The number of California residents age 65 and older is expected to double in the next ten years, reaching 8.6 million. One of the places that population bulge will be acutely felt is Orange County..." a San Diego regional workforce development task force reports that there are approximately 4,500 water and wastewater positions in the San Diego region, and more than 1,400 of those workers are expected to reach retirement age by 2024. While an aging workforce is spurring industry recruitment efforts throughout the state, one simple solution could be the introduction of water and energy CTEs that, to date, are few and far between - particularly here in Orange County.

At the time of this report, approximately half of WEEA's sponsors, along with the education counterparts in their service areas, have reached a point where they have enough early information, resources, and momentum to form regional advisory committees. The first Orange County advisory will be held on March 18, 2020, and will be hosted by the North Orange County Regional Occupation Program and the Irvine Ranch Water District (IRWD). Expected attendees include representatives from many MWDOC member agencies including IRWD and Moulton Niguel Water District, as well as the Orange County Department of Education, and Saddleback College to name a few. These advisory committees would likely be motivated to sponsor a larger southern California collective, which would work together in part to identify and promote exemplary water/energy CTE pathways for high school students. Additional benefits of CTEs include:

- CTEs allow companies to find trained, skilled workers right out of high school saving time and money on recruitment and on boarding.
- CTEs will ensure that opportunities for postsecondary education and career pathways are illuminated and introduced in critical early education years.
- Maintaining a steady graduation rate is a difficulty shared by hundreds of California school districts. CTEs provide great post-secondary options to a more diverse demographic.

Providing new workforce pathways not only benefits businesses and educational institutions, but also young students and their future families. Students participating in CTEs are more likely to graduate, go to college, find employment, and earn higher wages. Water and energy sector jobs provide steady, long-term careers that ultimately contribute to the welfare of workers, and to the health of the state's economy.

MWDOC's Role in Orange County Education

MWDOC's interest and participation in youth education has grown substantially over the past year, extending far beyond the MWDOC Choice School Programs. MWDOC Public Affairs staff (PA) has worked diligently to build strong working relationships and partnerships with local and statewide experts in K-12 education, expanding the value and integrity of the District's water education efforts, and establishing a trusted path to relevant and timely water-related information and resources for educators.

While the words "educate" or "education" are not explicitly written in the MWDOC mission statement, MWDOC has been educating the public since its inception, and has been providing water-centric lessons and learning to Orange County schoolchildren for nearly five (5) decades. In fact, 22 of MWDOC's 28 member agencies and the Three Cities (Anaheim, Fullerton, and Santa Ana) currently participate in the MWDOC Choice School Programs, and the wildly successful MWDOC Water Awareness Poster Contest has inspired participation from more than 20,000 students in its 30-year run. In order to continue "to provide reliable high-quality supplies" long into the future, we must have an active, engaged community of young people willing to take the reins when they graduate either high school or college. Additionally, "to promote water use efficiency for all of Orange County" includes the school-aged children demographic. A large part of the MWDOC Choice School Programs, as well as the MWDOC Scouts programs and active participation in family-friendly community events, include a robust discussion on water-saving behaviors and activities. Developing good water stewards, and having young children begin to value water at an early, impressionable age, has been a significant part of the District's business for decades.

Responsibilities of WEEA

Taking on such a large responsibility will require additional resources; however, there are enormous benefits to Orange County, and southern California as a whole. Additionally, while WEEA specifically addresses CTEs, the southern California water/energy education coalition can be reimaged to include all water-related education efforts, building on the momentum of PA staff over the past year, as well as from the cohort partnerships already established through WEEA.

As of March 2020, WEEA has met all assured deliverables of Phase I:

- Establish the Alliance with sponsorships and grant
- Hire a Partnership Manager & Career Technical Education expert
- Facilitate formation of public/private workforce pathway partnerships between school districts and local/regional water-energy businesses and agencies
- Convene two Alliance meetings in 2019 sponsored by Metropolitan and Los Angeles Department of Water and Power (LADWP)
- Provide updates to Alliance members (Final report is included. See attachment 1)
- Consult on marketing messages and strategies to school districts and community partners

Proposed Phase II deliverables (developed under the current WEEA structure):

- Grow the Alliance by securing additional financial support (business sponsorships and additional grant funding)

- Expand the formation of workforce pathway partnerships between school districts and water/energy businesses and agencies
- Convene two Alliance meetings in 2020, co-sponsored by Metropolitan and LADWP
- Provide quarterly progress reports to Alliance sponsors
- Consult with businesses on their work force marketing messages and strategies for recruiting high school students

Financial Impact to the District

MWDOC PA would require additional staff dedicated to the effort; however, if MWDOC agrees to take on the Alliance, CEEF is prepared to request that each of the seven current WEEA sponsors send their Phase II \$2,500 sponsorships to MWDOC rather than CEEF. Sponsorship includes multiple benefits for participating agencies, including a seat at the table for discussions related to effective partnerships, introductions to resources, as well as the opportunity to provide input and recommendations on the development and implementation of CTEs throughout southern California. Current sponsors of WEEA include:

- Municipal Water District of Orange County
- Metropolitan Water District of Southern California
- Los Angeles Department of Water and Power
- Irvine Ranch Water District
- Moulton Niguel Water District
- Elsinore Valley Municipal Water District
- Water Replenishment District of Southern California

Additionally, MWDOC would reach out to its other 26 member agencies for consideration, and with the help of Metropolitan, its 26 member agencies. Also, Ten Strands – one of WEEA's current primary funders – has offered to look for additional grant funding to help cover the costs of additional staff time and other incidentals (e.g. Federal Perkins Act and California Department of Education CTE Incentive Grants).

Given the District's role as an umbrella agency for 28 retail water agencies, and the fact that it is Metropolitan's third largest member agency, MWDOC is positioned to expand its leadership focus to include other southern California water agencies in a southern California water/energy education coalition.

In Conclusion

Thus far, the Alliance has enabled leadership from education and water/energy sectors to work together to find innovative strategies and solutions that strengthen workforce pathways for youth in secondary and postsecondary education programs. This initiative has become increasingly important as the demand for skilled employees continues to grow, and as senior industry professionals retire at a rapid rate.

With overwhelming support from water/energy and education leaders across the Southland, WEEA has laid the foundation for MWDOC to effectively take over organizational responsibilities of the Alliance. By assuming this role, MWDOC can take advantage of the momentum generated by WEEA, and actively pursue water and energy Career Technical Education programs (CTE) for Orange County – and southern California - students.

After unanimous approval by the Public Affairs & Legislation Committee, this item went to the Board of Directors in March. President Tamaribuchi requested the item be discussed further at April's Administration and Finance Committee. Subsequently, President Tamaribuchi submitted additional questions in writing. Answers were provided in writing and submitted to the full Board for review and are attached as Exhibit A. One of President Tamaribuchi's questions pertained to Positions at CEEF. The CEEF 2019 Position Descriptions and Contract is also attached as Exhibit B.

BOARD OPTIONS

Option #1

- Assume ownership of the California Water, Energy, and Education Alliance (WEEA), and the Alliance continues under MWDOC's leadership.
- **Fiscal Impact: Approximately \$20,000 for one part time employee.**

Option #2

- Do not assume ownership of the California Water, Energy, and Education Alliance (WEEA), and the Alliance disbands.

Fiscal Impact: \$0

STAFF RECOMMENDATION

Option # 1

Water Energy Education Alliance

Mission: initiate and strengthen career pathways and partnerships between Southern California school districts and water/energy sectors.

MWDOC Objective: to develop water and energy Career Technical Education programs (CTE) for Orange County and all of Southern California.

1. Are there other and possibly better ways to achieve this objective?
 - As reported to the MWDOC Board, WEEA was established in November, 2018 and has been working since that time to lay the foundation for growing or establishing water and energy CTEs in southern California high schools. Partnerships have been forged, and expert speakers with successful programs have been brought in to provide insight and guidance. An effort such as this takes time, thoughtful consideration, strategy, and effective partnerships that all begins with information gathering and building networks. From this perspective, it doesn't seem likely that there is a better way to achieve the objective.
2. Who are the highly credentialed and experienced WEEA leadership team? How much are they getting paid?
 - If MWDOC assumes WEEA we would not be operating under the current Leadership Team structure. Salaries have been provided for the previous effort, however, they will not apply to our proposed structure.

BIOS:

Bill Andrews

Ex-Officio Advisor, CEEF / Director, WEEA (Salary \$600 x 12 months + travel)

Bill is a retired science and Environmental Education (EE) consultant having worked for 19 years in the California Department of Education (CDE) and 11 years as a high school science and mathematics teacher. While at CDE, he founded California Environmental Education Foundation (CEEF) in 2003 and joined the CEEF Board in 2005. From 2007 to June 2015, he volunteered as part-time Executive Director. In 2011, 2013, and 2015 Bill directed CEEF's teacher institute on "Best Practices of Environmental Education and Stewardship." At the state level, Bill provided leadership on the development of a California Blueprint for Environmental Literacy (BEL) and served on the State Superintendent's BEL Task Force from 2013 through 2015. Bill was honored by the Association for Environmental and Outdoor Education (AEOE) with the Howard Bell Award in 2015. Bill now serves as Ex-Officio Advisor to the CEEF Board.

John Zavalney

Board Member, CEEF / Partnership Manager, WEEA (Salary \$525 x 12 months + travel)

John Zavalney is the consummate environmental educator. He participates as a teacher, trainer, facilitator, or representative for leading global, national, and local Environmental Education (EE) programs including Jane Goodall's Roots & Shoots; GLOBE; Project Learning Tree; Project Wild; and Project Wet and served as the Assistant District Manager for The Climate Project. John is currently ranked as the #3 Climate Change presenter in the world for Climate Reality project. After meeting with Dr. Goodall in 1996, John was personally selected by her to spend three months in Tanzania as a volunteer educator for the Roots & Shoots humanitarian youth program. During his stay, John negotiated a bi-lateral agreement between the Minister of Education in Tanzania and the U.S, making Tanzania part of the GLOBE Program. John's contributions to the education and advancement of young people are recognized with a host of

prestigious educational awards. He received the Disney's American Teacher Award; the Presidential Award for Excellence in Science Education; the President's Council on Environmental Quality's Teacher Professional Development Award; the South Coast Air Quality Management District Clean Air Award in Education; and the Jane Goodall Institute Global Leadership Award in Education. John earned his BA in Secondary Education from West Liberty State, West Virginia with a major in biology and general science.

Jeanne Knapp

Secretary, CEEF / Career Technical Education Expert, WEEA (Salary \$425 x 12 months + travel)

Jeanne is committed to connecting people with the natural systems of their place and space. She creates partnerships using models of collective impact with a goal of the best use of existing and available resources, and always supporting the work of partners. Utilizing her leadership experience in both formal and non-formal education, Jeanne enthusiastically facilitates introductions, collects and shares resources, creates or contributes to events, workshops, trainings, and opportunities toward expanding environmental literacy. She has a Doctorate in Educational Leadership, is Executive Director of Just Knowledge, LLC, actively engaged with Four Rivers Natural History Association, and is a certified California Naturalist. Jeanne is a Project WET Facilitator and will soon become one of the four California Project WILD Coordinators. She is an active partner with the Merced Environmental Literacy Collective (MELC) and happily strives to advance excellence in environmental education as a CEEF board member.

3. What are CEEF and Ten Strands? Who's involved and what are their goals?
 - **The California Environmental Education Foundation (CEEFF)** is a 501(c)(3) non-profit organization that was established at the recommendation of the State Superintendent's Environmental Education Task Force Steering Committee in 2003. CEEF's mission is to promote environmental literacy and stewardship by identifying and coordinating efforts that support the highest standards of practice, and increase the flow of focused resources to those efforts.
 - CEEF has awarded the Better Environmental Education, Teaching, Learning and Expertise Sharing (BEETLES) Excellence in Environmental Education Award for their dedication to the professional development of outdoor educators.
 - Since October 2015, CEEF has been annually awarded the Excellence in Environmental Education Award to educators who have demonstrated excellence in the integration of informal education with science education in California.
 - The nine-member CEEF board members are pillars of environmental education in California. Three of the nine are the WEEA Leadership Team
 - Strategic plans, programs and partners can all be found on their website: <http://caeefoundation.org/>
 - **Ten Strands** is a 501(c)(3) non-profit organization that brings existing resources, stakeholders, and expertise together, not duplicating what is already being done or what others can do better, instead, acting as a catalyst to create collaborations, build capacity, and transform systems to increase their impact and sustainability. Ten Strands works collaboratively to ensure that teachers have access to high-quality instructional materials that address Common Core State Standards, Next Generation Science Standards, and History–Social Science Standards. They support professional development opportunities for educators and education resources so teachers can

provide students with engaging environment-based educational experiences both inside and outside the classroom.

- The eight-member Ten Strands board is comprised of leading state educators and education advisors, lawyers, and a non-profit development and funding consultant.
- The 20-person Advisory Board includes members from leading education foundations, consultants, natural resource and environmental education groups – **including Dr. Adrian Hightower, Education Unit Manager, Metropolitan Water District of Southern California.**
- Website link to both Boards: <https://tenstrands.org/about/board-advisory-board/>
- Programs, partners, and funding sources are all included on their website here: <https://tenstrands.org/>

4. Who are the business and education professionals in the alliance?

- It is important to remember that this has not been an effort driven by MWDOC, and our member agencies and education partners have not yet been approached to join or consider sponsorship. To date, attendees include:
 - Anaheim Public Utilities
 - Antelope Valley Union High School District
 - CEEF
 - Centenela Valley Unified High School
 - Chino Basin Water Conservation District
 - City of Riverside
 - City of Riverside Public Utilities
 - Coachella Valley Sanitation District
 - Coastline Regional Occupational Programs (ROP)
 - College of the Desert
 - Crafton Hills College
 - Department of Water Resources
 - East Valley Municipal Water District
 - Eastern Municipal Water District
 - Elsinore Valley Municipal Water District (Also a WEEA sponsor)
 - Golden State Water Company
 - Irvine Ranch Water District (Also a WEEA sponsor)
 - Jurupa Community Services District
 - The Los Angeles/Orange County Regional Consortium (LAOCR) – consists of 28 community colleges <https://www.laocrc.org/>
 - The Los Angeles Community College District
 - LA Mission
 - LA Trade Tech
 - Lake Elsinore School District
 - Los Angeles Department of Water and Power (Also a WEEA sponsor)
 - Los Angeles Unified School District
 - Metropolitan Water District of Southern California (Also a WEEA sponsor)
 - Moulton Niguel Water District (Also a WEEA sponsor)
 - Mount San Jacinto College
 - Municipal Water District of Orange County (Also a WEEA sponsor)

- North Orange County ROP
- Orange County Department of Education
- Rialto Unified School District
- Riverside County Office of Education (includes their CTE Unit)
- Riverside Unified School District
- San Bernardino Community College District
- San Bernardino County Superintendent of Schools
- Santa Clarita Water Agency
- Santiago Canyon College
- SKIES Learn
- Southbay Workforce Investment Board
- Southern California Edison
- Temecula Unified School District
- Ten Strands
- Tree People
- Water Replenishment District of Southern California (Also a WEEA sponsor)
- West Valley Water District

5. Are we already illuminating water career pathways in our high school programs?
 - Absolutely. Not only in our high school programs but also our Scouts programs and throughout the County when presenting to OC STEM, Orange County Department of Education, and NGSS workshop participants; however, CTEs are learning modules embedded in high schools rather than just in a single classroom presentation and discussion.
6. What are the few water CTE's in Orange County?
 - Water Utility Science Program offered by Santiago Canyon College – water distribution, treatment, and water reclamation.
7. Partnership Manager and Career Technical Education expert have been hired. What is the cost? And their job description? (See question #2 for bios and salaries) Descriptions are attached.
8. Review Phase II deliverables. Is this for 2020? Consult with businesses on marketing strategies to recruit high school students?
 - Phase II deliverables for 2020 have been reviewed and discussed in length for feasibility. In an effort to assure sponsors and members that we can collectively meet objectives, they have been developed to be completely reasonable and attainable. This doesn't mean however, that we can't achieve more, and believe that it is better to under-promise.
 - For reference – Phase II deliverables include:
 - Grow the Alliance by securing additional financial support (business sponsorships and additional grant funding)
 - Expand the formation of workforce pathway partnerships between school districts and water/energy businesses and agencies
 - Convene two Alliance meetings in 2020, co-sponsored by Metropolitan and LADWP
 - Provide quarterly progress reports to Alliance sponsors
 - Consult with businesses on their work force marketing messages and strategies for recruiting high school students
9. What is the total budget? How long will this effort be underway?

- \$20,000 salary for a part-time person to look for grants, secure sponsorships, determine workforce needs of water/energy and education sectors, and coordinate two (2) Leadership Roundtable meetings. Travel needs are unknown at this time; however, there is no clear need for extensive travel. The previous Director and CTE consultant budget for travel was estimated at 1,000 miles each, but they were traveling from Sacramento to Los Angeles. We believe we can accomplish most meetings virtually, reducing the need for extensive travel for staff and attendees. It is important to note, that all three (3) *salaries* from the previous Leadership Team totaled \$17,000.
 - The WEEA effort will continue until every possible need to create workforce pathways for water/energy sectors are met. As with every effort, we believe this alliance could eventually become an Education Coalition addressing not only CTEs, but also water/energy education initiatives that support state education standards and advancements. To that point, once we begin securing funding – which includes potential grant funding – we can further explore funding opportunities for the MWDOC Choice School Program offerings, and for the development of water education materials that align with current state standards and initiatives. WEEA is simply the beginning.
10. How much of Tiffany's and Damon's time will be required? What will they be doing?
- Approximately 15-20% of Tiffany's time is spent on the District's education efforts already and that may increase a few percent. Tiffany will continue to secure partnerships for all education and outreach efforts, and this program would benefit from those partnerships as well. Additionally, Tiffany is the Public Affairs Department Manager whose primary function is to oversee and guide all daily program, staff, and project developments. Tiffany would also oversee the workload and assignments of the part-time employee responsible for WEEA.
 - Sarah Wilson, MWDOC Public Affairs Specialist, is responsible for the MWDOC School Programs. As WEEA would affect high school opportunities and programs, Sarah would also contribute a few percent of her time to WEEA.
 - This effort should not affect Damon's time.
11. What will the part-time employee do and for how many hours?
- (Similar to question #9) 20 hours a week to look for grants, secure sponsorships, determine workforce needs of water/energy and education sectors, and coordinate two (2) Leadership Roundtable meetings.
12. How was the need for \$20,000 determined?
- This estimate was based on the cost for the part-time employee presently working for WEROC on AWIA.
13. Are we taking on any liabilities or obligations by assuming ownership?
- No.



**The California Environmental Education Foundation
Contract for the Services of WEEA Career Technical Education Expert
for 2019-2020
Work Plan Deliverables and Timeline [Modified for Privacy]**

The contractor selected by the California Environmental Education Foundation (CEEFF) to serve as the Career Technical Education (CTE) Expert of the Water, Energy, and Education Alliance (WEEA) ... will identify environment-based skill-craft career pathways, aligned with the state CTE Standards, to help catalyze school districts' consideration of building relationships and taking steps toward partnering with businesses/agencies in the water and/or energy sectors. The CTE Expert will also consult with businesses on their work force marketing messages and their strategies for recruiting high school students for careers in the water and energy sectors. The CTE Expert contract is ... plus mileage reimbursement not to exceed a total of 6000 miles.

The CTE Expert will successfully complete the following deliverables:

1. By July 15, 2019, identify high schools in school districts located in the service regions of the current WEEA sponsors, and identify those with career pathways within the Energy, Environment and Utilities Industry Sector, or similar pathways of environment-based skill-craft.
2. By August 15, 2019, in collaboration with WEEA leadership and Ten Strands, initially assess the CTE capacity of these school districts, as well as community stakeholders, community colleges, County Office(s) of Education (COE's), and government agencies who are partners or appear positioned to partner with current WEEA sponsors. Among key stakeholder agencies, identify key individuals, their contact information, and communicate WEEA information as may be valuable.
3. By September 15, 2019, assist the WEEA Director in organizing and presenting one of the two 2019 Alliance Roundtables at the headquarters of LADWP as it relates to cultivating stepping-stone activities meaningful in the development of CTE pathway partnerships between school districts and current WEEA sponsors.
4. By October 15, 2019, produce a quarterly WEEA report that analyzes the status of Energy, Environment, and Utilities related CTE partnership and pathway activities among school districts within each WEEA sponsor's service territory.
5. By November 15, 2019, collaborate with WEEA leadership and Ten Strands to convene face-to-face meetings between education representatives (e.g. school district/community college/COE) and water/energy businesses, and community stakeholders to catalyze sustainable partnerships supported by formal MOU's.
6. By December 15, 2019, assist the Director in organizing and presenting the second of the two 2019 alliance roundtables at LADWP to provide additional insights on cultivating and expanding skill-craft career pathways and related partnership opportunities in Education, Water, Energy, and Utilities.

7. Produce a WEEA quarterly progress report on the extent of alignment of CTE courses, pathways, and related activities of school districts considering/participating in MOU's with each sponsor.
8. Articulate a viable sequence of steps toward a high school workforce pathway for each of the WEEA sponsors with actionable recommendations for expanding the support of the pathways.
9. Convene meetings with each of the WEEA sponsors, who are MOU signatories to discuss whether the Alliance is meeting their workforce development needs and to determine whether they want to continue as in Alliance sponsor for Year 2.
10. Submit a fourth and final WEEA quarterly progress report summarizing the status of business-education partnerships catalyzed by WEEA.
11. Submit quarterly invoices to Director, beginning July 15, 2019, for contractor payment and reimbursement for mileage (with accompanying Google map) and/or operational expenses (verified by photocopied receipts). Mileage reimbursement will be paid at the approved state rate of \$.58 per mile for 2019; 2020 TBD.
12. Throughout the duration of this contract, work closely with WEEA's Director and Partnership Manager by describing the status of progress made by the school districts as WEEA partners in developing coherent steps toward or in support of CTE pathways that also address the future workforce needs of WEEA sponsors.
13. Throughout the duration of this contract, maintain regular written and verbal communication with the Director.



The California Environmental Education Foundation Contract for the Services of WEEA Director for 2019 Work Plan Deliverables and Invoice Schedule

The CEEF 2019 Director of the Water, Energy, and Education Alliance (WEEA)...will provide overall management of the WEEA to initiate and strengthen career pathways and partnerships between Southern California school districts and the energy-water sectors in coordination with Ten Strands. The Director contract isplus mileage reimbursement not to exceed 6000 total miles. Mileage reimbursement will be paid at the approved state rate of \$0.58 for 2019.

The Director will successfully complete the following deliverables:

1. Write the grant application for partial funding of the WEEA from Ten Strands, and obtain approval from the CEEF Board of Directors to submit the grant application.
2. Solicit and confirm sponsorship of two CEEF Leadership Roundtables in 2019, from both Los Angeles Department of Water and Power (LADWP) and Metropolitan Water District (MWD).
3. Select contractors and write contracts for the following three jobs necessary to operate the WEEA: Director, Partnership Manager, Career Technical Education (CTE) Expert.
4. Coordinate the convening of the two 2019 Leadership Roundtables with sponsorship support from LADWP and MWD.
5. Secure and coordinate the Roundtable presentations at LADWP.
6. Ensure that invitations and proposed agendas are sent to all WEEA sponsors regarding the two 2019 Leadership Roundtables, to be held at the headquarters of LADWP.
7. Solicit and coordinate the 2019 Sponsorship payments from the water and energy businesses/agencies to the CEEF Treasurer.
8. Participate in initial meetings between school district personnel and water/energy businesses/agencies and help facilitate the development of partnership among interested parties.
9. Assist the WEEA Partnership Manager in monitoring the progress of the school districts and businesses in fulfilling the partnership agreements.
10. Coordinate all financial operations, and ensure the CEEF treasurer processes payment of invoices from the Alliance contractors that have been approved by the CEEF President.
11. Provide administrative oversight of all contractor work and process their invoices for approval by the CEEF President.
12. Coordinate and assist in generating responses to all WEEA correspondence.
13. Write a Mid-Year and Final Progress Report and Accounting of all CEEF Expenditures related to the WEEA project.
14. Submit three invoices to CEEF President for contractor payment and reimbursement for mileage (w/accompanying google map) and/or operational expenses (verified by photocopied receipts).



The California Environmental Education Foundation Contract for the Services of WEEA Partnership Manager for 2019 Work Plan Deliverables and Invoice Schedule

The CEEF 2019 Partnership Manager of the Water, Energy, and Education Alliance (WEEA)... will guide the development of business-education partnerships designed to enhance students' skills and career interests in the water/energy sectors. The Partnership Manager will encourage businesses and utility companies to enter into a formal Memorandum of Understanding to support partnerships between Southern California school districts and the energy-water sectors in coordination with Ten Strands. The Partnership Manager contract is ...plus mileage reimbursement not to exceed 1920 total miles.

The Partnership Manager will successfully complete the following deliverables:

1. By July 15, 2019, produce a quarterly progress report that identifies the primary contacts and representatives of each of the sponsoring energy/water businesses/agencies and describes: 1) current outreach and workforce recruitment efforts with school districts in their service territory, and 2) predicted workforce needs over the next five years.
2. By August 15, 2019, work in collaboration with Ten Strands to identify and contact (by phone, email, or in-person), key education and community stakeholders within each WEEA sponsor's service territory, including, but not limited to, school district(s), community colleges, County Office(s) of Education (COE's), and city government.
3. By September 15, 2019, assist the WEEA Director in organizing and presenting one of the two 2019 Alliance Roundtables at the headquarters of LADWP.
4. By October 15, 2019, produce a quarterly progress report that identifies which WEEA sponsor(s) are ready to participate in developing and signing a formal Memorandum of Understanding (MOU) commitment from local/regional education and community partners.
5. By November 15, 2019, convene face-to-face meetings between education representatives (e.g. school district/community college/COE) and water/energy businesses, and community stakeholders to catalyze sustainable partnerships supported by formal MOU's.
6. By December 15, 2019, assist the Director in organizing and presenting the second of the two 2019 alliance roundtables at LADWP.
7. By December 31, 2019, accomplish the following:
 - a) Write a progress report on the status of each sponsor's partnership efforts with local school districts and community colleges which were catalyzed by WEEA.
 - b) Work with the WEEA CTE Expert to articulate a viable workforce pathway for each of the WEEA sponsors and describe how each industry sponsor was influenced by WEEA on their workforce pathway development.

- c) Throughout the duration of this contract, work closely with WEEA's CTE Expert by providing detailed descriptions of progress made in the business-education partnerships for the WEEA progress reports.
- d) Throughout the duration of this contract, maintain regular written and verbal communication with the Director.
- e) Submit **three** invoices to Director,



DISCUSSION ITEM

April 8, 2020

TO: Board of Directors

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

**Robert Hunter
General Manager**

Staff Contact: Hilary Chumpitazi

SUBJECT: Third Draft of the FY 2020-21 Budget

STAFF RECOMMENDATION

Staff recommends the Administration & Finance Committee, MWDOC Board of Directors, Member Agencies, and the public review, discuss and provide input and comments on the third draft of MWDOC's budget for FY2020-21. This meeting is the last opportunity for comments before the budget goes to the Board of Directors on April 15, 2020 for final approval. Staff recommends approval of the third draft budget as final.

While we typically try to avoid making significant changes to the proposed budget this late in the process, the COVID-19 pandemic has curtailed specific activities in both the current and next fiscal year. These actual and anticipated changes are reflected in a smaller proposed budget and revenue requirement.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

CHANGES FROM THE PRIOR DRAFT TO CURRENT DOCUMENT

The regional Consumer Price Index for last year was 3.07%. The proposed Core increases for the second draft budget for expenses and revenue were 2.4% and 1.4% respectively. The increase for the retail meter charge was 2.8% and the groundwater charge was 1.1%. In a normal year, expense and rate growth below the CPI is commendable. The onset of COVID-19 in the last month changed this to an abnormal year. The A&F Committee meeting of March 11, 2020 was the last in-person public meeting at MWDOC. All subsequent meetings have been held via Zoom in order to facilitate physical distancing

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

safeguards. Like the majority of other organizations, MWDOC has many employees working from home and not traveling. This has changed the nature of our activities for the fourth quarter of the current fiscal year (FY 2019-20) and for the first quarter of the next (FY 2020-21). MWDOC began assessing associated budget modifications in mid-March. This has resulted in significant changes between the second and third draft budgets. Specifically:

- The reduction in expenses in the current fiscal year result in a larger projected year-end contribution to reserves. This flips the budget goal for FY 2020-21 from an intended surplus of \$19,669 to an intended draw of \$93,333. This change reduces the revenue requirement for FY 2020-21 by \$113,002.
- Total Core expenses have been reduced \$149,809; largely through travel and program modifications.
- The combined total of the flip to a reserve draw and the reduced Core expenses totals \$262,811.
- The final result is a reduction in the retail meter charge from the current \$12.40 per meter to \$12.35 per meter (-0.4%) and an increase in the Ground Water Customer charge of \$863 (+0.1%) to \$599,111.

Specific modifications include:

- Reductions in Staff and Board travel and registrations of \$71,002 in FY 2019-20 and \$70,005 for FY 2020-21.
- Reduction in Staff training of \$25,000 in FY 2019-20 and \$30,000 in FY 2020-21.
- Reduced the Public Affairs budget by \$17,000 in FY 2019-20 and \$32,000 in FY 2020-21, primarily for events.
- Reduction in Directors Salary of \$16,370 in anticipation of a five month vacancy.

Pertinent aspects of the third draft budget include:

1. The third draft budget includes a proposed decrease of \$0.05 (0.4%) to the retail service charge reducing the retail rate to \$12.35 per retail meter. This is a \$0.40 per meter swing (3.2%) between the second and third draft budgets.
2. The groundwater customer charge to OCWD increases by \$863 (0.1%) to \$599,111. This is a 1.0% reduction between the second and third draft budgets.
3. The third draft has a budget total of \$236,641,613 (revenue) including Core & Choice, water sales, outside funding, and WEROC. This is a decrease of approximately 9% almost exclusively attributable to the decrease in water sales. This does not factor in the proposed Metropolitan rate increase that will likely be a multi-category average of 4- 5% for the last six-months of the fiscal year.
4. The consolidated general fund budget is \$10,600,550 (revenue) with a decrease of \$60,463 (-0.57%).
5. The total revenue amount for the Core budget is \$8,994,270; a decrease of \$75,907 or 0.84% below the current year's budget. This includes a \$122,000 (21%) reduction in interest revenue.
6. The proposed third draft budget includes a planned reserves draw of \$95,407 and essentially fully funds the reserves to the target levels.
7. The unfunded CALPERS liability annual payment of \$207,000 is proposed. This will be the third year of the ten-year funding program.

8. The proposed salary contribution pool is at 5.68% of salaries and wages and reflects the rate of inflation (CPI = 3.07%) and merit considerations. No COLA (Cost of Living Adjustment) is being proposed.
9. There is no proposed increase in the Full-time Employee staffing level (33.00 FTE). There is a 0.97 FTE increase in intern and Part-time WEROC employees. The intern position is for the Water Loss Program and the WEROC position is a project position for the AWIA program.
10. There was a major adjustment to the Election Reserve in FY 2019-20 with an additional, unbudgeted contribution of \$637,000. This was based on a new cost estimate from the O.C. Registrar of Voters of up to \$333,185 per division.
11. Building Improvement and Capital Acquisition expenses both have significant carryovers from the current fiscal year budget. The project is currently in the third review cycle and hopefully final plan review with the City of Fountain Valley. Verbal notice of plan approval has been received. The majority of the project will be completed in FY 2020-21
12. The proposed budget includes two periodic studies. The triennial Benchmark Study which compares MWDOC's job classifications and salaries to the market (\$36,000). The budget also includes a rate study (\$82,500) on the 5-year cycle.
13. The proposed budget also includes a new accounting software package (\$80,000) as previously discussed in committee.
14. There is a substantial increase in the staff development/technical leadership training (\$32,500) which is offset by the elimination of the Business Continuity Consultant (\$40,000) that was required this year for the AWIA Program.
15. Outside funding for Water Use Efficiency (WUE) from rebates and grants is budgeted at \$1,579,934; a decrease of \$790,213 over this year's budget.
16. Annual Local Resource Project (LRP) funding will decrease 10.7% as approximately 3,000 acre feet of local project water production completes its funding cycle.
17. Total outside funding (WUE & Local Resource Project (LRP) sources) is budgeted to be approximately \$6,426,193.
18. 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.

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 back to the Board for approval on an individual basis. However, 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.

MAJOR YEAR-TO-YEAR CHANGES IN THE CURRENT BUDGET

The year-to-year (Y-T-Y) changes in the total Core expenses between FY2019-20 and FY2020-21 produce an increase of \$171,317 (2.9%).

- The largest Y-T-Y Core expense increase (\$171,844) is in the cost categories for Employee, MWDOC Director and MWD Director salaries, wages and benefits. This represents a 3.35% increase in these categories. However these expense categories represent almost 58% of the total Core expenses.
- The other large increases in descending order are Professional Fees (\$75,757 – Benchmark and Rate studies), Software Support & Expense (\$76,006 – Accounting Software), Training Expense (\$32,500 - staff development/technical training/leadership training) and Membership/Sponsorship (\$59,367).
- Significant Y-T-Y Core expense decreases include Engineering Expense (\$95,000), WEROC Capital Improvements (\$44,389), and Insurance Expense (\$30,000).

Choice Y-T-Y expenses are largely unchanged at this point in the budget process and COVID-19 issues are impacting the Schools Program with schools being closed. The application of credits from this year will impact the budget details for next year. The year-to-year changes in the total Choice expenses between FY2019-20 and FY2020-21 are up \$15,444 (0.1%) primarily associated with overhead reimbursement.

DETAILED REPORT

The FY2020-21 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 2020-2021
7. Choice Programs
8. Water Rates and Charges
9. Proposed New Items Not Included Pending Committee Discussion

A short discussion on each item follows:

1. **MWDOC Budget Process & Schedule**

MWDOC's budget schedule is designed to accommodate the budget and rate schedules of our Member Agencies. MWDOC's schedule also moves in sync with that of Metropolitan.

Under this schedule, the Year-End Projections and Conceptual Budget were discussed at the January 8th Administration & Finance (A&F) Committee and the first draft budget was presented at the February 12th A&F Committee meeting. The second draft budget was

presented at the March 11th A&F meeting. This is the third draft budget (April 8th). The final budget is scheduled for approval by the MWDOC Board of Directors at the April 15, 2020 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 2020 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.

2. MWDOC Budget Principles for FY2020-21

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

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

3. Projected Year-End Estimates & Reserve Fund Balances

Projected Year-End Estimates for FY 2019-20

Expense projections have been prepared for the remaining months of the current fiscal year in order to calculate the FY 2019-20 Year-End estimates. The projects that were made at the end of 2019 have been updated and become more accurate during the budget process. The FY 2019-20 projections in the third draft budget reflect the impacts of the COVID-19

pandemic on MWDOC operations. This has resulted in some significant changes in total estimated expenses and the anticipated contribution to reserves.

Variance estimates for the FY2019-20 core budget include:

1. The total variance for the Core Budget is projected to be \$160,178 (1.8%) under budget including revenues being \$78,400 under budget and expenses being \$238,578 under budget. The budgeted contribution to reserves was \$42,870 and the projected contribution to reserves is \$203,048 (a change of \$113,002 from the second draft budget). Of much greater significance than this budget variance was the required change to the election reserve necessitated by the October 30, 2019 correspondence from the Orange County Registrar of Voters which indicated the new projected election cost would be in the range of approximately \$262,000 to just over \$333,000 per division. This brings the estimated maximum cost for four division elections to \$1,332,740. An additional election reserve contribution of \$637,000 is included in the projected expenses for FY 2019-20.
2. On the revenue side, interest revenue is projected to be \$91,000 less than budgeted but miscellaneous income will be approximately \$12,600 greater than budgeted. Overall revenue variance is expected to be 0.9% below budget.
3. On the expense side and including the significant shift in election reserve contributions, expenses are projected to be 2.6% below budget. Major below budget expense categories include Engineering Expenses (\$157,400), Salaries & Wages (\$152,392), and Professional Fees (\$149,899).
4. The MWDOC building project is progressing but has been delayed by several necessary system improvements to the electrical and HVAC systems. The renovation plans are now in the third review cycle with the City of Fountain Valley Permitting Department and MWDOC has received verbal notice that they have been approved. The bulk of the construction work will occur in both the current but mostly next fiscal year. Therefore, \$848,647 in Building Expense has been carried over into the FY 2020-21 budget. Similarly, \$346,900 is being carried over under Capital Acquisition (excluding building).

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 the previous fiscal year's audited reserve balances and the current fiscal year year-end projections indicate that the reserve target will be exceeded then the proposed budget should include a draw from the reserve balance down to the target. Conversely, if the projected total will drop the reserve balance below the target then the proposed budget should increase the budgeted contribution to bring the reserves back up to the target.

The COVID-19 impacts on activities and expenditures has a significant effect on the financial reserves.

The MWDOC designated reserve targets for FY2020-21 and the projected reserve balances for FY2019-20 (financial audit balances + election reserve projected funding) are summarized in the table below. The total unfunded balance is \$109,715 (i.e., Total Target of \$7,514,028 (-) Total Planned Balance of \$7,404,313). As indicated in section 3.1 (above) a total of \$203,048 is now projected to be available for contribution to reserves from the FY2019-20 operations. These funds are allocated to the General Operations and the Building Reserves as indicated in the table column “FY2019-20 Projected Year End Reclass to Reserves”. The second draft budget reported a shortfall in the total reserve balance of \$19,669. The revised figures in the third draft budget result in an overfunding of the total reserve balance by \$93,333.

While the second draft budget established a rate setting goal for the FY2020-21 budget to have a budget surplus of \$19,669 to fully fund the reserves, the third draft budget now has a rate setting goal of a draw of \$93,333 from reserves.

	# Days Cash	FY 2020-21 Reserve Target	FY2019-20 Projected Reserve Balance	FY 2019-20 Projected Year End Reclass to Reserves	FY 2019-20 Projected Reserve Balance
General Operations	90-180	\$ 3,931,515	\$ 3,830,240	\$194,608	\$ 4,024,848
Grant & Project Cash Flow		1,500,000	1,500,000	-	1,500,000
Building Reserve	10-15	452,626	444,186	8,440	452,626
Election Reserve	N/A	1,332,740	1,332,740	-	1,332,740
OPEB Reserve est.9/2018	N/A	297,147	297,147	-	297,147
TOTALS		\$ 7,514,028	\$ 7,404,313	\$203,048	\$ 7,607,361

The third draft budget has a draw on reserves of \$94,407; indicating a deficit relative to full reserve funding of \$1,074 (i.e., essentially fully funded).

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 2019 CPI for the LA/Long Beach/Anaheim area was 3.07%. This is 0.73% lower than the 2018 index but over 49% above the ten year average of 2.06%. Every three years MWDOC contracts for a Comprehensive Baseline Survey that

reviews our job classifications with similar agencies and job functions. This Benchmark Survey is included in the FY20-21 budget. In general, MWDOC has found limited range corrections to be necessary. Therefore, we will continue the CPI adjustment for FY2020-21.

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 previous seven years of 1% salary increases implemented to offset the annual 1% transfer of benefit costs to employees.

MWDOC also conducts an annual survey of water utilities as a comparison of proposed salary increases. This information was updated after the second draft budget with ten of the 21 agencies responding. As summarized in the table, the average combination of COLA and maximum merit increases is now estimated at an average of 5.82%. An increase of 0.15% from the previous report. None of the ten agencies who responded to the update request indicated they planned to change their compensation plans based on the COVID-19 situation.

Comparative Salary Increase Table

Name	2020/21	2020/21	Total
Agency	COLA %	Merit Max%	
City of Brea	NC	3.00%	3.00%
Central Basin MWD*	NC	3.75%	3.75%
Eastern Municipal WD	2.90%	5.00%	7.90%
El Toro*	3.20%	3.00%	6.20%
City of Fountain Valley	TBD	3.00%	3.00%
Inland Empire Utilities Agency	3.00%	4.50%	7.50%
IRWD	April CPI -TBD	3.00%	3.00%
Laguna Beach County WD	TBD	3.00%	3.00%
Las Virgenes MWD	3.20%	5.00%	8.20%
Mesa Water	2.50%	5.00%	7.50%
Moulton Niguel WD	2.00%	5.00%	7.00%
Orange County Sanitation District	3.00%	5.00%	8.00%
San Clemente	TBD	5.00%	5.00%
San Diego County Water Authority	TBD	4.00%	4.00%
Santa Margarita WD	2.50%	5.00%	7.50%
South Coast Water District	3.40%	3.50%	6.90%
Three Valleys Municipal WD	2.75%	5.00%	8.17%
City of Tustin	2.50%	3.00%	5.50%
Walnut Valley WD	1.00%	4.00%	5.00%
Western Municipal Water District	3.00%	3.00%	6.00%
Yorba Linda Water District	1.00%	5.00%	6.00%
Average	2.60%	4.08%	5.82%

TBD = Waiting to make determination on amount

NC = No Cola

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. The CPI range was a positive 3.80% (2018) to negative 0.78% (2009). Overall the compensation pool can be described as consisting of an inflation component of the CPI plus a merit component of 85% of the CPI. The total 1.85xCPI function appears to be a reasonable calculation for the mid-inflation range (CPI 2.4% to 4.7%) but breaks down at the more extreme ranges of CPI. For example, 0% CPI would calculate as a 0% compensation pool increase and would obviously not reward merit as intended. At the other end of the range, other problems arise. For example in 1980 the CPI was 13.5% and this would calculate to the unlikely compensation pool of 25%.

The 2019 CPI is 3.07% for the region which is firmly in the 2.4% to 4.7% effective range. Applying the 1.85xCPI formula to the 3.07% CPI yields a compensation pool of 5.68% which was used to calculate the employee salary expense increase in the third draft budget.

The Director per diem adjustment is determined by the lesser of the employee increase or 5.0%. This budget has used the 5.0% rate.

5. Budget Input from Member Agencies

In November 2019, MWDOC sent a letter to all of its member agencies informing them of the start of the MWDOC FY2020-21 Budget Process, and invited their formal participation in the process which can include suggestion of activities and general comments. The FY2019-20 budget year-end projections and the conceptual FY2020-21 budget were discussed at the January 8, 2020 Administration & Finance (A&F) Committee meeting as well as the January 23, 2020 MWDOC Agencies Managers (AM) Meeting. The first draft budget was discussed at the February 12, 2020 A&F meeting and the February 20th MWDOC AM Meeting. The second draft budget was discussed at the March 11, 2020 A&F meeting and the March 19, 2020 MWDOC AM Meeting.

Subsequently, comment letters have been received from the General Managers of three MWDOC Member Agencies: Orange County Water District (OCWD), the Irvine Ranch Water District (IRWD), and Santa Margarita Water District (SMWD).

OCWD Comments

GM Markus detailed seven comments for consideration by the MWDOC Board of Directors:

- a) Make the Hydraulic Model activity a Choice budget item;
- b) Any MWDOC endeavor regarding the Doheny Desalination Project should be a Choice item;
- c) Explain how the 5.68% compensation pool is spread to the Cost Center budgets;
- d) Explain how many staff were trained this year and how many are proposed to be trained next year (re: \$67,937 cost);
- e) There should be no increase in the Public Affairs budget and the social media activity should be internalized;
- f) MWDOC should drop membership in the Association of Metropolitan Water Agencies (AMWA) and the California Council for Environmental & Economic Balance (CCEEB); and
- g) Six specific suggestions regarding the proposed travel budget including reductions in:
 - a. Staff legislative advocacy trips to Washington D.C.
 - b. Staff legislative trips to Sacramento
 - c. Travel to AWWA conferences
 - d. The number of staff attending the ACWA Fall Conference
 - e. Eliminate the WEFTEC conference for both staff and Director
 - f. Eliminate the Congressional Luncheon, dinner and reduce the number of staff attending the ACWA DC conference.

IRWD Comments

GM Cook made specific recommendations on three topics that largely paralleled OCWD's comments:

- a) Hydraulic Model should be Choice budget item;
- b) Reduce staff and director travel as well as legislative trips to Washington DC and Sacramento; and
- c) Review the need for and cost of the Public Affairs expenses for professional fees and reproduction costs.

SMWD Comments

GM Ferons reiterates the three points from the IRWD letter. In fact, several of the sentences are word for word reproductions.

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 2020, this remains 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 Centers 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 Delta Conveyance Project will involve Reliability Planning & Engineering, MET Issues, Government Affairs, Public Affairs, the Board of Directors and Administrative Support.

It should be clear from the following discussion that many of the issues are not addressed in departmental silos but are shared responsibilities under various departments in carrying out MWDOC's overarching mission.

Reliability Planning & Engineering (Cost Center 21)

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

- shutdown planning,
- MET Repairs & Replacements (especially the AMP),
- pump-in to the EOCF#2,
- operational issues related to PFAS
- work on the Regional South Orange County (SOC) Emergency Services Program and SOC Interconnection, and
- Integration aspects of local projects including:
 - Poseidon,
 - Doheny,
 - San Juan Watershed Projects

The department also provides internal support to other departments including 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 issues transpire at MET and the resulting implications to local member agencies. Conversely, local issues raised by our agencies can also be supported by the MET Issues & Water Policy group by raising these issues at MET when MET is in a position to help our agencies. MWDOC also coordinates MET operations with OCWD in examination of opportunities to refill the groundwater basin. This past year, and for the next couple of years, an important consideration will be the additional demands placed on MET due to groundwater wells being taken out of service due to PFAS issues. 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 Integrated Resources Plan, MET's need for emergency storage, MET's Water Supply Allocation Plan, MET rates, MET's Local Resources Program, and water quality issues. With respect to water quality, the Engineering department has begun to track the longstanding salinity issues on the Colorado River supplies more closely to better understand the issues for lower TDS water and salinity loading within Orange County.

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

MWDOC staff continues to look for opportunities to pursue follow-up activities from the 2018 OC Water Reliability Study, which include:

- 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 South Orange County (SOC) Emergency Interconnection and the pump-in to the EOCF#2. In 2019-20, MWDOC worked with IRWD to examine the costs of using the IRWD system or the EOCF#2 to develop and convey additional local supplies to SOC. The conceptual cost of treatment and cost allocation concepts utilized to share the cost of treatment for future IRWD wells increased the project cost considerably. IRWD is undertaking more detailed studies on the potential costs of treatment, which may allow this issue to be revisited. One issue supported by

SOC is conversion of several of the IRWD Zone 1 pumps to Variable Frequency Drives (VFD) to improve flexibility of operations and allow for more variable flows of emergency water to SOC. MWDOC will be following up with the SOC agencies on this project.

- 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. One project OCWD is currently working on is the Moulton Niguel Water District (MNWD) Groundwater Storage concept. There is the potential for this project to include the storage of water for SOC and the OCWD work may lead to a potential project.
- The San Juan Watershed Project and the Doheny Projects were both evaluated to provide cost-effective annual supplies and emergency supplies. It was recommended that these two projects 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. Follow-up will continue, especially given the update/reformulation of the San Juan Watershed Project, to examine the timing and sizing of the various phases of these projects and how these projects might be integrated into SOC water operations.
- Local Supply Integration and Reliability – This item examines what is needed to successfully integrate multiple, new local supplies into the OC distribution system; and includes the development and use of hydraulic modeling to improve our understanding of seasonal water flows and various scenarios even without new local supplies. The distribution system water quality issues that may arise with the integration of multiple water sources is an important consideration we need to better understand. The primary goal is to achieve sufficient supplies to meet demands by our member agencies for up to 60 days without the MET system being available while avoiding unintended consequences. Pursuit of this key priority is planned to continue through FY 2020-21 with the development of a hydraulic model, to be developed and housed by MWDOC, for use by our member agencies as proponents of local projects or to be used to study the flow of imported or local water in the OC system under low and high demands; including shutdown operations or during periods of nitrification.
- Demand Forecast – Improve our understanding of demand drivers and trends for OC and Southern California over the next 10-20 years. Results may determine the timing of the next OC Reliability Study update. Directors have requested for staff to see if we can expedite this effort to be better prepared for MET's IRP update. The Water Use Efficiency group is also being consulted on this effort.
- Emergency Use of East Orange County Feeder #2 (EOCF#2) – Work with MET and others to implement the ability to use EOCF#2 to convey local water supplies to SOC during emergencies. MET has adopted a framework to allow emergency use of their transmission system under certain conditions. MWDOC has volunteered to be the initial trial case to make this framework implementable. Some agencies may want to use EOCF#2 for base-loaded operations instead of simply emergency

operations. The use of EOCF#2 for base-loaded operations is more complex and will require a significant and sustained effort. This effort has met with new challenges due to the PFAS issue and is making others more cautious about pumping groundwater into facilities. It was noted that OCWD has asked for our help in achieving this and it could prove useful for the MNWD storage effort with OCWD.

- Poseidon Huntington Beach Desalination Project – The Poseidon Project has currently been issued a draft permit from the Regional Water Quality Control Board. It is highly probable that the project will be in front of the Coastal Commission for a significant part of FY2020-21. As this project slowly moves towards possible implementation, MWDOC will remain involved in the analysis and assessment of various aspects including water quality impacts in the transmission system, Local Resource Program (LRP) funding and impact to regional assets such as the Diemer Treatment Plant production.
- Doheny Desalination Project – The Doheny project will be in active permitting in FY2020-21 and, like Poseidon, is expected to require staff time. South Coast Water District (SCWD) has called for Phase 1 (5 MGD) project partners. Should partners not materialize, SCWD may build a smaller, local project (as small as 2 MGD) without any oversizing of the project for future cost-effective expansion to a full 15 MGD regional facility. The regional water supply and reliability potential of this project could be lost to the detriment of the entire county. MWDOC will analyze opportunities to help bridge the gap to a 5 MGD initial size, preserve future expansion options and enhance regional supply and system (emergency) reliability. MWDOC staff was directed by the Planning & Operations Committee to investigate Doheny project developments and the South Coast request for project partners and to report back at the April 2020 committee meeting.
- Carson IPR Project - MWDOC and OCWD should work together to fully evaluate the opportunities the Carson 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.
- Santa Ana River Conservation and Conjunctive Use Project (SARCCUP) - MWDOC and OCWD are working together to execute a project agreement with MET and an operational agreement between the MET Member Agencies and Operating Utility Group. The implementation of the project will also require a formal agreement between MWDOC and OCWD. The two parties should work together if the extraordinary supply yield to OCWD is not fully needed by the OC Basin. The utilization of these supplies could provide significant benefits in the form of extraordinary supplies (drought protection) for the OC Basin and/or others in Orange County.
- Strand Ranch – The drought protection program was evaluated as a seven-year pilot program in the study. Further work has proceeded between IRWD and MWDOC to develop terms and conditions for a potentially expanded program with Strand Ranch. Additional work to align the goals of the two agencies will likely continue. There may be other extraordinary supply programs (e.g., SARCCUP) that can be developed as additional drought protection until the completion of the Delta Conveyance Project.
- While the 2016 and 2018 OC Reliability 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.

Staffing to the department will remain increased by one FTE until such time as the retirement of the Assistant General Manager occurs, expected in the December 2020 timeframe.

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

The Metropolitan (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 the MWDOC Board of Directors, our MWDOC-MET Delegation and our member agencies. As it relates to MET issues, the Department represents and advocates 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 programs, 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 covered include the State-wide water conservation regulations (such as the “stress-test”), progress and development of the Delta Conveyance Project, the development of additional regional and local resource projects, and effects of Colorado River demand management measures.

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
- Collaboration with MET staff on the development and management of programs and policies
- Collaboration 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)
- Coordination and monitoring of 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
- Development of countywide water supply and demand projections

- Development of Water Reliability Studies and Reports (e.g., Urban Water Management Plan and water shortage contingency “Stress-Tests”)
- Assessment and calculation of 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. The Department also provides critical involvement with WEROC in relation to MET and MWDOC member agency’s emergency planning and operations. The Department plays an essential role at both the WEROC Emergency Operation Center (EOC) and as liaisons at the County’s Operational Area (OA) emergency operation center to aid in County water and wastewater representation during a disaster.

Beyond the regular functions of the Department listed above, there are particular issues and/or key initiatives that we identify as priorities for the near and mid-term:

Near Term Priorities (1-2 years)

- MET Budget & Rates - Engage in MET’s FY 2020-21 & 2021-22 biennial budget and rate structure review including consideration of recovery of future demand management costs.
- MET Integrated Resource Plan Update - Actively participate in MET’s 2020 Integrated Water Resources Plan (IRP) Update including IRP gap analysis, demand projections, and assessment of uncertainties. This update is likely to address serious questions relating to MET’s mission and business model.
- Urban Water Management Plans - Update to the 2020 Urban Water Management Plans (MWDOC, Member Agencies, and MET), as well as develop DWR’s water supply and demand assessments (“Stress-Tests”). Such efforts will dovetail with IRP and MET policy efforts.
- Regional Resource Project Assessment - Assess development and cost benefits of new local and regional resource projects.
- Imported Supply Activities - Monitor activities relating to imported supplies, including California Water Resilience Portfolio; Delta Conveyance next steps and analysis of cost estimates; and startup of Colorado River Lower Basin’s new interim guidelines.

Mid-Term Priorities (3-5 years):

- Reliability Goals - Advocate for regional projects and programs that enhance the water reliability for Orange County and Southern California while seeking to ensure MWDOC’s investments are cost effective and meet Orange County’s objectives.
- IRP Implementation - Ensure efficacy of implementation strategies to achieve MET’s 2020 IRP Update reliability goals (for example, the Local Resources Program evaluation criteria).

- Drought Resilience - Seek areas of improvements in MET's Water Supply Allocation Plan that will result in drought resiliency for Orange County.

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. Both programs benefit from the Metropolitan Water District of Southern California's Conservation Credits Program; a program that provides financial incentives to member agencies to implement water use efficiency programs. Indications from Metropolitan for the coming year is that this program will be funded at a reduced amount since the Water Stewardship Rate has been discontinued for two years. This will require staff to prioritize programs that benefit from this funding. This prioritization will focus on programs that provide the broadest benefits throughout the service area and enhance developing long-term programs such as water loss control.

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 on July 1, 2021. 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 incentives and educational programs to 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 - Originally planned to be initiated in FY 2019-20, this effort has made significant progress but will not be initiated until FY 2020-21. 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 Southern California Association of Governments. This effort will include all of Orange County. The project will provide irrigated area measurements for all parcels in the county to allow agencies to calculate their new Landscape Standard called for in the legislation. 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 or billing 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 individualize customer efficiency targets
 - 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.
- Staff will continue to provide legislative and regulatory process leadership. 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 and Alliance for Water Efficiency. Also, it is anticipated that new legislative proposals will be introduced. Staff will actively work to shape proposals in a way that benefits our member agencies.
- 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 and Maintenance Assistance for rebate program participants.

- Staff will provide leadership for the California Water Efficiency Partnership Board and committees.
- Secure program funding from outside sources.

Water Loss Control Shared Services

Since 2016, MWDOC has been coordinating a water loss control program for many of our Member Agencies. This program has moved beyond water loss technical assistance such as audits into shared services 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 enter its second year. 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 2.0 existing FTE MWDOC staff members. Areas of focus include:

- Implement Water Loss Control Shared Services Business Plan
- Continue to convene the Water Loss Control Work Group
- Phase V of the Water Loss Control Technical Assistance will continue in partnership with member agencies and Water Systems Optimization and initiate a request for proposals process to consider technical assistance opportunities beyond our fifth year of implementation.
- Engagement in the State Water Resources Control Board rule making process to establish a volumetric water loss standard called for in SB 555.

Looking toward the next 3 – 5 years, staff anticipates continued focus on three main areas. These include Member Agency compliance assistance with the new water use efficiency mandates, implementation of water loss control shared services and technical assistance programs, and legislative and regulatory process leadership.

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

continues to develop and provide the resources, tools, trainings and grant funding targeted at enhancing Member Agency preparedness and resilience. This year regulations and compliance deadlines were implemented for the federal America's Water Infrastructure Act of 2018 (AWIA) and California's dam safety planning. WEROC staff continues to support member agencies with reaching important milestones for each project. Additionally, essential 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; and the CalOES Southern California Catastrophic Earthquake Plan. Advocacy and imperative outreach to Edison, SDG&E and the California Public Utilities Commission on the Public Safety Power Shutoff (PSPS) program continues. This includes input and communications on potential legislative actions specific to PSPS events. Another focal point this year has been on terrorism threats and cyber security. WEROC partnered with the Orange County Intelligence Assessment Center on the countywide initiative "See something, say something," and following the cyber incidents to agencies in the winter months, established a specific communications coordination group.

Key initiatives for WEROC in FY2020-21 include:

- WEROC staff continues to assist members with accomplishing the plan and milestone requirements associated with the America's Water Infrastructure Act of 2018.
- Continue to build upon the lessons learned from various training, exercises and real events.
- Develop a long term Exercise and Training Program Plan integrating new requirements including AWIA and Dam Safety programs, and public assistance recovery training.
- Expand on power and fuel planning efforts with member agencies. This includes finalizing the previous fuel analysis, identification of field locations, equipment types, fuels burn rates, fleet needs, and establishing collaborative agreements with local fuel vendors.
- Development of a WEROC Strategic Assessment Plan. It is important to periodically set time aside, bring in some experts and review what we do, how we do it, what it costs, what the future holds and to consider any changes or improvements in the way we do business. This coming year is an opportune time to tee up a Strategic Assessment with the changing of the guard from Kelly Hubbard to Vicki Osborn.
- Staff will continue to work with MWDOC staff to implement non-structural seismic and safety improvements at the South EOC and at the MWDOC Administration building to continue to provide two EOCs.

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

The key responsibilities of the MWDOC Public Affairs Department (Department) are to elevate public awareness about critical water issues, to showcase the District's activities and programs that address those issues, and to continue to provide opportunities and resources that offer significant value to the region. While the purpose of this is multifold, the first priority is District transparency. Over the past several years, there has been a significant shift in the way people receive information, and regardless of accuracy, content is dispatched at lightning speed. Today, every person, no matter their experience or expertise, has the power and authority to disseminate information to other members of the public, and make assessments based on the materials they have available. Largely because of this, water providers are under pressure to prove themselves proficient, professional, knowledgeable, and trustworthy. This is accomplished by communicating value to stakeholders using a wider variety of tools and channels to meet them where they are – online, at community events, in schools, using social media, and through an array of partnership opportunities.

The priorities of establishing credibility and creating confidence in the District's decisions, expertise, and offerings continue to be built and solidified through MWDOC's branding efforts. Additional support comes from award-winning recognition by reputable local and international organizations for outstanding programs and communications activities. Creating a memorable, meaningful impression with stakeholders and other members of the public establishes the trust and credibility needed to place MWDOC in a visible leadership position as the go-to voice for Orange County water.

Key Initiatives FY2020-21

Communications Tools

Over the past few years, the Department has invested significant time, talent, and resources building the MWDOC brand. Through these efforts, a reputable online presence has been established and supported through the District's website and social media platforms. The Department will continue to evaluate the various essential tools, materials, and communications channels that are currently used, and identify gaps or areas for improvement. The annual social media audit, new website auditing tool results, Search Engine Optimization (SEO) effort, upcoming Americans with Disabilities Act (ADA) requirements, along with recommendations provided by current contractors, will drive the enhancements or shifts needed in these areas.

Partnerships

Partnerships have allowed the Department to grow its resources, substantially extend its reach, and create new water and MWDOC brand ambassadors. Because of this, the Department will continue to offer the Scouts merit badge and patch programs; and, through work that supports the California Environmental Literacy Initiative, the Department will evaluate and refine the materials and activities presented in these programs.

Additionally, MWDOC will continue to offer an incentive for participation in the Wyland National Mayor's Challenge for Water Conservation. However, to provide additional reinforcement for the new direction of the MWDOC education programs, the incentive will

shift from community city park to school project opportunity. An example of this would be to build an on-site garden where students can study natural phenomena, examine the interconnectivity between humans and nature, and develop real-world solutions to challenges that arise by observing the problems and changes that occur.

Finally, the Department will continue to identify opportunities through these partnerships and others that not only support and advance the goals and mission of the District, but also provide value to the region.

Additional Member Agency Support

Over the past fiscal year, the Department has spent time evaluating, testing, and revising materials and training opportunities offered to MWDOC Member Agency communications colleagues. The purpose of these efforts is to ensure that MWDOC provides accurate, trustworthy content and messaging that is used countywide, increasing message visibility, and further establishing credibility among Orange County residents. This has led to the successful in-house creation and distribution of media/toolkits that come complete with a subject overview, sample social media posts, newsletter articles, news releases, letters of support, flyers, and additional content as needed. The Department plans to continue these efforts, expanding upon the materials and resources provided in previous kits such as *Emergency Response and Disaster Recovery*, and developing and distributing new kits like *Promoting MWDOC School Programs in Your Service Area* and *Delta Conveyance Project: Why it's Critical to Southern California*.

Additionally, over the past year, Department members have increased participation in industry memberships, trainings, and certifications, developing stronger skills, experience and acumen in the day-to-day responsibilities and demands of the job. Because of this, MWDOC has provided professional training opportunities to Member Agency communicators at the bimonthly Public Affairs Workgroup (PAW) meetings to ensure we are all better equipped to effectively communicate regional messages to the public, and to various stakeholders. Whether it be communicating a conservation message, responding to a specific water-related piece of legislation, or while in an Emergency Operations Center (EOC) during a disaster, these skills are critically important.

Education

In FY2019-20, the MWDOC Water Education School Programs were reorganized adding Kindergarten to the elementary school program and introducing a middle school program into the mix. This simple addition helped close the learning gaps, and now provides Orange County students with a continuous stream of water education through their primary and secondary years. Additionally, two (2) new program contractors were brought on to introduce lessons that shifted the focus from solely the California WaterFix to water supply, reliability, water sources, causes and effects of good water stewardship, and how local ecosystem challenges compare to issues faced in the northern part of the state. This program change was in response to feedback received from Orange County teachers who were refusing the program because the WaterFix element did not fit into their curriculum and lesson plans.

For the 20/21 FY, the biggest changes in Department activities will be seen in education. While the K-12 programs fall into the Choice budget category, the implementation of

environmental literacy – an education strategy that uses the local environment as context for learning - will affect all District outreach programs including the Scouts programs, community events, partnerships, and post-secondary education efforts. The MWDOC/Orange County Department of Education environmental literacy rollout, which includes formal instruction for MWDOC school program contractors and select teachers and administrators, will be used as a model for the State, potentially resulting in increased time, talent, and resources applied to the effort.

Finally, MWDOC's participation as a member/sponsor of the Water Energy Education Alliance will require additional effort in FY 2020/21 to identify Member Agency needs and assets that can be applied in the development of Career Technical Education programs for high school students.

Governmental Affairs Department (Cost Center 31)

Governmental Affairs continues to work at the local, state and national levels with our Member Agencies, regional partners (three cities, Inland Empire) organizations, delegations, regulatory agencies and bureaus to advance Orange County's agenda. Central to this effort are policy, legislative and regulatory developments and opportunities. The department will rely on our local, state, and federal advocates to track, monitor and assist in education outreach on these issues. In addition, our Grants Program continues to be an asset for our member agencies and provide helpful information and tools for them, along with MWDOC to obtain funding for various programs and infrastructure. At the state level, 2019 saw significant wins in defeating the water tax and the creation of a permanent program to address the critical issue of disadvantage and non-compliant small water systems, as well as defeating legislation aimed at halting or delaying the Delta Conveyance Project. While the wild fires, and related legislation, and power shutoffs dominated much this year, the implications to water districts emerged later in the session. These issues will likely take center stage in FY2020-21 along with Governor Newsom's Water Resiliency Portfolio. Now that the water tax has been resolved, the Low Income Rate Assistance program is expected to receive some long delayed attention late this year. The administration's proposal is expected early in 2020. The administration has also formed a workgroup to implement the Safe and Affordable Drinking Water program (SB 200). The workgroup is expected to begin meeting in the first quarter of 2020.

Priorities for FY2020-21

- Actively engage on issues, legislative and regulatory, that will affect the Delta Conveyance Project.
- Actively engage and advocate for federal funding for the Army Corps of Engineers, the Bureau of Reclamation, the EPA, and WIFIA Programs.
- Work to ensure the \$8.3 Million grant funds for the South Coast Water District Doheny Beach Desal Project are released in timely fashion by the Bureau of Reclamation. This also involve coordinating with the SCWD.
- Advocate for the passage of the federal reauthorization of the 2016 WIIN Act and federal funding for the State Revolving Fund loan program.
- Advocate for changes in the IRS Code with respect to turf removal programs.

- Advocate for cost effective reliability and local resources projects that benefit Orange County.
- Actively engage on legislation related to wildfires and Public Safety Power Shutoffs (PSPS) that impact water districts;
- Actively engage on legislation and regulatory proceedings related to Constituents of Emerging Concern (CECs).
- Actively engage on regulations implementing the Low Income Rate Assistance, or “LIRA”, program.
- Actively engage on SB 200 (disadvantaged and noncompliant water systems) implementation.
- Continue our outreach efforts with Orange County’s delegation on the federal, state and local level.

Action Items to Help Achieve These Priorities

- Actively engage on legislation and regulations that will affect the Delta Conveyance Project.
 - Now that WaterFix has become the Delta Conveyance Project, we will need to retrace most of the steps taken to educate the Orange County delegation about the need for the project and the implications to water security when determining the size of the tunnel.
- Actively engage on legislation related to wildfires and Public Safety Power Shutoffs (PSPS) that impact water district.
 - Legislation related to wildfire liability may prove to be the dominant issue in 2020.
 - The water industry itself will be sponsoring at least two pieces of legislation on costs imposed by PSPS and backup emergency generators.
 - In 2019, grant funds to mitigate the impacts of PSPS were not available to water districts. Getting water districts access to future funding is a major priority for 2020. Action items may include lobbying the budget subcommittees and staff.
- Actively engage on regulations and regulatory proceedings related to Constituents of Emerging Concern (CECs).
 - Efforts to educate administrative staff, SWRCB board members, and legislators, were the main activities in the final months of this year.
 - Action items for 2020 include engaging on legislation to put requirements on the regulatory process to establish response levels, legislation to establish and maintain a statewide CEC program to identify and evaluate CECs in drinking water sources.
 - Further action items include educating the Orange County delegation about the need for a science-driven process to set response and Maximum Contaminate Levels, or MCLs, for CECs.

- Actively engage on regulations implementing the Low Income Rate Assistance, or “LIRA”, program.
 - A final draft proposal for the LIRA program is said to be under review by the Governor.
 - The main concern on the part of water districts is the preservation of existing programs.
 - Action items include submitting written comments, and testifying should there be further public hearings once the report is released, and possible outreach to key legislators if needed to influence the administration. It is unknown at this time if the report will seek new legislation.
- Actively engage on SB 200 (disadvantaged and noncompliant water systems) implementation.
 - Engage with the working group that has been formed to implement the Safe and Affordable Drinking Water Program.
 - Action items include appearing before the workgroup; participate in membership association workgroups, and submitting written material to ensure the grant funds are spent effectively and efficiently.
- Continue our outreach efforts with Orange County’s delegation on the federal, state and local level.
 - Focus on issue education and advocacy.
 - Action items include meeting with the key members of the Orange County delegation and staff, key committee members and staff.

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;
- Ensure compliance with the District Administrative Code, Contracts Manual and publication of required legal notices and coordination of all Public Records requests;
- The oversight and maintenance of the Electronic Records Management System for the District; ensure that all required documents are retained in accordance with the retention schedule and legal requirements 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, employee training and development;
- 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:

- Implement District wide staff training
- Implement Individual staff training and development
- Implementation and training of Performance Evaluation System
- Implementation and completion of Benchmark Compensation Study
- Succession Planning for upcoming retirements
- 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 previously budgeted for seismic retrofit and remodel of the administration building. This fiscal year there have been various issues that have come up resulting in three project areas that support the renovation efforts: seismic safety improvements, 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. Completing the electrical system work was a critical step before moving forward with the office remodel. Plans are currently in the final review stages at the City of Fountain Valley. It is anticipated the District will receive approval soon. Staff is seeking Board approval to enter into a contract for Owner's Representative services to assist with the various aspects of seismic retrofitting and remodeling of existing buildings. It is anticipated construction efforts will begin in fall of 2020. 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.

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. As well as, properly working office equipment.

Key Initiatives in the coming year include:

- Maintain functional operations and support throughout the upcoming building renovations at MWDOC
- Room 101 remodel to update screens, white boards and sound system
- 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 life to prevent the loss of any data
- Purchase new accounting software to eliminate manual entries and improve efficiency (current system no longer supported)
- Continue with ongoing professional training
- IT system security and back up testing
- Continue to assist at Public Affairs events
- Support the District with any future financing needs

7. Choice Programs for FY2020-21

As noted above, the Choice Programs for FY2020-21 are offered in both the Public Affairs and Water Use Efficiency Departments. The programs include:

- School Program - As discussed above the School Program represents a continuum of options from kindergarten through high school. Substantial efforts are underway to with Orange County teachers and State organizations to integrate critical water messages within the required curriculum structure with the goal of increasing the utility and acceptance of our programs.
- 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 will enter its second year of field operation.

COVID-19 has disrupted some of MWDOC's Choice Programs and particularly the School Programs. Since schools have been closed, many participating Member Agencies will have program credits to carry over into the FY 2020-21 program. This is delaying the program commitments and final program budget.

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. A new rate study will be conducted in FY2020-21 and any changes will be initiated for FY2021-22.

Based on the Proposed Budget:

For FY 2020-21 the proposed Retail Meter Service Charge is \$12.35 per meter.

For FY 2020-21 the proposed Groundwater Customer Charge is \$599,111.

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 2020-21 are budgeted at \$213,288,586.

9. Proposed New Items Not Included Pending Committee Discussion

By convention, proposed new items are not incorporated in the budget until concurrence is reached at the committee level. All pending items were resolved at the A&F Committee meeting of March 11, 2020.

Attachments:

Attached hereto is the detailed budget for this coming fiscal year.



Annual Budget for Fiscal Year 2020-21

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 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 3,516,650	\$ 3,364,258	\$ (152,392)	\$ 3,592,434	\$ 228,175	\$ 75,784
Employee Benefits	1,097,992	1,066,592	(31,401)	1,180,554	113,963	82,562
Director Compensation	268,133	205,000	(63,133)	265,548	60,548	(2,585)
Director Benefits	93,947	123,093	29,146	110,030	(13,064)	16,083
MWD Representation	153,218	112,000	(41,218)	161,097	49,097	7,879
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	(223,992)	(231,947)	(7,955)	(300,642)	(68,695)	(76,650)
Health Insurance Coverage for Retirees	70,287	61,376	(8,911)	87,449	26,073	17,162
Audit Expense	29,240	19,767	(9,473)	29,725	9,958	485
Automotive & Toll Road Expenses	20,200	22,038	1,838	21,300	(738)	1,100
Conference Expense - Staff	40,535	24,995	(15,540)	33,825	8,830	(6,710)
Conference Expense - Directors	28,440	22,225	(6,215)	23,965	1,740	(4,475)
Engineering Expense	435,000	277,600	(157,400)	340,000	62,400	(95,000)
Insurance Expense	140,000	105,000	(35,000)	110,000	5,000	(30,000)
Legal Expense - General	200,000	260,800	60,800	210,500	(50,300)	10,500
Maintenance Expense	138,527	110,345	(28,182)	131,420	21,075	(7,107)
Membership / Sponsorship	114,966	149,059	34,093	174,333	25,274	59,367
CDR Participation	50,156	50,156	-	53,158	3,002	3,002
Miscellaneous Expense	97,300	72,054	(25,246)	103,000	30,946	5,700
Postage / Mail Delivery	9,000	8,650	(350)	8,900	250	(100)
Professional Fees	920,445	770,546	(149,899)	996,202	225,656	75,757
Rents & Leases	3,616	2,800	(816)	1,750	(1,050)	(1,866)
Outside Printing, Subscription & Books	62,500	63,300	800	84,700	21,400	22,200
Office Supplies	36,000	30,500	(5,500)	39,000	8,500	3,000
Building Repair & Maintenance	20,000	12,845	(7,155)	15,000	2,155	(5,000)
Computer Maintenance	8,000	6,000	(2,000)	8,000	2,000	-
Business Expense	5,200	3,500	(1,700)	4,500	1,000	(700)
Software Support & Expense	93,634	91,000	(2,634)	89,640	(1,360)	(3,994)
Computers and Equipment	45,750	40,000	(5,750)	31,550	(8,450)	(14,200)
Telecommunications Expense	24,333	28,704	4,371	29,650	946	5,317
Temporary Help Expense	5,000	14,000	9,000	5,000	(9,000)	-
Training Expense	30,000	42,937	12,937	62,500	19,563	32,500
Tuition Reimbursement	5,000	5,000	-	5,000	-	-

(1)

(2)

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

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	89,131	48,887	(40,244)	86,670	37,783	(2,461)
Travel & Accommodations - Directors	46,625	24,591	(22,034)	39,600	15,009	(7,025)
MWDOC's Contribution to WEROC: Operations	228,978	228,978	-	241,236	12,258	12,258
and to WEROC Capital Improvements	44,389	44,389	-	-	(44,389)	(44,389)
Capital Acquisition (excluding building)	366,900	20,000	(346,900)	154,200	134,200	(212,700)
Capital Acquisition to Carryover		346,900	346,900	271,900	(75,000)	271,900
Capital Acq Prior Year Carryover Credit	(330,624)	(330,624)	-	(346,900)	(16,276)	(16,276)
NORMAL OPERATING EXPENSES	\$ 8,191,477	\$ 7,524,315	\$ (667,162)	\$ 8,362,794	\$ 838,479	\$ 171,317
MWDOC's Building Expense	\$ 1,259,057	\$ 410,410	\$ (848,647)	\$ 1,870,000	\$ 1,459,590	\$ 610,943
Building Expense to Carryover		\$ 848,647	\$ 848,647	\$ -	\$ (848,647)	\$ -
Building Expense Prior Year Carryover Credit	\$ (423,226)	\$ (423,226)	\$ -	\$ (1,143,117)	\$ (719,891)	\$ (719,891)
Contribution to Election Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Projected Additional Election Reserve Contribution		\$ 637,000	\$ 637,000		\$ (637,000)	\$ -
Portion to be Funded by General Operating Fund		(208,416)	(208,416)		208,416	-
TOTAL EXPENSES	\$ 9,027,308	\$ 8,788,730	\$ (238,578)	\$ 9,089,677	\$ 300,947	\$ 62,369

REVENUES:						
Retail Meter Charge	\$ 7,888,930	\$ 7,888,930	\$ -	\$ 7,934,159	\$ 45,229	\$ 45,229
Ground Water Customer Charge	598,248	598,248	-	599,111	863	863
Interest Revenue	580,000	489,000	(91,000)	458,000	(31,000)	(122,000)
Miscellaneous Income	3,000	15,600	12,600	3,000	(12,600)	-
TOTAL REVENUES	\$ 9,070,177	\$ 8,991,778	\$ (78,400)	\$ 8,994,270	\$ 2,492	\$ (75,907)

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ 42,870	\$ 203,048	\$ 160,178	\$ (95,407)	\$ (298,455)	\$ (138,277)

- (1) Total FY2020-2021 Salaries & Wages includes \$15,840 for intern support
- (2) Total FY2020-2021 Benefits includes \$1,636 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 11.031% for Classic employees and 7.732% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2021.
- (3) Carryover is for work and capital purchases on the building that were budgeted for but not completed and will be carried over to the next year as a carryover credit
- (4) Carryover credit is the cumulative dollars from prior years that was unspent and that will be applied toward work projected to be completed in future years.
- (5) Based on correspondence with the O.C. Registrar of Voters on October 30, 2019 concerning election expense increases where costs per election will range from \$261,788 to \$333,185. The portion to be funded by the general operating fund is shown on the line below.
- (6) MWDOC FY2020-2021 designated reserve target is unfunded in the amount of \$109,715 with \$203,048 projected to be added to reserves from FY2019-2020 operations. Therefore the target needed draw from reserves for FY2020-2021 operations is \$109,715-\$203,048 = (\$93,333).

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

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 535,389	\$ 508,015	\$ (27,374)	\$ 541,914	\$ 33,899	\$ 6,525
less for Recovery from Grants	(5,500)	-	5,500	-	-	5,500
Employee Benefits	163,657	135,856	(27,801)	152,409	16,553	(11,248)
Director Compensation	-	-	-	-	-	-
Director Benefits	-	-	-	-	-	-
MWD Representation	-	-	-	-	-	-
Overhead Reimbursement	223,992	231,947	7,955	300,642	68,695	76,650
Health Insurance Coverage for Retirees	-	-	-	-	-	-
Audit Expense	-	-	-	-	-	-
Automotive & Toll Road Expenses	1,500	500	(1,000)	1,000	500	(500)
Vehicle Expense	13,160	5,246	(7,914)	6,350	1,104	(6,810)
Conference Expense - Staff	-	-	-	-	-	-
Conference Expense - Directors	-	-	-	-	-	-
Engineering Expense	-	-	-	-	-	-
Insurance Expense	-	-	-	-	-	-
Legal Expense - General	-	-	-	-	-	-
Maintenance Expense	-	-	-	-	-	-
Membership / Sponsorship	-	-	-	-	-	-
Miscellaneous Expense	12,000	12,000	-	12,000	-	-
Postage / Mail Delivery	400	300	(100)	400	100	-
Professional Fees	566,885	543,235	(23,650)	561,366	18,131	(5,519)
Rents & Leases	-	-	-	-	-	-
Outside Printing, Subscription & Books	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	-
Supplies - Water Loss Control	2,033	6,200	4,167	10,000	3,800	7,967
Computer Maintenance	-	-	-	-	-	-
Software Support & Expense	-	-	-	15,000	15,000	15,000
Telecommunications Expense	1,440	1,200	(240)	1,200	-	(240)
Computers and Equipment	3,700	2,400	(1,300)	2,000	(400)	(1,700)
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 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	-	-	-	-	-	-
Travel & Accommodations - Directors	-	-	-	-	-	-
Capital Acquisition	70,180	76,519		-	(76,519)	(70,180)
Subtotal Expenses	\$ 1,590,836	\$ 1,525,417	\$ (71,758)	\$ 1,606,280	\$ 80,863	5.30%
TOTAL EXPENSES	\$ 1,590,836	\$ 1,525,417	\$ (65,419)	\$ 1,606,280	\$ 80,863	\$ 15,444

REVENUES:						
Choice Revenue	\$ 1,590,836	\$ 1,525,417	\$ (65,419)	\$ 1,606,280	\$ 80,863	\$ 15,444
TOTAL REVENUES	\$ 1,590,836	\$ 1,525,417	\$ (65,419)	\$ 1,606,280	\$ 80,863	\$ 15,444

- (1) Total FY2020-2021 Salaries & Wages includes \$61,179 for intern support
- (2) Total FY2020-2021 Benefits includes \$6,547 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 11.031% for Classic employees and 7.732% for PEPRA Calpers employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2021.

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES:						
Salaries & Wages	\$ 4,052,039	\$ 3,872,273	\$ (179,766)	\$ 4,134,347	\$ 262,074	\$ 82,308
less for Recovery from Grants	(5,500)	-	5,500	-	-	5,500
Employee Benefits	1,261,649	1,202,448	(59,201)	1,332,963	130,515	71,314
Director Compensation	268,133	205,000	(63,133)	265,548	60,548	(2,585)
Director Benefits	93,947	123,093	29,146	110,030	(13,064)	16,083
MWD Representation	153,218	112,000	(41,218)	161,097	49,097	7,879
CALPERS Unfunded Liability Contribution	207,000	207,000	-	207,000	-	-
Overhead Reimbursement	-	-	-	-	-	-
Health Insurance Coverage for Retirees	70,287	61,376	(8,911)	87,449	26,073	17,162
Audit Expense	29,240	19,767	(9,473)	29,725	9,958	485
Automotive & Toll Road Expenses	21,700	22,538	838	22,300	(238)	600
Vehicle Expense - Water Loss Control	13,160	5,246	(7,914)	6,350	1,104	(6,810)
Conference Expense - Staff	40,535	24,995	(15,540)	33,825	8,830	(6,710)
Conference Expense - Directors	28,440	22,225	(6,215)	23,965	1,740	(4,475)
Engineering Expense	435,000	277,600	(157,400)	340,000	62,400	(95,000)
Insurance Expense	140,000	105,000	(35,000)	110,000	5,000	(30,000)
Legal Expense - General	200,000	260,800	60,800	210,500	(50,300)	10,500
Maintenance Expense	138,527	110,345	(28,182)	131,420	21,075	(7,107)
Membership / Sponsorship	114,966	149,059	34,093	174,333	25,274	59,367
CDR Participation	50,156	50,156	-	53,158	3,002	3,002
Miscellaneous Expense	109,300	84,054	(25,246)	115,000	30,946	5,700
Postage / Mail Delivery	9,400	8,950	(450)	9,300	350	(100)
Professional Fees	1,487,330	1,313,781	(173,549)	1,557,568	243,787	70,238
Rents & Leases	3,616	2,800	(816)	1,750	(1,050)	(1,866)
Outside Printing, Subscription & Books	62,500	63,300	800	84,700	21,400	22,200
Office Supplies	36,000	30,500	(5,500)	39,000	8,500	3,000
Supplies - Water Loss Control	2,033	6,200	4,167	10,000	3,800	7,967
Building Repair & Maintenance	20,000	12,845	(7,155)	15,000	2,155	(5,000)
Computer Maintenance	8,000	6,000	(2,000)	8,000	2,000	-
Business Expense	5,200	3,500	(1,700)	4,500	1,000	(700)
Software Support & Expense	93,634	91,000	(2,634)	104,640	13,640	11,006
Computers and Equipment	49,450	42,400	(7,050)	33,550	(8,850)	(15,900)
Telecommunications Expense	25,773	29,904	4,131	30,850	946	5,077
Temporary Help Expense	5,000	14,000	9,000	5,000	(9,000)	-
Training Expense	32,000	44,937	12,937	64,500	19,563	32,500
Tuition Reimbursement	5,000	5,000	-	5,000	-	-

(1)

(2)

Exhibit A4
SUMMARY OF REVENUES AND EXPENSES BY LINE ITEMS
CONSOLIDATED

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
OPERATING EXPENSES: continued						
Travel & Accommodations - Staff	89,131	48,887	(40,244)	86,670	37,783	(2,461)
Travel & Accommodations - Directors	46,625	24,591	(22,034)	39,600	15,009	(7,025)
MWDOC's Contribution to WEROC: Operations	228,978	228,978	-	241,236	12,258	12,258
and to WEROC Capital Improvements	44,389	44,389	-	-	(44,389)	(44,389)
Capital Acquisition (excluding building)	437,080	96,519	(340,561)	154,200	57,681	(282,880)
Capital Acquisition to Carryover		346,900	346,900	271,900	(75,000)	271,900
Capital Acq Prior Year Carryover Credit	(330,624)	(330,624)	-	(346,900)	(16,276)	(16,276)
NORMAL OPERATING EXPENSES	\$ 9,782,312	\$ 9,049,732	\$ (732,580)	\$ 9,969,074	\$ 919,342	\$ 186,762
MWDOC's Building Expense	\$ 1,259,057	\$ 410,410	\$ (848,647)	\$ 1,870,000	\$ 1,459,590	\$ 610,943
Building Expense to Carryover		\$ 848,647	\$ 848,647	\$ -	\$ (848,647)	\$ -
Building Expense Prior Year Carryover Credit	\$ (423,226)	\$ (423,226)	\$ -	\$ (1,143,117)	\$ (719,891)	\$ (719,891)
Contribution to Election Reserve		\$ -	\$ -	\$ -	\$ -	\$ -
Proj Additional Election Rsrv Contribution		\$ 637,000	\$ 637,000	\$ -	\$ (637,000)	\$ -
Portion to be Funded by General Oper Fund		(208,416)	(208,416)	-	208,416	-
TOTAL EXPENSES	\$ 10,618,143	\$ 10,314,147	\$ (303,996)	\$ 10,695,957	\$ 381,810	\$ 77,814

REVENUES:						
Retail Meter Charge	\$ 7,888,930	\$ 7,888,930	\$ 0	\$ 7,934,159	\$ 45,229	\$ 45,229
Ground Water Customer Charge	598,248	598,248	0	599,111	863	864
Interest Revenue	580,000	489,000	(91,000)	458,000	(31,000)	(122,000)
Miscellaneous Income	3,000	15,600	12,600	3,000	(12,600)	-
Choice Revenue	1,590,836	1,525,417	(65,419)	1,606,280	80,863	15,444
TOTAL REVENUES	\$ 10,661,013	\$ 10,517,195	\$ (143,818)	\$ 10,600,550	\$ 83,355	\$ (60,463)

EFFECT ON RESERVES:						
TOTAL CONTRIBUTION (DRAW) FROM RESERVES	\$ 42,870	\$ 203,048	\$ 160,178	\$ (95,407)	\$ (298,455)	\$ (138,277)

- (1) Total FY2020-2021 Salaries & Wages includes \$77,019 for intern support
- (2) Total FY2020-2021 Benefits includes \$8,232 for intern support. Total Benefits also includes a Calpers contribution for full time employees of 11.031% for Classic employees and 7.732% for PEPRA employees. A further assumption is that medical, dental and vision insurance rates will increase by 3% for calendar year 2021.
- (3) Carryover is for work and capital purchases on the building that were budgeted for but not completed and will be carried over to the next year as a carryover credit
- (4) Carryover credit is the cumulative dollars from prior years that was unspent and that will be applied toward work projected to be completed in future years.
- (5) Based on correspondence with the O.C. Registrar of Voters on October 30, 2019 concerning election expense increases where costs per election will range from \$261,788 to \$333,185. The portion to be funded by the general operating fund is shown on the line below.
- (6) MWDOC FY2020-2021 designated reserve target is unfunded in the amount of \$109,715 with \$203,048 projected to be added to reserves from FY2019-2020 operations. Therefore the target needed draw from reserves for FY2020-2021 operations is \$109,715-\$203,048 = (\$93,333).

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

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
Water Revenues			(1)			(2)
Water Sales	\$ 237,841,537	\$ 174,871,979	\$ (62,969,558)	\$ 213,288,586	\$ 38,416,607	\$ (24,552,951)
Local Resource Program Incentives	(5,465,263)	(5,449,864)	15,399	(4,881,259)	568,605	584,004
Readiness-To-Serve Charge	10,071,282	10,566,985	495,703	11,583,326	1,016,341	1,512,044
Capacity Charge	3,615,440	3,746,098	130,658	3,892,240	146,142	276,800
Interest Revenue - Tier 2 Cont.	20,000	21,000	1,000	22,000	1,000	2,000
SCP/SAC Pipeline Surcharge	350,000	312,432	(37,568)	315,000	2,568	(35,000)
TOTAL WATER REVENUES	\$ 246,432,996	\$ 184,068,630	\$ (62,364,367)	\$ 224,219,893	\$ 40,151,263	\$ (22,213,103)
Water Expenses						
Water Purchases	\$ 237,841,537	\$ 174,871,979	\$ (62,969,558)	\$ 213,288,586	\$ 38,416,607	\$ (24,552,951)
Local Resource Program Incentives	(5,465,263)	(5,449,864)	15,399	(4,881,259)	568,605	584,004
Readiness-To-Serve Charge	10,071,282	10,566,985	495,703	11,583,326	1,016,341	1,512,044
Capacity Charge	3,615,440	3,746,098	130,658	3,892,240	146,142	276,800
SCP/SAC Pipeline Surcharge	350,000	312,432	(37,568)	315,000	2,568	(35,000)
TOTAL WATER EXPENSES	\$ 246,412,996	\$ 184,047,630	\$ (62,365,367)	\$ 224,197,893	\$ 40,150,263	\$ (22,215,103)
Changes to Fund Balance:						
Tier 2 Contingency	\$ 20,000	\$ 21,000	\$ 1,000	\$ 22,000	\$ 1,000	\$ 2,000

(1) The large variance between FY19-20 Adopted Budget and Project Actuals is due to the below average water demands of MWDOC's retail agencies, but it is mostly the result of OCWD's decision not to purchase any replenishment water due to the anticipated PFAS regulations. Although there was 26,500 AF of total Cyclic water purchased from OCWD between September and December 2019 it did not replace the total budget estimate of 65,000 AF of replenishment water.

(2) Proposed Budget sales for FY2020-21 are estimated to be below last year's Adopted Budget as a result of OCWD's decision not to purchase 65,000 AF of replenishment water due to the PFAS regulations reducing groundwater production. Although PFAS will increase treated imported water purchases among a number of groundwater producers, total imported water purchases are still estimated to be below historical averages.

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

	FY 2019-2020 ADOPTED BUDGET	FY 2019-2020 PROJECTED ACTUALS	VARIANCE ACTUALS TO BUDGET	FY 2020-2021 PROPOSED BUDGET	VARIANCE TO PROJECTED ACTUALS	VARIANCE TO FY 2019-2020 BUDGET
Funding						
Metropolitan Water District	\$ 1,067,130	\$ 1,011,036	\$ (56,094)	\$ 788,114	\$ (222,922)	\$ (279,016)
USBR	77,850	140,291	62,441	137,354	(2,937)	59,504
DWR	150,162	972,345	822,183	465,836	(506,509)	315,674
Member Agencies	1,040,004	365,216	(674,788)	153,630	(211,586)	(886,374)
MWDOC	35,000	35,000	(0)	35,000	-	(0)
TOTAL OUTSIDE FUNDING	\$ 2,370,147	\$ 2,523,887	\$ 153,741	\$ 1,579,934	\$ (943,954)	\$ (790,213)
Program Expenses Funded from Outside Sources						
Project Administration - Staff Time	\$ 5,500	\$ -	\$ (5,500)	\$ -	\$ -	\$ (5,500)
Monitoring and Evaluation	-	-	-	-	-	-
Installation Verification	50,000	65,044	15,044	59,000	(6,045)	9,000
Rebate Incentives	2,320,539	2,458,843	138,304	1,520,934	(937,909)	(799,605)
Databasing	-	-	-	-	-	-
TOTAL PROGRAMS EXPENSES	\$ 2,376,039	\$ 2,523,887	\$ 147,849	\$ 1,579,934	\$ (943,954)	\$ (796,105)

**Exhibit B
Expenditures by Program**

Cost Center	PROGRAM	FY 2019-2020 BUDGET FTE	FY 2020-2021 BUDGET FTE	FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
11	Administrative - Board	1.80	1.67	\$ 1,184,631	\$ 1,053,554	\$ 1,211,969
12	Administrative - General	3.54	3.74	638,939	692,049	773,858
13	Personnel / Staff Development	1.52	1.55	328,436	376,227	426,987
19	Overhead	4.27	4.40	1,154,272	1,088,648	1,067,303
21	Reliability Planning and Engineering	4.15	3.62	1,139,854	937,588	941,821
23	Metropolitan Issues and Water Policy	3.96	3.76	804,601	654,647	777,253
31	Governmental Affairs	0.94	0.97	495,902	469,764	514,982
35	Water Use Efficiency (Core)	0.97	1.04	485,759	373,724	461,469
32	Public Affairs	3.81	3.99	796,908	785,728	892,281
41	Finance	3.17	3.55	582,299	518,979	673,584
45	Information Technology	0.99	1.01	306,509	300,040	380,051
25	MWDOC's Contribution to WEROC	2.53	3.20	273,367	273,367	241,236
CORE TOTAL		31.67	32.51	\$ 8,191,477	\$ 7,524,315	\$ 8,362,794
62	Water Use Efficiency Program	5.07	4.85	874,517	815,635	901,008
63	School Programs	0.10	0.06	437,561	440,659	444,579
70	Water Loss Control	1.46	1.83	278,757	269,123	260,693
CHOICE TOTAL		6.62	6.73	\$ 1,590,836	\$ 1,525,417	\$ 1,606,280
CORE & CHOICE TOTAL		38.29	39.24	\$ 9,782,312	\$ 9,049,732	\$ 9,969,074
Includes:	Full-time employees	33.12	33.00	(2)		
	Part-time employees	0.74	0.65			
	Interns	1.90	2.39	(3)		
	WEROC Full-time employees	2.53	2.72			
	WEROC Part-time employees	0.00	0.48	(3)		

(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 2019-2020 are calculated based on 2096 hours of work for the year. FTE's for 2020-2021 are calculated based on 2088 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 36 full-time employees, 1 part-time employee and 5 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. Another reason for the fractions of an FTE are that employees are budgeted to work in multiple cost centers. This includes budgeting their vacation, sick and holiday hours to cost center 19 (overhead).

(3) The increase of one FTE overall is due to WEROC hiring one temporary part-time employee for the AWIA program and Water Loss Control hiring one part-time intern.

Municipal Water District of Orange County
2020-2021 FISCAL MASTER PLAN PROJECTIONS
(in thousands)

	Projected ACTUALS FY19-20	BUDGET FY20-21	FY21-22	FISCAL MASTER PLAN PROJECTIONS FY22-23	FY23-24	FY24-25	FY25-26
Beginning Designated Reserve Balance - MWDOC	\$6,768	\$ 6,763	\$ 6,667	\$ 6,639	\$ 6,964	\$ 7,823	\$ 8,845
OPEB Reserve	297	297	297	297	297	297	297
Adjusted Reserve Balance	6,471	6,466	6,370	6,342	6,667	7,526	8,548
Revenues							
Water Rate Revenues:							
Retail Meter Agency Charge	7,889	7,934	8,312	8,686	8,998	9,284	9,573
Ground Water Customer Charge	598	599	611	623	636	648	661
Subtotal	8,487	8,533	8,923	9,309	9,634	9,932	10,234
Other Revenues:							
Choice Revenues	1,525	1,606	1,638	1,671	1,705	1,739	1,773
Interest Earnings	489	458	597	604	625	665	711
Misc./Reimbursements	16	3	3	3	3	3	3
Subtotal	2,030	2,067	2,239	2,279	2,333	2,406	2,487
Total Revenues	10,517	10,601	11,162	11,588	11,966	12,339	12,721
Expenses							
Core Expenses	7,488	8,284	8,449	8,618	8,791	8,966	9,146
Choice Expenses	1,525	1,606	1,638	1,671	1,705	1,739	1,773
Capital Acquisitions (not including building)	36	79	20	20	20	20	20
Total Expenses w/o Building & Election	9,050	9,969	10,108	10,309	10,515	10,725	10,939
Revenue Over Expenses w/o Building & Election	1,467	631	1,054	1,278	1,451	1,614	1,782
ELECTION Reserve Beginning Balance	696	1,333	-	582	164	746	-
Annual Election Reserve Contribution	637	-	582	582	582	582	582
Annual Election Expense	-	1,333	-	1,000	-	1,333	-
Election Reserve Ending Balance	1,333	-	582	164	746	-	582
BUILDING Reserve Beginning Balance	444	444	444	71	433	433	433
Annual Building Reserve Contribution	836	727	500	372	10	10	10
Annual Building Expense	836	727	873	10	10	10	10
and to WEROC Capital Improvements	444	444	71	433	433	433	433
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
Adjustments to the General Fund Reserve	-	-	-	-	-	-	-
Ending General Fund & Cash Flow Reserves	\$ 4,689	\$ 5,926	\$ 5,689	\$ 6,069	\$ 6,347	\$ 8,115	\$ 8,723

Document does not reflect MWDOC's irrevocable trust towards OPEB liability

MWDOC Water Rates

Total Retail Customer Meters	636,204	642,442	644,366	648,211	652,010	656,101	660,200
OCWD BPP %	75%	75%	75%	75%	75%	75%	75%
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ 12.40	\$ 12.35	\$ 12.90	\$ 13.40	\$ 13.80	\$ 14.15	\$ 14.50
Fixed Charge %		100%	100%	100%	100%	100%	100%
Rate Increase Proposal:							
Increment Rate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Charge	\$ (0.05)	\$ 0.55	\$ 0.50	\$ 0.40	\$ 0.35	\$ 0.35	\$ 0.35

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	6,667	6,639	6,964	7,823	8,845
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	18,317	18,314	18,664	19,548	20,595
Interest rate	3.26%	3.30%	3.35%	3.40%	3.45%
Interest Revenue Projections:					
Interest income - General	597	604	625	665	711
Total Interest Revenue Projections	597	604	625	665	711

Total Core Expenses

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	3,516,650	3,364,258	3,592,434
6090	Directors Compensation - MWDOC	268,133	205,000	265,548
6095	Directors Compensation - MWD	153,218	112,000	161,097
6105	Benefits - Admin	1,097,993	1,066,592	1,180,554
	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
	Overhead Reimbursement	(223,992)	(231,947)	(300,642)
6115	Benefits - Directors	93,947	123,093	110,030
6120	Health Insurance Coverage for Retirees	70,287	61,376	87,449
6205	Training	30,000	42,937	62,500
6210	Tuition Reimbursement	5,000	5,000	5,000
6220	Temporary Help	5,000	14,000	5,000
7010	Engineering - Outside Services	435,000	277,600	340,000
7020	Legal - General	200,000	260,800	210,500
7030	Audit	29,240	19,767	29,725
7040	Other Professional Fees	920,445	770,546	996,202
7110	Conference - Employee	40,535	24,995	33,825
7115	Conference - Directors	28,440	22,225	23,965
7150	Travel & Accommodations - Employee	89,131	48,887	86,670
7155	Travel & Accommodations - Director	46,625	24,591	39,600
7210	Membership / Sponsorship	114,966	149,059	174,333
7250	CDR Participation	50,156	50,156	53,158
7305	Business Expense	5,200	3,500	4,500
7310	Office Maintenance	138,527	110,345	125,420
7315	Building Repair & Maintenance	20,000	12,845	15,000
7320	Rents & Leases	3,616	2,800	1,750
7330	and to WEROC Capital Improvements	36,000	30,500	39,000
7340	Postal / Mail Delivery	9,000	8,650	8,900
7350	Subscriptions / Books	1,500	600	1,000
7360	Reproduction Expense	61,000	62,700	83,700
7410	Computer & Peripherals Maint	8,000	6,000	8,000
7430	Software Purchase	34,500	32,000	42,000
7440	Software Support	59,134	59,000	47,640
7540	Computers and Equipment	45,750	40,000	31,550
7580	Maintenance Expense	-	-	6,000
7610	Automotive / Mileage	19,300	20,818	20,000
7615	Toll Road Charges	900	1,220	1,300
7620	Insurance Expense	140,000	105,000	110,000
7640	Utilities - Telephone	24,333	28,704	29,650
7650	Bank Fees	1,200	900	1,200
7670	Miscellaneous Expenses	96,100	71,154	101,800
8810	Capital Acquisition	366,900	20,000	154,200
	Total Expenditure	8,248,735	7,234,672	8,196,558
MWDOC's Contribution:				
	to WEROC Capital improvements	44,389	44,389	-
	to WEROC Operations	228,978	228,978	241,236
MWDOC's Contribution to Election Rsrv				
	Proj Additional Election Rsrv Contribution	-	637,000	-
	Portion to be Funded by Gen Oper Fund	-	(208,416)	-
Capital Acquisition to Carryover (8810)				
	Capitol Acq Prior Year Carryover Credit	(330,624)	(330,624)	(346,900)
MWDOC's Building Expense (8811)				
	Building Expense to Carryover	-	848,647	-
	Building Prior Year Carryover Credit	(423,226)	(423,226)	(1,143,117)
		<u>9,027,309</u>	<u>8,788,730</u>	<u>9,089,677</u>

Total Choice Revenue and Expense

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
	Choice Revenue	1,289,894	1,289,893	1,606,280
4205	School Contracts	118,213	118,213	-
4705	Prior Year Carry Over	182,729	182,729	-
		-	-	-
	Choice billing over/under	-	(65,418)	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
	Total Revenue	1,590,836	1,525,417	1,606,280

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	535,389	508,015	541,914
	S & B Reimb. DSC or Recov from Grants	(5,500)	-	-
6090	Directors Compensation - MWDOC	-	-	-
6095	Directors Compensation - MWD	-	-	-
6105	Benefits - Admin	163,657	135,856	152,409
	Overhead Reimbursement	223,992	231,947	300,642
6115	Benefits - Directors	-	-	-
6120	Health Insurance Coverage for Retirees	-	-	-
6205	Training	2,000	2,000	2,000
6210	Tuition Reimbursement	-	-	-
6220	Temporary Help	-	-	-
7010	Engineering - Outside Services	-	-	-
7020	Legal - General	-	-	-
7030	Audit	-	-	-
7040	Other Professional Fees	141,972	118,322	127,572
	Other Professional Fees - School Programs	424,913	424,913	433,794
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	6,200	10,000
7340	Postal / Mail Delivery	400	300	400
7350	and to WEROC Capital Improvements	-	-	-
7360	Reproduction Expense	-	-	-
7410	Computer & Peripherals Maint	-	-	-
7430	Software Purchase	-	-	15,000
7440	Software Support	-	-	-
7540	Computers and Equipment	3,700	2,400	2,000
7580	Maintenance Expense	-	-	-
7610	Automotive / Mileage	-	-	-
7612	Vehicle Expense	13,160	5,246	6,350
7615	Toll Road Charges	1,500	500	1,000
7620	Insurance Expense	-	-	-
7640	Utilities - Telephone	1,440	1,200	1,200
7650	Bank Fees	-	-	-
7670	Miscellaneous Expenses	12,000	12,000	12,000
8410	Overhead Reimbursement	-	-	-
8610	Depreciation Expense	-	-	-
8710	Election Expenses	-	-	-
8810	Capital Acquisition	70,180	76,519	-
	Total Expenditure	1,590,836	1,525,417	1,606,280

Total Core and Choice Expenses

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	4,052,039	3,872,273	4,134,347
	S & B Reimb. DSC or Recov from Grants	(5,500)	-	-
6090	Directors Compensation - MWDOC	268,133	205,000	265,548
6095	Directors Compensation - MWD	153,218	112,000	161,097
6105	Benefits - Admin	1,261,650	1,202,448	1,332,963
	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000
	Overhead Reimbursement	(0)	-	-
6115	Benefits - Directors	93,947	123,093	110,030
6120	Health Insurance Coverage for Retirees	70,287	61,376	87,449
6205	Training	32,000	44,937	64,500
6210	Tuition Reimbursement	5,000	5,000	5,000
6220	Temporary Help	5,000	14,000	5,000
7010	Engineering - Outside Services	435,000	277,600	340,000
7020	Legal - General	200,000	260,800	210,500
7030	Audit	29,240	19,767	29,725
7040	Other Professional Fees	1,062,417	888,868	1,123,774
	Other Professional Fees - School Programs	424,913	424,913	433,794
7110	Conference - Employee	40,535	24,995	33,825
7115	Conference - Directors	28,440	22,225	23,965
7150	Travel & Accommodations - Employee	89,131	48,887	86,670
7155	Travel & Accommodations - Director	46,625	24,591	39,600
7210	Membership / Sponsorship	114,966	149,059	174,333
7250	CDR Participation	50,156	50,156	53,158
7305	Business Expense	5,200	3,500	4,500
7310	Office Maintenance	138,527	110,345	125,420
7315	Building Repair & Maintenance	20,000	12,845	15,000
7320	and to WEROC Capital Improvements	3,616	2,800	1,750
7330	Office Supplies	36,000	30,500	39,000
7332	Supplies - Water Loss Control	2,033	6,200	10,000
7340	Postal / Mail Delivery	9,400	8,950	9,300
7350	Subscriptions / Books	1,500	600	1,000
7360	Reproduction Expense	61,000	62,700	83,700
7410	Computer & Peripherals Maint	8,000	6,000	8,000
7430	Software Purchase	34,500	32,000	57,000
7440	Software Support	59,134	59,000	47,640
7540	Computers and Equipment	49,450	42,400	33,550
7580	Maintenance Expense	-	-	6,000
7610	Automotive / Mileage	19,300	20,818	20,000
7612	Vehicle Expense	13,160	5,246	6,350
7615	Toll Road Charges	2,400	1,720	2,300
7620	Insurance Expense	140,000	105,000	110,000
7640	Utilities - Telephone	25,773	29,904	30,850
7650	Bank Fees	1,200	900	1,200
7670	Miscellaneous Expenses	108,100	83,154	113,800
8810	Capital Acquisition	437,080	96,519	154,200
	Total Expenditure	9,839,570	8,760,089	9,802,838
MWDOC's Contribution:				
	to WEROC Capital improvements	44,389	44,389	-
	to WEROC Operations	228,978	228,978	241,236
MWDOC's Contribution to Election Rsrv				
	Proj Additional Election Rsrv Contribution	-	637,000	-
	Portion to be Funded by Gen Oper Fund	-	(208,416)	-
Capital Acquisition to Carryover (8810)				
	Capitol Acq Prior Year Carryover Credit	(330,624)	(330,624)	(346,900)
MWDOC's Building Expense (8811)				
	Building Expense to Carryover	1,259,057	410,410	1,870,000
	Building Prior Year Carryover Credit	-	848,647	-
		(423,226)	(423,226)	(1,143,117)
		<u>10,618,144</u>	<u>10,314,147</u>	<u>10,695,957</u>

Administrative - Board
11

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	259,456	222,391	259,074	
6090	Directors Compensation - MWDOC	268,133	205,000	265,548	1
6095	Directors Compensation - MWD	153,218	112,000	161,097	2
6105	Benefits - Admin	81,347	76,457	82,184	
6115	Benefits - Directors	93,947	123,093	110,030	
6120	Health Insurance Coverage for Retirees				
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				
7010	Engineering - Outside Services				
7020	Legal - General	195,000	210,800	200,500	4
7030	Audit				
7040	Other Professional Fees				
7110	Conference - Employee				
7115	Conference - Directors	28,440	22,225	23,965	5
7150	Travel & Accommodations - Employee				
7155	Travel & Accommodations - Director	46,625	24,591	39,600	5
7210	Membership / Sponsorship	28,072	27,333	38,771	6
7250	CDR Participation				
7310	Office Maintenance				
7320	Rents & Leases				
7330	Office Supplies				
7340	Postal / Mail Delivery	4,500	4,000	4,500	
7350	Subscriptions / Books				
7360	Reproduction Expense				
7410	and to WEROC Capital Improvements				
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense				
7610	Automotive / Mileage	12,500	12,318	12,500	
7615	Toll Road Charges	500	745	800	
7620	Insurance Expense				
7640	Utilities - Telephone	893	600	700	
7650	Bank Fees				
7670	Miscellaneous Expenses	12,000	12,000	12,700	7
8410	Overhead Reimbursement				
8810	Capital Acquisition				
	Total Expenditure	1,184,631	1,053,554	1,211,969	

1&2 • Based on 5% increase from Jan to June 2021.

3 • Best, Best & Krieger \$ 195,800
• Aleshire & Wynder \$ 15,000
\$ 210,800

4 • Best, Best & Krieger \$ 185,500
• Aleshire & Wynder \$ 15,000
\$ 200,500

5 • See Exhibit F.

6 • See Exhibit D.

7 • Misc board expenses (supplies)

MWDOC's Contribution to Election Rsrv
Proj Additional Election Rsrv Contribution
Portion to be Funded by Gen Oper Fund

	637,000	
	(208,416)	
	<u>1,184,631</u>	<u>1,482,138</u>
		<u>1,211,969</u>

Administrative - General
12

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	269,650	296,698	317,583
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	103,684	119,012	124,860
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help	5,000	14,000	5,000
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	2,500	1,500	1,200
7110	Conference - Employee	40,535	24,995	33,825
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	89,131	48,887	86,670
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	86,894	121,726	135,562
7250	CDR Participation	50,156	50,156	53,158
7305	Business Expense	5,200	3,500	4,500
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books	1,500	600	1,000
7360	and to WEROC Capital Improvements			
7410	Computer & Peripherals Maint			
7430	Software Purchase			
7440	Software Support			
7540	Computers and Equipment			
7580	Maintenance Expense			
7610	Automotive / Mileage	6,800	8,500	7,500
7615	Toll Road Charges	400	475	500
7620	Insurance Expense			
7640	Utilities - Telephone			
7650	Bank Fees			
7670	Miscellaneous Expenses	2,600	2,000	2,500
8810	Capital Acquisition			
	Total Expenditure	638,939	692,049	773,858

1 • See Exhibit J.

2 • See Exhibit E.

3 • See Exhibit D.

4 • Center for Demographic Research at
Cal State University Fullerton

Personnel / Staff Development
13

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	205,749	201,468	217,602
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	61,187	60,822	65,885
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	30,000	42,937	62,500
6210	Tuition Reimbursement	5,000	5,000	5,000
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General	5,000	50,000	10,000
7030	Audit			
7040	Other Professional Fees			36,000
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	and to WEROC Capital Improvements			
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	21,500	16,000	30,000
8810	Capital Acquisition			
	Total Expenditure	328,436	376,227	426,987

1 • Staff Technical Training & Leadership
Development Training

2 • Best, Best & Krieger

3 • Benchmark Study

4 • Employee Recognition \$ 5,000
• Applicant Background Checks & Physical \$ 2,500
• Team Building, Lunch meetings \$ 1,200
• Holiday Lunch \$ 3,000
• OCWD Health Fair \$ 300
• Employee Flu Shots \$ 200
• Job Ads Recruiting \$ 5,000
• Staff & Executive Assessments \$ 12,800
\$ 30,000

Overhead
19

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	524,930	535,033	551,136	
6090	Directors Compensation - MWDOC				1 Retirees:
6095	Directors Compensation - MWD				• 15 Retirees
6105	Benefits - Admin	158,034	167,972	173,790	
6109	CALPERS Unfunded Liability Contribution	207,000	207,000	207,000	2 • Pension Plan administration by
6111	Overhead Reimbursement from Choice	(223,992)	(231,947)	(300,642)	Dissinger Associates \$ 4,000
6115	Benefits - Directors				• Cafeteria Plan Wagerworks \$ 2,400
6120	Health Insurance Coverage for Retirees	70,287	61,376	87,449	6,400
6205	Training				
6210	Tuition Reimbursement				
6220	Temporary Help				3 • Window Cleaning \$ 1,200
7010	Engineering - Outside Services				• Sewer Flush & Extra Office Cleaning \$ 800
7020	Legal - General				• OCWD \$ 113,080
7030	Audit				• Plant Maintenance \$ 2,640
7040	Other Professional Fees	6,812	6,300	6,400	• Landscape/Maintenance Atrium \$ 5,000
7110	Conference - Employee				• Binding Machine Renewal \$ 800
7115	Conference - Directors				• Carpet & Extra Office Cleaning \$ 1,900
7150	Travel & Accommodations - Employee				\$ 125,420
7155	Travel & Accommodations - Director				
7210	Membership / Sponsorship				
7250	CDR Participation				4 • Corradata \$ 750
7310	Office Maintenance	138,527	110,345	125,420	• El Toro Water District
7315	Building Repair & Maintenance	20,000	12,845	15,000	(South EOC site) 1,000
7320	Rents & Leases	3,616	2,800	1,750	\$ 1,750
7330	Office Supplies	36,000	30,500	39,000	
7340	Postal / Mail Delivery	4,500	4,650	4,400	
7350	and to WEROC Capital Improvements				
7360	Reproduction Expense	4,500	6,200	7,200	
7410	Computer & Peripherals Maint				5 Generator Maintenance
7430	Software Purchase				
7440	Software Support				
7540	Computers and Equipment				
7580	Maintenance Expense			6,000	6 • Misc equipment repairs, fees etc.
7610	Automotive / Mileage				
7615	Toll Road Charges				
7620	Insurance Expense	140,000	105,000	110,000	7 • Office Furniture/Audio Visual
7640	Utilities - Telephone	22,483	27,198	28,000	See Exhibit H
7650	Bank Fees	1,200	900	1,200	
7670	Miscellaneous Expenses	4,100	6,200	4,200	8 • Bldg Improvements - Eval / Design /
8810	Capital Acquisition	366,900	20,000	75,000	Seismic / Construction
	Total Expenditure	1,484,896	1,072,372	1,142,303	9 • FY19-20 & FY20-21 carryover is for work and capital
	Capital Acquisition to Carryover (8810)		346,900	271,900	purchases on the building that were budgeted for but
	Capitol Acq Prior Year Carryover Credit	(330,624)	(330,624)	(346,900)	will not be completed and will be carried over to the next
	MWDOC's Building Expense (8811)	1,259,057	410,410	1,870,000	year as a carryover credit.
	Building Expense to Carryover		848,647		• FY19-20 & FY20-21 carryover credit are the cumulative
	Building Prior Year Carryover Credit	(423,226)	(423,226)	(1,143,117)	dollars from prior years that were unspent and will be
		<u>1,990,103</u>	<u>1,924,479</u>	<u>1,794,186</u>	applied toward work projected to be completed in future

Reliability Planning and Engineering
21

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	629,997	532,935	507,799
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	177,357	147,542	160,522
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	325,000	252,000	265,000
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees			
7110	Conference - Employee			
7115	Conference - Directors			
7150	Travel & Accommodations - Employee			
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship			
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office Supplies			
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	and to WEROC Capital Improvements			
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	456	500
7650	Bank Fees			
7670	Miscellaneous Expenses	7,000	4,654	8,000
8810	Capital Acquisition			
	Total Expenditure	1,139,854	937,588	941,821

1 See Exhibit J

1

Metropolitan Issues and Water Policy

23

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	528,844	488,670	530,160
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	165,757	140,377	172,093
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training			
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services	110,000	25,600	75,000
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	and to WEROC Capital Improvements			
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	804,601	654,647	777,253

• See Exhibit J

Government Affairs
31

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	125,148	124,974	137,153
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	44,755	44,790	49,629
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	314,000	292,000	314,000
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	and to WEROC Capital Improvements			
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	14,200
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition			
	Total Expenditure	495,902	469,764	514,982

1 • BB&K \$ 96,000
• Barker \$ 96,000
• Travel/Miscellaneous \$ 8,000
• Lewis Consulting \$ 32,000
• Ackerman \$ 24,000
• Grant Research & Acquisition \$ 36,000
\$ 292,000

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 \$ 5,000
• WACO \$ 5,000
• D.C. Luncheon \$ 1,200
• D.C. Dinner \$ 3,000
\$ 14,200

Public Affairs
32

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	358,126	377,387	397,118	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	112,792	121,358	126,661	
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	241,133	216,133	270,352	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	56,500	56,500	76,500	2
7410	and to WEROC Capital Improvements				
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	450	450	
7650	Bank Fees				
7670	Miscellaneous Expenses	27,900	13,900	21,200	3
8810	Capital Acquisition				
	Total Expenditure	796,908	785,728	892,281	

1 Public Affairs Activities:	
• Resolutions/Proclamations	\$ 4,500
• Member Agency Workshops PAW	\$ 4,000
• Consumer Confidence Reports	\$ 41,852
• Event Registration Fees	\$ 12,500
• Delta Conveyance Program Support	\$ 30,000
• Wyland Mayors Challenge	\$ 10,000
• Scouts Program	\$ 7,500
• CA Water, Energy & Education Alliance	\$ 5,000
• Environmental Literacy Initiative	\$ 20,000
Subtotal	\$135,352

Communications Plan Activities:	
• Strategic Digital Outreach	\$ 95,000
• Advertising	\$ 20,000
• Special Events AV Support	\$ 20,000
Subtotal	\$135,000
	<u>\$270,352</u>

2 • Promotional Items, Branded Materials	
• Info Items Handouts, Books, Folders	\$ 30,000
• Poster Slogan Award & Ceremony	6,500
	<u>\$ 76,500</u>

3 • Ricki Maint and Repair	
• Event Display Materials	\$ 4,000
• Legislative Staff Trip Travel Costs	\$ 5,000
• Sponsorship Contingency Fund	\$ 5,000
• Storage Facility	\$ 3,000
• Science Fair Sponsorship	\$ 100
	<u>\$ 21,200</u>

**Water Use Efficiency
(Core)
35**

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	144,986	118,750	153,920
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	44,663	39,724	46,048
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	265,000	209,250	255,500
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	and to WEROC Capital Improvements			
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	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	485,759	373,724	461,469

1 • General Research	\$ 75,000
• Landscape Education	500
• Water Loss Control Work Grp	\$ 55,000
• WLC Business Plan Implement	\$ 25,000
• Aerial Imagery and Landscape Measurement Project	<u>\$100,000</u>
	\$255,500

General Finance
41

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	354,005	347,392	396,085
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	107,054	106,057	134,025
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	29,240	19,767	29,725
7040	Other Professional Fees	91,000	45,363	112,750
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	and to WEROC Capital Improvements			
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	582,299	518,979	673,584

1 • Annual Audit	\$ 20,162
• Single Audit	\$ 4,563
• WUE Grant Review	\$ 5,000
	<u>\$ 29,725</u>

2 • Custodial Bank fees	\$ 6,500
• Financial Consulting	\$ 20,000
• OPEB Actuarial	\$ 3,750
• Rate Study	\$ 82,500
	<u>\$ 112,750</u>

Information Technology
45

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET	
6010	Salaries & Wages - Admin	115,761	118,561	124,804	
6090	Directors Compensation - MWDOC				
6095	Directors Compensation - MWD				
6105	Benefits - Admin	41,365	42,478	44,857	
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				3 • Laserfiche WORM Storage Cloud Backup \$ 1,000
7210	Membership / Sponsorship				• Exchange and AD Monitoring Software \$ 2,000
7250	CDR Participation				• MWDOC Website Support & Enhancements \$ 15,000
7310	Office Maintenance				• Investment software usage cost \$ 2,340
7320	Rents & Leases				• Accufund Annual Support \$ 9,600
7330	Office Supplies				• Wireless Aps and Router \$ 4,500
7340	Postal / Mail Delivery				• ACT Annual Support \$ 2,000
7350	Subscriptions / Books				• ECS Laserfiche Annual Support \$ 5,000
7360	Reproduction Expense				• Arcserv UDP License Renewal (2) \$ 2,000
7410	and to WEROC Capital Improvements	8,000	6,000	8,000	• HR Insight Software Annual Maintenance \$ 5,000
7430	Software Purchase	34,500	32,000	42,000	\$ 48,440
7440	Software Support	59,134	59,000	47,640	
7540	Computers and Equipment	45,750	40,000	31,550	
7580	Maintenance Expense				4 • Cisco Core Switch Replacement \$ 6,000
7610	Automotive / Mileage				• 6 Desktop Computers w/ Monitors \$ 8,000
7615	Toll Road Charges				• RICOH Color Printer Support \$ 350
7620	Insurance Expense				• Message Archiver for E-mail (5 yrs) \$ 7,000
7640	Utilities - Telephone				• Four Hard Drives for Data Server \$ 1,600
7650	Bank Fees				• Maintenance for Plotter \$ 600
7670	Miscellaneous Expenses	2,000	2,000	2,000	• Firewall for Wireless Network \$ 4,500
8810	Capital Acquisition			79,200	• 2 Laptop Computers \$ 3,500
	Total Expenditure	306,509	300,040	380,051	\$ 31,550

**Water Use Efficiency
(choice)
62**

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
4215	Choice Revenue	754,860	754,860	901,008
4705	Prior Year Carry over	119,657	119,657	
	Choice billing over/under		(58,882)	
	Total Revenue	874,517	815,635	901,008

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2020 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2019-2020 PROPOSED BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	424,388	400,820	415,748
6012	Salaries & Benefits - Recovery from Grants	(5,500)		
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	118,725	108,878	119,517
	Overhead Reimbursement	188,532	181,315	231,770
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	141,972	118,322	127,572
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	400	300	400
7350	Subscriptions / Books			
7360	and to WEROC Capital Improvements			
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	6,000	6,000
8810	Capital Acquisition			
	Total Expenditure	874,517	815,635	901,008

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

2 • Marketing of WUE programs \$ 40,000
 • Residential Installation Verification Inspec \$ 35,000
 • Turf Rebate Processing Platform - Droplet \$ 39,072
 • Drip Rebate Processing Platform - Droplet \$ 6,000
 • E-Signature Rebate Processing \$ 7,500
\$ 127,572

**School Program
(choice)
63**

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
4215	Choice Revenue	256,276	256,276	444,579
4205	School Contracts	118,213	118,213	
4705	Prior Year Carry over	63,072	63,072	
	Choice billing over/under		3,098	
	Total Revenue	437,561	440,659	444,579

Choice billing over/under reflects revenue overage or shortfall to be reconciled with participating member agencies. Final charges will be revised by August 2020 to reflect the new budget year charges plus/minus prior year over/under.

		FY 2019-2020 PROPOSED BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	7,321	9,133	5,645
6105	Benefits - Admin	1,976	3,033	1,882
	Overhead Reimbursement	3,351	3,579	3,259
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	424,913	424,913	433,794
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	and to WEROC Capital Improvements			
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	437,561	440,659	444,579

1 • High Schools	\$ 61,500
• Elementary Schools	\$ 311,277
• Middle Schools	61,017
	<u>\$ 433,794</u>

**Water Loss Control
(choice)
70**

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
4215	Choice Revenue	278,757	278,757	260,693
4705	Prior Year Carry over			
	Choice billing over/under		(9,634)	
	Total Revenue	278,757	269,123	260,693

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

		FY 2019-2020 PROPOSED BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	103,680	98,061	120,521
	Salaries & Wages - Reimb. from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	42,955	23,944	31,010
	Overhead Reimbursement	32,109	47,052	65,613
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	2,000	2,000	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	6,200	10,000
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense			
7410	Computer & Peripherals Maint			
7430	Software Purchase			15,000
7440	Software Support			
7450	Software Development			
7510	Site Maintenance			
7540	Computers and Equipment	3,700	2,400	2,000
7580	Maintenance Expense			
7610	Automotive / Mileage			
7612	Vehicle Expense	13,160	5,246	6,350
7615	Toll Road Charges	1,500	500	1,000
7620	Insurance Expense			
7640	Utilities - Telephone	1,440	1,200	1,200
7650	Bank Fees			
7670	Miscellaneous Expenses	6,000	6,000	6,000
8410	Overhead Reimbursement			
8610	Depreciation Expense			
8710	Election Expenses			
8810	Capital Acquisition	70,180	76,519	
	Total Expenditure	278,757	269,123	260,693

1 • Water Balance Validation Cert.

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

3 • CMMS System

4 • Vehicle Fuel & Oil	\$ 5,000
• GPS Vehicle Tracking	\$ 1,000
• Auto Insurance	\$ 350
	<u>\$ 6,350</u>

5 • 2 Cell Phones

6 • See Exhibit H

**WEROC
25**

		FY 2019-2020 BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
4320	MWDOC Contribution to Operations	228,978	228,978	241,236
4210	WEROC Contracts	228,978	228,978	241,236
4205				
4230	Reimbursements			
4240				
4410				
4805				
	Operational Revenue	457,956	457,956	482,472
	Operational Reserves to Capital			
	Capital Projects Carryover	150,219	150,219	
	MWDOC Contribution to Capital Improvements	44,389	44,389	
	TOTAL WEROC Revenue	652,564	652,564	482,472

1 • OCSD \$ 47,282
 • SOCWA \$ 18,334
 • OCWD \$ 120,618
 • 3 Cities -- \$18,334 ea \$ 55,002
\$ 241,236

3 • WEROC Reserves
 4 • See Exhibit H

		FY 2019-2020 PROPOSED BUDGET	FY 2019-2020 PROJECTED ACTUALS	FY 2020-2021 PROPOSED BUDGET
6010	Salaries & Wages - Admin	267,463	268,101	320,354
	Salaries & Benefits - Recovery from Grants			
6090	Directors Compensation - MWDOC			
6095	Directors Compensation - MWD			
6105	Benefits - Admin	82,520	78,056	103,786
6115	Benefits - Directors			
6120	Health Insurance Coverage for Retirees			
6205	Training	1,150	1,375	8,226
6210	Tuition Reimbursement			
6220	Temporary Help			
7010	Engineering - Outside Services			
7020	Legal - General			
7030	Audit			
7040	Other Professional Fees	30,000	44,120	-
7110	Conference - Employee	2,800	2,800	3,800
7115	Conference - Directors			
7150	Travel & Accommodations - Employee	8,380	5,182	4,750
7155	Travel & Accommodations - Director			
7210	Membership / Sponsorship	1,105	1,105	1,105
7250	CDR Participation			
7310	Office Maintenance			
7320	Rents & Leases			
7330	Office & Radio Supplies	1,000	1,397	1,800
7340	Postal / Mail Delivery			
7350	Subscriptions / Books			
7360	Reproduction Expense	1,000	1,000	1,000
7410	Computer & Peripherals Maint	5,060	5,060	5,060
7430	Software Purchase			
7440	Software Support	7,441	7,088	9,491
7510	Site Maintenance	900	947	900
7540	Computers and Equipment			
7580	Maintenance - Generators	2,000	500	1,000
7581	Maintenance - Radios	1,838	1,838	2,000
7582	Maintenance - EOC's	2,000	2,056	2,000
7610	Automotive / Mileage	1,000	2,187	3,000
7615	Toll Road Charges	213	204	200
7620	Insurance Expense			
7640	Utilities - Telephone	10,000	13,106	10,000
7650	Bank Fees			
7670	Miscellaneous Expenses	1,000	1,005	1,000
7671	Miscellaneous Training	3,000	3,322	3,000
8810	Capital Acquisition			
	Operations Expenditure	429,870	440,450	482,472
	Contribution to Operating Reserves	28,086	-	
	Total Operations Budget	457,956	440,450	482,472
	Capital Expenditures	194,608	38,753	
	TOTAL Expenditures	652,564	479,203	482,472

5 • See Exhibit J

6 • See Exhibit E

7 • See Exhibit D

8 • See Exhibit H

Exhibit D

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Proposed District Participation Costs
Fiscal Year 2020-2021**

	Budget FY 2019-2020	Projected FY 2019-2020 Actuals	Budget FY 2020-2021	Approval included in Budget Approval
Required Participation or Service				
LAFCO	\$ 28,000	\$ 27,233	\$ 38,431	√
Subtotal Cost Center 11	\$ 28,000	\$ 27,233	\$ 38,431	
Association of Calif. Water Agencies (ACWA)	\$ 19,736	\$ 21,610	\$ 22,691	√
South OC Watershed Management Area Dues	\$ 10,500	\$ 10,500	\$ 10,800	√
Subtotal Cost Center 12	\$ 30,236	\$ 32,110	\$ 33,491	
Subtotal - Required Participation or Service	\$ 58,236	\$ 59,343	\$ 71,922	
Elective Participation				
Colorado River Water Users Assn. (CRWUA 2-Directors)	\$ 72	\$ 30	\$ 60	√
Orange County Water Association (OCWA 4 Directors)	\$ -	\$ 70	\$ 280	√
Subtotal Cost Center 11	\$ 72	\$ 100	\$ 340	
Association of California Cities- Orange County (ACCOC)	\$ 5,279	\$ 5,279	\$ 5,500	√
American Water Works Association (AWWA)	\$ 1,720	\$ 1,729	\$ 1,800	√
Association of Metropolitan Water Agencies (AMWA)	\$ -	\$ 20,426	\$ 21,447	√
CA Chamber of Commerce (HR California)	\$ 481	\$ 541	\$ 568	√
CALDESAL	\$ 5,125	\$ 5,000	\$ 5,150	√
California Association of Public Information Officers (CAPIO)	\$ 765	\$ 225	\$ 825	√
California Council for Environmental & Economic Balance (CCEEB)	\$ -	\$ 24,500	\$ 25,725	√
California Environmental Literacy Initiative		\$ 2,500	\$ 2,500	√
California Municipal Treasurers Association (CMTA)	\$ 160	\$ 160	\$ 170	√
California Municipal Utilities Association (CMUA)	\$ 8,000	\$ 4,240	\$ 4,450	√
California Society of Municipal Finance Officers (CSMFO)	\$ 130	\$ 110	\$ 120	√
California Special Districts Assn. (CSDA)	\$ 7,433	\$ 7,615	\$ 7,996	√
CA Water Efficiency Partnership (formerly CA Urban Water Cnsv Cncl)	\$ 12,775	\$ 6,100	\$ 6,100	√
California Water, Energy and Education Alliance (CWEEA)	\$ -	\$ 2,500	\$ 2,500	√
Colorado River Water Users Assn. (CRWUA 3-staff)	\$ 108	\$ 90	\$ 90	√
Department of Water Resources Education Committee		\$ 2,500	\$ 2,500	√
Government Finance Officers Association (GFOA)	\$ 170	\$ 160	\$ 170	√
Indep. Special Districts of Or. Co. (ISDOC)	\$ 50	\$ 50	\$ 55	√
International Association of Business Communicators (IABC)	\$ 350	\$ 350	\$ 370	√
International Personnel Management Association (IPMA)	\$ 50	\$ 50	\$ 55	√
National Endangered Species Act Reform Coalition (NESARC)	\$ 1,000	\$ 1,000	\$ -	√
National Water Resources Assn., Mun. Caucus	\$ 510	\$ 510	\$ 535	√
OC Chapter-Calif. Landscape Contractors Assoc.	\$ 1,835	\$ 1,835	\$ 1,835	√
Orange County Business Council (OC Chamber)	\$ 5,125	\$ 5,000	\$ 5,150	√
Orange County Public Affairs Association (OCPAA)	\$ 205	\$ 205	\$ 615	√
Orange County Water Association (OCWA)	\$ 105	\$ 105	\$ 110	√
Public Relations Society of America/O.C. (PRSA)	\$ 728	\$ 1,020	\$ 1,600	√
Society of Human Resources Management (SHRM)	\$ 214	\$ 209	\$ 220	√
Southern California Personnel Management Assoc. (SCPMA)	\$ 55	\$ 55	\$ 60	√
South Orange County Economic Coalition (SOCEC)	\$ 1,530	\$ 1,530	\$ 1,600	√
Southern California Water Committee (SCWC)	\$ 865	\$ 865	\$ 900	√
Urban Water Institute	\$ 1,250	\$ 1,250	\$ 1,300	√
Water Environment Federation	\$ 50	\$ 50	\$ 55	√
Water Education Foundation	\$ 590	\$ -	\$ -	
Subtotal Cost Center 12	\$ 56,658	\$ 97,759	\$ 102,071	
Subtotal - Elective Participation	\$ 56,730	\$ 97,859	\$ 102,411	
International Association of Emergency Managers	\$ 380	\$ 380	\$ 380	√
California Emergency Services Association	\$ 225	\$ 225	\$ 225	√
California Utilities Emergency Association	\$ 500	\$ 500	\$ 500	√
WEROC Program Total	1,105	1,105	1,105	
GRAND TOTAL - General Fund	\$ 114,966	\$ 157,202	\$ 174,333	

Exhibit E

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY Summary of Proposed Staff Registration & Travel Budget ⁽¹⁾ Fiscal Year 2020-2021

Conference / Meeting	Location/Date/Staff	Registration	Travel ⁽¹⁾	Approval included in
				Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, TBD (4 staff)	\$ 2,980	\$ 7,200	✓
	staff)	4,500	5,400	✓
	Spring Conference, May 4-7, 2021, Monterey, Ca (3 staff)	2,250	3,000	✓
	Region 10, TBD (1 trips)	80	-	
	Legislative Symposium, TBD (2 staff)	570	2,400	✓
Association of Metropolitan Water Agencies(AMWA)	Misc. Conference TBD (1 Staff)	950	1,800	✓
	Water Policy Conference TBD (1 Staff)	950	1,800	✓
American Water Works Association (AWWA)	National Water Infrastructure Conference, Nov 2-5, 2020, Philadelphia, PA (2 Staff)	1,150	2,000	✓
	Cal Nevada Spring Conference, TBD, (4 staff)	2,300	6,400	✓
	ACE Annual Conference , San Diego, Ca, June 13-16,2021 (2 staff)	1,150	1,800	✓
	Sustainable Water Management 2021, TBD (2 Staff)	1,150	3,200	✓
AWWA/Water Environment Federation	Utility Management Conference TBD (1 staff)	725	1,200	✓
California Association of Public Information Officials (CAPIO)	Northern California, TBD, (3 staff)	1,875	1,870	✓
California Council for Environmental & Economic Balance (CEEB)/CED	Meetings, TBD (5 Trips)	-	6,000	✓
California Environmental Literacy Initiative	Sacramento Ca, (3 trips)		1,500	✓
California Employees Public Retirement System(CalPERS)	Annual Employer Education Forum, Anaheim, Ca September 30, October 2, 2020 (2 Staff)	800	-	✓
California Municipal Utilities Association (CMUA) Capitol Days	Sacramento, TBD (1 staff)	195	800	✓
California Municipal Utilities Association (CMUA) Annual Conference	April 11-13, 2021, San Diego, Ca (2 staff)	1,800	1,000	✓
Colorado River Water Users Association (CRWUA)	Las Vegas - December 14-16, 2020 (4 staff)	2,000	4,000	✓
California Special Districts Association (CSDA)	Legislative Days, TBD, Sacramento (2 staff)	400	2,000	✓
California Water Efficiency Partnership (CalWEP) Membership (formerly CUWCC)	Membership Meetings, 1=No. Cal & 2=So. Cal (3 trips)		600	✓
	Board Meetings, 2=No. Cal & 2=So. Cal (4 trips)		1,200	✓
	Peer to Peer, TBD, (5 staff)	1,400	3,500	✓
Department of Water Resources Education Committee	Sacramento, (2 trips) (2 staff)		3,000	✓
Department of Water Resources (DWR)/State Water Resources Control Board (SWRCB)	Urban Advisory Group Meetings, Sacramento (6 trips)		3,000	✓
Legislative Advocacy	Sacramento, (20 trips)		10,000	✓
	Washington DC (3 trips)	-	5,400	✓
Liebert, Cassidy Whimore	Annual Public Sector Conference, TBD	800	600	✓
Urban Water Institute	Spring Conference, TBD(4 Staff)	2,300	2,000	✓
Miscellaneous*		3,500	4,000	✓
General Fund Total **		\$ 33,825	\$ 86,670	
Conferences/Meetings/Trainings				
International Assoc. of Emergency Managers	Long Beach, Ca November 13-18, 2020 (3 staff)	\$ 2,400	\$ 350	✓
California Emergency Services Association (Fall)	Fish Camp, Ca, October 5-8, 2020, (2 staff)	1,400	3,200	✓
TEEX Mgt346/Mgt 314 (College Station)	College Station, TX, September 14-18, 2020 (1 Staff)	-	1,200	✓
WEROC Program Total		\$ 3,800	\$ 4,750	
PROPOSED GENERAL FUND BUDGET		\$ 33,825	\$ 86,670	

* 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 2020-2021**

Conference	Location/Date/Directors	Registration	Travel ⁽¹⁾	Approval included in Budget Approval
Association of California Water Agencies (ACWA)	DC Conference, TBD (2 Directors)	\$ 1,490	\$ 4,000	√
	Fall Conference, Indian Wells, December 1-4, 2020, (2 Directors)	\$ 1,500	\$ 1,800	√
	Spring Conference, May 4-7, 2021, Monterey, Ca (3 Directors)	\$ 2,250	\$ 4,800	√
	Region 10, TBD (2 Directors)	\$ 150	\$ -	√
(ACCOC)	Sacramento, TBD (2 Directors)	\$ 1,600	\$ 1,000	
	Washington DC, TBD (3 Directors)	\$ 3,825	\$ 2,400	√
American Water Works Association/Water Environment Federation (AWWA/WEF)	Utility Management Conference, TBD (1 Director)	\$ 725	\$ 1,200	√
Bond Buyers	Conference, TBD (2 Directors)	\$ 550	\$ 400	√
California Council for Environmental & Economic Balance (CEEBC)	Meetings, TBD (5 Trips)	\$ -	\$ 6,000	√
California Special Districts Association (CSDA)	Legislative Days, Sacramento (1 Director)	\$ 200	\$ 1,000	√
Colorado River Water Users Association(CRWUA)	Las Vegas, December 14-16, 2020 (2 Directors)	\$ 1,000	\$ 2,000	√
Orange County Business Council (OCBC)	Advocacy Trip, Sacramento, (3 Directors)	\$ 2,850	\$ 1,500	√
	Advocacy Trip-DC (2 Directors)	\$ 3,600	\$ 1,600	√
Legislative Advocacy	Sacramento (4 Trips)	\$ -	\$ 2,000	√
Legislative Advocacy	Washington DC (3 trips)	\$ -	\$ 5,400	√
Urban Water Institute	Spring Conference, (3 Directors)	\$ 1,725	\$ 1,500	√
Miscellaneous*		\$ 2,500	\$ 3,000	√
TOTAL**		\$ 23,965	\$ 39,600	

PROPOSED GENERAL FUND BUDGET

\$ 23,965	\$ 39,600
------------------	------------------

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

** Excludes automotive mileage.

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

Exhibit G

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Proposed Total Membership that Includes Registration & Travel Costs ⁽¹⁾ Fiscal Year 2020-2021

Conference / Meeting	Membership	Registration	Travel	Total
American Water Works Association (AWWA)	\$ 1,800	\$ 7,200	\$ 15,800	\$ 24,800
Association of California Cities- Orange County (ACCOC)	5,500	5,425	3,400	14,325
Association of Calif. Water Agencies (ACWA)	22,691	15,770	28,600	67,061
Association of Metropolitan Water Agencies (AMWA)	21,447	1,900	3,600	26,947
California Association of Public Information Officers (CAPIO)	825	1,875	1,870	4,570
California Council for Environmental & Economic Balance	25,725		12,000	37,725
California Environmental Literacy Initiative	2,500		1,500	4,000
California Municipal Utilities Association (CMUA)	4,450	1,995	1,800	8,245
California Special Districts Assn. (CSDA)	7,996	600	3,000	11,596
California Water Efficiency Partnership	6,100	1,400	5,300	12,800
Colorado River Water Users Assn. (CRWUA)	90	3,000	6,000	9,090
Department of Water Resources Education Committee	2,500		3,000	5,500
Orange County Business Counsel (OC Chamber)	5,150	6,450	3,100	14,700
Urban Water Institute	1,300	4,025	3,500	8,825
Grand Total for Memberships with Conferences/Travel:	\$ 108,074	\$ 49,640	\$ 92,470	\$250,184

(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 2020-2021

	Proposed Budget	Approval included in <u>Budget Approval</u>
Finance - 45-8810:		
Accufund ERP Software and Implementation	\$ 79,200	√
Subtotal Cost Center 45	\$ 79,200	
Furniture and Fixtures- 19-8810:		
MWDOC Office Improvements (Audio-Visual Equipment/ Workstations/Furnishings)	\$ 1,870,000	√
* Prior Year Projects Carryover from FY2017 through FY2021	<u>\$ (1,143,117)</u>	√
Subtotal 8810 Improvements	\$ 726,883	
Building Improvements- 19-8811:		
Eval / Design / Roof / Seismic / Construction	\$ 346,900	√
* Prior Year Projects Carryover from FY2017 through FY2021	<u>(346,900)</u>	√
Subtotal 8811 Improvements	-	
New Realized Costs - Cost Center 19	\$ 726,883	

* Prior year projects carryover is the cumulative dollars from prior years that will be applied toward work projected to be completed in FY20-21.

Exhibit J
Professional / Special Services Authorized
Core Fund

Department	Consultant	Service	Budget FY 19-20	Budget FY 20-21	* Approval included in Budget Approval
Engineering Expenses					
Planning & Operation (21)	(To be determined)	Hydraulic Model	151,000	165,000	
	(To be determined)	Other Engineering Efforts	174,000	100,000	
Total Planning & Operations Expenses			325,000	265,000	
Met Issues & Special Projects (23)	Ed Means Consulting	Consulting on MET issues	45,000	25,000	√
	(To be determined)	MET and Reliability Planning	65,000	50,000	
Total MET Issues & Special Projects Expenses			110,000	75,000	
Total Engineering Expenses			435,000	340,000	
Legal Expenses					
Administration (11 & 13)	Best, Best & Krieger	General Legal Counsel Services	182,500	185,500	√
	Aleshire & Wynder	Legal Counsel Services Regarding San Diego CWA	12,500	15,000	√
	Best, Best & Krieger	Labor Counsel Services	5,000	10,000	√
Total Legal Expenses			200,000	210,500	
Audit Expenses					
Finance (41)	Vasquez & Company LLP	Annual Financial Audit and Federal Single Audit	29,240	29,725	√
Training					
Administration (13)	TBD/Cal State University Fullerton/Municipal Resources Group/Center for Organization Effectiveness/CPS HR Consulting	Staff Development/Technical Training/Leadership Training	30,000	62,500	√
Professional Fees					
Administration (12 & 13 & 19)	Dissinger Associates	Pension Plan Administration	4,500	4,000	√
	Wage Works	Cafeteria Plan Administration	2,312	2,400	√
	Ralph Anderson & Associates	Benchmark Study		36,000	√
	Gladwell Services	Records Management Consulting	2,500	1,200	√
Governmental Affairs (31)	BBK Legislation	State Legislative Advocate	96,000	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	40,633	41,852	√
	So Cal Water Coalition	Delta Conveyance Program Support	30,000	30,000	√
	(To be determined)	Collateral materials update and resolutions/proclamations	4,500	4,500	
	(To be determined)	Event Registration Fees	4,500	12,500	
	Hashtag Pinpoint	Strategic Digital Outreach Contract	95,000	95,000	√
	(To be determined)	CA Water, Energy & Education Alliance		5,000	
	(To be determined)	Client Agency Workshops for PAW	6,500	4,000	
	(To be determined)	Wyland Mayors Challenge	10,000	10,000	
	PSAV	Special Events AV Support	15,000	20,000	√
	(To be determined)	Advertising	20,000	20,000	
WUE - Core (35)	(To be determined)	General WUE Research	75,000	75,000	
	Blue Watchdog Conservation, Inc	Landscape Education - QWEL License	5,000	500	√
	Water Systems Optimization	Water Loss Control Work Grp (WLC)	55,000	55,000	√
	Water Systems Optimization	WLC Business Plan Implementation	30,000	25,000	√
	SAWPA	Aerial Imagery and Landscape Measurement Project	100,000	100,000	√
Finance & IT (41 & 45)	U.S. Bank	Custodial Bank fees	6,500	6,500	√
	(To be determined)	Business Continuity Consultant	40,000		
	Davis Farr	Financial Consulting	40,000	20,000	√
	Demsey Filliger & Assoc., LLC	OPEB Actuarial	4,500	3,750	√
	(To be determined)	Rate Study		82,500	
Total Professional Fees			920,445	996,202	

WEROC

Department	Consultant	Service	Budget FY 19-20	Budget FY 20-21	* Approval included in Budget Approval
Professional Fees					
WEROC	(To be determined)	Consultant for Security Act Implementation	30,000		
Total Professional Fees			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 19-20	Budget FY 20-21	* Approval included in Budget Approval
Training					
Water Loss Control (70)	(To be determined)	Water Balance Validation Certification	2,000	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	14,400		√
	Droplet	Web Based Rebate Processing Platform (Turf & Drip)	45,072	45,072	√
	Droplet	E-Signature Rebate Processing	7,500	7,500	√
	Mission Resource Cnsvr District	Residential Installation Verification Inspections	35,000	35,000	√
School Program (63)	Discovery Cube/Shows That	Assemblies (Elementary School)	305,651	311,277	√
	Bolsa Chica Conservancy	Assemblies (High School)	60,000	61,500	√
	Discovery Cube	Assemblies (Middle School)	59,262	61,017	√
Total Professional Fees			566,885	561,366	

* 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 2019-2020 Consolidated Budget Summary**

	Core & Choice	Water Fund	WUE Grants and Outside Funding	WEROC	AMP Proceeds Agreement Administration	Total with Inter-Fund Transfers ⁽¹⁾	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	598,248					598,248		598,248
Water Increment Charge	-					-		-
Interest Revenue	580,000	20,000				600,000		600,000
MWDOC'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	10,852,611	246,432,996	2,370,147	652,564	-	260,308,318	(273,367)	260,034,951
Expenses:								
Water Purchases		246,412,996				246,412,996		246,412,996
Salaries & Wages	4,055,637			267,463		4,323,100		4,323,100
less S & W Reimb. DSC or Recov from Grants	(5,500)					(5,500)		(5,500)
Employee Benefits	1,470,174			82,520		1,552,694		1,552,694
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	114,966					116,071		116,071
Director Compensation	268,133			1,105		268,133		268,133
MWDOC Contribution to WEROC Operations	228,978					228,978	(228,978)	-
MWDOC 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	40,535			2,800		43,335		43,335
Conference Expense - Directors	28,440					28,440		28,440
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	89,131			8,380		97,511		97,511
Travel & Accommodations - Directors	46,625					46,625		46,625
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC 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	2,025,632			266,738		2,292,370		2,292,370
Total Expenses	10,808,543	246,412,996	2,370,147	652,564	-	260,244,250	(273,367)	259,970,883
EFFECT ON RESERVES / FUND BALANCE	\$ 44,068	\$ 20,000	(2)	\$ -	\$ -	\$ 64,068	\$ -	\$ 64,068

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 2020-2021 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		\$ 229,079,152				\$ 229,079,152		\$ 229,079,152
Local Resource Program Incentives		(4,861,259)				(4,861,259)		(4,861,259)
Retail Meter Charge	7,934,159					7,934,159		7,934,159
Ground Water Customer Charge	599,111					599,111		599,111
Water Increment Charge	-					-		-
Interest Revenue	458,000	22,000				480,000		480,000
MWDOC's Contribution	-		1,579,934	241,236	-	241,236	(241,236)	-
Outside Fundings	-			241,236		1,821,170		1,821,170
Carryover Funds	1,606,280			-		1,606,280		1,606,280
Choice Revenue	3,000					3,000		3,000
Miscellaneous Income								
Total Revenues	10,600,550	224,219,893	1,579,934	482,472	-	236,882,849	(241,236)	236,641,613
Expenses:								
Water Purchases		224,197,893				224,197,893		224,197,893
Salaries & Wages	4,134,347			320,354		4,454,701		4,454,701
less S & W Reimb. DSC or Recov from Grants	-					-		-
Employee Benefits	1,539,963			103,786		1,643,749		1,643,749
Engineering Expense	340,000					340,000		340,000
Professional Fees	1,557,568					3,137,502		3,137,502
Contribution to Election Reserve	-		1,579,934			-		-
Legal Expense - General	210,500					210,500		210,500
Maintenance Expense	146,420			3,900		150,320		150,320
Insurance Expense	110,000					110,000		110,000
Membership / Sponsorship	174,333			1,105		175,438		175,438
Director Compensation	265,548					265,548		265,548
MWDOC Contribution to WEROC Operations	241,236					241,236	(241,236)	-
MWDOC Contribution to WEROC Capital Improv	-					-		-
Others:								
MWD Representation	161,097					161,097		161,097
Director Benefits	110,030					110,030		110,030
Health Insurance Coverage for Retirees	87,449					87,449		87,449
Audit Expense	29,725					29,725		29,725
Automotive & Toll Road Expenses	28,850			3,200		31,850		31,850
Conference Expense - Staff	33,825			3,800		37,625		37,625
Conference Expense - Directors	23,965					23,965		23,965
CDR Participation	53,158					53,158		53,158
Business Expense	4,500					4,500		4,500
Miscellaneous Expense	115,000			6,000		121,000		121,000
Postage / Mail Delivery	9,300					9,300		9,300
Rents & Leases	1,750					1,750		1,750
Outside Printing, Subscription & Books	84,700			1,000		85,700		85,700
Office Supplies	49,000			1,800		50,800		50,800
Computer Maintenance	8,000			5,060		13,060		13,060
Software Support & Expense	104,640			9,491		114,131		114,131
Computers and Equipment	33,550					33,550		33,550
Telecommunications Expense	30,850			10,000		40,850		40,850
Temporary Help Expense	5,000					5,000		5,000
Training Expense	64,500			8,226		72,726		72,726
Tuition Reimbursement	5,000					5,000		5,000
Travel & Accommodations - Staff	86,670			4,750		91,420		91,420
Travel & Accommodations - Directors	39,600					39,600		39,600
Depreciation Expense (annualized)	-					-		-
Overhead Expenses billed to AMP and WFC	-					-		-
Overhead Reimbursement	-					-		-
MWDOC Building Expense	726,883					726,883		726,883
Contribution to Operating Reserves								
Capital Acquisition	79,200					79,200		79,200
All Other Expenses	1,976,042			53,327		2,029,369		2,029,369
Total Expenses	10,695,957	224,197,893	1,579,934	482,472	-	236,956,256	(241,236)	236,715,020
EFFECT ON RESERVES / FUND BALANCE	\$ (95,407)	\$ 22,000	(2)	\$ -	\$ -	\$ (73,407)	\$ -	\$ (73,407)

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



March 26, 2020

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

Re: Comments on Proposed MWDOC Fiscal Year 2020-21 Budget

Rob:

On April 8, 2020, MWDOC staff will review a third draft of the MWDOC Fiscal Year (FY) 2020-21 budget with the Administration and Finance Committee. The purpose of this letter is to provide written recommendations to you and the MWDOC Board to assist in finalizing the budget to meet the needs of both MWDOC and its member agencies while being sensitive to the ongoing financial hardships being experienced across Orange County communities. Following are specific recommendations related to the development of a county-wide hydraulic model, travel related expenses, and the cost of public affairs programs that would result in a reduction in MWDOC's retail meter charge.

Hydraulic Model:

The proposed FY 2020-21 budget includes funding for professional services associated with the development of a hydraulic model for use by member agencies as proponents of local projects. While the model might also be used to study shutdown operations or periods of nitrification, it is clear that the primary purpose would be to evaluate local projects. IRWD recommends that the development and calibration of the model be established as a "Choice Program" to be paid for by those directly benefiting from the projects. Information presented to the MWDOC Board on March 18 indicated that shifting the cost of the development and calibration of the model to a "Choice Program" would reduce the "Core" budget by as much as \$130,000 and make available up to \$75,000 in carry over funds from FY 2019-20.

Travel Expenses:

The proposed FY 2020-21 budget includes \$156,570 for staff and director travel and accommodations that would be allocated to the "Core" budget. This represents a 23% increase over FY 2019-20 projected actuals of \$126,900. IRWD recommends that MWDOC not increase its budget for travel and accommodations but instead look for opportunities to reduce staff and director attendance at conferences as well as legislative trips to Washington D.C. and

Mr. Robert Hunter, General Manager
Municipal Water District of Orange County
March 26, 2020
Page Two

Sacramento. MWDOC's efforts in Washington D.C. and Sacramento should focus on supporting the ongoing advocacy efforts of its member agencies.

Public Affairs:

MWDOC's proposed budget also includes a 15% increase over projected actual costs for FY 2019-20 for its Public Affairs programs. The \$123,000 increase is affected by higher professional fees and reproduction costs. IRWD recommends that MWDOC scrutinize the need for these increases and accordingly reduce its budget.

IRWD estimates that if MWDOC were to accommodate the above recommended revisions to its FY 2020-21 budget, it could reduce its per retail meter charge from FY 2019-20 levels. Taking action to reduce the retail meter charge, rather than to increase it by \$0.35 as currently proposed by MWDOC, would help take pressure off the retail water agencies to increase rates while mitigating the ongoing financial hardships being experienced by all communities in MWDOC's service area.

Thank you for the opportunity to review the proposed MWDOC FY 2020-21 Budget, and if you have any questions related to the comments provided, please contact me at (949) 453-5590.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul A. Cook', is written over a horizontal line.

Paul A. Cook, P.E.
General Manager

cc: MWDOC Board of Directors

DIRECTORS

DENIS R. BILODEAU, P.E.
JORDAN BRANDMAN
CATHY GREEN
DINA L. NGUYEN, ESQ.
KELLY E. ROWE, C.E.G., C.H.
VICENTE SARMIENTO, ESQ.
STEPHEN R. SHELDON
TRI TA
ROGER C. YOH, P.E.
AHMAD ZAHRA



ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

OFFICERS

President
VICENTE SARMIENTO, ESQ.
First Vice President
CATHY GREEN
Second Vice President
STEPHEN R. SHELDON
General Manager
MICHAEL R. MARKUS, P.E., D.WRE

March 25, 2020

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

SUBJECT: Fiscal Year 2020-21 Budget Preparation

Dear Mr. Hunter:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing its FY2020-21 rates and budget and has been describing this work to its member agencies over the past couple months. The Orange County Water District (OCWD; the District) would like to provide the following comments for your Board's consideration at this time:

1. Under the discussion for the Reliability Planning & Engineering (Cost Center 21) regarding the Local Supply Integration and Reliability paragraph, you state that the primary goal of the hydraulic model is to achieve self sufficient supplies to meet demands by member agencies for up to 60 days without the MET system being available while avoiding unintended consequences. Since this primary goal pertains mainly to South County needs and has no benefit for north or central Orange County, OCWD asks that this activity be a Choice Item.
2. OCWD wants to make it clear that any activity or future MWDOC endeavor regarding the Doheny Desalination Project be handled as a Choice Item.
3. Please explain how the 5.68% compensation pool is spread to the Cost Center budgets? As an example, the Salary & Wages of Cost Center 12 (Administrative-General) increases 17.8%, Cost Center 32 (Public Affairs) increases 11.3% while Cost Center (23) Metropolitan Issues and Water Policy increases by only 0.3%. If the head count remains the same this implies each employee in those departments will receive that percentage wage increase.

4. This current fiscal year MWDOC is projecting to spend \$67,937 on Staff Technical Training & Leadership Development Training which is 226% over the current year budget and proposes to increase the budget to \$92,500 for next year. OCWD would like an explanation as how many staff were trained this current year and how many are proposed to be trained next year.
5. The proposed increase to the Public Affairs budget shows an increase of 16.1% (\$128,744) overall even though this years' actual costs are only 0.7% over budget. OCWD would suggest that there be no increase to the departments budget, which would result in an approximately \$120,000 savings. We would also suggest that the department handle its social media with internal staff, which would result in an additional cost savings of \$95,000.
6. In reviewing the memberships in the budget OCWD suggests that MWDOC drop its membership in the Association of Metropolitan Water Agencies (AMWA) and the California Council for Environmental & Economic Balance (CCEEB). The dues for these two groups are \$47,172 and the associated travel to conferences/meetings is \$24,250. If these two memberships were eliminated from the budget it would result in a savings of \$71,422.
7. In reviewing the travel budget OCWD has the following suggestions:
 - a. That MWDOC reduce the staff legislative advocacy trips to Washington D.C. from 8 (6 MWDOC, 1 ACCOC and 1 OCBC) to 4 for a total savings of \$7,200.
 - b. That MWDOC reduce the staff legislative advocacy trips to Sacramento from 28 (24 MWDOC, 1 ACCOC, 1 OCBC and 2 ACWA Symposiums) to 14 for a total savings of \$8,750.
 - c. That MWDOC reduce travel to the 4 AWWA conferences by 50%, which would result in a total savings of \$8,475.
 - d. That MWDOC reduce the number of staff attending the ACWA Fall Conference from 7 to 4 for a total savings of \$4,950.
 - e. That MWDOC eliminate travel to the Water Environment Federation's Technical Exhibition & Conference (WEFTEC) for the 1 staff and 1 director since this conference is mainly for wastewater agencies. This would result in a savings of \$4,800.
 - f. That MWDOC eliminate the Congressional Luncheon that is held during the winter ACWA DC Conference. Congressional attendance to this luncheon has dwindled over the years to the point where only 3 Congressional members from the entire Santa Ana Watershed attended this last year and did not even stay to hear the agency presentations. If this were done MWDOC could save \$11,835; by reducing the number of staff from attending the conference from 4 to 1 (\$7,635), and eliminating the luncheon (\$1,200) and dinner (\$3,000).

It is our belief that these changes can be easily accomplished without affecting MWDOC's core mission. If all these changes were incorporated into the current proposed budget it would result in a savings of \$332,432 which would further result in a \$0.55 decrease to the proposed \$12.75 per retail meter charge. The new retail meter charge would be \$12.20 which would be a reduction of \$0.20 or 1.7% decrease to the current meter rate.

Thank you for your consideration of these comments.

Sincerely,



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

Bcc: OCWD Board of Directors
MWDOC Board of Directors

BOARD OF DIRECTORS

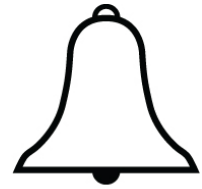
BETTY H. OLSON, PH.D

CHARLES T. GIBSON

SAUNDRA F. JACOBS

JUSTIN McCUSKER

FRANK URY

DANIEL R. FERONS
GENERAL MANAGER

Santa Margarita Water District

Mr. Robert Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92108

Re: Comments on Proposed MWDOC Fiscal Year 2020-21 Budget

Dear Mr. Hunter:

The purpose of this letter is to provide written comments and recommendations to you and the MWDOC Board as you go about finalizing the budget to meet the needs of both MWDOC and its member agencies while being sensitive to the ongoing and potential future financial hardships across Orange County agencies and communities. I understand that we are providing these later than your deadline and hope you find them useful. Essentially, adoption of a budget that includes our recommendations would result in what we believe is an appropriate reduction in MWDOC's retail meter charge for the coming fiscal year.

Our recommendations are related to the development of a county-wide hydraulic model, additional costs of public affairs programs, and travel related expenses.

Hydraulic Model:

The proposed FY 2020-21 budget includes funding for professional services associated with the development of a hydraulic model for use by member agencies as proponents of local projects. As one of the supporters of the development of the model, we recognize the model might also be used to study shutdown operations or periods of nitrification, however the primary purpose would be to evaluate local projects.

SMWD recommends that the development and calibration of the model be established as a "Choice Program" to be paid for by those directly benefiting from the projects. Information presented to the MWDOC Board on March 18 indicated that shifting the cost of the development and calibration of the model to a "Choice Program" would reduce the "Core" budget by as much as \$130,000 and make available up to \$75,000 in carry over funds from FY 2019-20.

Public Affairs:

MWDOC's proposed budget also includes a 15% increase over projected actual costs for FY 2019-20 for its Public Affairs programs. A portion of this increase is focused on the development of a survey for member agencies relative to explore and creating CTE programs. Many member agencies are already engaged with their local high schools and community colleges in order to meet future staffing needs. MWDOC may consider using existing staff and resources to determine

what needs member agencies have identified, how they are planning to meet those needs, and whether centralized resources are needed.

SMWD recommends that MWDOC scrutinize these increases and work to reduce the additional costs accordingly.

Travel Expenses:

The proposed FY 2020-21 budget includes \$156,570 for staff and director travel and accommodations that would be allocated to the "Core" budget. This represents a 23% increase over FY 2019-20 projected actuals of \$126,900. SMWD recommends that MWDOC *not* increase its budget for travel and accommodations but instead prioritize travel and conference attendance. Additionally, inasmuch as MWDOC and the member agencies are well represented in Washington, D.C. by Jim Barker and his associates, MWDOC may reconsider the number of costly trips to Washington, at least for this budget period.

There are also a number of new organizations in which MWDOC is proposing to participate without a clear definition of how the organizations support MWDOC's mission. We believe it would be good to hold those new costs in abeyance entirely or limit travel to meetings and conferences to a bare minimum.

Summary:

SMWD estimates that if MWDOC were to accommodate the above recommended revisions to its FY 2020-21 budget, it could reduce its per retail meter charge from FY 2019-20 levels. Taking action to reduce the retail meter charge, rather than to increase it by \$0.35 as currently proposed by MWDOC, would help take pressure off the retail water agencies to increase rates while mitigating the ongoing financial hardships being experienced by all communities in MWDOC's service area.

Thank you for the opportunity to review the proposed MWDOC FY 2020-21 Budget.

Very Truly Yours

SANTA MARGARITA WATER DISTRICT

A handwritten signature in blue ink, appearing to read "D. R. Feron".

Daniel R. Feron
General Manager



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert J. Hunter, General Manager

Staff Contacts: Harvey De La Torre

SUBJECT: **Proposed MWDOC Water Rate Resolution for Fiscal Year 2020-21**

STAFF RECOMMENDATION

It is recommended that the Board of Directors:

1. Increase the MWDOC Retail Meter Charge from \$12.40 to \$12.35 per meter, and the Groundwater Customer Charge from \$598,248 to \$599,111, effective July 1, 2020; and
2. Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2020 and January 1, 2021 as identified in the Water Rate Resolution for Fiscal Year 2020-21.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

MWDOC adopts a water rate resolution annually to reflect water rates and charges required to collect revenue to support MWDOC's annual budget and to recover the costs of providing imported water. Attachment A is the proposed MWDOC Water Rate Resolution for Fiscal Year 2020-21. MWDOC staff and District Counsel (BBK) made a number of revisions and edits to the resolution to improve its clarity as well as update certain sections.

Below is a summary of the proposed Rates and Charges for FY2020-21:

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

Proposed Rates & Charges	Proposed Rates July 1, 2020	Proposed Rates January 1, 2021
MWDOC Retail Meter Charge	\$12.35/meter	\$12.35/meter
MWDOC Groundwater Customer Charge*	\$ 599,111	\$ 599,111
System Access Rate	\$346	\$374
System Power Rate	\$136	\$160
Water Stewardship Rate**	\$65	-
MWDOC Melded Supply Rate	\$208	\$246
Treatment Surcharge	\$323	\$351
Treated Full Service Rate	\$1,078/AF	\$1,131/AF
Untreated Full Service Rate	\$755/AF	\$780/AF

[*] This is an annual charge to OCWD

[**] Metropolitan is not incorporating the Water Stewardship Rate this Biennial period (2021 & 2022) pursuant to the direction of the Metropolitan Board.

It is important to note that the Metropolitan Board will discuss modifications to their proposed Budget and Rates, in light of the economic impact the COVID-19 pandemic will cause to the Southern California economy; therefore, the propose MWDOC Rates & Charges as shown above may change in the coming weeks.

Attachment A – Proposed MWDOC Water Rate Resolution for Fiscal Year 2020-21 (Redline)

Attachment B – Proposed MWDOC Water Rate Resolution for Fiscal Year 2020-21 (clean version with Exhibits)

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

WHEREAS, pursuant to Water Code sections 71610, 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; to, acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the District, its inhabitants, or the owners of rights to water in the District; to 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 District currently imports water from the Metropolitan Water District of Southern California ("Metropolitan"). 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. 543 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, including its current water supply costs 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 Raffetis 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 domestic, municipal, and agricultural purposes, including seawater barrier and groundwater replenishment, purposes and for agricultural purposes.

Rate Component	July 1 through December 31, 202019	Beginning January 1, 20210
Untreated Full Service	\$75531.00	\$78055.00
Treated Full Service	\$1,07850.00	\$1,131078.00
Unbundled Rate By Component:		
System Access Rate	\$34626.00	\$37446.00
System Power Rate	\$13627.00	\$16036.00
Water Stewardship Rate*	\$659.00	-\$65.00
MWDOC Melded Supply Rate*	\$2089.00	\$24608.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
Subtotal Untreated Full Service:	\$75531.00	\$78055.00
Treatment Surcharge	\$32349.00	\$35123.00
Total Treated Full Service:	\$1,07850.00	\$1,131078.00

* 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.

* Metropolitan is not incorporating the Water Stewardship Rate in its Full Service Rate this Biennial period (2021 & 2022) pursuant to the direction of the Metropolitan Board in 2019.

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recovery Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges.

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and rates that benefit the District's service area, such as funding the MWDOC Tier 2 Contingency Fund. At this time, the MWDOC Melded Supply Rate is equal to MET's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 20~~2019~~-2~~10~~ 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~~\$11,777,105. 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 20~~2019~~-2~~10~~ charges, the four-year average shall be based on fiscal years 201~~54~~-1~~615~~ through 201~~87~~-1~~98~~). 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 all cyclic, wheeled and transferred water.

(c) Fiscal Year 20~~2019~~-2~~10~~ MWDOC RTS Charge

For fiscal year 20~~2019~~-2~~10~~, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,777,105~~\$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 20~~2019~~-2~~10~~ 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 202~~10~~, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be ~~\$4,953,760~~~~\$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 202~~19~~ charges, the highest peak day flow shall be based on May 1 through September 30, 201~~76~~, 201~~87~~ and 201~~98~~). 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 202~~19~~ 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,~~3540~~. 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.

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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 20~~2019-210~~ shall be \$~~599,111,598,248~~. 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 20~~2019~~-2~~10~~ 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.

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SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 20~~2019~~-2~~10~~

The Choice services to the member agencies shall be provided and charged for as follows for ~~Fiscal Year 20~~20~~19~~-2~~10~~:

- (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 201~~98~~. 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 K-6. Through this program, each participating agency may set a target number of

students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, 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 students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students 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 high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school 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, 20~~20~~19 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. 54~~3~~ 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 20~~2019~~-2~~10~~ 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. 5~~4~~3 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 1~~57~~, 20~~20~~19 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

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

WHEREAS, pursuant to Water Code sections 71610, 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; to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the District, its inhabitants, or the owners of rights to water in the District; to 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 District currently imports water from the Metropolitan Water District of Southern California ("Metropolitan"). 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. 54 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, including its current water supply costs 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 water sold or delivered by MWDOC to its member agencies shall be as follows:

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

Rate Component	July 1 through December 31, 2020	Beginning January 1, 2021
Untreated Full Service	\$755.00	\$780.00
Treated Full Service	\$1,078.00	\$1,131.00
Unbundled Rate By Component:		
System Access Rate	\$346.00	\$374.00
System Power Rate	\$136.00	\$160.00
Water Stewardship Rate*	\$65.00	-
MWDOC Melded Supply Rate	\$208.00	\$246.00
Subtotal Untreated Full Service:	\$755.00	\$780.00
Treatment Surcharge	\$323.00	\$351.00
Total Treated Full Service:	\$1,078.00	\$1,131.00

* Metropolitan is not incorporating the Water Stewardship Rate in its Full Service Rate this Biennial period (2021 & 2022) pursuant to the direction of the Metropolitan Board in 2019.

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recover Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges,

and rates that benefit the District's service area, such as funding the MWDOC Tier 2 Contingency Fund. At this time, the MWDOC Melded Supply Rate is equal to MET's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 2020-21 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 \$11,777,105 . 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 2020-21 charges, the four-year average shall be based on fiscal years 2015-16 through 2018-19). 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 all cyclic, wheeled and transferred water.

(c) Fiscal Year 2020-21 MWDOC RTS Charge

For fiscal year 2020-21, MWDOC will charge the MWDOC member agencies total Net

RTS Charges of \$11,777,105. 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 2020-21 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 2021, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$4,953,760. 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 2021 charges, the highest peak day flow shall be based on May 1 through September 30, 2017, 2018 and 2019). 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 2021 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 \$12.35. 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 2020-21 shall be \$599,111. 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 2020-21 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 2020-21

The Choice services to the member agencies shall be provided and charged for as follows for Fiscal Year 2020-21:

- (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 2019. 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 K-6.

Through this program, each participating agency may set a target number of students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, 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 students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students 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 high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school 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, 2020 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. 54 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 2020-21 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. 54 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 15, 2020 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

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

WHEREAS, pursuant to Water Code sections [71610](#), 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; [to, acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the District, its inhabitants, or the owners of rights to water in the District; to](#) 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 District currently imports water from](#) the Metropolitan Water District of Southern California ("Metropolitan"). [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. [5](#) ~~43~~ 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, [including its current water supply costs](#) and other charges imposed on MWDOC by Metropolitan, and with respect

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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 domestic, municipal, and agricultural purposes, including seawater barrier and groundwater replenishment purposes ~~and for agricultural purposes.~~

Rate Component	July 1 through December 31, 2020	Beginning January 1, 2021
Untreated Full Service	\$755.34.00	\$780.55.00
Treated Full Service	\$1,078.50.00	\$1,131.07.00
Unbundled Rate By Component:		
System Access Rate	\$346.26.00	\$374.46.00
System Power Rate	\$136.27.00	\$160.36.00
Water Stewardship Rate*	\$65.9.00	-\$65.00
MWDOC Melded Supply Rate*	\$208.9.00	\$246.08.00
Tiered Supply Rate (Tier 1/Tier 2)*	N/A	N/A
Subtotal Untreated Full Service:	\$755.34.00	\$780.55.00
Treatment Surcharge	\$323.49.00	\$351.23.00
Total Treated Full Service:	\$1,078.50.00	\$1,131.07.00

* 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.

* Metropolitan is not incorporating the Water Stewardship Rate in its Full Service Rate this Biennial period (2021 & 2022) pursuant to the direction of the Metropolitan Board in 2019.

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recovery Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges,

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and rates that benefit the District's service area, such as funding the MWDOC Tier 2 Contingency Fund. At this time, the MWDOC Melded Supply Rate is equal to MET's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 20~~2019~~-2~~10~~ 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~~\$11,777,105. 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 20~~2019~~-2~~10~~ charges, the four-year average shall be based on fiscal years 201~~54-1645~~ through 201~~87-198~~). 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 all cyclic, wheeled and transferred water.

(c) Fiscal Year 20~~2019~~-2~~10~~ MWDOC RTS Charge

For fiscal year 20~~2019~~-2~~10~~, MWDOC will charge the MWDOC member agencies total Net RTS Charges of \$11,777,105~~\$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 2020~~19~~-21~~0~~ 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 202~~19~~, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be ~~\$4,953,760~~~~\$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 202~~19~~ charges, the highest peak day flow shall be based on May 1 through September 30, 201~~76~~, 201~~87~~ and 201~~98~~). 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 202~~19~~ 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,~~3540~~. 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.

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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 20~~2019-210~~ shall be \$~~599,111,598,248~~. 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 20~~2019~~-21~~0~~ 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.

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SECTION 6. CHOICE SERVICES TO THE MWDOC MEMBER AGENCIES 20~~2019~~-21~~0~~

The Choice services to the member agencies shall be provided and charged for as follows for -Fiscal Year 20~~2019~~-21~~0~~:

- (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 201~~98~~. 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 K-6. Through this program, each participating agency may set a target number of

students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, 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 students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students 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 high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school 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, 2020~~19~~ 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. **5-43** 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.

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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 MWD OC, including employee wages and fringe benefits, purchasing or leasing of supplies, equipment and materials, meeting financial reserve needs and requirements and obtaining funds for capital projects necessary to maintain service within existing service areas.

SECTION 12. **REASONABLE COST.**

The Board of Directors finds that the water rates established herein are in accordance with the adopted fiscal year 20~~2019~~-21~~0~~ 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. 5~~43~~ as it may be amended from time to time.

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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 1~~57~~, 20~~2019~~ by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

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

WHEREAS, pursuant to Water Code sections 71610, 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; to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the District, its inhabitants, or the owners of rights to water in the District; to 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 District currently imports water from the Metropolitan Water District of Southern California ("Metropolitan"). 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. 5__ 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, including its current water supply costs 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 water sold or delivered by MWDOC to its member agencies shall be as follows:

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

Rate Component	July 1 through December 31, 2020	Beginning January 1, 2021
Untreated Full Service	\$755.00	\$780.00
Treated Full Service	\$1,078.00	\$1,131.00
Unbundled Rate By Component:		
System Access Rate	\$346.00	\$374.00
System Power Rate	\$136.00	\$160.00
Water Stewardship Rate*	\$65.00	-
MWDOC Melded Supply Rate	\$208.00	\$246.00
Subtotal Untreated Full Service:	\$755.00	\$780.00
Treatment Surcharge	\$323.00	\$351.00
Total Treated Full Service:	\$1,078.00	\$1,131.00

* Metropolitan is not incorporating the Water Stewardship Rate in its Full Service Rate this Biennial period (2021 & 2022) pursuant to the direction of the Metropolitan Board in 2019.

(b) MWDOC Drought Allocation Surcharge

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

(c) MWDOC Melded Supply Rate

The MWDOC Melded Supply Rate is established by Board action to recover Metropolitan's Tier 1 supply rate plus any additional water costs, fees, charges,

and rates that benefit the District's service area, such as funding the MWDOC Tier 2 Contingency Fund. At this time, the MWDOC Melded Supply Rate is equal to MET's Tier 1 Supply Rate.

SECTION 2. MWDOC READINESS-TO-SERVE CHARGE.

(a) Amount Due to Metropolitan from MWDOC

Metropolitan has notified MWDOC that for fiscal year 2020-21 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 \$11,777,105 . 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 2020-21 charges, the four-year average shall be based on fiscal years 2015-16 through 2018-19). 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 all cyclic, wheeled and transferred water.

(c) Fiscal Year 2020-21 MWDOC RTS Charge

For fiscal year 2020-21, MWDOC will charge the MWDOC member agencies total Net

RTS Charges of \$11,777,105. 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 2020-21 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 2021, the amount of the Metropolitan Capacity Charge to be imposed on MWDOC will be \$4,953,760. 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 2021 charges, the highest peak day flow shall be based on May 1 through September 30, 2017, 2018 and 2019). 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 2021 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 \$12.35. 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 2020-21 shall be \$599,111. 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 2020-21 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 2020-21

The Choice services to the member agencies shall be provided and charged for as follows for Fiscal Year 2020-21:

- (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 2019. 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 K-6.

Through this program, each participating agency may set a target number of students to reach in their service area. In grades K-2, the MWDOC Elementary School Program charges participating agencies per school assembly, at a cost based on the size of the school assembly. In grades 3-6, 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 students to reach in their service area. The MWDOC Middle School Program charges each participating agency at a cost per student based on the actual number of students 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 high schools to reach in their service area. The MWDOC High School Program charges each participating agency at a cost per high school 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, 2020 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. 5__ 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 2020-21 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. 5__ 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 15, 2020 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

MARIBETH GOLDSBY, District Secretary
Municipal Water District of Orange County

EXHIBIT A

Readiness-to-serve Charge for MWDOC Client Agencies for FY 2020-21

Metropolitan Readiness-to-Serve (RTS) Charge to MWDOC for FY 2020/21 = \$ 18,944,115				
Expected Standby Revenue Less Metropolitan Administrative Charge Plus Delinquencies & Uncollectables FY 2020/21 = \$ (7,167,010)				
Net MWD RTS Charge = \$ 11,777,105				

DRAFT
as of 4/1/2020

Agency	2020					2021	
	AF Share				Net RTS	Monthly Charge July - December	Monthly Charge January - June
	2015-16	2016-17	2017-18	2018-19			
Brea	1,553	1,160	1,889	878	\$ 80,835	\$ 6,616	\$ 6,857
Buena Park	716	3,229	3,251	3,470	\$ 157,314	\$ 12,875	\$ 13,344
East Orange County Water District	1,726	1,372	1,131	1,575	\$ 85,606	\$ 7,006	\$ 7,261
El Toro Water District	6,967	6,639	7,783	6,789	\$ 415,649	\$ 34,019	\$ 35,256
Fountain Valley	1,985	2,112	2,112	1,885	\$ 119,392	\$ 9,772	\$ 10,127
Garden Grove	3,301	6,135	6,286	5,434	\$ 312,064	\$ 25,541	\$ 26,470
Golden State Water Company	3,395	5,664	5,823	5,421	\$ 299,478	\$ 24,511	\$ 25,402
Huntington Beach	6,060	6,084	6,914	5,276	\$ 358,937	\$ 29,377	\$ 30,446
Irvine Ranch Water District	11,732	18,595	15,345	13,921	\$ 879,039	\$ 71,945	\$ 74,561
La Habra	10	76	114	75	\$ 4,067	\$ 333	\$ 345
La Palma	491	651	1	426	\$ 23,135	\$ 1,893	\$ 1,962
Laguna Beach County Water District	3,310	1,663	1,636	1,462	\$ 119,050	\$ 9,744	\$ 10,098
Mesa Water District	202	0	0	0	\$ 2,983	\$ 244	\$ 253
Moulton Niguel Water District	23,429	22,866	25,630	23,443	\$ 1,406,751	\$ 115,136	\$ 119,323
Newport Beach	3,167	3,317	3,679	3,229	\$ 197,540	\$ 16,168	\$ 16,756
Orange	4,103	5,786	5,139	5,187	\$ 298,174	\$ 24,404	\$ 25,291
Orange County Water District	54,661	42,879	121,717	56,198	\$ 4,063,134	\$ 332,548	\$ 344,641
San Clemente	6,512	6,543	7,016	6,521	\$ 392,244	\$ 32,103	\$ 33,271
San Juan Capistrano	4,998	5,556	5,080	5,108	\$ 305,967	\$ 25,042	\$ 25,953
Santa Margarita Water District	21,892	21,847	23,432	20,179	\$ 1,288,475	\$ 105,456	\$ 109,290
Seal Beach	1,033	1,000	847	928	\$ 56,166	\$ 4,597	\$ 4,764
Serrano Water District	216	2,199	1,300	1,072	\$ 70,594	\$ 5,778	\$ 5,988
South Coast Water District	4,910	4,907	4,865	5,039	\$ 290,901	\$ 23,809	\$ 24,675
Trabuco Canyon Water District	2,198	2,000	2,941	2,177	\$ 137,427	\$ 11,248	\$ 11,657
Westminster	459	2,602	2,780	2,454	\$ 122,354	\$ 10,014	\$ 10,378
Yorba Linda Water District	3,375	5,370	6,117	4,787	\$ 289,830	\$ 23,721	\$ 24,584
Sum of MWDOC Agencies	172,400	180,249	262,827	182,934	\$ 11,777,105	\$ 963,901	\$ 998,950

EXHIBIT B
DRAFT Capacity Charge for MWDOC Member Agencies for CY 2021

DRAFT 4/1/20

	2017	2018	2019	Peak
MWDOC's Peak to MWD (cfs)	418.6	442.3	263.2	442.3
Date	7/7/2017	8/7/2018	8/5/2019	8/7/18

Metropolitan Capacity Charge to MWDOC for CY 2021 **\$ 4,953,760***

Agency	Capacity Charge Eligible Flows (CFS)			CFS Share (%)	Annual Capacity Charge	Monthly Capacity Charge
	2017	2018	2019			
City of Brea	11.4	12.9	0.0	2.21%	\$ 109,343	\$ 9,112
City of Buena Park	7.7	4.7	11.8	2.02%	\$ 100,291	8,358
East Orange County Water District	9.0	10.8	14.9	2.55%	\$ 126,114	10,510
El Toro Water District	16.8	18.3	18.3	3.13%	\$ 155,274	12,939
City of Fountain Valley	3.7	2.8	0.0	0.63%	\$ 31,312	2,609
City of Garden Grove	13.6	17.0	22.0	3.76%	\$ 186,459	15,538
Golden State Water Company	11.3	12.9	9.2	2.20%	\$ 109,118	9,093
City of Huntington Beach	17.5	24.7	26.3	4.50%	\$ 222,842	18,570
Irvine Ranch Water District	36.2	51.7	41.1	8.84%	\$ 437,761	36,480
City of La Habra	7.3	7.8	8.6	1.48%	\$ 73,115	6,093
City of La Palma	1.2	0.0	0.0	0.20%	\$ 10,053	838
Laguna Beach County Water District	5.4	4.9	2.5	0.92%	\$ 45,419	3,785
Mesa Water District	0.0	0.0	0.0	0.00%	\$ -	-
Moulton Niguel Water District	48.9	49.5	48.5	8.48%	\$ 419,832	34,986
City of Newport Beach	11.6	10.8	7.9	1.99%	\$ 98,369	8,197
Orange County Water District	143.0	146.4	0.0	25.04%	\$ 1,240,509	103,376
City of Orange	15.8	20.4	14.5	3.49%	\$ 173,121	14,427
City of San Clemente	19.9	21.5	17.5	3.68%	\$ 182,099	15,175
City of San Juan Capistrano	14.2	15.1	14.7	2.58%	\$ 127,952	10,663
Santa Margarita Water District	52.2	54.0	66.9	11.45%	\$ 567,299	47,275
City of Seal Beach	5.9	5.3	6.0	1.03%	\$ 50,895	4,241
Serrano Water District	0.0	3.0	0.0	0.51%	\$ 25,421	2,118
South Coast Water District	7.5	7.9	7.3	1.35%	\$ 66,772	5,564
Trabuco Canyon Water District	8.1	6.3	5.0	1.39%	\$ 68,794	5,733
City of Westminster	4.6	4.8	4.4	0.82%	\$ 40,475	3,373
Yorba Linda Water District	16.3	15.9	33.6	5.76%	\$ 285,122	23,760
Total			584.6	100%	\$ 4,953,760	\$ 412,813
MWDOC Capacity Charge Per CFS:					\$ 8,474	

* Based on MWDOC's aggregate peak flow of 442.3 cfs on 8/7/2018 charge at MET's 2021 rate of \$11,200 per cfs

Exhibit C

MWDOC Member Agency Choice Services Program Summary
Cost Allocations by Agencies for FY 2020-21

DRAFT
As of 4/1/2020

Retail Agency	Water Use Efficiency [1]	School Education (K-2)[2]	School Education (3-6)[2]	School Education (Middle School)[2]	School Education (High School)[2]	Water Loss Control Program [3]	Total Choice Allocation
Brea	\$ 41,036	\$ 3,502	\$ 6,064	\$ 12,657	\$ 4,223		\$ 67,482
Buena Park	\$ 12,007	\$ -	\$ -	\$ -	\$ -	Pending	\$ 12,007
East Orange County WD	\$ 247	\$ -	\$ -	\$ -	\$ 2,112		\$ 2,359
El Toro WD	\$ 8,326	\$ 4,378	\$ 4,026	\$ 10,983	\$ 4,223	Pending	\$ 31,936
Fountain Valley	\$ 7,623	\$ -	\$ 6,024	\$ 4,083	\$ -		\$ 17,730
Garden Grove	\$ 10,539	\$ 7,880	\$ 10,150	\$ -	\$ -	Pending	\$ 28,569
Golden State Water Company	\$ 46,091	\$ -	\$ -	\$ -	\$ -		\$ 46,091
Huntington Beach	\$ 65,206	\$ 13,133	\$ 15,557	\$ -	\$ 8,446	Pending	\$ 102,342
Irvine Ranch WD	\$ 182,279	\$ -	\$ -	\$ -	\$ -		\$ 182,279
La Habra	\$ 7,113	\$ 1,751	\$ 5,020	\$ -	\$ -	Pending	\$ 13,884
La Palma	\$ 666	\$ 876	\$ 1,355	\$ -	\$ -		\$ 2,897
Laguna Beach County WD	\$ 3,158	\$ 1,751	\$ 3,012	\$ -	\$ -	Pending	\$ 7,921
Mesa Water	\$ 10,993	\$ -	\$ 3,936	\$ -	\$ -		\$ 14,929
Moulton Niguel WD	\$ 110,363	\$ 10,506	\$ 11,757	\$ -	\$ -	Pending	\$ 132,626
Newport Beach	\$ 79,813	\$ -	\$ -	\$ -	\$ -		\$ 79,813
Orange	\$ 15,622	\$ 5,253	\$ 7,691	\$ -	\$ -	Pending	\$ 28,566
Orange County WD	\$ -						\$ -
San Clemente	\$ 31,479	\$ 1,751	\$ 1,757	\$ 3,811	\$ 4,223	Pending	\$ 43,020
San Juan Capistrano	\$ 8,070	\$ 2,627	\$ 3,148	\$ 6,805	\$ 12,669		\$ 33,318
Santa Margarita WD	\$ 80,701	\$ 7,880	\$ 7,164	\$ -	\$ -	Pending	\$ 95,744
Seal Beach	\$ 28,464	\$ 876	\$ 2,008	\$ -	\$ -		\$ 31,348
Serrano WD	\$ 409	\$ -	\$ 1,406	\$ -	\$ -	Pending	\$ 1,815
South Coast WD	\$ 3,218	\$ -	\$ -	\$ -	\$ -		\$ 3,218
Trabuco Canyon WD	\$ 10,375	\$ 1,751	\$ 1,235	\$ -	\$ -	Pending	\$ 13,361
Tustin	\$ 48,658	\$ 7,880	\$ 9,423	\$ 7,486	\$ 6,335		\$ 79,780
Westminster	\$ 20,822	\$ 5,253	\$ 9,086	\$ 1,429	\$ 16,892	Pending	\$ 53,482
Yorba Linda WD	\$ 28,592	\$ -	\$ -	\$ -	\$ -		\$ 28,592
Anaheim	\$ 30	\$ 11,382	\$ 26,681	\$ -	\$ -	Pending	\$ 38,093
Fullerton	\$ -	\$ 1,751	\$ 10,040	\$ -	\$ -		\$ 11,791
Santa Ana	\$ -	\$ 22,763	\$ 39,638	\$ -	\$ 8,446	Pending	\$ 70,847
Orange County Total	\$ 861,900	\$ 112,940	\$ 186,177	\$ 47,254	\$ 67,568	\$ -	\$ 1,275,838

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

[1] Preliminary Cost Allocation for the Choice Water Use Efficiency Program for FY 2020-21

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

[3] For FY 2020-21 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 2020.



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert J. Hunter
General Manager

Staff Contact: Harvey De La Torre

SUBJECT: Adoption of MWDOC Ordinance to Establish Classes of Water Service, Terms, and Conditions of Water Service within the District

STAFF RECOMMENDATION

Staff recommends the Board of Directors adopt the attached Ordinance to Establish Classes of Water Service, Terms, and Conditions of Water Service within the District. (MWDOC Administrative Code Section 1117 states that MWDOC shall provide at least ten days written notice that the Board will consider the adoption of a water service Ordinance and/or rates Resolution. Staff has met this requirement by emailing the Board letter and proposed Ordinance and Resolution to the member agencies on April 2, 2020.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

REPORT

From time to time, or as needed, the Board may adopt a revised Ordinance for water service that updates, revises or reflects any changes in water service. The proposed revisions to Ordinance No. 53 are attached, and the new Ordinance would supersede Ordinance No. 53.

It has been close to five years since staff has reviewed the District's rate ordinance; therefore, with the assistance of District's legal counsel, Best, Best, & Krieger, staff is recommending changes from Ordinance No. 53 to the new Ordinance, to reflect a number of revisions, edits, and elimination of outdated language and sections.

Attached:
Adopted Ordinance No. 53 (redlined)
Proposed New Ordinance

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

ORDINANCE NO. 5__3

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING CLASSES OF WATER SERVICE AND
TERMS AND CONDITIONS OF WATER SERVICE
WITHIN THE DISTRICT**

WHEREAS, the Municipal Water District of Orange County ("MWDOC") is a
municipal water district organized pursuant to the Municipal Water District Act of 1911
(Water Code section 71000 et. seq.); and

WHEREAS, MWDOC is authorized under Water Code section 71610 to acquire,
control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any
water, including sewage and storm waters, for the beneficial use or uses of MWDOC, its
inhabitants, or the owners of rights to water in the district; and

WHEREAS, MWDOC the Municipal Water District of Orange County (hereinafter
"MWDOC") is a member agency of the Metropolitan Water District of Southern California
(hereinafter "Metropolitan") and the sole purveyor of imported water purchased from
Metropolitan to retail water agencies and municipalities within MWDOC's service area; and

WHEREAS, MWDOC is authorized and directed by section 71616 of the Water
Code of the State of California to establish water rates and charges for the sale of such
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 the bonded debt; and

WHEREAS, Metropolitan has established classes of service for water service available to MWDOC consisting of Treated and Untreated Full Service, and rates, charges and conditions of service applicable to each class of water service as set forth in the Metropolitan Water District Administrative Code; and

WHEREAS, MWDOC's 2001 Strategic Plan and the 2010 Update emphasizes MWDOC's role in pursuing a regional approach to providing a reliable water supply to the residents of MWDOC and Orange County; and

WHEREAS, the MWDOC Board views MWDOC's service area (and Orange County) as a single economic unit in which water supply reliability in one area of the County has an economic ~~benefit~~ impact to the entire County; and

WHEREAS, beginning with the budget year commencing July 1, 2011, 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 others (such as the cities of Anaheim, Fullerton and Santa Ana) electing to receive such services; and

WHEREAS, pursuant to section 71614 of the California Water Code MWDOC may establish different rates for different classes of customers, and such rates shall be uniform throughout MWDOC for like classes and conditions of service; and

WHEREAS, the Board of Directors of MWDOC desires to establish classes of water service that will enable MWDOC to fix water rates and charges that will cover MWDOC's cost of water and other operating expenses including financial requirements; and

WHEREAS, the Board of Directors of MWDOC desires to adopt terms and conditions for the provision of the various classes of water service and to establish water rates and charges for such classes of service to be imposed by resolution periodically; and

WHEREAS, the MWDOC Rate Study was completed in 2016, which added a new Groundwater Customer Charge effective with the FY2016-17 rates and charges.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors subject to the provisions set forth herein that Ordinance No. 5~~32~~ is hereby repealed and superseded and this Ordinance No.5__~~3~~ is adopted and enacted as follows:

SECTION 1. SCOPE:

- 1.1 This Ordinance establishes classes of water service, the terms and conditions for water delivery by MWDOC to Customers of the district, and "CHOICE" services as defined herein. This Ordinance shall apply to Customers of MWDOC after the effective date of the Ordinance.
- 1.2 General definitions are set forth in Section 2. Definitions concerning Rates are set forth in Section 3. Definitions for Charges are set forth in Section 4.

SECTION 2. DEFINITIONS:

- 2.1 Whenever used in this Ordinance, the following terms shall have the meaning indicated herein:
- 2.2 "Board" shall mean the Board of Directors of MWDOC.
- 2.3 "MWDOC" shall mean the Municipal Water District of Orange County.

2.4 "MWDOC Member Agency" shall mean any city, county, water district, county water board, mutual water company, investor owned utility or other entity, including a joint powers agency, which receives water from MWDOC, directly or indirectly (excepting the cities of Anaheim, Fullerton and Santa Ana), the corporate area of which, in whole or in part, is included in MWDOC.

2.4.1 "Retail Water Meter" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is delivered to any consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within the preceding calendar year. Meters on dedicated fire lines shall not be considered as being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

2.5 "Customer" shall mean any MWDOC Member Agency or other purchaser of water or services from MWDOC and shall include the cities of Anaheim, Fullerton and Santa Ana.

2.6 "General Manager" shall mean the General Manager of MWDOC.

2.7 "Groundwater Basin" shall mean any managed Groundwater Basin located entirely or partially within the boundaries of MWDOC.

2.8 "State" shall mean the State of California.

2.9 "Metropolitan" shall mean the Metropolitan Water District of Southern California.

2.10 "Treated Water" shall mean water that is treated ~~at any Metropolitan water treatment facility.~~

2.11 "Untreated Water" shall mean water that is not Treated Water.

2.12 "Imported Water" shall mean water which is acquired by MWDOC from Metropolitan, except for Recycled Water.

2.13 "Surface Water" shall mean water which is not groundwater or Recycled Water.

2.14 "Domestic and Municipal Purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes commonly, but not exclusively, serviced by the water supply of a city, town, or other similar population group.

2.15 Blank

2.16 "Groundwater Replenishment" shall mean the act of spreading or injecting water or causing water to be spread or injected, and utilizing Imported Water in-lieu of producing groundwater for the purpose of replenishing ~~natural~~ Groundwater Basins, without regard to the subsequent use of such water.

2.16.1 "Groundwater Replenishment by Spreading or Injecting" shall mean Groundwater Replenishment that results from the act of spreading or injecting water, and shall not include water used for Seawater Barrier Groundwater Replenishment.

2.16.2 "Seawater Barrier Groundwater Replenishment" shall mean groundwater replenishment by injection of water for the principal purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

2.16.3 "In-lieu Groundwater Replenishment" shall mean maintenance or replenishment of water supplies in Groundwater Basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to customers and their consumers from imported water distribution facilities in-lieu of such extraction.

2.17 Blank

2.18 Blank

2.19 Blank

2.20 "Full Service" shall mean service of water for domestic or municipal purposes, agricultural purposes and Groundwater Replenishment purposes that is not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act or by application of the then effective MWDOC Water Supply Allocation Plan ("WSAP") or other shortage allocation plan as adopted by the Board.

2.21 "Emergency Service" shall mean service of water when a determination has been made by the General Manager that serious hardship would result to a MWDOC Member Agency in the event of the MWDOC Member Agency's inability to sustain all or any part of a reduction or interruption in the delivery of water to the extent and for the time mandated by the Board pursuant to Section 6.3 and such inability results from a cause other than an unforeseeable catastrophic event or loss of water supplies from sources other than MWDOC, or due to circumstances determined by the General Manager to be exceptional. If the inability to sustain an interruption is determined by the General Manager

to be due to a catastrophic event, loss of water source or exceptional circumstances, then the water service provided to avoid hardship shall be treated as Full Service.

2.22 "Recycled Water," which is sometimes referred to as non-potable water, is water that does not meet criteria established by the State Department of Health Services for domestic use, and shall mean wastewater which has been collected in a sanitary sewer system and treated within a water reclamation plant or is untreated low quality water extracted from Groundwater Basins, both types of water being suitable for selected non-potable uses.

2.23 Blank

2.24 Blank

2.25 "Summer Period" shall mean May 1 through September 30 of a calendar year.

2.26 "Fiscal Year" shall mean the period which commences July 1 of each calendar year and ends June 30 of the following calendar year.

2.27 Blank

2.28 "New AMP Connection" shall mean a service connection to the Allen-McColloch Pipeline requested by a MWDOC Member Agency which is not a party to the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline.

2.29 "Metropolitan Readiness-to-Serve Charge" or "Metropolitan RTS Charge" shall mean the total monetary charge imposed by Metropolitan on MWDOC and collected either (1) by Metropolitan as a standby charge on property within MWDOC's service area boundaries or (2) directly from MWDOC.

2.30 "Net Metropolitan Readiness-to-Serve Charge" or "Net Metropolitan RTS Charge" shall mean that portion of the Metropolitan Readiness-to-Serve Charge which is not collected as a standby charge on property within MWDOC's boundaries, which is billed by Metropolitan directly to MWDOC, and which, if no standby charge is levied, shall constitute the entire Metropolitan RTS Charge.

2.31 "MWDOC Member Agency Readiness-to-Serve Charge" or "MWDOC Member Agency RTS Charge" shall mean the apportionment of the Net Metropolitan RTS Charge to the MWDOC Member Agencies based upon the rolling average water sales, as may be established from time to time by the MWDOC Board.

2.32 "MWDOC Capacity Charge" or "Capacity Charge" shall mean the allocation of Metropolitan's Capacity Charge to MWDOC's member agencies based on each member agency's highest peak of daily flow for the delivery of full service Metropolitan water between May 1 and September 30 in the three preceding calendar years. blank

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2.37 "MWDOC Water Supply Allocation Plan" or "WSAP" shall mean a plan established by the Board to allocate water among the MWDOC Member Agencies during times of water shortage.

2.38 "CHOICE" services (as distinguished from "Core" services imposed on all Member Agencies) shall mean those services made available by MWDOC to its

Customers on an elective basis. Each Customer will make a decision whether and to what extent it will engage the services and participate in the activities (depending on the nature of the services and the manner in which they are charged).

2.39 "Water Rate Resolution" shall mean a Resolution adopted by MWDOC periodically at the discretion of the Board that establishes MWDOC's water rates and other charges.

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2.41 "MWDOC's Retail Meter Charge" shall have the meaning set forth in Section 3(b) of this Ordinance No. 53.

2.42 "AMP Surcharge" shall have the meaning set forth in Section 3(d) of this Ordinance No. 53.

2.43 "AMP Connection Charge" shall have the meaning set forth in Section 4.5(a) of this Ordinance No. 53.

2.44 "Groundwater Customer Charge" shall have the meaning set forth in Section 3(c) of this Ordinance No. 53.

SECTION 3. MWDOC's WATER RATE:

The water rate shall be established in an amount that, in combination with revenues from other charges collected by MWDOC, will result in revenues sufficient for the purposes set forth in section 71616 of the California Water Code. The water rate shall include components for:

(a) The cost of acquiring water or wheeling, exchanging, or transferring service (i.e., for water acquired from Metropolitan, the cost of acquisition would include, a per acre foot rate based on a melding of Metropolitan's Tier 1 and Tier 2 supply rates, plus Metropolitan's System Access Charge, Water Stewardship Rate, System Power Rate, and, for Treated Water deliveries, Metropolitan's Treatment Surcharge); including other Metropolitan rates, charges, fees, penalties and other applicable charges to MWDOC, as well as other costs incurred to ensure the reliability and availability of water.

(b) Retail Meter Charge - An annual basic charge for each Retail Water Meter served by a MWDOC Member Agency which is "in service" as of January 1 of each year (hereinafter referred to as "MWDOC's Retail Meter Charge").

MWDOC's Retail Meter Charge shall be set to generate revenue that, in combination with revenues derived from MWDOC's Groundwater Customer Charge, shall cover MWDOC's operating expenses and financial requirements, including reserves.

(c) Groundwater Customer Charge - An annual charge to OCWD for core services provided by MWDOC.

(d) AMP Surcharge. A per acre-foot surcharge on water delivered through the Allen-McColloch Pipeline ("AMP Surcharge") to cover repair, maintenance and operation costs for the Allen-McColloch Pipeline to the extent such costs are not fully assumed and paid by Metropolitan, pursuant to the Agreement for Sale and Purchase of the Allen-McColloch Pipeline.

The Board shall establish said the forgoing rates and charges by resolution and shall adjust the rates and charges by resolution periodically as determined appropriate by the Board in its discretion. Written notice of the proposed establishment or amendment of rates and charges and the amounts and details thereof shall be given to all member agencies not less than 10 days prior to the meeting at which such resolution will be considered.

SECTION 4. OTHER CHARGES:

In addition to the water rates and charges provided in Section 3, each MWDOC Member Agency shall be assessed charges as follows:

4.1 MWDOC Readiness-to-Serve Charge - an annual charge which shall be assessed to each MWDOC Member Agency and calculated as described in the rate resolution adopted pursuant to this Ordinance.

4.2 MWDOC Capacity Charge –The MWDOC Capacity Charge is assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service and wheeling as a fixed charge on each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance).

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4.4 The MWDOC Readiness-to-Serve Charge and the MWDOC Capacity Charge shall be set by the Board by resolution and shall be established at a level which, in the judgment of the Board, will yield revenues sufficient to cover the charges imposed by Metropolitan upon MWDOC under Metropolitan's rates and charges for water service,

provided that MWDOC's charges may provide for collection in advance of expected invoice by Metropolitan and provide for a reasonable excess to cover variations in the amount of Metropolitan's charges that cannot be calculated in advance.

4.5 AMP Connection Charge

(a) As a condition to the approval for any request for a New AMP Connection, the agency requesting the New AMP Connection shall pay, in addition to the cost of constructing the service connection and all costs and fees imposed by Metropolitan, a connection charge ("AMP Connection Charge"). The AMP Connection Charge shall be calculated upon the maximum potential flow through the requested service connection, multiplied by the average unreimbursed 1993 replacement cost, less depreciation of a cubic foot per second (cfs) of capacity at all points along the Allen-McColloch Pipeline, calculated to be \$109,700 per cfs, and that price shall be escalated from 1993 to the year in which the readjustment is made at the annual interest rate of 4.0% and payment shall be made in cash at the time of the readjustment.

(b) The proceeds of AMP Connection Charges collected by MWDOC shall be used to reimburse those MWDOC Member Agencies and those agencies outside MWDOC's service area which acquired leasehold interests in the Allen-McColloch Pipeline, prior to the sale of the Allen-McColloch Pipeline to Metropolitan, for a portion of their acquisition costs, which were not recovered through the sale of the Allen-McColloch Pipeline to Metropolitan, in proportion to their cfs ownership in the Allen-McColloch Pipeline system.

(c) The AMP Connection Charge shall terminate and shall not be applied to any New AMP Connections requested after Metropolitan completes a project which augments the capacity of the Allen-McColloch Pipeline in any amount. Notwithstanding the foregoing, an agency that has requested and obtained a new connection to the Allen-McColloch Pipeline shall not be entitled to reimbursement of all or any portion of the AMP Connection Charges already paid, by reason of Metropolitan's subsequent augmentation of the Allen-McColloch Pipeline.

(d) The payment of the AMP Connection Charge shall not entitle the agency requesting the New AMP Connection to any rights or benefits under the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline, nor to any portion of the payments to be made by Metropolitan in consideration of the sale of the Allen-McColloch Pipeline, nor to any interest in the Allen-McColloch Pipeline facilities.

4.6 Charges for CHOICE services. The categories, budget levels and methodology for allocating the costs to MWDOC's Customers for CHOICE services shall be set each year by the Board in its adoption of the Water Rate Resolution.

SECTION 5. CLASSES OF SERVICE:

The rates per acre-foot for water sold and delivered for each class of service on order of any MWDOC Member Agency for use therein shall be as established from time to time by resolution of the Board. The classes of service for water are as follows:

5.1 Full Service (for Domestic and Municipal Purposes, agricultural service, and for Groundwater Replenishment).

5.2 Emergency Service

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5.4 Recycled Water (for selected non-potable uses). Such water shall be sold at MWDOC's cost of acquisition for Recycled Water.

5.5 Not Used

5.6 Wheeled, Exchanged or Transfer Water

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the MWDOC Member Agencies for water wheeled or transferred into the MWDOC service area in accordance with the Water Rate Resolution

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of whether or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

All sales and deliveries of water in classes established by Section 5 shall be subject to all applicable statutes and administrative regulations, including the Metropolitan Water District of Southern California Administrative Code, as they may be amended from time to time, and to any current MWDOC policies.

SECTION 6. ESTIMATES OF WATER REQUIREMENTS, SCHEDULES OF DELIVERIES
AND CERTIFICATION:

6.1 General. Each year, or at such time as the General Manager may specify, each MWDOC Member Agency shall furnish MWDOC, in a form provided by MWDOC, a five-year estimate of the amounts of water to be furnished to such MWDOC Member Agency by MWDOC, and an estimate of the quantity of water anticipated to be obtained from local sources to meet the MWDOC Member Agency needs. The estimate shall constitute the MWDOC Member Agency's request for deliveries for the first of the five years covered therein.

6.2 Contents of Estimates and Certification.

6.2.1 Each estimate furnished by a Member Agency pursuant to Section 6.1 shall contain, at a minimum, for each service connection and for each month of the Fiscal Year beginning with the succeeding July 1, and for the entire MWDOC Member Agency for each month of the succeeding four Fiscal Years, the following information:

- (a) The quantity of treated and Untreated Water to be delivered by MWDOC to the MWDOC Member Agency in Full Service.

6.3 Obligations in Event of Shortage.

The Board may provide for a method of allocation of available supplies as the Board may determine necessary, through adoption of a Water Supply Allocation Plan for all classes of service. MWDOC shall provide any notice required by law for implementation of a reduction or interruption of any class or classes of service; however, no additional or special notice shall be required for any particular class of service as a condition of implementing a reduction or interruption of service.

SECTION 7. BILLING AND PAYMENT, CERTIFICATIONS AND REPORTING OF WATER SALES AND TRANSFERS

7.1 Billing Schedule. The MWDOC Member Agencies shall be billed for water delivered and for other charges as provided by resolution of the Board.

7.2 Delinquent Payment. In the event any MWDOC Member Agency which receives deliveries of water from MWDOC is delinquent in payment of bills for water rates and charges, an additional charge equal to two percent (2%) of such delinquent amount shall be assessed to the MWDOC Member Agency for each month or fraction thereof in which the delinquent amount is not paid. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

Additional charges provided herein for delinquent payments may be waived by the Board upon written request by the MWDOC Member Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the MWDOC

Member Agency, provided that the delinquent Member Agency reimburses MWDOC for all costs and penalties actually incurred by MWDOC as a result of the delinquent payment. In the event that any MWDOC Member Agency which receives deliveries of water from MWDOC shall be delinquent for more than thirty (30) days in the payment of billings for MWDOC's charges, the Board, in its discretion and upon other conditions as it may prescribe, after giving the MWDOC Member Agency a twenty-day (20-day) notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to MWDOC, and may authorize such other action as may be appropriate.

7.3 Certification of Retail Meters. On or before the first day of February of each year, each of MWDOC's Member Agencies shall certify the number of retail water service meters that were "in service" (see 2.4.1) within the territory of each agency which is within MWDOC as of January 1st of that year on a form provided by MWDOC. The number of meters specified thereon shall be subject to MWDOC confirmation and shall be used to calculate billings for MWDOC's Retail Meter Charge.

7.4 Disputed Bills. If a MWDOC Member Agency disputes the amount of any billing, the MWDOC Member Agency shall pay the disputed bill. Corrections to the billing, if deemed necessary, shall be made on the succeeding month's water bill without interest.

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency that requires annual reconciliation (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each Fiscal Year to

determine what quantity of water qualifies for the incentive or penalty. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

7.6 Certifications. In the event water is delivered to a MWDOC Member Agency under a classification of delivery of water that requires certification, the MWDOC Member Agency must submit the required certifications, in a format provided by MWDOC, documenting the quantity of water used for such purposes.

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7.8 Reporting of Water Transfers or Exchanges. Transfers or exchanges of Imported Water between MWDOC Member Agencies affecting the calculation of the Metropolitan RTS Charge or other charges imposed by Metropolitan or MWDOC must be reported by the MWDOC Member Agency to MWDOC within sixty (60) days following the month of delivery, in order to qualify for an adjustment of the Metropolitan RTS Charge or other charges.

SECTION 8. WATER WHEELING, EXCHANGES AND TRANSFERS:

8.1 Water Wheeling, Exchanges and Transfers that will result in water being delivered into MWDOC's service area and that are entered into between two or more MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent.

SECTION 9. SUPERCEDES PRIOR RESOLUTIONS.

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

SECTION 10. SEVERABILITY:

If any provision of this Ordinance is for any reason held to be unlawful, such decision shall not affect the remaining portions of the Ordinance. The Board of Directors hereby declares that it would have passed each and every section and each and every phrase thereof irrespective of the fact that one or more provisions be declared invalid.

SECTION 11. EFFECTIVE DATE:

This Ordinance shall be effective July 1, 202016. Said Ordinance No. 5__3 was adopted, on roll call, by the following vote:

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

I certify the foregoing is a true and correct copy of Ordinance No. 5__3, adopted by the Board of Directors at its meeting held on April 15, 2020May 18, 2016.

Maribeth Goldsby,
District Secretary

ORDINANCE NO. __

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ESTABLISHING CLASSES OF WATER SERVICE AND
TERMS AND CONDITIONS OF WATER SERVICE
WITHIN THE DISTRICT**

WHEREAS, the Municipal Water District of Orange County ("MWDOC") is a municipal water district organized pursuant to the Municipal Water District Act of 1911 (Water Code section 71000 et. seq.); and

WHEREAS, MWDOC is authorized under Water Code section 71610 to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of MWDOC, its inhabitants, or the owners of rights to water in the district; and

WHEREAS, MWDOC is a member agency of the Metropolitan Water District of Southern California (hereinafter "Metropolitan") and the sole purveyor of imported water purchased from Metropolitan to retail water agencies and municipalities within MWDOC's service area; and

WHEREAS, MWDOC is authorized and directed by section 71616 of the Water Code of the State of California to establish water rates and charges for the sale of 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 the bonded debt; and

WHEREAS, Metropolitan has established classes of service for water service available to MWDOC consisting of Treated and Untreated Full Service, and rates, charges and conditions of service applicable to each class of water service as set forth in the Metropolitan Water District Administrative Code; and

WHEREAS, MWDOC's 2001 Strategic Plan and the 2010 Update emphasizes MWDOC's role in pursuing a regional approach to providing a reliable water supply to the residents of MWDOC and Orange County; and

WHEREAS, the MWDOC Board views MWDOC's service area (and Orange County) as a single economic unit in which water supply reliability in one area of the County has an economic benefit to the entire County; and

WHEREAS, beginning with the budget year commencing July 1, 2011, 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 others (such as the cities of Anaheim, Fullerton and Santa Ana) electing to receive such services; and

WHEREAS, pursuant to section 71614 of the California Water Code MWDOC may establish different rates for different classes of customers, and such rates shall be uniform throughout MWDOC for like classes and conditions of service; and

WHEREAS, the Board of Directors of MWDOC desires to establish classes of water service that will enable MWDOC to fix water rates and charges that will cover MWDOC's cost of water and other operating expenses including financial requirements; and

WHEREAS, the Board of Directors of MWDOC desires to adopt terms and conditions for the provision of the various classes of water service and to establish water rates and charges for such classes of service to be imposed by resolution periodically; and

WHEREAS, the MWDOC Rate Study was completed in 2016, which added a new Groundwater Customer Charge effective with the FY2016-17 rates and charges.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors subject to the provisions set forth herein that Ordinance No. 53 is hereby repealed and superseded and this Ordinance No. ____ is adopted and enacted as follows:

SECTION 1. SCOPE:

- 1.1 This Ordinance establishes classes of water service, the terms and conditions for water delivery by MWDOC to Customers of the district, and "CHOICE" services as defined herein. This Ordinance shall apply to Customers of MWDOC after the effective date of the Ordinance.
- 1.2 General definitions are set forth in Section 2. Definitions concerning Rates are set forth in Section 3. Definitions for Charges are set forth in Section 4.

SECTION 2. DEFINITIONS:

- 2.1 Whenever used in this Ordinance, the following terms shall have the meaning indicated herein:
- 2.2 "Board" shall mean the Board of Directors of MWDOC.
- 2.3 "MWDOC" shall mean the Municipal Water District of Orange County.

2.4 "MWDOC Member Agency" shall mean any city, county, water district, county water board, mutual water company, investor owned utility or other entity, including a joint powers agency, which receives water from MWDOC, directly or indirectly (excepting the cities of Anaheim, Fullerton and Santa Ana), the corporate area of which, in whole or in part, is included in MWDOC.

2.4.1 "Retail Water Meter" shall mean a water meter, or water measuring device, through which water, other than replenishment, construction and recycled water, directly or indirectly supplied by MWDOC, is delivered to any consumer within the boundaries of each MWDOC Member Agency or customer. Retail Water Meters are considered to be "in service" if they were used at any time within the preceding calendar year. Meters on dedicated fire lines shall not be considered as being "in service"; retail meters not being utilized due to temporary interruption as a result of a change in service or a past due account shall be considered as being "in service."

2.5 "Customer" shall mean any MWDOC Member Agency or other purchaser of water or services from MWDOC and shall include the cities of Anaheim, Fullerton and Santa Ana.

2.6 "General Manager" shall mean the General Manager of MWDOC.

2.7 "Groundwater Basin" shall mean any managed Groundwater Basin located entirely or partially within the boundaries of MWDOC.

2.8 "State" shall mean the State of California.

2.9 "Metropolitan" shall mean the Metropolitan Water District of Southern California.

2.10 "Treated Water" shall mean water that is treated..

2.11 "Untreated Water" shall mean water that is not Treated Water.

2.12 "Imported Water" shall mean water which is acquired by MWDOC from Metropolitan, except for Recycled Water.

2.13 "Surface Water" shall mean water which is not groundwater or Recycled Water.

2.14 "Domestic and Municipal Purposes" shall mean the use of water for all domestic, municipal, commercial, industrial, and recreational purposes commonly, but not exclusively, serviced by the water supply of a city, town, or other similar population group.

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2.16 "Groundwater Replenishment" shall mean the act of spreading or injecting water or causing water to be spread or injected, and utilizing Imported Water in-lieu of producing groundwater for the purpose of replenishing Groundwater Basins, without regard to the subsequent use of such water.

2.16.1 "Groundwater Replenishment by Spreading or Injecting" shall mean Groundwater Replenishment that results from the act of spreading or injecting water, and shall not include water used for Seawater Barrier Groundwater Replenishment.

2.16.2 "Seawater Barrier Groundwater Replenishment" shall mean groundwater replenishment by injection of water for the principal purpose of maintaining groundwater barriers designed and intended to avoid the contamination of groundwater storage basins by the intrusion of seawater.

2.16.3 "In-lieu Groundwater Replenishment" shall mean maintenance or replenishment of water supplies in Groundwater Basins by reduction or elimination of extraction therefrom through the substitution of deliveries of water to customers and their consumers from imported water distribution facilities in-lieu of such extraction.

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2.20 "Full Service" shall mean service of water for domestic or municipal purposes, agricultural purposes and Groundwater Replenishment purposes that is not subject to reduction or interruption except by application of the preferential rights referred to in Section 135 of the Metropolitan Water District Act or by application of the then effective MWDOC Water Supply Allocation Plan ("WSAP") or other shortage allocation plan as adopted by the Board.

2.21 "Emergency Service" shall mean service of water when a determination has been made by the General Manager that serious hardship would result to a MWDOC Member Agency in the event of the MWDOC Member Agency's inability to sustain all or any part of a reduction or interruption in the delivery of water to the extent and for the time mandated by the Board pursuant to Section 6.3 and such inability results from a cause other than an unforeseeable catastrophic event or loss of water supplies from sources other than MWDOC, or due to circumstances determined by the General Manager to be exceptional. If the inability to sustain an interruption is determined by the General Manager

to be due to a catastrophic event, loss of water source or exceptional circumstances, then the water service provided to avoid hardship shall be treated as Full Service.

2.22 "Recycled Water," which is sometimes referred to as non-potable water, is water that does not meet criteria established by the State Department of Health Services for domestic use, and shall mean wastewater which has been collected in a sanitary sewer system and treated within a water reclamation plant or is untreated low quality water extracted from Groundwater Basins, both types of water being suitable for selected non-potable uses.

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2.25 "Summer Period" shall mean May 1 through September 30 of a calendar year.

2.26 "Fiscal Year" shall mean the period which commences July 1 of each calendar year and ends June 30 of the following calendar year.

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2.28 "New AMP Connection" shall mean a service connection to the Allen-McColloch Pipeline requested by a MWDOC Member Agency which is not a party to the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline.

2.29 "Metropolitan Readiness-to-Serve Charge" or "Metropolitan RTS Charge" shall mean the total monetary charge imposed by Metropolitan on MWDOC and collected either (1) by Metropolitan as a standby charge on property within MWDOC's service area boundaries or (2) directly from MWDOC.

2.30 "Net Metropolitan Readiness-to-Serve Charge" or "Net Metropolitan RTS Charge" shall mean that portion of the Metropolitan Readiness-to-Serve Charge which is not collected as a standby charge on property within MWDOC's boundaries, which is billed by Metropolitan directly to MWDOC, and which, if no standby charge is levied, shall constitute the entire Metropolitan RTS Charge.

2.31 "MWDOC Member Agency Readiness-to-Serve Charge" or "MWDOC Member Agency RTS Charge" shall mean the apportionment of the Net Metropolitan RTS Charge to the MWDOC Member Agencies based upon the rolling average water sales, as may be established from time to time by the MWDOC Board.

2.32 "MWDOC Capacity Charge" or "Capacity Charge" shall mean the allocation of Metropolitan's Capacity Charge to MWDOC's member agencies based on each member agency's highest peak of daily flow for the delivery of full service Metropolitan water between May 1 and September 30 in the three preceding calendar years.

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(a) The cost of acquiring water or wheeling, exchanging, or transferring service (i.e., for water acquired from Metropolitan, the cost of acquisition would include, a per acre foot rate based on a melding of Metropolitan's Tier 1 and Tier 2 supply rates, plus Metropolitan's System Access Charge, Water Stewardship Rate, System Power Rate, and, for Treated Water deliveries, Metropolitan's Treatment Surcharge); including other rates, charges, fees, penalties and other applicable charges to MWDOC, as well as other costs incurred to ensure the reliability and availability of water.

(b) Retail Meter Charge - An annual basic charge for each Retail Water Meter served by a MWDOC Member Agency which is "in service" as of January 1 of each year (hereinafter referred to as "MWDOC's Retail Meter Charge").

MWDOC's Retail Meter Charge shall be set to generate revenue that, in combination with revenues derived from MWDOC's Groundwater Customer Charge, shall cover MWDOC's operating expenses and financial requirements, including reserves.

(c) Groundwater Customer Charge - An annual charge to OCWD for core services provided by MWDOC.

(d) AMP Surcharge. A per acre-foot surcharge on water delivered through the Allen-McColloch Pipeline ("AMP Surcharge") to cover repair, maintenance and operation costs for the Allen-McColloch Pipeline to the extent such costs are not fully assumed and paid by Metropolitan, pursuant to the Agreement for Sale and Purchase of the Allen-McColloch Pipeline.

The Board shall establish said the forgoing rates and charges by resolution and shall adjust the rates and charges by resolution periodically as determined appropriate by the Board in its discretion. Written notice of the proposed establishment or amendment of rates and charges and the amounts and details thereof shall be given to all member agencies not less than 10 days prior to the meeting at which such resolution will be considered.

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4.1 MWDOC Readiness-to-Serve Charge - an annual charge which shall be assessed to each MWDOC Member Agency and calculated as described in the rate resolution adopted pursuant to this Ordinance.

4.2 MWDOC Capacity Charge –The MWDOC Capacity Charge is assessed to each MWDOC Member Agency on the basis of recent historic peak day capacity usage (including capacity usage for Full Service and wheeling as a fixed charge on each Member Agency calculated on such past peak day usage, as described in the rate resolution adopted pursuant to this Ordinance).

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(b) The proceeds of AMP Connection Charges collected by MWDOC shall be used to reimburse those MWDOC Member Agencies and those agencies outside MWDOC's service area which acquired leasehold interests in the Allen-McColloch Pipeline, prior to the sale of the Allen-McColloch Pipeline to Metropolitan, for a portion of their acquisition costs, which were not recovered through the sale of the Allen-McColloch Pipeline to Metropolitan, in proportion to their cfs ownership in the Allen-McColloch Pipeline system.

(c) The AMP Connection Charge shall terminate and shall not be applied to any New AMP Connections requested after Metropolitan completes a project which augments the capacity of the Allen-McColloch Pipeline in any amount. Notwithstanding the foregoing, an agency that has requested and obtained a new connection to the Allen-McColloch Pipeline shall not be entitled to reimbursement of all or any portion of the AMP Connection Charges already paid, by reason of Metropolitan's subsequent augmentation of the Allen-McColloch Pipeline.

(d) The payment of the AMP Connection Charge shall not entitle the agency requesting the New AMP Connection to any rights or benefits under the Agreement for Allocation of Proceeds of Sale of the Allen-McColloch Pipeline, nor to any portion of the payments to be made by Metropolitan in consideration of the sale of the Allen-McColloch Pipeline, nor to any interest in the Allen-McColloch Pipeline facilities.

4.6 Charges for CHOICE services. The categories, budget levels and methodology for allocating the costs to MWDOC's Customers for CHOICE services shall be set each year by the Board in its adoption of the Water Rate Resolution.

SECTION 5. CLASSES OF SERVICE:

The rates per acre-foot for water sold and delivered for each class of service on order of any MWDOC Member Agency for use therein shall be as established from time to time by resolution of the Board. The classes of service for water are as follows:

5.1 Full Service (for Domestic and Municipal Purposes, agricultural service, and for Groundwater Replenishment).

5.2 Emergency Service

5.3 Blank

5.4 Recycled Water (for selected non-potable uses). Such water shall be sold at MWDOC's cost of acquisition for Recycled Water.

5.5 Not Used

5.6 Wheeled, Exchanged or Transfer Water

Unless otherwise specified by written agreement with MWDOC, MWDOC shall charge the MWDOC Member Agencies for water wheeled or transferred into the MWDOC service area in accordance with the Water Rate Resolution

5.7 Deliveries to Which Rates Not Applicable.

The rates for the various classes of service of water established by this Section 5 shall not apply to water sold and delivered by MWDOC to any purchaser other than a MWDOC Member Agency; and said rates shall not apply to water sold and delivered by MWDOC for any use outside MWDOC, or to water sold and delivered by MWDOC for any use within MWDOC in substitution for water used outside MWDOC, regardless of whether or not such water will be purchased by, or delivered pursuant to the order of, any MWDOC Member Agency; but such water shall be sold and delivered pursuant to such contract and upon such terms and conditions as the Board shall authorize and determine for each such transaction.

5.8 Rates Subject to Applicable Law.

All sales and deliveries of water in classes established by Section 5 shall be subject to all applicable statutes and administrative regulations, including the Metropolitan Water District of Southern California Administrative Code, as they may be amended from time to time, and to any current MWDOC policies.

SECTION 6. ESTIMATES OF WATER REQUIREMENTS, SCHEDULES OF DELIVERIES AND CERTIFICATION:

6.1 General. Each year, or at such time as the General Manager may specify, each MWDOC Member Agency shall furnish MWDOC, in a form provided by MWDOC, a five-year estimate of the amounts of water to be furnished to such MWDOC Member Agency by MWDOC, and an estimate of the quantity of water anticipated to be obtained from local sources to meet the MWDOC Member Agency needs. The estimate shall constitute the MWDOC Member Agency's request for deliveries for the first of the five years covered therein.

6.2 Contents of Estimates and Certification.

6.2.1 Each estimate furnished by a Member Agency pursuant to Section 6.1 shall contain, at a minimum, for each service connection and for each month of the Fiscal Year beginning with the succeeding July 1, and for the entire MWDOC Member Agency for each month of the succeeding four Fiscal Years, the following information:

- (a) The quantity of treated and Untreated Water to be delivered by MWDOC to the MWDOC Member Agency in Full Service.

6.3 Obligations in Event of Shortage.

The Board may provide for a method of allocation of available supplies as the Board may determine necessary, through adoption of a Water Supply Allocation Plan for all classes of service. MWDOC shall provide any notice required by law for implementation of a reduction or interruption of any class or classes of service; however, no additional or special notice shall be required for any particular class of service as a condition of implementing a reduction or interruption of service.

SECTION 7. BILLING AND PAYMENT, CERTIFICATIONS AND REPORTING OF WATER SALES AND TRANSFERS

7.1 Billing Schedule. The MWDOC Member Agencies shall be billed for water delivered and for other charges as provided by resolution of the Board.

7.2 Delinquent Payment. In the event any MWDOC Member Agency which receives deliveries of water from MWDOC is delinquent in payment of bills for water rates and charges, an additional charge equal to two percent (2%) of such delinquent amount shall be assessed to the MWDOC Member Agency for each month or fraction thereof in which the delinquent amount is not paid. Notwithstanding the above, if the total period of delinquency does not exceed five (5) business days, the additional charge shall be equal to one percent (1%) of such delinquent payment. Invoices for delinquencies, including additional charges, shall be mailed within 5 days of delinquency.

Additional charges provided herein for delinquent payments may be waived by the Board upon written request by the MWDOC Member Agency upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the MWDOC

Member Agency, provided that the delinquent Member Agency reimburses MWDOC for all costs and penalties actually incurred by MWDOC as a result of the delinquent payment. In the event that any MWDOC Member Agency which receives deliveries of water from MWDOC shall be delinquent for more than thirty (30) days in the payment of billings for MWDOC's charges, the Board, in its discretion and upon other conditions as it may prescribe, after giving the MWDOC Member Agency a twenty-day (20-day) notice in writing of such delinquency and of the right to request a hearing on the matter, and after such hearing, if requested, may order the termination of water service to such agency until all delinquent payments, including additional charges, are made to MWDOC, and may authorize such other action as may be appropriate.

7.3 Certification of Retail Meters. On or before the first day of February of each year, each of MWDOC's Member Agencies shall certify the number of retail water service meters that were "in service" (see 2.4.1) within the territory of each agency which is within MWDOC as of January 1st of that year on a form provided by MWDOC. The number of meters specified thereon shall be subject to MWDOC confirmation and shall be used to calculate billings for MWDOC's Retail Meter Charge.

7.4 Disputed Bills. If a MWDOC Member Agency disputes the amount of any billing, the MWDOC Member Agency shall pay the disputed bill. Corrections to the billing, if deemed necessary, shall be made on the succeeding month's water bill without interest.

7.5 Year-End Reconciliation. Billing for all water delivered by MWDOC to a MWDOC Member Agency that requires annual reconciliation (unless otherwise specified by agreement) shall be subject to a reconciliation after the close of each Fiscal Year to

determine what quantity of water qualifies for the incentive or penalty. Adjustment will be made to previous billings based upon the reconciliation and the MWDOC Member Agency will be billed or given a credit for the difference.

7.6 Certifications. In the event water is delivered to a MWDOC Member Agency under a classification of delivery of water that requires certification, the MWDOC Member Agency must submit the required certifications, in a format provided by MWDOC, documenting the quantity of water used for such purposes.

7.7 Blank

7.8 Reporting of Water Transfers or Exchanges. Transfers or exchanges of Imported Water between MWDOC Member Agencies affecting the calculation of the Metropolitan RTS Charge or other charges imposed by Metropolitan or MWDOC must be reported by the MWDOC Member Agency to MWDOC within sixty (60) days following the month of delivery, in order to qualify for an adjustment of the Metropolitan RTS Charge or other charges.

SECTION 8. WATER WHEELING, EXCHANGES AND TRANSFERS:

8.1 Water Wheeling, Exchanges and Transfers that will result in water being delivered into MWDOC's service area and that are entered into between two or more MWDOC Member Agencies or entities within the District, or between a MWDOC Member Agency and an entity outside the District, will be subject to MWDOC's consent.

SECTION 9. SUPERCEDES PRIOR RESOLUTIONS.

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

SECTION 10. SEVERABILITY:

If any provision of this Ordinance is for any reason held to be unlawful, such decision shall not affect the remaining portions of the Ordinance. The Board of Directors hereby declares that it would have passed each and every section and each and every phrase thereof irrespective of the fact that one or more provisions be declared invalid.

SECTION 11. EFFECTIVE DATE:

This Ordinance shall be effective July 1, 2020. Said Ordinance No. __ was adopted, on roll call, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify the foregoing is a true and correct copy of Ordinance No. __, adopted by the Board of Directors at its meeting held on April 15, 2020.

Maribeth Goldsby,
District Secretary



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert J. Hunter, General Manager

SUBJECT: REVIEW INFORMATION REGARDING PUBLIC HEARING (SCHEDULED FOR APRIL 15, 2020) TO ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS

STAFF RECOMMENDATION

It is recommended that the Board of Directors: Review information regarding the proposed Public Hearing to be held April 15, 2020, asking the Board to (1) open the public hearing (as noticed) on the Proposed Ordinance to receive input from the public; (2) consider said input on the Ordinance; and (3) adopt Ordinance, in the general form presented, with amendments if necessary.

COMMITTEE RECOMMENDATION

To be determined.

SUMMARY

In 2019 the MWDOC Board revised its Ordinance 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. 54.

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

Attached is the proposed Ordinance.

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

ORDINANCE NO. ____

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

COMPENSATION OF DIRECTORS

WHEREAS, the Board of Directors has previously adopted Ordinance No. 54 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

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

Section 1. That Ordinance No. 54 is hereby superseded and repealed as of the effective date 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, which is consistent with the amount MWDOC staff received via the Fiscal Year 2020-21 budget approval.

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, 2021.

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. _____ adopted by the Board of Directors of Municipal Water District of Orange County at its meeting held on April 15, 2020.

MARIBETH GOLDSBY, Secretary
Municipal Water District of Orange County



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

SUBJECT: ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) REGULAR SPECIAL DISTRICT MEMBER SEAT - ELECTION

STAFF RECOMMENDATION

Staff recommends the Board of Directors:

- Review and discuss potential nominations to OC LAFCO;
- Authorize President Tamaribuchi and an alternate to vote in the appointment process;
- Discuss a directed vote once the ballot has been received; and
- Direct staff to submit the appropriate forms to OC LAFCO by the deadlines outlined

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

SUMMARY

The terms of office for OC LAFCO's Regular Special District member (currently held by Mesa Water District Board Member, Jim Fisler) will expire on June 30, 2020.

Nominations and/or Declaration of Qualification to Vote must be submitted to OC LAFCO by 3:00 p.m. by Friday, May 8, 2020.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None		Line item:	
Fiscal Impact (explain if unbudgeted):			

<i>Appointment Process Schedule for OC LAFCO Regular Special District Seat Expiring June 30, 2020</i>	
DATE	EVENT
March 24, 2020	OC LAFCO Executive Officer emails nomination form and Declaration of Qualification to Vote to each independent special district presiding officer (c/o the clerk of the district) and general manager.
May 8, 2020 (by 3:00 PM)	Submission of a nomination (if applicable) and Declaration of Qualification to Vote are due to OC LAFCO by 3:00 p.m.*
May 18, 2020	Ballot is emailed to each special district presiding officer or designee (c/o the clerk of the district).
June 22, 2020 (by 3:00 PM)	Ballots are due to OC LAFCO by 3:00 p.m.
June 29, 2020	OC LAFCO staff (or designee) tabulates ballots and announces results.
July 8, 2020	Oath of office administered at the Commission Regular Meeting.

** Pursuant to Government Code Section 56332(f)(2), at the end of the nominating period, if only one candidate is nominated for the vacant seat, that candidate shall be deemed appointed.*

To date MWDOC has received one announcement of candidacy from Mesa Water District Board Member, Jim Fidler (attached).

BOARD OPTIONS

Option #1

- Review and discuss potential nominations to OC LAFCO; and
- Authorize President Tamaribuchi and an alternate to vote in the appointment process;
- Discuss having a directed vote once the ballot have been received (if more than one candidate submits a nomination form); and
- Direct staff to submit the appropriate forms to OC LAFCO by the deadlines outlined

Fiscal Impact: None

Business Analysis: MWDOC would have an opportunity to vote in the upcoming OC LAFCO election for the Special District seat.

Option #2

- Take no action

Fiscal Impact: Same as Option #1

Business Analysis: MWDOC would not have an opportunity to vote in the upcoming LAFCO election.

STAFF RECOMMENDATION

Option #1

Attached:

- OC LAFCO Regular Special District Appointment Announcement Process Letter
- Declaration of Qualification to Vote
- 2020 Nomination Form
- Letter from Director James Fisler, Mesa Water District



March 24, 2020

REGULAR MEMBERS

CHAIR
CHERYL BROTHERS
CITY MEMBER

VICE CHAIR
DOUGLASS DAVERT
SPECIAL DISTRICT MEMBER

IMMEDIATE PAST CHAIR
DEREK J. MCGREGOR
PUBLIC MEMBER

LISA BARTLETT
COUNTY MEMBER

DR. ALLAN BERNSTEIN
CITY MEMBER

JAMES FISLER
SPECIAL DISTRICT MEMBER

DONALD P. WAGNER
COUNTY MEMBER

ALTERNATES

WENDY BUCKNUM
CITY MEMBER

KATHRYN FRESHLEY
SPECIAL DISTRICT MEMBER

LOU PENROSE
PUBLIC MEMBER

MICHELLE STEEL
COUNTY MEMBER

STAFF

CAROLYN EMERY
EXECUTIVE OFFICER

TO: Independent Special District Presiding Officer
c/o Clerk of the District

FROM: Carolyn Emery, Executive Officer

SUBJECT: **Appointment Process and Nomination Period for the Orange County LAFCO Regular Special District Member Seat**

The nomination period for the Orange County LAFCO (OC LAFCO) Regular Special District Member seat is now open. The OC LAFCO Executive Officer will accept nominations for the regular special district seat from **March 24 through May 8, 2020**. The current term for the seat expires June 30, 2020.

The appointment process for the OC LAFCO special district seat is governed by Government Code Section 56332 and the Independent Special District Selection Committee Bylaws. In accordance with the statute and the Committee's Bylaws, the appointment process is conducted by mailed ballot and attached to this notification are the following:

- A. The "Declaration of Qualification to Vote" for designating the authorized regular voting member and the alternate voting member of your district, for this appointment process. This form must be returned to OC LAFCO no later than **3:00 PM on Friday, May 8, 2020**. Please note that if OC LAFCO does not receive the form by that date, your district will be ineligible to vote.
- B. The "2020 Nomination Form" for submitting a candidate's name for the Regular Special District seat. If your district is nominating a candidate for the OC LAFCO Regular Special District Member seat, the form must be filled out completely and returned to OC LAFCO no later than **3:00 PM on Friday, May 8, 2020**. Candidate resumes or other supplemental information may be attached to the nomination form and these materials will be distributed with the ballots.

The Declaration and nomination form may be returned to OC LAFCO at any of the following:

Email: ccarter-benjamin@oclafco.org

Mail: Orange County LAFCO
2677 North Main Street,
Suite 1050
Santa Ana, CA 92705
Attn: Cheryl Carter-Benjamin, Commission Clerk

FAX: (714) 640-5139
Attn: Cheryl Carter-Benjamin, Commission Clerk

For your reference, a timeline of key dates for the appointment process is shown below:

<i>Appointment Process Schedule for OC LAFCO Regular Special District Seat Expiring June 30, 2020</i>	
DATE	EVENT
March 24, 2020	OC LAFCO Executive Officer emails nomination form and Declaration of Qualification to Vote to each independent special district presiding officer (c/o the clerk of the district) and general manager.
May 8, 2020 (by 3:00 PM)	Submission of a nomination (if applicable) and Declaration of Qualification to Vote are due to OC LAFCO by 3:00 p.m.*
May 18, 2020	Ballot is emailed to each special district presiding officer or designee (c/o the clerk of the district).
June 22, 2020 (by 3:00 PM)	Ballots are due to OC LAFCO by 3:00 p.m.
June 29, 2020	OC LAFCO staff (or designee) tabulates ballots and announces results.
July 8, 2020	Oath of office administered at the Commission Regular Meeting.
<i>* Pursuant to Government Code Section 56332(f)(2), at the end of the nominating period, if only one candidate is nominated for the vacant seat, that candidate shall be deemed appointed.</i>	

Please note, that Orange County LAFCO extends our wishes of good health and safety to your agency and ask that if the extraordinary circumstances of Coronavirus (COVID-19) may impact your agency's ability to respond or participate in this process in accordance with the prescribed timeline above, please contact me directly at (714) 640-5100 or by email at cemery@oclafco.org.

March 24, 2020

Page 3 of 3

Other questions may be directed to our Commission Clerk Cheryl Carter-Benjamin at (714) 640-5100 or by email at ccarter-benjamin@oclafo.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carolyn Emery', is positioned above the printed name and title.

Carolyn Emery
Executive Officer

Attachments:

- A. Declaration of Qualification to Vote
- B. 2020 Nomination Form – Regular Special District Member

cc: Special District General Managers

DECLARATION OF QUALIFICATION TO VOTE

*To the Presiding Officer Sat Tamaribuchi
c/o Clerk of the District
Maribeth Goldsby (mgoldsby@mwdoc.com)
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708-6930*

I, _____, * hereby attest that
_____ ** has been authorized by the Board of
_____ to vote in the Orange County Special
District Selection Committee election as the regular voting member.

The Board also designated _____ ** as the alternate
voting member.

Name and Title*: _____

Signature*: _____

Date: _____

**Declaration MUST be signed by either Board President or Board Secretary*

*** Must be a member of the Board*

Completed forms must be received by OC LAFCO by 3 PM, Friday, May 8, 2020.
Forms must be delivered to OC LAFCO by:

- (1) Email at: ccarter-benjamin@oclafco.org, or
- (2) Mail at: Orange County LAFCO
2677 North Main Street, Suite 1050
Santa Ana, CA 92705
Attn: Cheryl Carter-Benjamin, or
- (3) FAX at: (714) 640-5139, Attn: Cheryl Carter-Benjamin

2020 NOMINATION FORM

Candidates for the Orange County Local Agency Formation Commission (OC LAFCO)

CANDIDATE INFORMATION FOR REGULAR SPECIAL DISTRICT MEMBER:

NAME: _____

TITLE: _____

DISTRICT: _____

☐ Check box if resume or statement of qualifications is attached.

SPECIAL DISTRICT SELECTION COMMITTEE MEMBER SUBMITTING NOMINATION

(Must be the presiding officer or a designated alternate board member.)

NAME: _____ DATE: _____

SIGNATURE: _____

TITLE: _____

DISTRICT: _____

A resume or other supplemental information about the candidate may be included and will be distributed with the ballots. Completed nomination form and supplemental information may be returned to OC LAFCO by:

1. Email at: ccarter-benjamin@oclafco.org, or
2. Mail at: Orange County LAFCO
2677 North Main Street, Suite 1050
Santa Ana, CA 92705
Attn: Cheryl Carter-Benjamin, or
3. Fax at: (714) 640-5139, Attn: Cheryl Carter-Benjamin

All forms and supplemental information must be received by OC LAFCO by 3:00 p.m. on Friday, May 8, 2020. Nomination forms or candidate information received after that deadline will not be considered.



*Dedicated to
Satisfying our Community's
Water Needs*

BOARD OF DIRECTORS

Shawn Dewane
*President
Division V*

Marice H. DePasquale
*Vice President
Division III*

Jim Atkinson
*Director
Division IV*

Fred R. Bockmiller, P.E.
*Director
Division I*

James R. Fisler
*Director
Division II*

Paul E. Shoenberger, P.E.
General Manager

Denise Garcia
District Secretary

Marwan Khalifa, CPA, MBA
District Treasurer

**Atkinson, Andelson,
Loya, Ruud & Romo**
Legal Counsel

1965 Placentia Avenue
Costa Mesa, CA 92627
tel 949.631.1200
fax 949.574.1036
info@MesaWater.org
MesaWater.org

RE: Declaration of Candidacy of James R. Fisler for Re-Election to OC LAFCO representing the Special Districts of Orange County

Greetings,

It has been my honor to serve you on the Orange County Local Agency Formation Commission (OC LAFCO) as your Special District Commissioner. In July 2019, I was elected by Orange County's Independent Special Districts to the OC LAFCO voting member seat. Previously, I was elected to serve as the Special District Alternate Commissioner by the Independent Special Districts Selection Committee in 2011, and re-elected in 2014 and 2018.

During my service as an Alternate and Voting Commissioner, I have sat on the dais and participated fully in all OC LAFCO discussions on all agenda items, and thus have broad knowledge of the OC LAFCO process and experience as a Commissioner. As such, I am the most experienced and qualified candidate.

I have been an effective Commissioner at OC LAFCO who has positively influenced decisions that have benefitted and protected special districts and local control, while also safeguarding the interests of over 3 million Orange County residents.

I have been a strong advocate for the Special Districts of Orange County on OC LAFCO, as well as at the Independent Special Districts of Orange County (ISDOC) where I served as President in 2017 and 2018, and where I reduced member dues by 75 percent.

I have personally visited all of the Independent Special Districts in Orange County multiple times over the past 8+ years. It has been a distinct honor to serve Orange County's Special Districts as a full voting member at OC LAFCO to ensure the economical, effective, and efficient delivery of government services to the public.

As a voice for Special Districts serving the communities of Orange County, I have delivered on my promise to you that OC LAFCO would be more of a facilitator than an initiator of actions. Additionally, I remain committed to enhancing communications and information-sharing with you. This is now reflected in OC LAFCO's work-plan.

Lastly, to achieve my goal of providing transparency and strong leadership for you at OC LAFCO, I distributed in January my inaugural edition of *The Special Districts Dialogue* newsletter which provided an update on the Commission's recent activities relevant to Special Districts. I hope you enjoyed the newsletter and be on the lookout for future editions.

Feel free to contact me at 714.423.4351 with any questions or requests regarding OC LAFCO, and please review my statement of qualifications below. Thank you for your consideration of my knowledge, experience, and commitment, and I hope I will receive your vote for this very important seat.

Sincerely,

James R. Fisler
OC LAFCO Commissioner and Mesa Water Director

Re-Elect James R. Fisler to OC LAFCO

*** KNOWLEDGE * EXPERIENCE * COMMITMENT ***

James R. Fisler – Mesa Water District Director



- **Orange County Local Agency Formation Commission (OC LAFCO)** Special District Commissioner, 2019-present
- **OC LAFCO** Special District Alternate Commissioner, 2011-2019
- **Independent Special Districts of Orange County (ISDOC) Executive Committee** – Immediate Past President, 2018-present; President, 2016-2018
- **Mesa Water District** Director, 2009-present; President, 2012-2014
- **Mesa Water District Improvement Corporation** President, 2010-2012 & 2017-present; Engineering & Operations Committee Chairman; Legislative & Public Affairs Committee Vice Chairman
- **Association of California Water Agencies (ACWA)** Local Government Committee, 2016-2019
- **County of Orange Housing & Community Development Commission, Vice Chair**, 2019-present, Commissioner 2017-present (appointed by the Orange County Board of Supervisors)
- **City of Costa Mesa**
 - Planning Commissioner & Vice Chairman
 - Parks & Recreation Commissioner
 - Finance Committee Chairman; Finance & Pension Advisory Committee Chairman
 - Residential Rehabilitation & Redevelopment Committee
 - Citizen's Police Academy graduate; Neighbors for Neighbors volunteer
- **Costa Mesa Chamber of Commerce** Board Member
- **Costa Mesa Senior Center** Board Member
- **Friends of Costa Mesa Libraries** Board Member

As your advocate at OC LAFCO over the past 8+ years, James R. Fisler has been a strong leader and voice for Special Districts. Director Fisler is grateful to have been elected to serve as your representative at both OC LAFCO and ISDOC, where he reduced member dues by 75 percent.

With a passion for public policy and community service, Director Fisler is committed to representing the mutual interests of Orange County's water, wastewater, sanitary, cemetery, library, vector control, recreation and parks, and other special districts that provide services to their communities.

Director Fisler is a Broker/Associate with Torelli Realty in Mesa Verde. Prior to that, he was a regional manager for Nordstrom for over 12 years. Both positions have equipped him with the skills and expertise to provide outstanding customer service in advocating for your interests in alignment with the shared interests of Orange County's Special Districts and those we serve.

Commissioner Fisler would be honored to receive your vote to re-elect him as an Orange County Special Districts representative on OC LAFCO.



ACTION ITEM

April 15, 2020

TO: Board of Directors

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

Robert Hunter
General Manager

Staff Contact: Heather Baez

**SUBJECT: S. 1932 (GARDNER/FEINSTEIN) – DROUGHT RESILIENCY AND WATER
SUPPLY INFRASTRUCTURE ACT**

STAFF RECOMMENDATION

Staff recommends the Board of Directors:

- Adopt a support position on S. 1932 (Gardner/Feinstein), including the compromise language
- Send a letter to Senator Joe Manchin, the Ranking Member of the Senate Natural Resources Committee, in support of compromise language to S. 1932 (Gardner/Feinstein), and send copies of the letter to Senators Feinstein, Harris, Gardner, McSally, Sinema and Rosen.

COMMITTEE RECOMMENDATION

Committee recommends (To be determined at Committee Meeting)

BILL SUMMARY

S.1932 would reauthorize the 2016 Water Infrastructure Improvements for the Nation (WIIN) Act, which addresses, supports, and improves America's drinking water infrastructure. Importantly, the WIIN Act created new grant programs to promote water reuse, storage, recycling, and desalination.

Budgeted (Y/N): n/a	Budgeted amount: n/a	Core X	Choice __
Action item amount: None	Line item:		
Fiscal Impact (explain if unbudgeted):			

S. 1932 also contains three important features important to MWDOC:

- 1) Authorizes increases in funding for Title XVI grant programs over the next five years. Specifically, the bill increases the authorization levels for desalination grants by \$20 million and recycling and reuse grants by \$60 million over five years.
- 2) Increases the Federal cost share cap from \$20 million per project to \$30 million per project (and not more than 25% of the total cost of the project).
- 3) Includes “second bite” language that allows additional grant funds disbursed by the Bureau of Reclamation (BOR) without requiring further Congressional approval in an appropriations bill, for projects that have already received previous Congressional approval.

BACKGROUND

On June 20, 2019, Senators Gardner and Feinstein introduced S. 1932 in the Senate and it was referred to the Senate Energy and Natural Resources (ENR) Committee. This bipartisan legislation is cosponsored by Senators McSally, Sinema, and Rosen. On July 18, 2019, the Senate Energy and Natural Resources Committee held a hearing on the bill.

Since the hearing, the Senate ENR Committee has not yet held a vote on the bill. The main reason being that the Ranking Member of the Committee, Senator Joe Manchin (D-WV) is holding the bill over objections to some of the provisions contained in the bill. Senator Manchin’s primary objection to the bill as heard in July 2019 is that it does not adequately preserve the Senate Energy and Natural Resources’ longstanding project-by-project approval process for federal projects.

Recently, Senators Gardner and Feinstein have drafted an amendment they consider a compromise. The compromise language preserves the Senate ENR Committee’s approval process for federal projects but provides an alternative process for non-federal projects. The compromise language would require the governor of the state to approve projects within that state, and local governments to determine that the project is feasible (with concurrence from the Bureau of Reclamation), and for the BOR to approve the project.

ACWA is circulating a letter to Ranking Member Manchin in support of the compromise language.

ARGUMENTS IN SUPPORT

The compromise language preserves the 1) increased funding for desalination grants, 2) increasing the federal cost share cap from \$20 million to \$30 million per desalination project, and 3) preserves the second bite language. It also increases funding for Title XVI programs and increases the federal cost share by \$10 million per project.

The compromise language also fully preserves the current environmental review process. Additionally, by not requiring non-federal projects to be approved by Senate ENR Committee project-by-project, this will make the approval process timelier and more efficient.

ARGUMENTS IN OPPOSITION

Senator Manchin has argued that all federal projects need to go through a Senate ENR Committee approval process on a project-by-project basis. The compromise language only impacts non-federal projects.

BOARD OPTIONS

Option #1

- Adopt a support position on S. 1932 including the compromise language
- Send the letter of support to Senator Joe Manchin (cc'ing Feinstein, Harris, and other bill sponsors) for the compromise language to S. 1932 (Gardner/Feinstein).

Fiscal Impact: If the bill passes, it would make additional federal funds available for projects in Orange County.

Option #2

- Take no action

Fiscal Impact: Without the reauthorization of the WIIN Act, MWDOC and its member agencies could potentially miss out on millions of federal dollars for future projects.

STAFF RECOMMENDATION

Option #1

ATTACHED:

- Full Text of S. 1932
- Draft Support Letter to Senator Manchin
- Section-by-Section of the Compromise Legislation
- Section-by-Section of the Introduced Legislation

116TH CONGRESS
1ST SESSION

S. 1932

To support water infrastructure in Reclamation States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 20, 2019

Mr. GARDNER (for himself, Mrs. FEINSTEIN, Ms. MCSALLY, and Ms. SINEMA) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To support water infrastructure in Reclamation States, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Drought Resiliency
5 and Water Supply Infrastructure Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) DESIGN; STUDY.—The terms “design” and
9 “study” include any design, permitting, materials

1 engineering or testing, surveying, or preconstruction
2 activity relating to a water storage facility.

3 (2) SECRETARY.—The term “Secretary” means
4 the Secretary of the Interior.

5 **SEC. 3. SURFACE AND GROUNDWATER STORAGE AND SUP-**
6 **PORTING PROJECTS.**

7 (a) DEFINITIONS.—In this section:

8 (1) APPROPRIATE COMMITTEES OF CON-
9 GRESS.—The term “appropriate committees of Con-
10 gress” means—

11 (A) the Committee on Appropriations of
12 the Senate;

13 (B) the Committee on Energy and Natural
14 Resources of the Senate;

15 (C) the Committee on Appropriations of
16 the House of Representatives; and

17 (D) the Committee on Natural Resources
18 of the House of Representatives.

19 (2) ELIGIBLE ENTITY.—The term “eligible enti-
20 ty” means—

21 (A) any State, political subdivision of a
22 State, department of a State, or public agency
23 organized pursuant to State law;

24 (B) an Indian tribe (as defined in section
25 4 of the Indian Self-Determination and Edu-

1 cation Assistance Act (25 U.S.C. 5304)) or an
2 entity controlled by an Indian tribe;

3 (C) a water users' association;

4 (D) an agency established by an interstate
5 compact; and

6 (E) an agency established under State law
7 for the joint exercise of powers.

8 (3) FEDERALLY OWNED STORAGE PROJECT.—

9 The term “federally owned storage project” means
10 any project in a Reclamation State—

11 (A) that involves the construction, expansion,
12 upgrade, or capital repair of—

13 (i) a surface water storage facility; or

14 (ii) a facility conveying water to or
15 from a surface or groundwater storage facility;
16

17 (B) to which the United States holds title;

18 and

19 (C) that was authorized to be constructed,
20 operated, and maintained pursuant to—

21 (i) the reclamation laws; or

22 (ii) the Act of August 11, 1939 (commonly known as the “Water Conservation
23 and Utilization Act”) (16 U.S.C. 590y et
24 seq.).
25

1 (4) NON-FEDERAL STORAGE PROJECT.—The
2 term “non-Federal storage project” means any
3 project in a Reclamation State that—

4 (A) involves the construction, expansion,
5 upgrade, or capital repair by an eligible entity
6 of—

7 (i) a surface or groundwater storage
8 facility that is not federally owned; or

9 (ii) a facility that is not federally
10 owned conveying water to or from a sur-
11 face or groundwater storage facility; and

12 (B) provides a benefit in meeting any obli-
13 gation under applicable Federal law (including
14 regulations).

15 (5) RECLAMATION LAWS.—The term “reclama-
16 tion laws” means Federal reclamation law (the Act
17 of June 17, 1902 (32 Stat. 388, chapter 1093), and
18 Acts supplemental to and amendatory of that Act.

19 (6) RECLAMATION STATE.—The term “Rec-
20 lamation State” has the meaning given the term in
21 section 4014 of the Water Infrastructure Improve-
22 ments for the Nation Act (43 U.S.C. 390b note;
23 Public Law 114–322).

1 (b) GRANT PROGRAM.—The Secretary may provide
 2 a grant under this section to an eligible entity to carry
 3 out, within a Reclamation State—

4 (1) a federally owned storage project in accord-
 5 ance with subsection (c); or

6 (2) a non-Federal storage project in accordance
 7 with subsection (d).

8 (c) FEDERALLY OWNED STORAGE PROJECTS.—

9 (1) AGREEMENTS.—On request of an eligible
 10 entity, the Secretary may negotiate and enter into
 11 an agreement on behalf of the United States for the
 12 design, study, construction, expansion, upgrade, or
 13 capital repair of a federally owned storage project lo-
 14 cated in a Reclamation State in accordance with this
 15 subsection.

16 (2) FEDERAL SHARE.—Subject to the require-
 17 ments of this subsection, the Secretary may partici-
 18 pate in a federally owned storage project in an
 19 amount equal to not more than 50 percent of the
 20 total cost of the federally owned storage project.

21 (3) CONDITIONS FOR FEDERAL CONSTRUCTION
 22 FUNDING.—The construction of a federally owned
 23 storage project that is the subject of an agreement
 24 under this subsection shall not commence until the
 25 Secretary—

1 (A) determines that the proposed federally
2 owned storage project is feasible in accordance
3 with the reclamation laws;

4 (B) determines that—

5 (i) the federally owned storage project
6 provides a Federal benefit in accordance
7 with the reclamation laws; and

8 (ii) not less than a proportionate
9 share of the benefits of the federally owned
10 storage project are Federal benefits, in-
11 cluding water supplies dedicated to specific
12 purposes, such as water quality improve-
13 ments or fish and wildlife protection and
14 restoration, including a wildlife refuge; and

15 (C) secures an agreement providing such
16 upfront funding as is necessary to pay the non-
17 Federal share of the capital costs of the feder-
18 ally owned storage project.

19 (4) NOTIFICATION.—The Secretary shall sub-
20 mit to the appropriate committees of Congress a
21 written notification of the determinations under
22 paragraph (3) by not later than 30 days after the
23 date of the determinations.

24 (5) ENVIRONMENTAL LAWS.—In participating
25 in a federally owned storage project under this sub-

1 section, the Secretary shall comply with all applica-
 2 ble environmental laws, including the National Envi-
 3 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
 4 seq.).

5 (6) EXPANSION OR UPGRADE.—The Secretary
 6 shall require, as a condition for design, study, or any
 7 other participation in the expansion or upgrade of a
 8 federally owned storage project—

9 (A) the agreement of any single entity that
 10 has an existing water service contract or repay-
 11 ment contract for more than 60 percent of the
 12 capacity or yield of the federally owned storage
 13 project that the expansion will not adversely af-
 14 fect any right or interest of the entity under the
 15 water service contract or repayment contract,
 16 as applicable; and

17 (B) the agreement of the non-Federal enti-
 18 ty that, pursuant to a formal operations and
 19 maintenance transfer contract or other legal
 20 agreement with the Secretary, acting through
 21 the Commissioner of Reclamation, carries out
 22 the operations and maintenance of the federally
 23 owned storage project, if applicable.

24 (d) NON-FEDERAL STORAGE PROJECTS.—

1 (1) IN GENERAL.—Subject to the requirements
 2 of this subsection, the Secretary may participate in
 3 the design, study, construction, expansion, upgrade,
 4 or capital repair of a non-Federal storage project in
 5 an amount equal to not more than 25 percent of the
 6 total cost of the non-Federal storage project.

7 (2) CONDITIONS FOR FEDERAL DESIGN AND
 8 STUDY FUNDING.—The Secretary shall only fund a
 9 design or study activity for a non-Federal storage
 10 project under this subsection if—

11 (A) Federal participation has been re-
 12 quested by the Governor of the State in which
 13 the non-Federal storage project is located; and

14 (B) the Secretary has identified the poten-
 15 tial for Federal benefit sufficient to proceed.

16 (3) CONDITIONS FOR FEDERAL CONSTRUCTION
 17 FUNDING.—Participation by the Secretary in the
 18 construction of a non-Federal storage project under
 19 this subsection shall not occur unless—

20 (A) the Governor of the State in which the
 21 non-Federal storage project is located has re-
 22 quested Federal participation at the time con-
 23 struction was initiated; and

24 (B) the applicable non-Federal sponsor de-
 25 termines, and the Secretary concurs, that—

1 (i) the non-Federal storage project is
2 technically and financially feasible;

3 (ii) the non-Federal storage project
4 provides a Federal benefit in accordance
5 with the reclamation laws;

6 (iii) not less than a proportionate
7 share of the benefits of the non-Federal
8 storage project are Federal benefits, in-
9 cluding water supplies dedicated to specific
10 purposes, such as water quality improve-
11 ments or fish and wildlife protection and
12 restoration, including a wildlife refuge; and

13 (iv) each sponsor of the non-Federal
14 project is financially capable of funding the
15 non-Federal share of the project costs.

16 (4) NOTIFICATION.—The Secretary shall sub-
17 mit to the appropriate committees of Congress a
18 written notification of the determinations under
19 paragraphs (2) and (3) by not later than 30 days
20 after the date of the determinations.

21 (5) ENVIRONMENTAL LAWS.—In participating
22 in a non-Federal storage project under this sub-
23 section, the Secretary shall comply with all applica-
24 ble environmental laws, including the National Envi-

1 ronmental Policy Act of 1969 (42 U.S.C. 4321 et
2 seq.).

3 (6) INFORMATION.—

4 (A) IN GENERAL.—In participating in a
5 non-Federal storage project under this sub-
6 section, the Secretary—

7 (i) shall—

8 (I) generally, rely on reports pre-
9 pared by the sponsor of the non-Fed-
10 eral storage project, including feasi-
11 bility or equivalent studies, environ-
12 mental analyses, and other pertinent
13 reports and analyses; but

14 (II) retain responsibility for mak-
15 ing the independent determinations
16 described in paragraphs (2) and (3);
17 and

18 (ii) may prepare studies supple-
19 mentary to the studies described in clause
20 (i)(I), on—

21 (I) request of the sponsor of the
22 non-Federal storage project; and

23 (II) agreement by the Secretary.

24 (B) GUIDELINES.—

1 (i) DRAFT.—Not later than 180 days
2 after the date of enactment of this Act, the
3 Secretary shall issue draft guidelines for
4 feasibility or equivalent studies for non-
5 Federal storage projects prepared by a
6 project sponsor that shall be consistent
7 with requirements for a title XVI Feasi-
8 bility Study Report, including the economic
9 analysis, contained in the Reclamation
10 Manual Directives and Standards num-
11 bered WTR 11-01, subject to—

12 (I) any additional requirements
13 necessary to provide sufficient infor-
14 mation for making the independent
15 determinations described in para-
16 graphs (2)(B) and (3); and

17 (II) the condition that the Bu-
18 reau of Reclamation shall not bear re-
19 sponsibility for the technical adequacy
20 of any design, cost estimate, or con-
21 struction relating to a non-Federal
22 storage project.

23 (ii) FINAL.—The Secretary shall final-
24 ize the guidelines under clause (i) by not

1 later than 1 year after the date of enact-
 2 ment of this Act.

3 (e) RIGHTS TO USE CAPACITY.—Subject to compli-
 4 ance with applicable Reclamation State water rights laws,
 5 the right to use the capacity of a federally owned storage
 6 project or non-Federal storage project with respect to
 7 which the Secretary has entered into an agreement under
 8 this subsection shall be allocated in such manner as may
 9 be mutually agreed to by the Secretary and each other
 10 party to the agreement, including any party described in
 11 subsection (c)(6)(B).

12 (f) FEDERAL BENEFITS.—In making a determina-
 13 tion relating to a Federal benefit under this section, the
 14 Secretary may include any benefit realized from the exist-
 15 ence of operational flexibility to optimize the achievement
 16 of an authorized project purpose (whether reimbursable or
 17 nonreimbursable), taking into consideration the hydrology
 18 of a given water year, including through the coordinated
 19 management of Federal and non-Federal facilities.

20 (g) FUNDING.—

21 (1) AUTHORIZATION OF APPROPRIATIONS.—

22 There is authorized to be appropriated to the Sec-
 23 retary to carry out this section \$670,000,000 for the
 24 period of fiscal years 2020 through 2024.

1 (2) CONGRESSIONAL APPROVAL INITIALLY RE-
2 QUIRED.—

3 (A) DESIGN AND STUDY FUNDING.—Each
4 initial award under this section for design and
5 study of a federally owned storage project or a
6 non-Federal storage project shall be approved
7 in an appropriations Act.

8 (B) CONSTRUCTION FUNDING.—Each ini-
9 tial award under this section for construction of
10 a federally owned storage project or a non-Fed-
11 eral storage project shall be approved in an ap-
12 propriations Act.

13 (C) RECLAMATION RECOMMENDATIONS.—

14 (i) IN GENERAL.—Subject to clause
15 (ii), the Commissioner of Reclamation shall
16 submit to the appropriate committees of
17 Congress recommendations regarding the
18 initial award of design and study funding,
19 and of construction funding, for each fed-
20 erally owned storage project and non-Fed-
21 eral storage project subject to consider-
22 ation under subparagraphs (A) and (B).

23 (ii) REQUIREMENT.—The Commis-
24 sioner of Reclamation shall confer with the
25 appropriate committees of Congress before

1 submitting the recommendations under
2 clause (i).

3 (3) SUBSEQUENT FUNDING AWARDS.—

4 (A) DESIGN AND STUDY FUNDING.—After
5 approval by Congress of an initial award of de-
6 sign and study funding for a federally owned
7 storage project or a non-Federal storage project
8 under paragraph (2), the Secretary may award
9 additional design and study funding for the fed-
10 erally owned storage project or non-Federal
11 storage project without further congressional
12 approval.

13 (B) CONSTRUCTION FUNDING.—After ap-
14 proval by Congress of an initial award of con-
15 struction funding for a federally owned storage
16 project or a non-Federal storage project under
17 paragraph (2), the Secretary may award addi-
18 tional construction funding for the federally
19 owned storage project or non-Federal storage
20 project without further congressional approval.

21 (4) PRELIMINARY STUDIES.—Of the amounts
22 made available under paragraph (1), not more than
23 25 percent shall be provided for appraisal studies,
24 feasibility studies, or other preliminary studies.

25 (5) WIIN ACT STORAGE FUNDING.—

1 (A) APPROPRIATIONS.—Each federally
 2 owned storage project and non-Federal storage
 3 project shall be eligible to receive any amounts
 4 made available pursuant to section 4007(h) of
 5 the Water Infrastructure Improvements for the
 6 Nation Act (43 U.S.C. 390b note; Public Law
 7 114–322) (as in effect on the day before the
 8 date of enactment of this Act), in accordance
 9 with paragraphs (2) and (3).

10 (B) INDIVIDUAL PROJECTS.—

11 (i) FEDERALLY OWNED STORAGE
 12 PROJECTS.—If the Secretary determines
 13 that a federally owned storage project is el-
 14 igible for funding under section 4007(b) of
 15 the Water Infrastructure Improvements for
 16 the Nation Act (43 U.S.C. 390b note; Pub-
 17 lic Law 114–322), the federally owned
 18 storage project shall remain eligible for
 19 funding under subsection (c).

20 (ii) NON-FEDERAL STORAGE
 21 PROJECTS.—If the Secretary determines
 22 that a non-Federal storage project is eligi-
 23 ble for funding as a State-led storage
 24 project under section 4007(c) the Water
 25 Infrastructure Improvements for the Na-

1 tion Act (43 U.S.C. 390b note; Public Law
2 114–322), the non-Federal storage project
3 shall remain eligible for funding under sub-
4 section (d).

5 (h) CONSISTENCY WITH STATE LAW.—Nothing in
6 this section preempts or modifies any obligation of the
7 United States or an eligible entity to act in accordance
8 with applicable State law.

9 (i) PARTNERSHIP AND AGREEMENTS RELATING TO
10 CERTAIN WATER STORAGE PROJECTS.—The Secretary,
11 acting through the Commissioner of Reclamation, may
12 enter into a partnership or other agreement relating to
13 a water storage project described in section 103 of the
14 Calfed Bay-Delta Authorization Act (Public Law 108–
15 361; 118 Stat. 1683) with a local joint-powers authority
16 established pursuant to State law by 1 or more irrigation
17 districts or other local water districts or units of local gov-
18 ernment within the applicable hydrologic region, to ad-
19 vance the project.

20 (j) CALFED REAUTHORIZATION.—Title I of Public
21 Law 108–361 (118 Stat. 1681; 123 Stat. 2860; 128 Stat.
22 164; 128 Stat. 2312; 129 Stat. 2407; 130 Stat. 1866)
23 is amended by striking “2019” each place it appears and
24 inserting “2024”.

1 (k) CONFORMING AMENDMENT.—Section 4007 of the
 2 Water Infrastructure Improvements for the Nation Act
 3 (43 U.S.C. 390b note; Public Law 114–322) is repealed.

4 **SEC. 4. WATER RECYCLING AND REUSE.**

5 (a) AUTHORIZATION OF NEW WATER RECYCLING
 6 AND REUSE PROJECTS.—Section 1602 of the Reclamation
 7 Wastewater and Groundwater Study and Facilities Act
 8 (43 U.S.C. 390h) is amended by striking paragraph (2)
 9 of subsection (f) and all that follows through the end of
 10 subsection (g) and inserting the following:

11 “(2) PRIORITIES AND DIVERSITY OF PROJECT
 12 TYPES.—In providing grants under paragraph (1),
 13 the Secretary shall—

14 “(A) give priority to projects that—

15 “(i) are likely to provide a more-reli-
 16 able water supply for a unit of State or
 17 local government;

18 “(ii) are likely to increase the water
 19 management flexibility and reduce impacts
 20 on environmental resources; or

21 “(iii) provide multiple benefits, includ-
 22 ing water supply reliability, ecosystem ben-
 23 efits, groundwater management and en-
 24 hancements, and water quality improve-
 25 ments; and

1 “(B) take into consideration selecting a di-
 2 versity of project types, including projects that
 3 serve—

4 “(i) a region or more than 1 commu-
 5 nity;

6 “(ii) a rural or small community; or

7 “(iii) an urban community or city.

8 “(g) FUNDING.—

9 “(1) AUTHORIZATION OF APPROPRIATIONS.—

10 There is authorized to be appropriated to the Sec-
 11 retary to carry out subsections (e) and (f)
 12 \$100,000,000 for the period of fiscal years 2020
 13 through 2024.

14 “(2) FUNDING OPPORTUNITY ANNOUNCE-
 15 MENT.—The Commissioner of Reclamation shall re-
 16 lease a funding opportunity announcement for the
 17 competitive grant program under subsection (f) by
 18 not later than 75 days after the date of enactment
 19 of an Act that provides funding for the program.

20 “(3) CONGRESSIONAL APPROVAL INITIALLY RE-
 21 QUIRED.—

22 “(A) IN GENERAL.—Each initial award
 23 under this section for design and study, or for
 24 construction, of a project under subsection (e)

1 or (f) shall be approved in an appropriations
2 Act.

3 “(B) RECLAMATION RECOMMENDA-
4 TIONS.—The Commissioner of Reclamation
5 shall submit recommendations regarding the
6 initial award of design and study funding and
7 construction funding for consideration under
8 subparagraph (A) to—

9 “(i) the Committee on Appropriations
10 of the Senate;

11 “(ii) the Committee on Energy and
12 Natural Resources of the Senate;

13 “(iii) the Committee on Appropria-
14 tions of the House of Representatives; and

15 “(iv) the Committee on Natural Re-
16 sources of the House of Representatives.

17 “(4) SUBSEQUENT FUNDING AWARDS.—After
18 approval by Congress of an initial award of design
19 and study funding or construction funding for a
20 project under paragraph (3), the Commissioner of
21 Reclamation may award additional design and study
22 funding or construction funding, respectively, for the
23 project without further congressional approval.”.

1 (b) LIMITATION ON FUNDING.—Section 1631(d) of
 2 the Reclamation Wastewater and Groundwater Study and
 3 Facilities Act (43 U.S.C. 390h–13(d)) is amended—

4 (1) in paragraph (1)—

5 (A) by striking “by paragraph (2)” and in-
 6 serting “in paragraphs (2) and (3)”; and

7 (B) striking “\$20,000,000 (October 1996
 8 prices)” and inserting “\$30,000,000 (in prices
 9 as determined for January 2019)”; and

10 (2) in paragraph (2)—

11 (A) in subparagraph (B)—

12 (i) by striking “(B) In the case” and
 13 inserting the following:

14 “(B) SAN GABRIEL BASIN.—In the case”;

15 and

16 (ii) by indenting clauses (i) and (ii)
 17 appropriately; and

18 (B) by striking “(2)(A) Subject to” and in-
 19 serting the following:

20 “(2) PROJECTS FUNDED AS OF 2020.—The Fed-
 21 eral share of the cost of any single project author-
 22 ized under this title shall be \$20,000,000 if the
 23 project has received that amount as of December 31,
 24 2020.

25 “(3) OLDER PROJECTS.—

1 “(A) IN GENERAL.—Subject to”.

2 **SEC. 5. DESALINATION.**

3 Section 4(a) of the Water Desalination Act of 1996
4 (42 U.S.C. 10301 note; Public Law 104–298) is amended
5 by striking the second paragraph (1) (relating to projects)
6 and inserting the following:

7 “(2) PROJECTS.—

8 “(A) DEFINITION OF ELIGIBLE DESALINA-
9 TION PROJECT.—In this paragraph, the term
10 ‘eligible desalination project’ means any project
11 located in a Reclamation State, or for which the
12 construction, operation, sponsorship, or funding
13 is the responsibility of, and the primary water
14 supply benefit accrues to, 1 or more entities in
15 a Reclamation State, that—

16 “(i) involves an ocean or brackish
17 water desalination facility—

18 “(I) constructed, operated, and
19 maintained by a State, Indian Tribe,
20 irrigation district, water district, or
21 other organization with water or
22 power delivery authority; or

23 “(II) sponsored or funded by any
24 State, department of a State, political
25 subdivision of a State, or public agen-

1 cy organized pursuant to State law,
2 including through—

3 “(aa) direct sponsorship or
4 funding; or

5 “(bb) indirect sponsorship or
6 funding, such as by paying for
7 the water provided by the facility;
8 and

9 “(ii) provides a Federal benefit in ac-
10 cordance with the reclamation laws.

11 “(B) FEDERAL SHARE.—Subject to the re-
12 quirements of this paragraph, the Secretary
13 may participate in an eligible desalination
14 project in an amount equal to not more than 25
15 percent of the total cost of the eligible desalina-
16 tion project.

17 “(C) STATE ROLE.—Participation by the
18 Secretary in an eligible desalination project
19 under this paragraph shall not occur unless—

20 “(i)(I) the eligible desalination project
21 is included in a State-approved plan; or

22 “(II) the participation has been re-
23 quested by the Governor of the State in
24 which the eligible desalination project is lo-
25 cated; and

“(ii) the State or local sponsor of the eligible desalination project determines, and the Secretary concurs, that—

“(I) the eligible desalination project—

“(aa) is technically and financially feasible; and

“(bb) provides a Federal benefit in accordance with the reclamation laws; and

“(II) the non-Federal project sponsor is financially capable of funding the non-Federal share of the project costs; and

“(iii) the Secretary submits to Congress a written notification of the determinations under clause (ii) by not later than 30 days after the date of the determinations.

“(D) ENVIRONMENTAL LAWS.—In participating in an eligible desalination project under this paragraph, the Secretary shall comply with all applicable environmental laws, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

“(E) INFORMATION.—In participating in an eligible desalination project under this subsection, the Secretary—

“(i) may rely on reports prepared by the sponsor of the eligible desalination project, including feasibility or equivalent studies, environmental analyses, and other pertinent reports and analyses; but

“(ii) shall retain responsibility for making the independent determinations described in subparagraph (C).

“(F) FUNDING.—

“(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$60,000,000 for the period of fiscal years 2020 through 2024.

“(ii) FUNDING OPPORTUNITY ANNOUNCEMENT.—The Commissioner of Reclamation shall release a funding opportunity announcement for a grant program under this paragraph by not later than 75 days after the date of enactment of an Act that provides funding for the program.

1 “(iii) CONGRESSIONAL APPROVAL INI-
2 TIALY REQUIRED.—

3 “(I) IN GENERAL.—Each initial
4 award under this paragraph for de-
5 sign and study, or for construction, of
6 an eligible desalination project shall
7 be approved in an appropriations Act.

8 “(II) RECLAMATION REC-
9 OMMENDATIONS.—The Commissioner
10 of Reclamation shall submit rec-
11 ommendations regarding the initial
12 award of design and study funding
13 and construction funding for consider-
14 ation under subclause (I) to—

15 “(aa) the Committee on Ap-
16 propriations of the Senate;

17 “(bb) the Committee on En-
18 ergy and Natural Resources of
19 the Senate;

20 “(cc) the Committee on Ap-
21 propriations of the House of Rep-
22 resentatives; and

23 “(dd) the Committee on
24 Natural Resources of the House
25 of Representatives.

1 “(iv) SUBSEQUENT FUNDING
2 AWARDS.—After approval by Congress of
3 an initial award of design and study fund-
4 ing or construction funding for an eligible
5 desalination project under clause (iii), the
6 Commissioner of Reclamation may award
7 additional design and study funding or
8 construction funding, respectively, for the
9 eligible desalination project without further
10 congressional approval.”.

11 **SEC. 6. RECLAMATION INFRASTRUCTURE FINANCE AND IN-**
12 **NOVATION PILOT PROGRAM.**

13 (a) ESTABLISHMENT.—The Secretary shall establish
14 and carry out a pilot program under which the Secretary
15 shall provide to eligible entities described in subsection (c)
16 financial assistance in accordance with this section to
17 carry out eligible projects described in subsection (b).

18 (b) ELIGIBLE PROJECTS.—

19 (1) IN GENERAL.—A project eligible to receive
20 assistance under the pilot program under this sec-
21 tion is a water supply project that, as determined by
22 the Secretary—

23 (A) is located in—

24 (i) the State of Alaska;

25 (ii) the State of Hawaii; or

1 (iii) a State or territory described in
 2 the first section of the Act of June 17,
 3 1902 (32 Stat. 388, chapter 1093; 43
 4 U.S.C. 391);

5 (B) would contribute directly or indirectly
 6 (including through groundwater recharge) to a
 7 safe, adequate water supply for domestic, agri-
 8 cultural, environmental, or municipal or indus-
 9 trial use; and

10 (C) is otherwise eligible for assistance
 11 under this section.

12 (2) PROJECTS ASSOCIATED WITH BUREAU OF
 13 RECLAMATION FACILITIES.—A project that supports
 14 an improvement to, or is associated with, a Bureau
 15 of Reclamation facility shall be eligible to receive as-
 16 sistance under the pilot program under this section
 17 if—

18 (A) the project meets the criteria described
 19 in paragraph (1);

20 (B) the eligible entity carrying out the
 21 project demonstrates to the satisfaction of the
 22 Secretary that the eligible entity is initiating
 23 and implementing the project for non-Federal
 24 purposes;

1 (C) the eligible entity retains or secures,
 2 through a long-term Federal property lease, op-
 3 eration and maintenance transfer agreement
 4 that provides for self-funding, or easement
 5 agreement with the Secretary, substantial con-
 6 trol over the assets, operation, management,
 7 and maintenance of the project; and

8 (D) the project meets such other criteria
 9 as the Secretary may establish.

10 (3) SMALL COMMUNITY PROJECTS.—For
 11 projects eligible for assistance under this section and
 12 section 5028(a)(2)(B) of the Water Resources Re-
 13 form and Development Act of 2014 (33 U.S.C.
 14 3907(a)(2)(B)), the Secretary may assist applicants
 15 in combining 1 or more projects into a single appli-
 16 cation in order to meet the minimum project cost of
 17 \$5,000,000 required under that section.

18 (c) ELIGIBLE ENTITIES.—The following entities are
 19 eligible to receive assistance under this section:

20 (1) An entity described in section 5025 of the
 21 Water Resources Reform and Development Act of
 22 2014 (33 U.S.C. 3904).

23 (2) A conservancy district, Reclamation district,
 24 irrigation district, or water district.

25 (3) A canal company or mutual water company.

1 (4) A water users' association.

2 (5) An agency established by an interstate com-
3 pact.

4 (6) An agency established under State law for
5 the joint exercise of powers.

6 (7) Any other individual or entity that has the
7 capacity to contract with the United States under
8 the reclamation laws.

9 (d) REQUIREMENTS.—

10 (1) PROJECT SELECTION.—In selecting eligible
11 projects to receive assistance under the pilot pro-
12 gram under this section, the Secretary shall ensure
13 diversity with respect to—

14 (A) project type; and

15 (B) geographical location within the States
16 referred to in subsection (b)(1)(A).

17 (2) IMPORTATION OF OTHER REQUIREMENTS.—

18 The following provisions of law shall apply to the
19 pilot program under this section:

20 (A) Sections 5022, 5024, 5027, 5028,
21 5029, 5030, 5031, 5032, and 5034(a) of the
22 Water Resources Reform and Development Act
23 of 2014 (33 U.S.C. 3901, 3903, 3906, 3907,
24 3908, 3909, 3910, 3911, 3913(a)), except
25 that—

1 (i) any reference contained in those
2 sections to the Secretary of the Army shall
3 be considered to be a reference to the Sec-
4 retary;

5 (ii) any reference contained in those
6 sections to an eligible project shall be con-
7 sidered to be a reference to an eligible
8 project described in subsection (b);

9 (iii) paragraphs (1)(E) and (6)(B) of
10 subsection (a), and subsection (b)(3), of
11 section 5028 of that Act (33 U.S.C. 3907)
12 shall not apply with respect to this section;
13 and

14 (iv) subsections (e) and (f) of section
15 5030 of that Act (33 U.S.C. 3909) shall
16 not apply with respect to this section.

17 (B) The agreement between the Adminis-
18 trator of the Environmental Protection Agency
19 and the Commissioner of Reclamation required
20 under section 4301 of the America's Water In-
21 frastructure Act of 2018 (Public Law 115-
22 270), pursuant to which the Administrator shall
23 retain responsibility for administering any loans
24 under this section.

1 (C) Other applicable environmental laws,
2 including the National Environmental Policy
3 Act of 1969 (42 U.S.C. 4321 et seq.).

4 (e) AUTHORIZATION OF APPROPRIATIONS.—

5 (1) IN GENERAL.—There is authorized to be
6 appropriated to the Secretary to carry out the pilot
7 program under this section \$150,000,000 for the pe-
8 riod of fiscal years 2021 through 2025, to remain
9 available until expended.

10 (2) ADMINISTRATIVE COSTS.—Of the funds
11 made available pursuant to paragraph (1), the Sec-
12 retary may use for administrative costs of carrying
13 out the pilot program under this section (including
14 for the provision of technical assistance to project
15 sponsors pursuant to paragraph (3), to obtain any
16 necessary approval, and for transfer to the Adminis-
17 trator of the Environmental Protection Agency to
18 provide assistance in administering and servicing
19 Federal credit instruments under the pilot program)
20 not more than \$5,000,000 for each applicable fiscal
21 year.

22 (3) SMALL COMMUNITY PROJECTS.—

23 (A) IN GENERAL.—Subject to subsection
24 (b), the Commissioner may use the funds made
25 available under paragraph (2) to provide assist-

1 ance, including assistance to pay the costs of
 2 acquiring the rating opinion letters under para-
 3 graph (1)(D) of section 5028(a) of the Water
 4 Resources Reform and Development Act of
 5 2014 (33 U.S.C. 3907(a)), to assist project
 6 sponsors in obtaining the necessary approvals
 7 for small community projects that are eligible
 8 for assistance under paragraph (2)(B) of that
 9 section or subsection (b)(3).

10 (B) LIMITATION.—Assistance provided to
 11 a project sponsor under subparagraph (A) may
 12 not exceed an amount equal to 75 percent of
 13 the total administrative costs incurred by the
 14 project sponsor in securing financial assistance
 15 under this section.

16 **SEC. 7. RESTORATION AND ENVIRONMENTAL COMPLIANCE.**

17 (a) IN GENERAL.—The Secretary may participate
 18 in—

19 (1) environmental restoration activities benefit-
 20 ting species—

21 (A) listed as threatened or endangered
 22 under the Endangered Species Act of 1973 (16
 23 U.S.C. 1531 et seq.) that are adversely affected
 24 by the operation of water projects of the Bu-
 25 reau of Reclamation; or

1 (B) through water delivery from a Rec-
 2 lamation project to a wildlife refuge;

3 (2) environmental compliance activities, includ-
 4 ing stream gauging, monitoring, and other data col-
 5 lection activities, to assist water projects of the Bu-
 6 reau of Reclamation in—

7 (A) achieving the purposes of the projects;
 8 and

9 (B) fulfilling the duties of the Bureau
 10 under section 7 of the Endangered Species Act
 11 of 1973 (16 U.S.C. 1536); and

12 (3) a forest, meadow, or watershed restoration
 13 activity on Federal land—

14 (A) that has the potential—

15 (i) to restore healthy forest or water-
 16 shed conditions that improve the quality,
 17 timing, or other attributes of runoff to—

18 (I) a Bureau of Reclamation fa-
 19 cility or project; or

20 (II) a surface or groundwater
 21 storage facility that is operated in
 22 conjunction with a Bureau of Rec-
 23 lamation facility or project;

24 (ii) to reduce the rate of sedimenta-
 25 tion of a Bureau of Reclamation facility; or

1 (iii) to reduce the threat of wildfire
 2 that could affect runoff to, or sedimenta-
 3 tion or structural integrity of, a Bureau of
 4 Reclamation facility; and

5 (B) with respect to which—

6 (i) the proportion that the amount of
 7 Federal funding under this section bears to
 8 the total cost of the project is approxi-
 9 mately equal to, or less than, the propor-
 10 tion that water-related benefits bears to
 11 the total benefits of the project, as cal-
 12 culated by the Secretary using a method-
 13 ology at the discretion of the Secretary;
 14 and

15 (ii) Federal water contractors are like-
 16 ly to receive at least part of the water sup-
 17 ply or water quality benefits of the project.

18 (b) PRIORITY.—In carrying out this section, the Sec-
 19 retary shall give priority to restoration or environmental
 20 compliance activities that—

21 (1) implement congressional direction, such as
 22 projects described in—

23 (A) subsection (a)(3);

1 (B) section 4001 or 4010 of the Water In-
 2 frastructure Improvements for the Nation Act
 3 (Public Law 114–322; 130 Stat. 1851); or

4 (C) congressionally authorized species re-
 5 covery programs on the Colorado River;

6 (2) are recommended by collaborative processes
 7 or plans developed by Federal agencies in conjunc-
 8 tion with States, water contractors, environmental or
 9 fishing interests, or other stakeholders; or

10 (3) implement settlements with State agencies
 11 or requirements under State water laws to restore
 12 species listed as threatened or endangered under the
 13 Endangered Species Act of 1973 (16 U.S.C. 1531 et
 14 seq.) or other species adversely affected by the oper-
 15 ation of water projects of the Bureau of Reclama-
 16 tion.

17 (c) COST-SHARE.—

18 (1) IN GENERAL.—The Federal share of the
 19 cost of any individual program, activity, or project
 20 carried out using funds made available pursuant to
 21 this section—

22 (A) shall be not more than 50 percent; and

23 (B) shall be nonreimbursable.

24 (2) PROGRAM-LEVEL CALCULATION.—The Fed-
 25 eral cost-share described in paragraph (1) shall be

1 calculated at the program level, at which a group of
 2 activities or projects are considered to be a part of
 3 a broader, cohesive program.

4 (d) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated to the Secretary—

6 (1) \$20,000,000 to carry out subsection (a)(3)
 7 for the period of fiscal years 2020 and 2021; and

8 (2) \$120,000,000 to carry out this section for
 9 the period of fiscal years 2022 through 2024.

10 (e) APPLICABLE LAW.—Nothing in this section shall
 11 be interpreted or implemented in a manner that—

12 (1) preempts or modifies any obligation of the
 13 United States under Federal law to act in accord-
 14 ance with applicable State law, including applicable
 15 State water law; or

16 (2) affects or modifies any obligation under
 17 Federal environmental law.

18 **SEC. 8. DEAUTHORIZATION OF CERTAIN WATER RECY-**
 19 **CLING PROJECTS.**

20 (a) PURPOSE; DEFINITION.—

21 (1) PURPOSE.—The purpose of this section is
 22 to establish an efficient and transparent 1-time proc-
 23 ess for deauthorizing Bureau of Reclamation title
 24 XVI projects that have failed—

1 (A) to receive a minimum level of Federal
 2 investment; or

3 (B) to initiate construction.

4 (2) DEFINITION OF TITLE XVI PROJECT.—In
 5 this section, the term “title XVI project” means a
 6 project authorized by title XVI of Public Law 102–
 7 575 (43 U.S.C. 390h et seq.).

8 (b) BACKLOG LIST.—Not later than 180 days after
 9 the date of enactment of this Act, the Secretary shall sub-
 10 mit to the Committee on Energy and Natural Resources
 11 of the Senate and the Committee on Natural Resources
 12 of the House of Representatives, and make available on
 13 a publicly accessible internet website in a manner that is
 14 downloadable, searchable, and sortable, a list of—

15 (1) title XVI projects—

16 (A) that are authorized; and

17 (B) for which, during the fiscal year in
 18 which this Act is enacted and each of the pre-
 19 ceding 10 fiscal years—

20 (i) no application for Federal funding
 21 has been received; and

22 (ii) no construction has occurred; and

23 (2) for each title XVI project listed under para-
 24 graph (1)—

1 (A) the date of authorization of the title
 2 XVI project, including any subsequent modi-
 3 fications to the original authorization;

4 (B) a brief description of the title XVI
 5 project; and

6 (C) any amounts appropriated for the title
 7 XVI project that remain unobligated.

8 (c) INTERIM DEAUTHORIZATION LIST.—

9 (1) IN GENERAL.—The Secretary shall develop
 10 and make publicly available an interim deauthoriza-
 11 tion list that identifies each title XVI project de-
 12 scribed in subsection (b)(1).

13 (2) PUBLIC COMMENT AND CONSULTATION.—

14 (A) IN GENERAL.—The Secretary shall so-
 15 licit and accept, for a period of not less than 90
 16 days, comments relating to the interim de-
 17 authorization list under paragraph (1) from—

18 (i) the public; and

19 (ii) the Governor of each applicable
 20 State.

21 (B) PROJECT SPONSORS.—As part of the
 22 public comment period under subparagraph (A),
 23 the Secretary shall provide to title XVI project
 24 sponsors the opportunity to provide to the Sec-
 25 retary a notice of the intent to initiate construc-

tion of the title XVI project by not later than the date that is 2 years after the date of publication of the preliminary final deauthorization list under subsection (d).

(3) SUBMISSION TO CONGRESS; PUBLICATION.—Not later than 90 days after the date of submission of the backlog list under subsection (b), the Secretary shall—

(A) submit the interim deauthorization list under paragraph (1) to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives; and

(B) publish the interim deauthorization list in the Federal Register.

(d) PRELIMINARY FINAL DEAUTHORIZATION LIST.—

(1) IN GENERAL.—The Secretary shall develop a preliminary final deauthorization list that includes each title XVI project identified pursuant to paragraph (2).

(2) IDENTIFICATION OF PROJECTS.—

(A) EXCLUSIONS.—The Secretary may identify a title XVI project described in subsection (b)(1) for exclusion from the preliminary final deauthorization list if the Secretary

determines, on a case-by-case basis following receipt of public comments, that the title XVI project is critical for interests of the United States, based on the practicable impact of the title XVI project on—

(i) public health and safety;

(ii) the national economy; or

(iii) the environment.

(B) SUBJECT TO DEAUTHORIZATION DESIGNATION.—Any title XVI project the sponsor of which has provided to the Secretary a notice of the intent to initiate construction by not later than 2 years after the date of publication of the preliminary final deauthorization list under this subsection shall be designated on that list as “subject to deauthorization”.

(C) APPENDIX.—The Secretary shall include as part of the preliminary final deauthorization list under this subsection an appendix that—

(i) identifies each title XVI project included on the interim deauthorization list under subsection (c) that is not included on the preliminary final deauthorization list; and

1 (ii) describes the reasons why each
 2 title XVI project identified under clause (i)
 3 is not included on the preliminary final de-
 4 authorization list.

5 (3) SUBMISSION TO CONGRESS; PUBLICA-
 6 TION.—Not later than 120 days after the date of ex-
 7 piration of the public comment period under sub-
 8 section (c)(2)(A), the Secretary shall—

9 (A) submit to the Committee on Energy
 10 and Natural Resources of the Senate and the
 11 Committee on Natural Resources of the House
 12 of Representatives the preliminary final de-
 13 authorization list and the appendix required
 14 under this subsection; and

15 (B) publish the preliminary final deauthor-
 16 ization list and appendix in the Federal Reg-
 17 ister.

18 (e) DEAUTHORIZATION; CONGRESSIONAL REVIEW.—
 19 Effective beginning on the date that is 180 days after the
 20 date of submission to Congress of the preliminary final
 21 deauthorization list under subsection (d)(3)(A), each title
 22 XVI project included on that list is deauthorized, unless—

23 (1) the title XVI project is designated as “sub-
 24 ject to deauthorization” pursuant to subsection
 25 (d)(2)(B); or

1 (2) Congress has enacted a joint resolution dis-
 2 approving the preliminary final deauthorization list.

3 (f) UPDATED FINAL DEAUTHORIZATION LIST.—

4 (1) PUBLICATION.—Not later than the date
 5 that is 2 years after the date of publication of the
 6 preliminary final deauthorization list under sub-
 7 section (d)(3)(B), the Secretary shall publish an up-
 8 dated final deauthorization list.

9 (2) PROJECTS SUBJECT TO DEAUTHORIZA-
 10 TION.—On the updated final deauthorization list
 11 under this subsection, the Secretary shall describe
 12 any title XVI project designated as “subject to de-
 13 authorization” on the preliminary final deauthoriza-
 14 tion list pursuant to subsection (d)(2)(B) as—

15 (A) authorized, if the Secretary has re-
 16 ceived evidence that the sponsor of the title
 17 XVI project has substantially initiated construc-
 18 tion on the title XVI project; or

19 (B) deauthorized, if the Secretary has not
 20 received the evidence described in subparagraph
 21 (A).

22 (3) DEAUTHORIZATION.—Any project described
 23 as deauthorized pursuant to paragraph (2)(B) shall
 24 be deauthorized on the date that is 180 days after
 25 the date of submission of the updated final de-

1 authorization list under paragraph (1), unless Con-
 2 gress has enacted a joint resolution disapproving
 3 that list.

4 (g) TREATMENT OF PROJECT MODIFICATIONS.—For
 5 purposes of this section, if a title XVI project has been
 6 modified by an Act of Congress, the date of authorization
 7 of the title XVI project shall be considered to be the date
 8 of the most recent modification.

9 **SEC. 9. OFFSETS.**

10 (a) DEFINITION OF WATER USERS' ASSOCIATION.—
 11 In this section:

12 (1) IN GENERAL.—The term “water users’ as-
 13 sociation” means an entity that is—

14 (A) organized and recognized under appli-
 15 cable State law; and

16 (B) eligible to enter into contracts with the
 17 Bureau of Reclamation—

18 (i) to receive contract water for deliv-
 19 ery to end users of the water; and

20 (ii) to pay applicable charges relating
 21 to that water.

22 (2) INCLUSIONS.—The term “water users’ asso-
 23 ciation” includes—

24 (A) an association;

25 (B) a conservancy district;

- 1 (C) an irrigation district;
- 2 (D) a municipality;
- 3 (E) a water project contract unit; and
- 4 (F) any similar entity described in para-
- 5 graph (1).

6 (b) PREPAYMENT OF CERTAIN REPAYMENT CON-
7 TRACTS.—

8 (1) CONVERSION AND PREPAYMENT.—●n re-
9 ceipt of a request from a party to the contract, the
10 Secretary shall convert any water service contract in
11 effect on the date of enactment of this Act between
12 the United States and a water users' association to
13 allow for prepayment of the contract pursuant to
14 paragraph (2) under mutually agreeable terms and
15 conditions, subject to the conditions that—

16 (A) a water service contract entered into
17 under subsection (e) of section 9 of the Act of
18 August 4, 1939 (53 Stat. 1193, chapter 418),
19 proposed to be converted under this subsection
20 shall be converted to a repayment contract
21 under subsection (d) of that section; and

22 (B) a water service contract entered into
23 under subsection (c)(2) of section 9 of the Act
24 of August 4, 1939 (53 Stat. 1193, chapter
25 418), proposed to be converted under this sub-

1 section shall be converted to a contract under
 2 subsection (c)(1) of that section.

3 (2) PREPAYMENT.—Except for a repayment
 4 contract under which the contractor has previously
 5 negotiated for prepayment, on request of a party to
 6 the contract, a repayment contract under section
 7 9(d) of the Act of August 4, 1939 (53 Stat. 1195,
 8 chapter 418), in effect on the date of enactment of
 9 this Act, and all contracts converted pursuant to
 10 paragraph (1)(A), shall—

11 (A) provide for the repayment, in lump
 12 sum or by accelerated prepayment, of the re-
 13 maining construction costs identified in water
 14 project-specific irrigation rate repayment sched-
 15 ules, as adjusted to reflect payments not re-
 16 flected in those schedules, and properly assign-
 17 able for ultimate return by the contractor, or if
 18 made in approximately equal installments, not
 19 later than 3 years after the effective date of the
 20 repayment contract, subject to the conditions
 21 that—

22 (i) the amount shall be discounted by
 23 $\frac{1}{2}$ the Treasury rate; and

24 (ii) an estimate of the remaining con-
 25 struction costs, as adjusted, shall be pro-

1 vided by the Secretary to the contractor by
2 not later than 90 days after the date of re-
3 ceipt of a request from the contractor;

4 (B) require that construction costs or
5 other capitalized costs incurred after the effec-
6 tive date of the contract or not reflected in the
7 rate schedule referred to in subparagraph (A),
8 and properly assignable to the contractor, shall
9 be repaid—

10 (i) by not later than 5 years after the
11 date of notification of the allocation if the
12 amount is a result of a collective annual al-
13 location of capital costs to the contractors
14 exercising contract conversion under this
15 subsection of less than \$5,000,000; or

16 (ii) if the amount is equal to
17 \$5,000,000 or more, in accordance with
18 applicable reclamation laws;

19 (C) provide that power revenues will not be
20 available to aid in repayment of construction
21 costs allocated to irrigation under the contract;
22 and

23 (D) continue in effect for the period during
24 which the contractor pays applicable charges, in
25 accordance with section 9(d) of the Act of Au-

gust 4, 1939 (53 Stat. 1195, chapter 418), and other applicable law.

(3) COVERED CONTRACT REQUIREMENTS.—

(A) DEFINITION OF COVERED CONTRACT.—In this paragraph:

(i) IN GENERAL.—The term “covered contract” means—

(I) on request of the contractor, a repayment contract under subsection (c)(1) of section 9 of the Act of August 4, 1939 (53 Stat. 1193, chapter 418), that is in effect on the date of enactment of this Act; and

(II) a contract converted pursuant to paragraph (1)(B).

(ii) EXCLUSION.—The term “covered contract” does not include a repayment contract under which the contractor has previously negotiated for prepayment.

(B) REQUIREMENTS.—Each covered contract shall—

(i) provide for the repayment, in lump sum, of the remaining construction costs identified in water project-specific irrigation rate repayment schedules, as adjusted

1 to reflect payments not reflected in those
 2 schedules, and properly assignable for ulti-
 3 mate return by the contractor, subject to
 4 the condition that the contractor shall sub-
 5 mit to the Secretary an estimate of any re-
 6 maining construction costs, as adjusted, by
 7 not later than 90 days after the date of
 8 submission of the initial request of the con-
 9 tractor;

10 (ii) require that construction costs or
 11 other capitalized costs incurred after the
 12 effective date of the contract or not re-
 13 flected in the rate schedule referred to in
 14 clause (i), and properly assignable to the
 15 contractor, shall be repaid—

16 (I) by not later than 5 years
 17 after the date of notification of the al-
 18 location, if the amount is a result of
 19 a collective annual allocation of cap-
 20 ital costs to the exercising contract
 21 conversion under this subsection of
 22 less than \$5,000,000; or

23 (II) in accordance with applicable
 24 reclamation laws, if the amount is
 25 \$5,000,000 or more; and

1 (iii) continue in effect for the period
 2 during which the contractor pays applica-
 3 ble charges, in accordance with section
 4 9(c)(1) of the Act of August 4, 1939 (53
 5 Stat. 1194, chapter 418), and other appli-
 6 cable law.

7 (4) CONDITIONS.—A contract entered into pur-
 8 suant to paragraph (1), (2), or (3)—

9 (A) shall not be adjusted on the basis of
 10 the type of prepayment financing used by the
 11 applicable water users' association;

12 (B) shall conform to any other agreements,
 13 such as applicable settlement agreements and
 14 newly constructed appurtenant facilities agree-
 15 ments; and

16 (C) shall not modify any other water serv-
 17 ice, repayment, exchange, or transfer contrac-
 18 tual right between the applicable water users'
 19 association and the Bureau of Reclamation, or
 20 any right, obligation, or relationship of the
 21 water users' association and any affected land-
 22 owner in accordance with applicable State law.

23 (c) ACCOUNTING.—

24 (1) FINAL COST ALLOCATION.—Any amount
 25 paid pursuant to subsection (b) shall be subject to

1 adjustment after a final cost allocation by the Sec-
2 retary.

3 (2) CONTRACTOR RESPONSIBILITY.—

4 (A) IN GENERAL.—If a final cost alloca-
5 tion under paragraph (1) indicates that a cost
6 properly assignable to a contractor covered by
7 this section is greater than the amount paid by
8 the contractor, the contractor shall be obligated
9 to pay the remaining allocated costs in accord-
10 ance with an additional repayment contract
11 under subparagraph (B).

12 (B) ADDITIONAL REPAYMENT CON-
13 TRACTS.—Subject to any other provision mutu-
14 ally agreed to by all affected parties, the term
15 of an additional repayment contract under sub-
16 paragraph (A) shall be—

- 17 (i) not less than 1 year; and
18 (ii) not more than 10 years.

19 (3) CREDIT.—If a final cost allocation under
20 paragraph (1) indicates that a cost properly assign-
21 able to a contractor are less than the amount paid
22 by the contractor, the Secretary shall credit the
23 amount of the overpayment as an offset against any
24 outstanding or future obligation of the contractor,
25 with the exception of any Central Valley Project

1 Restoration Fund charge assessed pursuant to sec-
 2 tion 3407(d) of Public Law 102-575 (106 Stat.
 3 4727).

4 (d) APPLICABILITY OF CERTAIN PROVISIONS.—

5 (1) EFFECT OF EXISTING LAW.—On compliance
 6 by a contract or with, and discharge of, an obliga-
 7 tion of repayment of construction costs pursuant to
 8 a contract under subsection (b)(2)(A), subsections
 9 (a) and (b) of section 213 of the Reclamation Re-
 10 form Act of 1982 (43 U.S.C. 390mm) shall apply to
 11 any affected land.

12 (2) EFFECT OF OTHER OBLIGATIONS.—On pay-
 13 ment by a contractor of any amount required under
 14 a repayment contract under subsection (b)(2)(A),
 15 the obligation of a contractor to repay construction
 16 costs or other capitalized costs described in sub-
 17 section (b)(2)(B), (b)(3)(B), or (c) shall not affect—

18 (A) the status of the contractor as having
 19 repaid all construction costs assignable to the
 20 contractor; or

21 (B) the applicability of subsections (a) and
 22 (b) of section 213 of the Reclamation Reform
 23 Act of 1982 (43 U.S.C. 390mm).

24 (e) EFFECT ON EXISTING LAW.—Nothing in this sec-
 25 tion alters—

1 (1) any repayment obligation of a water service
 2 or repayment contractor receiving water from the
 3 same water project, or shifts any cost that would
 4 otherwise have been properly assignable to—

5 (A) a water users' association identified in
 6 paragraph (1), (2), or (3) of subsection (b), in-
 7 cluding—

8 (i) operation and maintenance costs;

9 (ii) construction costs; or

10 (iii) any other capitalized cost in-
 11 curred after the date of enactment of this
 12 Act; or

13 (B) another contractor;

14 (2) any specific requirement for the disposition
 15 of amounts received as repayment by the Secretary
 16 under Federal reclamation law (the Act of June 17,
 17 1902 (32 Stat. 388, chapter 1093), and Acts supple-
 18 mental to and amendatory of that Act (43 U.S.C.
 19 371 et seq.));

20 (3) the priority of a water service or repayment
 21 contractor to receive water; or

22 (4) except as expressly provided in this section,
 23 any obligation under the reclamation laws, including
 24 the continuation of any Central Valley Project Res-
 25 toration Fund charge assessed pursuant to section

1 3407(d) of Public Law 102–575 (106 Stat. 4727),
2 of a water service or repayment contractor making
3 a prepayment pursuant to this section.

4 (f) CONFORMING AMENDMENT.—Section 4011 of the
5 Water Infrastructure Improvements for the Nation Act
6 (Public Law 114–322; 130 Stat. 1878) is repealed.

7 **SEC. 10. SAVINGS CLAUSE.**

8 Nothing in this Act or an amendment made by this
9 Act shall be interpreted or implemented in a manner
10 that—

11 (1) preempts or modifies any obligation of the
12 United States or an eligible entity under Federal law
13 to act in accordance with applicable State law, in-
14 cluding applicable State water law; or

15 (2) affects or modifies any obligation under
16 Federal environmental law.

○

April 2, 2020

The Honorable Joe Manchin
Ranking Member
Senate Committee on Energy and Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510-6150

RE: The Municipal Water District of Orange County Support for Compromise Project Authorization language in S. 1932

Dear Ranking Member Manchin:

The Municipal Water District of Orange County, California (MWDOC) respectfully requests your support for amendments to S. 1932, including the compromise project authorization language, currently in circulation for consideration by members of the Senate Energy and Natural Resources Committee (committee). MWDOC serves over 3.2 million Orange County residents through 28 retail water agencies.

MWDOC is grateful that for many years, the committee has provided federal investments in water security and water infrastructure. Much needed programs, such as the Bureau of Reclamation's Title XVI Water Reclamation and Reuse Program and the federal water storage program, are helping the West protect ecosystems, enhance water supplies, and provide drought resiliency.

MWDOC believes the compromise language successfully protects the committee's longstanding project-by-project approval process for federal projects while ensuring non-federal projects, such as state and locally sponsored projects, can move forward expeditiously. MWDOC believes moving non-federal projects forward in a timely fashion is essential for efficiently and cost-effectively providing long term water supply security. Many non-federal projects serve as helpful measures to address challenges posed by climate change, groundwater depletion, and growing populations.

The compromise language also fully preserves current environmental review processes and requires a state's Governor to approve a non-federal project before it can move forward. MWDOC is concerned that subjecting non-federal projects to project-by-project congressional authorizations, on top of long environmental review processes – in addition to years of waiting for congressional appropriations – would seriously delay the ability of water districts to secure long-term water supply reliability and resiliency. With the West prone to serious drought, your support is needed to ensure we can prepare for future droughts now and without delay.

MWDOC strongly encourages you to support the compromise language for S. 1932 and refrain from adding additional authorization or approval requirements onto state and locally sponsored projects. Thank you for your attention to this letter and consideration of MWDOC's comments and request.

Sincerely,

Sat Tamaribuchi
MWDOC Board President

CC:

Senate Committee on Energy and Natural Resources
304 Dirksen Senate Building
Washington, DC 20510

Senator Dianne Feinstein
331 Hart Senate Office Bldg.
Washington, D.C. 20510

Senator Cory Gardner
354 Russell Senate Office Building
Washington, D.C. 20510

Senator Martha McSally
404 Russell Senate Office Building
Washington, DC 20510

Senate Kristen Sinema
317 Hart Senate Office Building
Washington, DC 20510

Senator Kamala Harris
112 Hart Senate Office Building
Washington, D.C. 20510

Summary of Compromise Version of S. 1932
“Drought Resiliency and Water Supply Infrastructure Act”

- **Authorizes the following funding:**
 - **\$750 million for surface and groundwater storage projects, and supporting conveyance**
 - **\$160 million for water recycling projects**
 - **\$80 million for desalination projects**
- **Provides for Congressional review of federal storage projects while expediting less controversial non-federal projects:**
 - Federal storage projects, and non-federal storage projects with over \$700 million in federal funding, would require Congressional authorization through a process similar to WRDA; the Bureau of Reclamation would send a list of projects to Congress each year for approval
 - Storage, conveyance, recycling and desalination non-federal projects with less than \$700 million in federal funding would be significantly expedited, requiring that:
 - 1) The Governor of the affected state supports federal funding of the project;
 - 2) The project is feasible and sufficient funding covers the non-federal share;
 - 3) Reclamation recommends funding; and
 - 4) Solely for the initial awards of preconstruction and construction funding for a project, approval from Congress through enacted appropriations legislation. Once Congress has provided these initial approvals, Reclamation can award further funds for that project from the block of previously appropriated funding for storage, recycling or desalination.
- **Creates a new loan program at 30-year Treasury rates (currently about 2.1%) for water supply projects** known as the Reclamation Infrastructure Finance and Innovation Act (RIFIA):
 - The \$150 million authorized funding level **would make available \$8 to \$12 billion in lending authority for the low-interest loans**, using criteria from successful WIFIA program
- **Authorizes \$140 million for restoration and environmental compliance projects**, including forest, meadow and watershed restoration projects with water benefits and projects to help restore species affected by Bureau of Reclamation water projects.
- **Includes major priorities for the environment** in addition to restoration funding, including:
 - **The WaterSMART provisions from Senator Udall’s bill** that make NGOs eligible applicants, prioritize multi-benefit projects by providing a higher federal match, tighten water conservation requirements, and reauthorize the Cooperative Watershed Management Program
 - **Funding for natural water storage projects** that use natural processes and features, like wetlands, to promote ecosystem restoration along with flood protection and water supply
- Authorizes \$180 million in emergency drought assistance, per Udall bill
- Reauthorizes a program to study water supply benefits from transboundary aquifers underlying parts of New Mexico, Texas, and Arizona at the Mexico border, per Udall bill
- Includes two offsets:
 - It extends the existing WIIN Act provisions allowing water districts to prepay their outstanding capital debts and convert to indefinite length water supply contracts; and
 - It sets up a process to deauthorize inactive water recycling project authorizations.

Drought Resiliency and Water Supply Infrastructure Act

SECTION BY SECTION ANALYSIS

Section 1:	Short Title
Section 2:	Definitions
Section 3:	Surface and Groundwater Storage and Supporting Projects
Section 4:	Water Recycling and Reuse
Section 5:	Desalination
Section 6:	Reclamation Infrastructure Finance and Innovation (RIFIA) Pilot Program
Section 7:	Environmental Restoration and Compliance
Section 8:	Deauthorization of Certain Water Recycling Projects
Section 9:	Offsets
Section 10:	Savings Language

Section 3: Surface and Groundwater Storage and Supporting Projects

Subsection (a): Definitions

- Defines “federally owned storage project” to include the construction, expansion, upgrade or capital repair of the following facilities to which the United States holds title:
 - A surface storage facility; and
 - A facility conveying water to a surface or groundwater storage facility.
- Defines “non-federal storage project” to include the construction, expansion, upgrade or capital repair by a state, Indian tribe, or water district(s) of:
 - A surface or groundwater storage facility; or
 - A facility conveying water to a surface or groundwater storage facility.

Subsection (b): Grants

- Authorizes grants to federally owned and non-federal storage projects.

Subsection (c): Federally owned storage projects

- Authorizes up to a 50% federal cost-share for such projects.
- Establishes conditions for federal construction funding.
- Requires compliance with environmental laws.
- As a precondition for expansion of a federally owned storage project, requires the agreement of any single entity with a contract for 60% or more of the capacity or yield of the project, or any entity that has contracted to carry out operations and maintenance of the project.

Subsection (d): Non-federal storage projects

- Authorizes up to a 25% federal cost-share for such projects.
- Establishes conditions for federal design and study funding and construction funding.
- Requires compliance with environmental laws.
- Requires the Bureau of Reclamation within 180 days of enactment to develop draft guidelines for approving feasibility or equivalent studies for non-federal storage projects, to be finalized within a year of enactment.
 - The guidelines shall reflect Reclamation's role as a minority participant in the non-federal projects, with the federal taxpayer not responsible for any cost overruns.
 - The guidelines shall be based on Reclamation's guidelines for water recycling projects under the Title XVI program, which likewise involve a maximum 25% federal contribution to a project built by a non-federal entity.

Subsection (e): Rights to Use Capacity

- The Bureau of Reclamation and its cost-share partners shall enter into a mutual agreement regarding the rights to use the capacity of any federally owned or non-federal storage projects.

Subsection (f): Federal Benefits

- In determining federal benefits under this section, the Bureau of Reclamation may include benefits realized from having the operational flexibility to optimize meeting authorized project purposes in light of the hydrology of any given water year, including through the coordinated management of federal and non-federal facilities.

Subsection (g): Funding

- Authorizes \$670 million total over fiscal years 2020 through 2024.
- Congress appropriates storage funding through the annual appropriations process.
- Congress must approve the initial award of design and study funding and construction funding for each specific project through designating the project by name in an enacted appropriations bill.
 - Once Congress has provided such initial approvals, the Bureau of Reclamation can provide additional design and study funding and construction funding for specific projects without further Congressional approval.
- No more than 25% of authorized funding can be used for appraisal studies, feasibility studies, or other preliminary studies.

Subsection (h): Consistency with State Law

- Nothing in the section preempts or modifies any requirement that Reclamation act consistently with applicable state law.

Subsection (i): Partnership and Agreements Relating to Certain Water Storage Projects

- The Bureau of Reclamation may enter into a partnership with a joint powers authority to advance storage projects identified in the CALFED legislation.

Subsection (j): Calfed Reauthorization

- The CALFED legislation is reauthorized through fiscal year 2024.

Subsection (k): Conforming Amendment

- Because section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act is extended and updated by this section, section 4007 is repealed.

Section 4: Water Recycling and Reuse

Subsection (a): Authorization of New Water Recycling and Reuse Projects

- This subsection amends the Title XVI competitive grant program for water recycling projects established in 2016 pursuant to the WIIN Act.
- The priorities for Reclamation's evaluation of projects in awarding grants are revised.
- Authorizes \$100 million total for fiscal years 2020 through 2024.
- Reclamation must release the funding opportunity announcement for grants not later than 75 days after enactment of the appropriations legislation funding the program.
- Congress appropriates funding for this competitive grant program through the annual appropriations process.
- Congress must approve the initial award of design and study funding and construction funding for each specific project through designating the project by name in an enacted appropriations bill.
 - Once Congress has provided such initial approvals, the Bureau of Reclamation can provide additional design and study funding and construction funding for specific projects without further Congressional approval.

Subsection (b): Limitation on Funding

- Raises the maximum federal funding contribution for each Title XVI project to \$30 million from \$20 million.
 - The cap remains \$20 million for projects that have received that amount as of December 31, 2020.
 - The maximum federal cost-share remains at 25%.

Section 5: Desalination

- This section amends and updates the competitive grant program for desalination projects established in 2016 pursuant to the WIIN Act.
- The program’s basic parameters remain the same.
- There are two changes to the definition of an eligible project:
 - The revised language makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project.
 - The revised language also allows any “organization with water or power delivery authority” to apply for funding if that organization constructs, operates and maintains the project. This language comes from the definition of an “eligible applicant” in section 9502 of the Secure Water Act.
- Authorizes \$60 million total for fiscal years 2020 through 2024.
- Reclamation must release the funding opportunity announcement for grants not later than 75 days after enactment of the appropriations legislation funding the program.
- Congress appropriates funding for this competitive grant program through the annual appropriations process.
- Congress must approve the initial award of design and study funding and construction funding for each specific project through designating the project by name in an enacted appropriations bill.
 - Once Congress has provided such initial approvals, the Bureau of Reclamation can provide additional design and study funding and construction funding for specific projects without further Congressional approval.

Section 6: Reclamation Infrastructure Finance and Innovation Pilot Program

Subsection (a): Establishment

- Establishes the pilot program of financial assistance to eligible projects.

Subsection (b): Eligible Projects

- Defines eligible projects as projects that would contribute directly or indirectly to water supply in Reclamation states, plus Alaska and Hawaii.
- Includes projects that support an improvement to, or are associated with, a Bureau of Reclamation facility if
 - The eligible entity implements the project for non-federal purposes; and
 - The eligible entity secures substantial control over the operation, management and maintenance of the project.
- Applicants may combine one or more smaller projects to meet the minimum \$5 million project cost.

Subsection (c): Eligible Entities

- Includes any individuals or entities that have the capacity to contract with the United States under the Reclamation laws.

Subsection (d): Requirements

- Adopts the requirements of the Water Infrastructure Finance and Innovation Act (WIFIA) for determination of project eligibility and loan selection, and program administration.
- The roles of the Environmental Protection Agency (EPA) and the Bureau of Reclamation are to be defined by the agreement between the agencies required to be completed by October 23, 2019 pursuant to the 2018 Water Resources Development Act legislation. Under the agreement EPA will retain responsibility for administering any loans under the section.
- Requires compliance with all applicable environmental laws.

Subsection (e): Funding

- Authorizes \$150 million total for fiscal years 2020 through 2024, including:
 - \$125 million in federal outlays for supporting loans; and
 - \$25 million in administrative costs for Reclamation and EPA.

- The \$125 million in federal outlays would support \$8 to \$12 billion in loan amounts under OMB's guidance for the parallel WIFIA program.
- A portion of the \$25 million in administrative costs could be used for technical assistance for small community projects, including paying a portion of the costs for acquiring rating opinion letters.

Section 7: Restoration and Environmental Compliance

Subsection (a): In General

- The Secretary of the Interior is authorized to participate in the following:
 - Environmental restoration activities benefitting listed species under the ESA that are affected by the operation of Reclamation water projects, or other species that benefit from Reclamation water deliveries;
 - Environmental compliance activities, including stream gauging, monitoring and other data collection to help fulfill Reclamation's duties under the Endangered Species Act; and
 - Forest, meadow, or watershed restoration activity on federally-owned lands that improves the quality, timing or other attributes of runoff to a surface or groundwater facility, provided that:
 - Reclamation's contribution to the total cost of the forest restoration project must be approximately the same or less than the proportion of water supply and water quality benefits to total project benefits, and
 - Federal water contractors are likely to receive at least part of the water benefits.

Subsection (b): Priority

- The Secretary must give priority under this section to projects that implement Congressional direction, are recommended by collaborative processes or plans, or implement settlements with State agencies or requirements under State water laws to restore species listed under the ESA that are adversely affected the operation of Reclamation's water projects.

Subsection (c): Cost-share

- The Federal cost-share for projects under this section shall be no more than 50%, calculated at the program level for projects are part of a broader, cohesive program.

Subsection (d): Authorization of Appropriations

- Authorizes \$140 million total for fiscal years 2020 through 2024, including:
 - \$20 million total for forest restoration projects for fiscal years 2020 through 2021 (the environmental compliance and restoration activities other than forest restoration projects are already authorized through 2021); and

- \$120 million total for the section as a whole for fiscal years 2022 through 2024.

Section 8: Deauthorization of Certain Water Recycling Projects

- This section sets up a one-time process to deauthorize inactive recycling project authorizations where neither the federal government nor the project sponsor has spent any dollars on construction of the project in the past 10 years.
- The project sponsors would have an additional 2 ³/₄ years or longer after enactment of this Act to begin construction before their project would be deauthorized.

Section 9: Offsets

- This section would extend the existing WIIN Act provisions allowing water districts to prepay their outstanding capital debts to the United States and convert from water service contracts under section 9(e) of the Act of August 4, 1939 to repayment contracts under section 9(d) of that Act.
- This section is expected to bring in additional revenue to the Treasury over the next 10 years.

Section 10: Savings Language

- This section requires the Act to be implemented consistent with applicable State law, including State law, and Federal environmental law.

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/19 - 12/31/19

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
M. Yoo Schneider	Director	Southwest Airlines	Orange County Business Council Advocacy trip Washington, DC to San Jose, CA - 5/8/19	Airfare	\$ 381.68
		Southwest Airlines	ACWA Spring conference in Monterey, CA San Jose, CA to Santa Ana, CA - 5/10/19	Airfare	\$ 135.98
		Alamo	ACWA Spring conference in Monterey, CA San Jose, CA to Monterey, CA - 5/8/19	Car Rental	\$ 103.87
		Alamo	ACWA Spring conference in Monterey, CA San Jose, CA to Monterey, CA - 5/9/19	Car Rental	\$ 103.86
		M. Yoo Schneider Total:			\$ 725.39
J. Thomas	Director	Hilton	Urban Water Institute's Spring Water conference Palm Spring, CA - 2/28/19	Accommodations	\$ 188.26
		Hotel Abrego	ACWA Spring conference in Monterey, CA Monterey, CA - 5/6/19	Accommodations	\$ 247.96
		Hotel Abrego	ACWA Spring conference in Monterey, CA Monterey, CA - 5/7/19	Accommodations	\$ 247.96
		Hotel Abrego	ACWA Spring conference in Monterey, CA Monterey, CA - 5/8/19	Accommodations	\$ 247.96
		Hotel Abrego	ACWA Spring conference in Monterey, CA Monterey, CA - 5/9/19	Accommodations	\$ 247.96
		Frontier Airlines	Colorado River Water Users Association conference Santa Ana, CA to Las Vegas, NV - 12/9/20	Airfare	\$ 118.31
		Frontier Airlines	Colorado River Water Users Association conference Las Vegas, NV to Santa Ana, CA - 12/13/20	Airfare	\$ 118.31
		J. Thomas Total:			\$ 1,416.72

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/19 - 12/31/19

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT:
R. Hunter	General Manager	Delta Air Lines	Association of Metropolitan Water Agencies Executive conference Los Angeles, CA to Providence, RI - 10/19/19	Airfare	\$ 326.00
			Association of Metropolitan Water Agencies Executive conference Providence, RI to Los Angeles, CA - 10/23/19	Airfare	\$ 326.00
		Gurney's Newport	Association of Metropolitan Water Agencies Executive conference Newport, RI - 10/20/19	Accommodations	\$ 293.67
			Association of Metropolitan Water Agencies Executive conference Newport, RI - 10/21/19	Accommodations	\$ 293.67
		Gurney's Newport	Association of Metropolitan Water Agencies Executive conference Newport, RI - 10/22/19	Accommodations	\$ 293.67
			R. Hunter Total: \$ 1,533.01		
J. Berg	Director of Water Use Efficiency	Everyday Flowers.com	Bereavement flowers for MWDOC staff member 5/6/19	Flowers	\$ 147.47
		The Citizen Hotel	Sate Water Resource Control Board workshop & California Water Efficiency Partnership Board meeting Sacramento, CA - 9/23/19	Accommodations	\$ 156.86
J. Berg Total: \$ 304.33					
C. Busslinger	Principal Engineer	Doubletree by Hilton	Cal Desal conference Palm Springs, CA - 2/7/19	Accommodations	\$ 200.50
			C. Busslinger Total: \$ 200.50		
D. Harrison	WEROC Specialist	Galls Retail	Waterproof high visibility safety jacket 12/9/19	Safety jacket	\$ 269.36
			D. Harrison Total: \$ 269.36		

Municipal Water District of Orange County
Individual Charges Disclosure
For the period of 1/1/19 - 12/31/19

INCURRED BY:	POSITION:	VENDOR:	EVENT:	ITEM:	AMOUNT
C. Lingad	Water Resource Analyst	Cal State University of Fullerton	Masters of Science program- Surface Water Pollution; Air Pollution Engineering course Fullerton, CA - 1/19/19 - 5/10/19	Tuition	\$ 2,856.28
			Masters of Science program- Soil & GW Remediation; Wastewater Treatment course Fullerton, CA - 5/28/19 - 8/2/19		\$ 2,552.62
				C. Lingad Total:	\$ 5,408.90
J. Thorsell	Water Loss Control Technician	REI Co-op	Work boots for Water Loss Control Shared Services employee 8/27/19	Boots	\$ 183.18
				B. Roberto Total:	\$ 183.18
R. Waite	Water Use Efficiency Analyst I	Rachel Waite	Water Smart Innovations conference Las Vegas, NV to Garden Grove, CA - 10/4/19	Mileage	\$ 114.84
				R. Waite Total:	\$ 114.84
				Grand Total	\$ 10,156.23



Administration Activities Report

March 6, 2020 – April 2, 2020

Activity	Summary
Administration/Board	<p>Staff worked on the following:</p> <ul style="list-style-type: none"> • Scheduled meetings for Rob Hunter, Karl Seckel and 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. • Processed and reviewed agreements for appropriate Board approval and insurance requirements as well as execution following approval • Reviewed Insurance documents for all District Agreements. • Responded to one Public Records Act request. • Sent cancellation re Elected Officials Forum • Prepared Director Compensation Ordinance; worked with OC Register and Legal re publication • Processed Form 700s • Populated Board Calendar on Zoom • Reviewed Admin Code re water rates • Coordinated cancelling and/or rescheduling registration and travel arrangements for Scheduled meetings. • Assisted with information regarding current fiscal year Conference & Travel Budget • Trained on Zoom System • Set up Zoom Meeting calendar • Set Up Zoom Meetings • Assisted Government Affairs and the Engineering Department with preparing letters
Records Management	<ul style="list-style-type: none"> • Review and reorganization of electronic documents in Laserfiche continues. • The annual Records Management review/audit has been rescheduled for June 29. • Day-to-day tasks and ongoing projects are moving along smoothly despite staff working from home due to MWD OC office closure.
Recruitment/Departures	<ul style="list-style-type: none"> • Andrea Antony started with the District on March 16 as a Water Use Efficiency Analyst II.

Recruitments/Departures (continued)	<ul style="list-style-type: none"> • The Public Affairs intern position has been placed on hold to evaluate department needs. • Recruitment efforts continue to fill the Water Resources Analyst position.
Projects and Activities	<ul style="list-style-type: none"> • Coordination efforts continue with IDS Consultants and Engineering, regarding building improvements and seismic retrofits. IDS has informed the District that the City of Fountain Valley Engineering Department has provided a verbal approval of the structural plan design. • Staff participated in a Zoom Meeting with MWDOC Engineering staff, IDS and ABS, to evaluate the status of the City's review process and next steps in order to keep the project moving forward. • Administration Department is holding meetings twice a week via Zoom. • The General Manager is holding weekly all Staff meetings via Zoom. • Staff is working on budget projections and upcoming budget for 2020/21. • Staff coordinated and participated in the telephone and in-person interviews for the Water Resources Analyst position. • Staff is participating in a COVID-19 weekly teleconference meeting with member agency emergency management staff and Human Resources staff. • Mandatory staff trainings on communications have been deferred until after May 1. • Legal Counsel made a presentation to MWDOC Staff on the afternoon of March 16th. The presentation included a review of the District's Ethics Policy as outlined in the Administrative Code and the State Law regarding Elections. • MWDOC All Staff Meeting was held on March 16th. • Staff is in the process of reviewing an online training module as a resource to staff for general training opportunities. • Staff participated in a demo for a new Financial and Human Resources software system. • The general liability insurance renewal is being reviewed for the upcoming policy year.



Projects and Activities (Continued)	<ul style="list-style-type: none">• MWDOC staff was provided with Zoom training information for the quick transition to online meetings due to COVID.• Staff is participating in a weekly JPIA COVID-19 meeting via Zoom• Staff prepared and distributed an Emergency Telecommuting Agreement to MWDOC staff.• Staff is coordinating with Director of Emergency Management regarding COVID-19 and Personnel issues.• Staff continues to research and participate in webinars relating to COVID-19.
Health Benefits	<ul style="list-style-type: none">• Lunch and learn scheduled for spring as part of the Wellness activities from this year's ACWA/JPIA grant funds that were awarded to the District July 2019, has been deferred to after May 1.



INFORMATION ITEM

April 8, 2020

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

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 2019-20.

Finance

Description	% of Completion	Estimated Completion date	Status
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
Perform demo testing of new accounting software from Accufund	60%	06-30-20	In Progress
Government Compensation in California Report 2019	80%	04-30-20	In Progress
Preparation of documents for FY20-21 budget process.	85%	04-30-20	In Progress

Information Technology

Description	% of Completion	Estimated Completion date	Status
Network security issues (hackers, viruses and spam emails)	On-going	On-going	Continuous system monitoring
Purchase and upgrade Conference room 101 with Interactive board, sound system and microphones.	0%	06-30-20	Not Started
Upgrade WUE Web Server (Software upgrade)	30%	06-30-20	In Progress
Upgrade software for Data Server	10%	06-30-20	In Progress
Disposal of non-functional and obsolete electronic equipment	75%	03-31-20	On Hold
Replace network color printer and 2 Department printers	90%	03-31-20	In Progress
Perform annual Business Continuity Plan Exercise and Testing.	100%	03-31-20	Completed

FY 2019-20 Completed Special Tasks

Description	% of Completion	Completion date	Status
<u>Finance</u>			
State Controller Report preparation FY18-19	100%	01-31-20	Completed
<u>Information Technology</u>			
Upgrade Network Attached Storage device for Backups	100%	12-31-19	Completed
Upgrade 5 computers and monitors for Staff	100%	12-31-19	Completed



INFORMATION ITEM

April 8, 2020

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

FROM: **Robert Hunter, General Manager**

Staff Contact: Kevin Hostert

SUBJECT: **Monthly Water Usage Data 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 **February 2020 was above average compared to the last 5 years.** We are projecting a slight increase in overall water usage compared to FY 2018-19. It has been 35 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 estimated to be **528,000 AF in FY 2019-20** (this includes ~15 TAF of agricultural usage and non-retail water agency usage). This is about **12,000 AF more than FY 2018-19** and is about **13,000 AF less than FY 2017-18**. Water usage per person is projected to be slightly higher in **FY 2019-20 for Orange County at 144 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-term decrease in per-capita water usage is attributed mostly to Water Use Efficiency

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):			

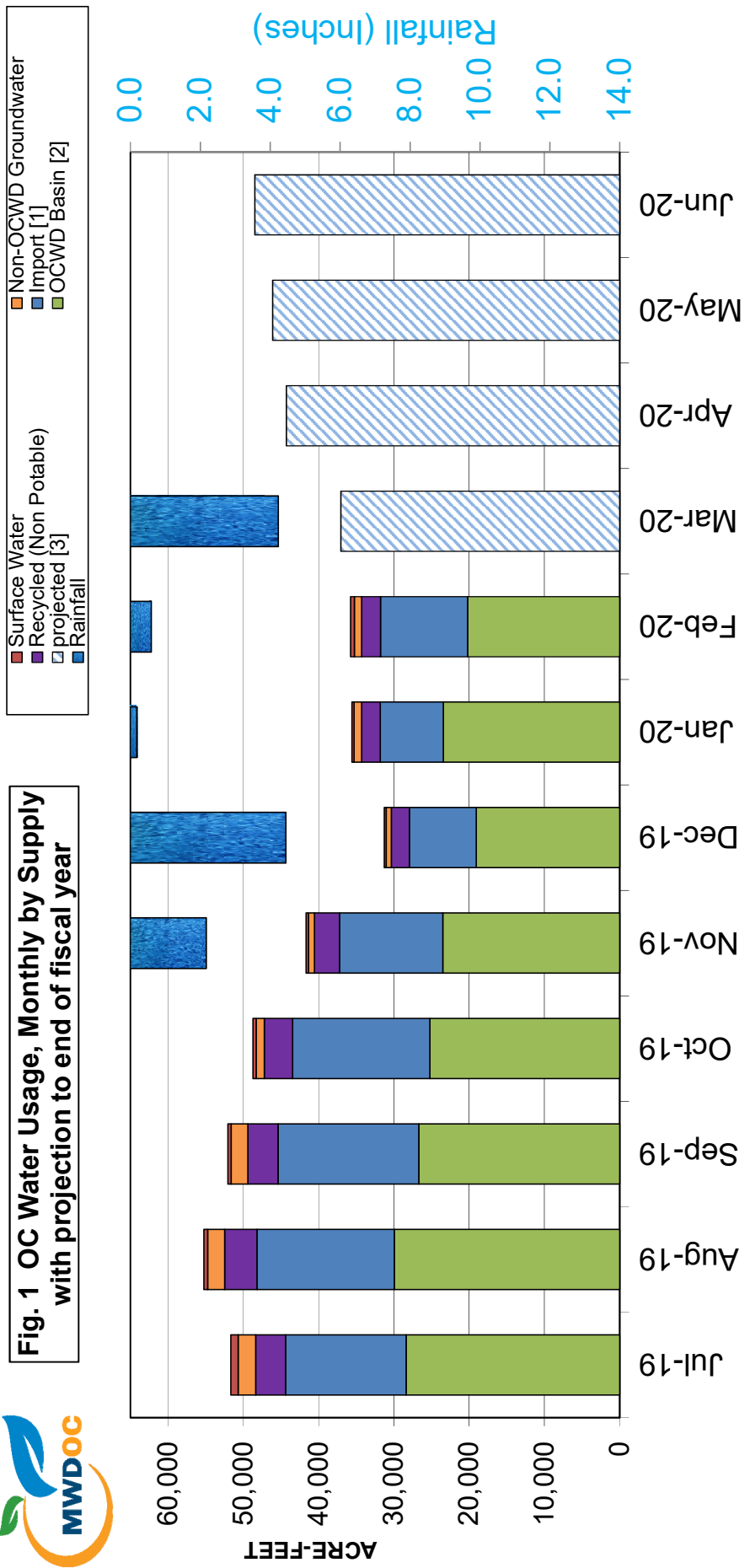
(water conservation) efforts. ***O.C. Water Usage for the last four Fiscal Years is the lowest since the 1982-83 Fiscal Year*** (FY 1982-83 was the third wettest year on record).

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 precipitation through ***late March*** was average for this period. Water year to date rainfall in Orange County is ***11.63 inches***, which is ***105% of normal***.
- Northern California accumulated precipitation through ***late March*** was ***58% of normal for this period***. Water Year 2019 was 137% of normal while water year 2018 was 82% of normal. The ***Northern California snowpack*** was ***57% of normal*** as of March 31st. ***As of late March, 40.42%*** of California is experiencing ***moderate drought conditions*** while 75.14% of the state is experiencing abnormally dry conditions. The State Water Project Contractors Table A Allocation was increased to 15% in January 2020.
- Colorado River Basin accumulated precipitation through ***late March*** was ***91% of normal*** for this period. The ***Upper Colorado Basin snowpack*** was ***103% of normal*** as of March 31st. ***Lake Mead and Lake Powell*** combined have about ***67% of their average storage volume*** for this time of year and are at ***46.0% of their total capacity***. If Lake Mead's ***level falls below a "trigger" limit 1,075 ft. at the end of a calendar year***, then a shortage will be declared by the US Bureau of Reclamation (USBR), impacting Colorado River water deliveries to the Lower Basin states. As of early March, Lake Mead levels were ***23.59' above the "trigger" limit***. The USBR predicts that the start of 2020 will not hit the "trigger" level but there is ***a 0% chance that the trigger level will be hit in 2021 and an 11% chance in 2022***.



**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 and deliveries into Irvine Lake.

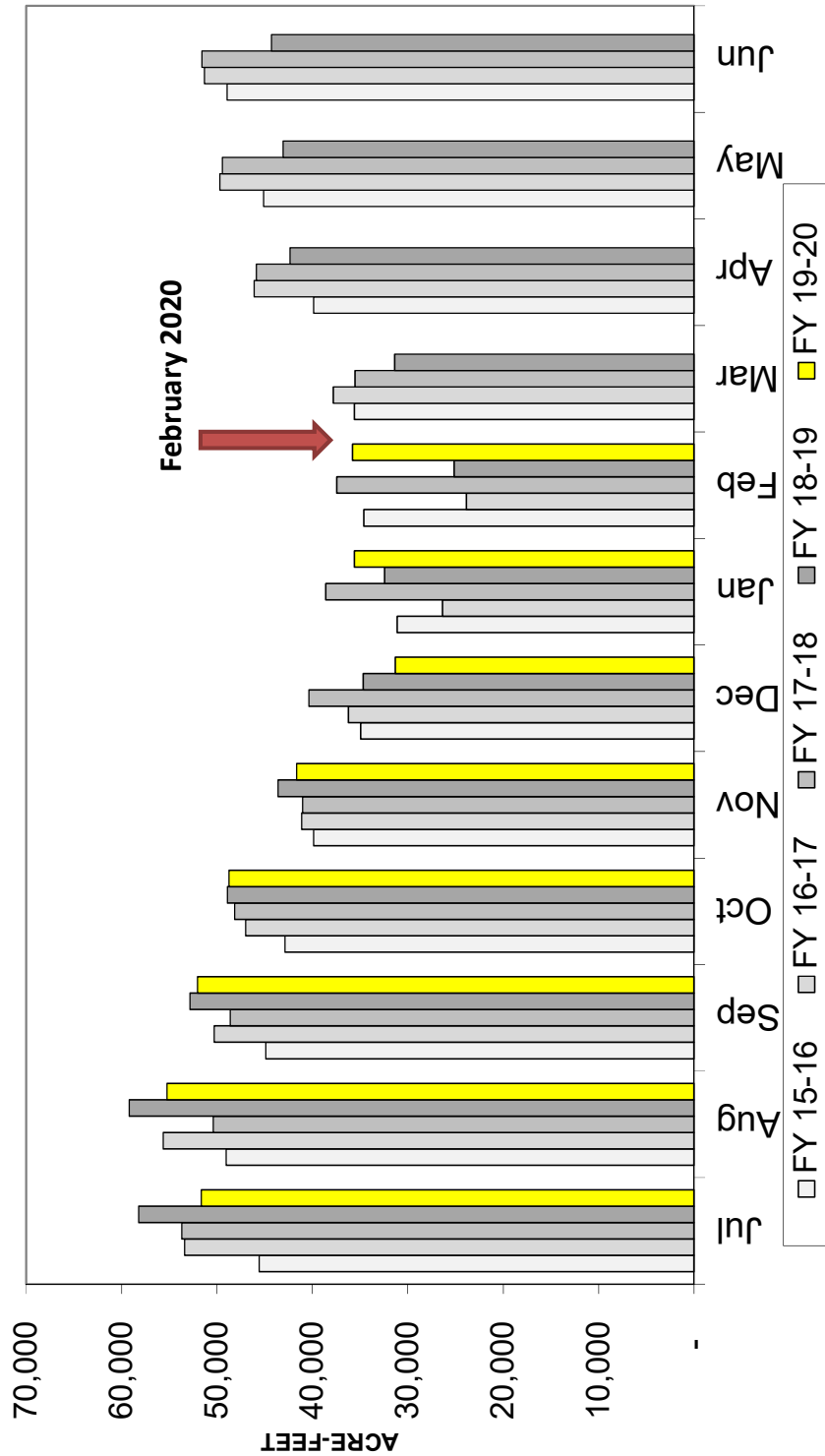
[2] GW for consumptive use only. Excludes In-Lieu water deliveries and CUP water extraction that are counted with Import. BPP in FY '19-20 is 77%.

[3] MWD OC's estimate of monthly demand is based on the projected 5 Year historical retail water demand and historical monthly demand patterns.

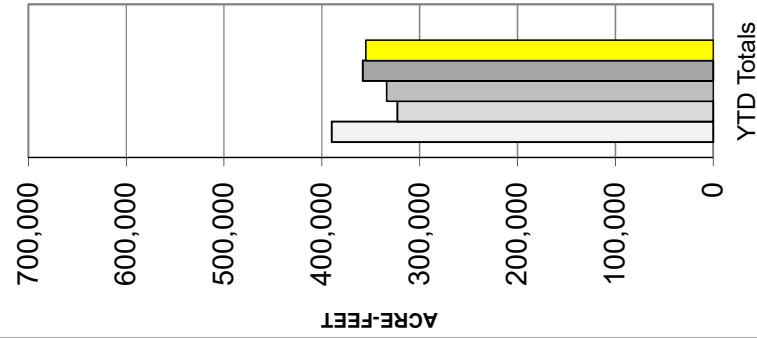
[4] Total water usage includes IRWD groundwater agricultural use and usage by non-retail water agencies.



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

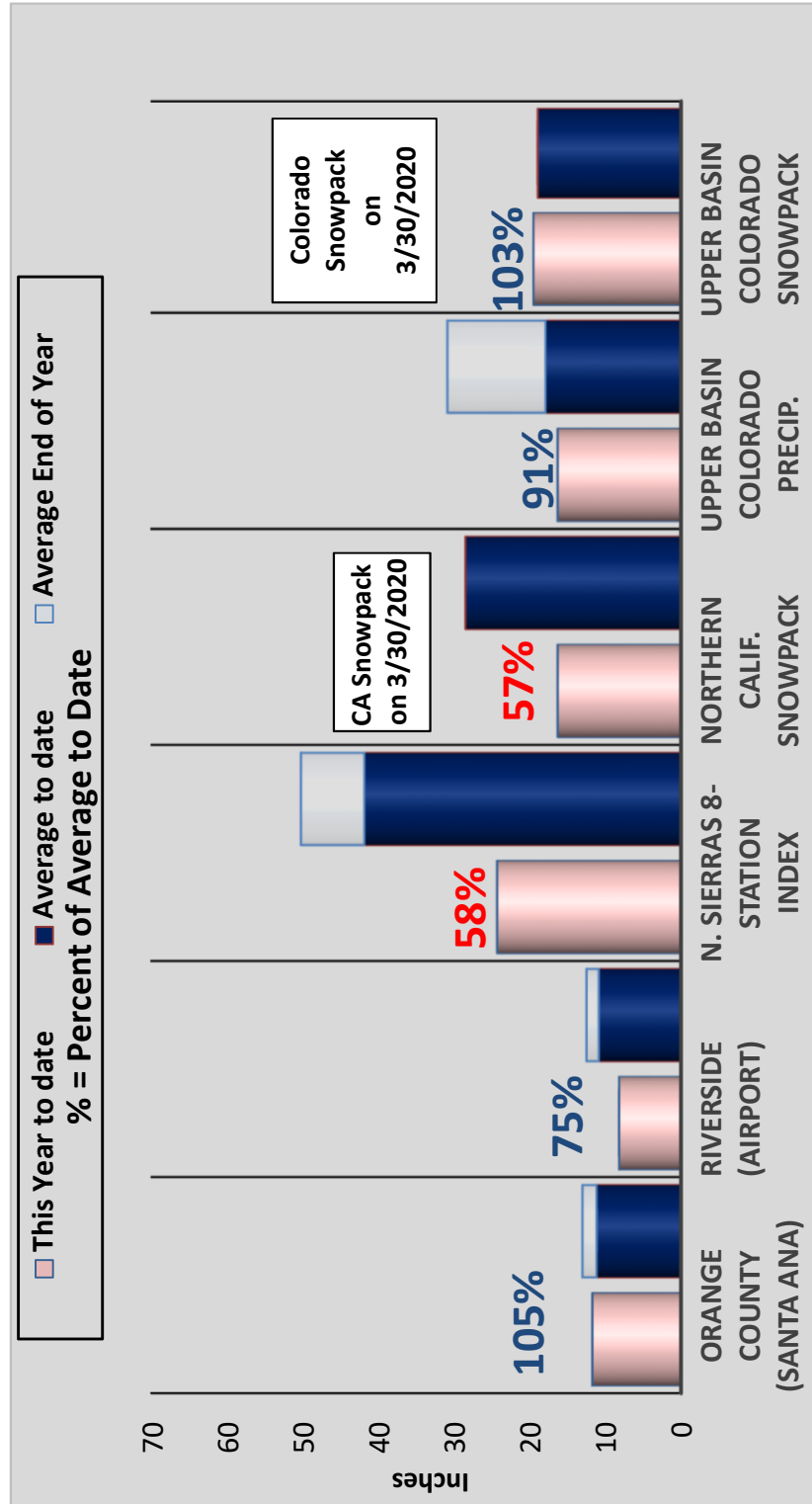


Partial Year Subtotals



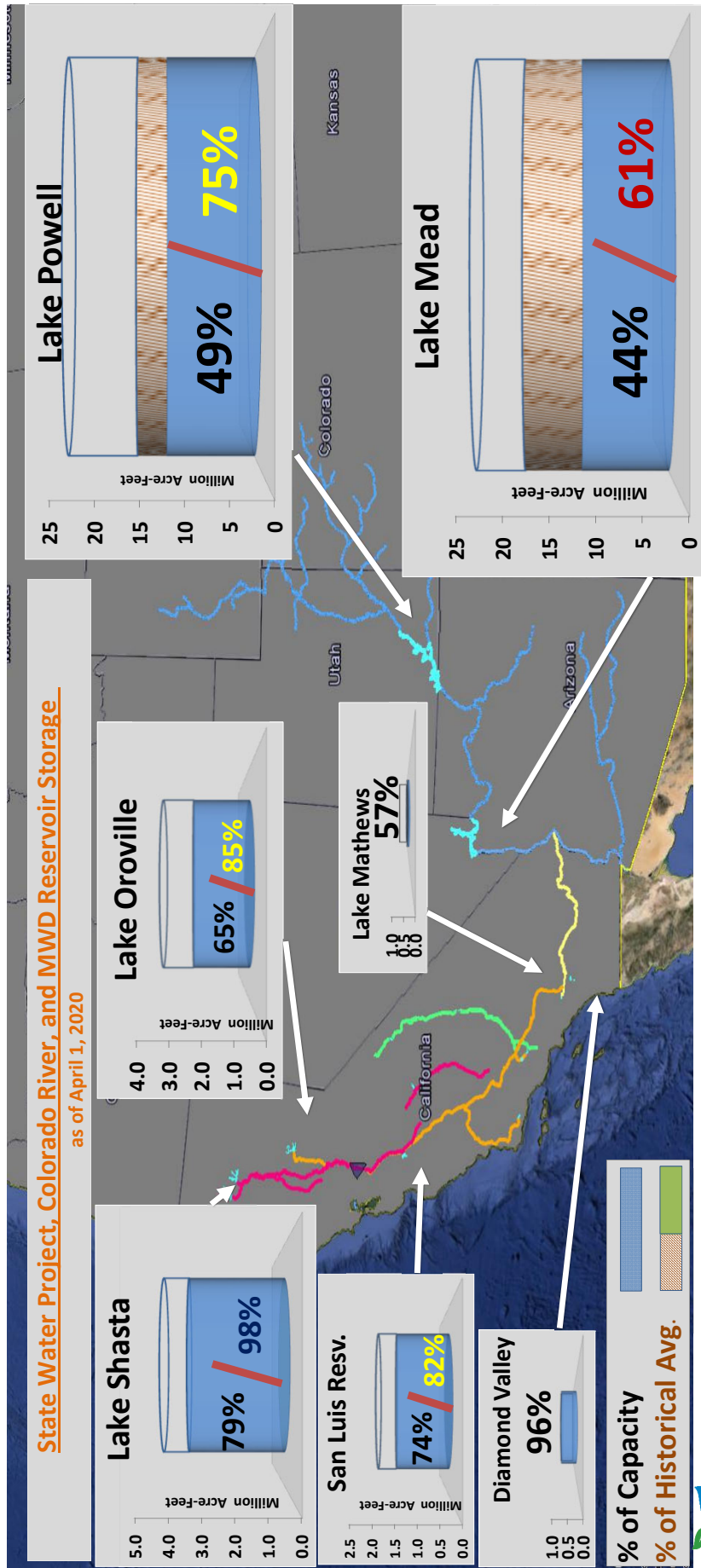
[1] Sum of Imported water for consumptive use (includes "In-Lieu" deliveries; excludes "Direct Replenishment" and "Barrier Replenishment") and Local water for consumptive use (includes recycled and non-potable water and excludes GWRS production) Recent months numbers include some estimation.

Accumulated Precipitation for the Oct.-Sep. water year, late March 2020



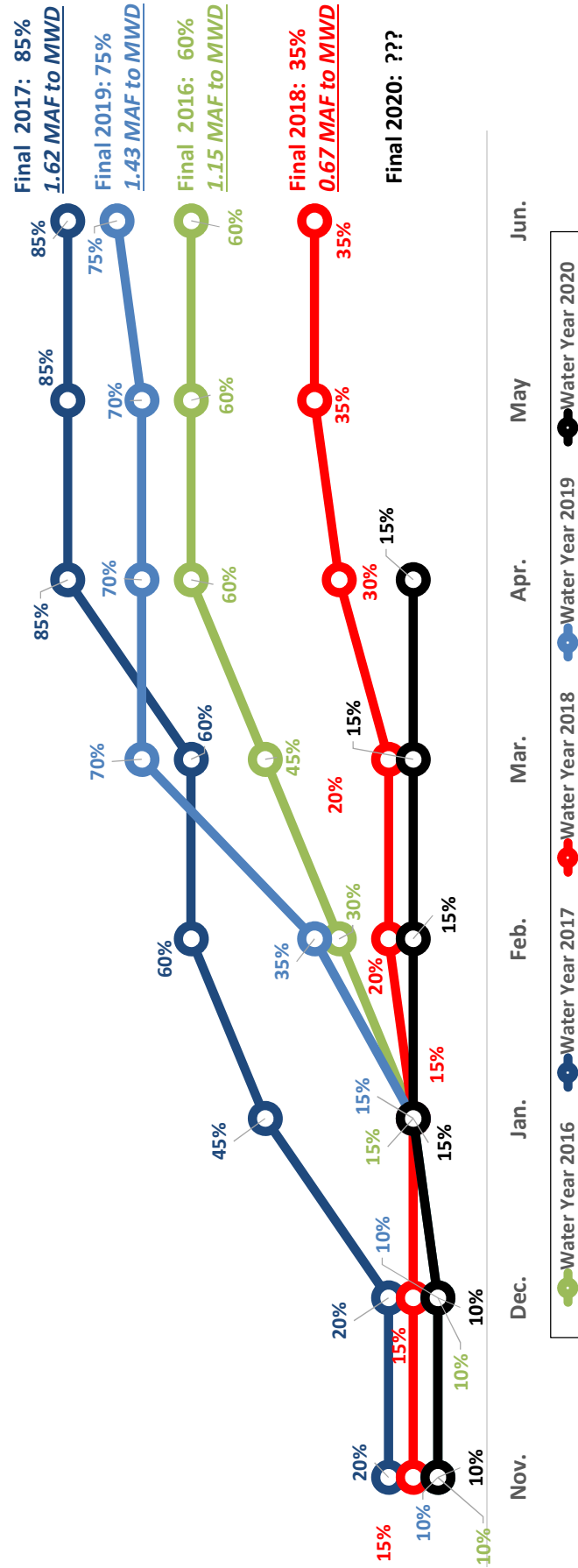
* The date of maximum snowpack accumulation (April 1st in Northern Calif. , April 15th in the Upper Colorado Basin) is used for year to year comparison.

State Water Project, Colorado River, and MWD Reservoir Storage as of April 1, 2020

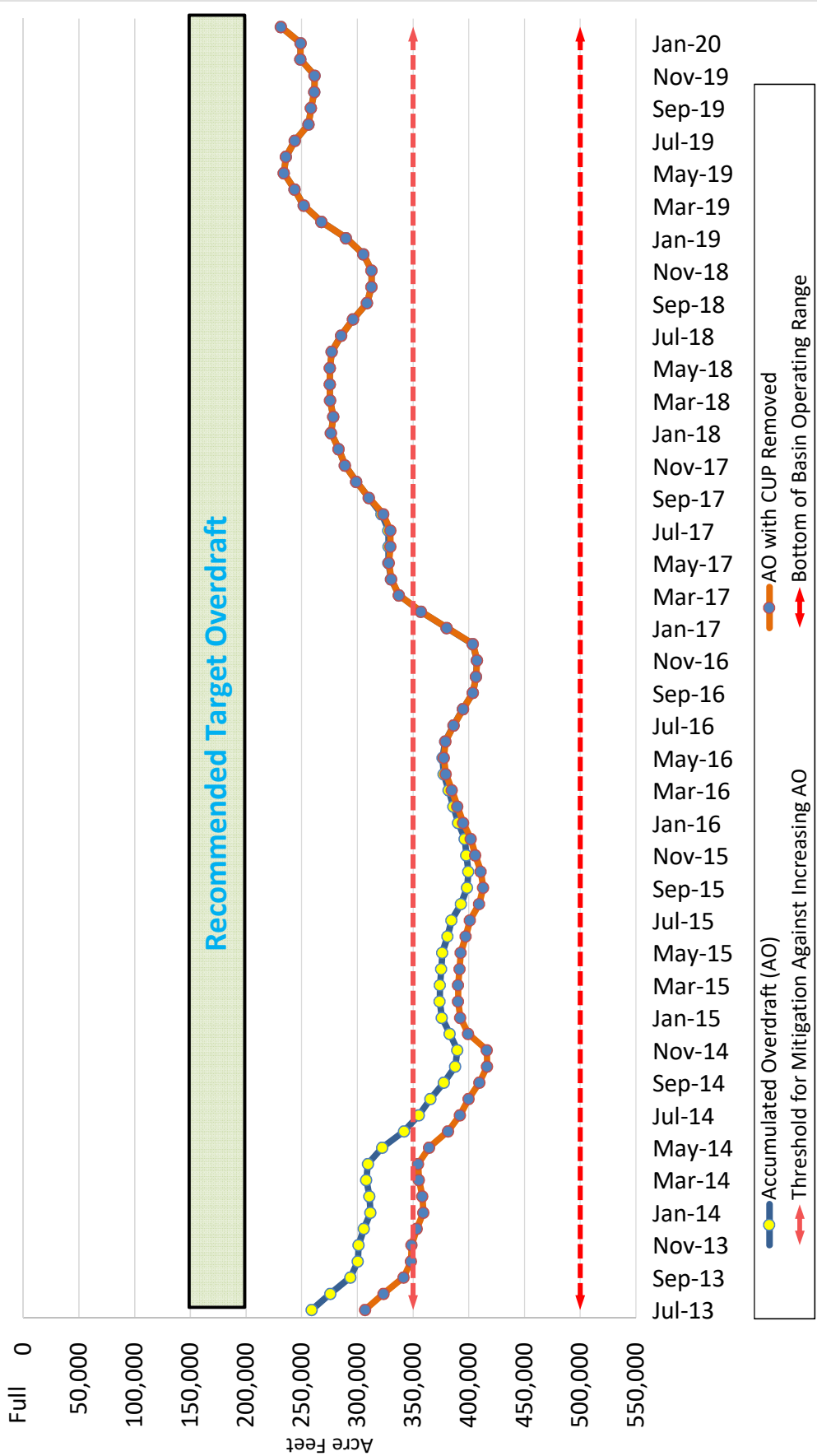


SWP TABLE A ALLOCATION

FOR STATE WATER PROJECT CONTRACTORS



Accumulated Overdraft of the OCWD Groundwater Basin as of February 2020



AO (AF)	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
AO w/CUP removed (AF)	285,494	296,106	308,748	312,758	312,782	305,367	289,860	267,879	251,876	243,604	234,048	236,005
AO (AF)	285,494	296,106	308,748	312,758	312,782	305,367	289,860	267,879	251,876	243,604	234,048	236,005
AO w/CUP removed (AF)	244,057	256,239	258,445	261,464	261,645	248,909	249,051	231,354				
AO (AF)	244,057	256,239	258,446	261,464	261,645	248,909	249,051	231,354				

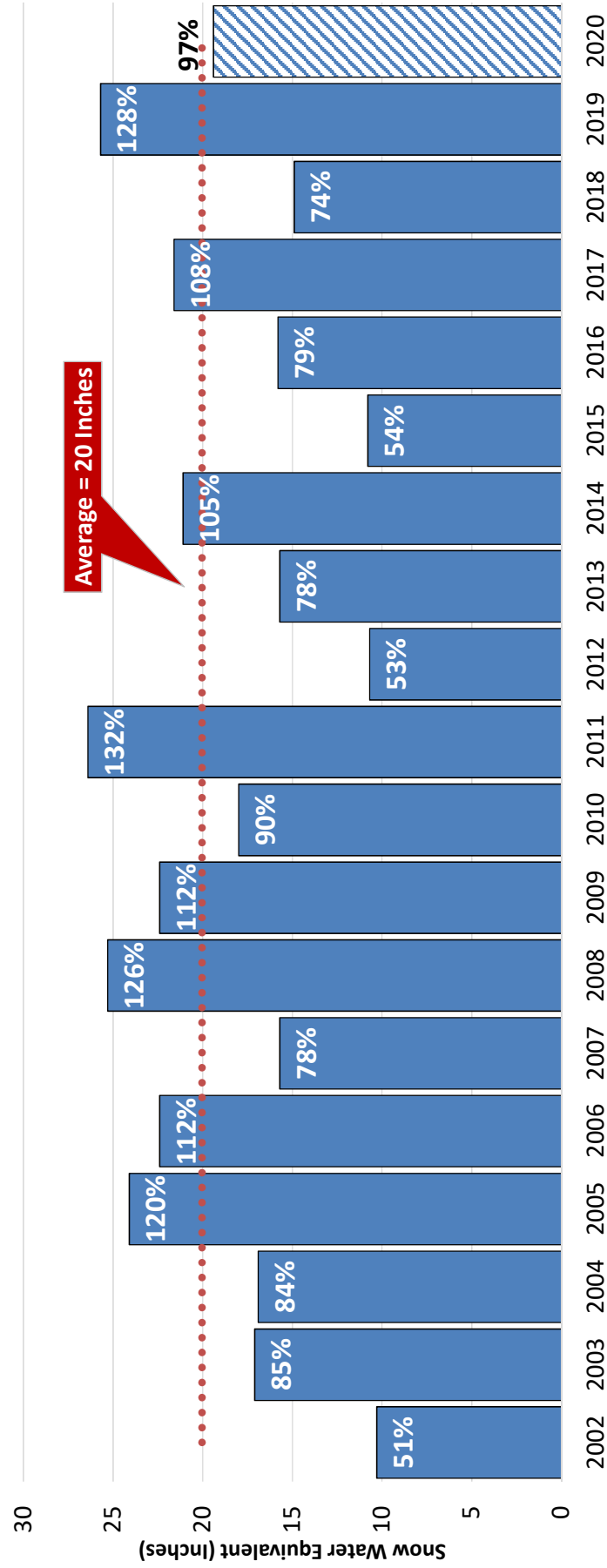
* Source ~ OCWD Monthly Board of Directors Packet



Historical Northern California April 1st Peak Snow Water Equivalent



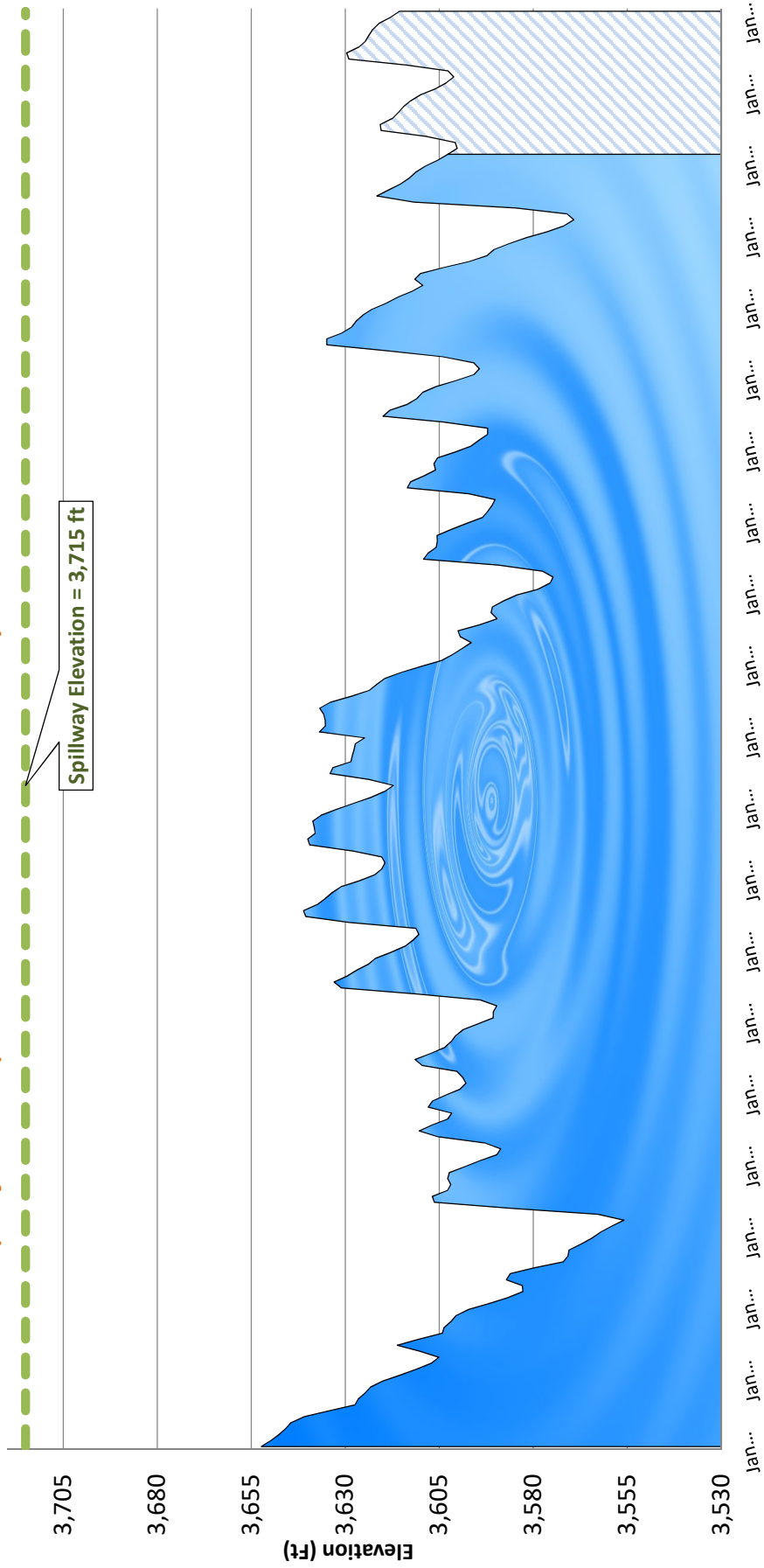
Historical Colorado Basin April 15th Peak Snow Water Equivalent





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

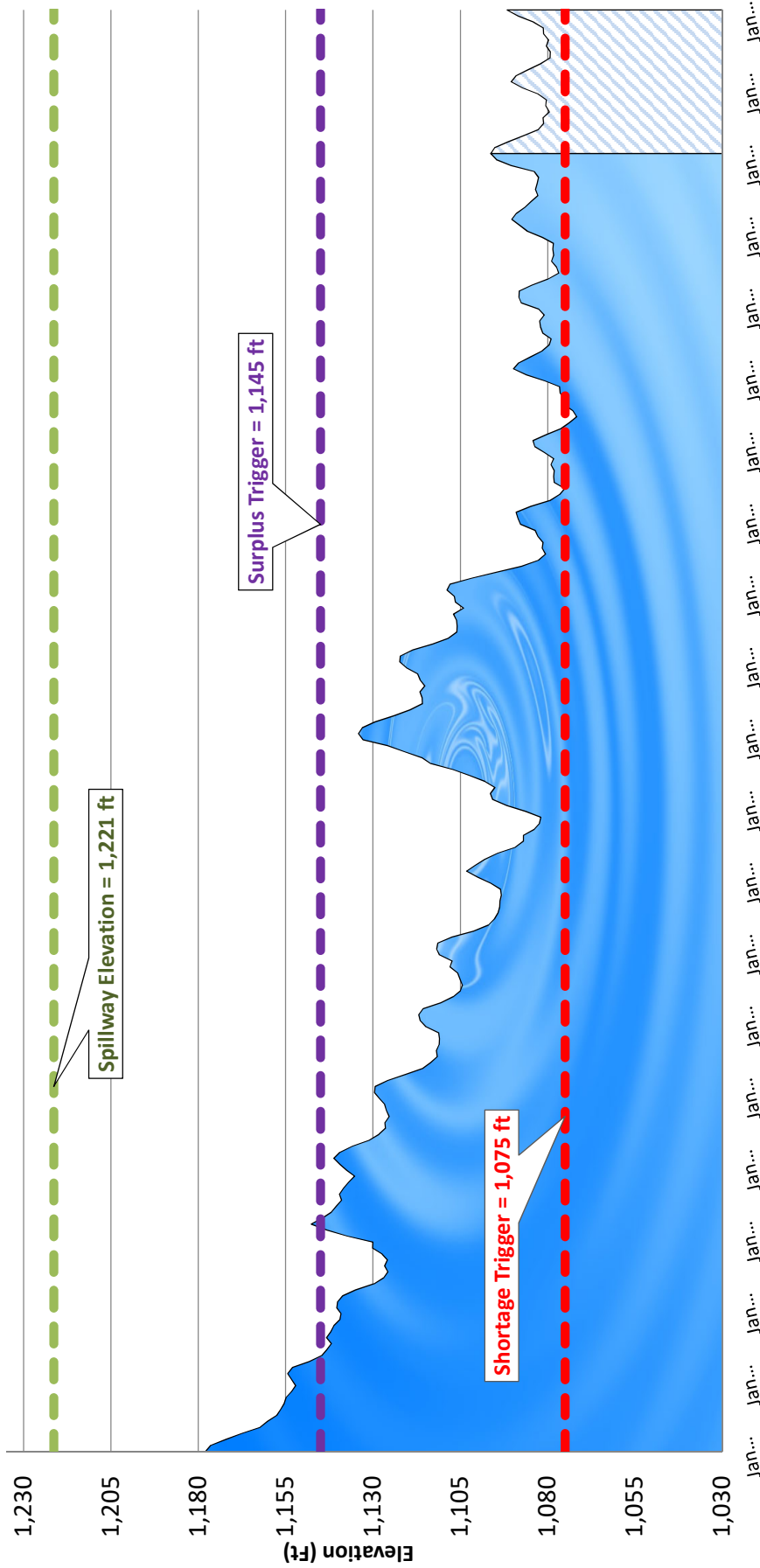
■ Historical □ Projected





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

■ Historical □ Projected





Lake Mead Historical Water Elevation Level

Intake Tower

Hoover Dam

Historic Peak July 1983 @ 1,225 Feet

Shortage Trigger 1,075 Feet

Historical Low (Since Filled) June 2016 @ 1,071 Feet

Dead Pool 895 Feet

